

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (FSMA), who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, the distribution of this document into jurisdictions other than the UK may be restricted by law and such documentation should not be mailed, distributed, forwarded to or transmitted in or into the United States, Australia, New Zealand, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in the Firm Placing Shares will commence on 4 July 2017. It is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence on 17 July 2017. The Placing Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

Inspired Energy PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 07639760)

Acquisition of Horizon Energy Group Limited, Firm Placing of 24,241,920 new Ordinary Shares and Conditional Placing of 37,827,046 new Ordinary Shares at 14.5 pence per share

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on page 9 of this document and which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting, to be held at the offices of Gateley Plc, Ship Canal House, 98 King St, Manchester M2 4WU on 17 July 2017 at 10.00 a.m., is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 10.00 a.m. on 13 July. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

If you have any questions relating to return of the Form of Proxy, please telephone Inspired Energy PLC's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, on +44 (0) 371 384 2030 from within the UK, If you are outside the UK please call +44 (0) 121 415 7047, calls will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. Monday to Friday, excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Acquisition and Placing nor give any financial, legal or tax advice.

The Directors, whose names and details are set out on page 9 of this document, accept responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. A copy of this document is available at the Company's website.

Shore Capital and Corporate Limited ("**SCC**"), which is authorised and regulated by the FCA, is acting as nominated adviser to the Company for the purposes of the AIM Rules. Shore Capital Stockbrokers Limited ("**SCS**"), which is a member of the London Stock Exchange and is authorised and regulated by the FCA, is acting as joint broker to the Company in the United Kingdom for the purposes of the AIM Rules. Persons receiving this document should note that SCC and SCS are acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to customers of SCC and SCS or for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by SCC or SCS as to any of the contents of this document in connection with the Acquisition and Placing, or otherwise.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is a member of the London Stock Exchange and is authorised and regulated by the FCA, is acting as joint broker to the Company in the United Kingdom for the purposes of the AIM Rules. Persons receiving this document should note that Panmure Gordon is acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to customers of Panmure Gordon or for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by Panmure Gordon as to any of the contents of this document in connection with the Acquisition and Placing, or otherwise.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Enlarged Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Enlarged Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events, and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Enlarged Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Basis on which information is presented

In this document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

In this document, references to "Euro" and "€", are to the lawful currency of The Republic of Ireland.

References to defined terms

Certain terms used in this document are defined and explained in the section of this document headed "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

CONTENTS

	Page
Definitions	4
Glossary of technical terms	7
Expected timetable of principal events	8
Statistics relating to the Acquisition and Placing	8
Letter from the Chairman	9
Notice of General Meeting	17

Definitions

“Acquisition”	the proposed acquisition by Inspired of 90 per cent. of the issued share capital of Horizon Energy Group Limited pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the conditional agreement dated 29 June 2017 between (1) the Vendors and (2) Inspired;
“Act”	the Companies Act 2006;
“Admission”	First Admission and/or Second Admission, as the context requires;
“AIM”	the AIM Market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“Ballyfouloo”	Ballyfouloo Limited, a company incorporated under the laws of Ireland, registration number IE531647;
“Bank” or “Santander”	Santander UK plc;
“Banking Facilities”	the new banking facilities entered into between Santander and Inspired, further described in paragraph 7;
“Brokers”	Shore Capital and Panmure Gordon;
“Business Day”	a day between Monday and Friday, inclusive, on which clearing banks are open in the City of London;
“Company” or “Inspired”	Inspired Energy PLC, a company incorporated and registered in England and Wales with registered number 07639760;
“Conditional Placing”	the placing of the Conditional Placing Shares pursuant to the Placing, conditional, <i>inter alia</i> , on the passing of Resolutions 2 and 3 at the GM;
“Conditional Placing Shares”	37,827,046 Placing Shares;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
“CREST Manual”	the CREST reference manual available from https://www.euroclear.com/site/public/EU/ ;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755);
“Directors” or “Board”	the directors of the Company whose names are set out on page 9 of this document, or any duly authorised committee thereof;
“Earn-out Consideration”	as defined in paragraph 6.2;
“Enlarged Group”	the Group as enlarged by the Acquisition;
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged by the Placing Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the 490,632,608 ordinary shares of 0.125 pence each in the capital of the Company in issue at the date of this document;

“FCA”	the UK Financial Conduct Authority;
“Firm Placing”	the placing of the Firm Placing Shares pursuant to the Placing;
“Firm Placing Shares”	24,241,920 Placing Shares;
“First Admission”	the admission of the Firm Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“Form of Proxy”	the form of proxy for use in connection with the General Meeting, which accompanies this document;
“FSMA”	the Financial Services and Markets Act 2000;
“GAAP”	Generally Accepted Accounting Principles;
“General Meeting” or “GM”	the general meeting of the Company to be held at Gateley Plc, Ship Canal House, 98 King St, Manchester M2 4WU on 17 July 2017 at 10.00 a.m, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries as at the date of this document;
“Horizon” or “HEG”	Horizon Energy Group Limited, a company incorporated under the laws of Ireland, registration number IE452021;
“IFRS”	International Financial Reporting Standards;
“Independent Directors”	Michael Fletcher, Janet Thornton, Paul Connor, Matthew Thornton, David Foreman and Richard Logan
“Initial Consideration”	the €9 million due on completion of the Acquisition;
“Ireland”	the Republic of Ireland;
“London Stock Exchange”	the London Stock Exchange plc;
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document;
“OGP”	the Office of Government Procurement of Ireland;
“Option Agreement”	the conditional agreement will be executed at completion of the Acquisition between (1) Colin Barry, (2) Ballyfouloo and (3) Inspired, further described in paragraph 6;
“Option Consideration”	the €1 million due on exercise of the Option Agreement;
“Ordinary Shares”	ordinary shares of 0.125 pence each in the capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;
“Panmure Gordon”	Panmure Gordon (UK) Limited, the Company’s joint broker for the purposes of the AIM Rules;
“Placing”	the Firm Placing and/or the Conditional Placing, as the context requires;
“Placing Agreement”	the conditional agreement dated 29 June 2017 and made between (1) SCC, (2) SCS, (3) Panmure Gordon, and (4) the Company in relation to the Placing, further details of which are set out in this document;
“Placing Price”	14.5 pence per Placing Share;

“Placing Shares”	the 62,068,966 new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing, consisting of the Firm Placing Shares and/or the Conditional Placing Shares, as the context requires;
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA;
“Registrars”	Equiniti Limited;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“SCC”	Shore Capital and Corporate Limited, the Company’s nominated adviser for the purposes of the AIM Rules;
“SCS”	Shore Capital Stockbrokers Limited, the Company’s joint broker for the purposes of the AIM Rules;
“Second Admission”	the admission of the Conditional Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“Shareholders”	holders of Existing Ordinary Shares;
“Shore Capital”	SCC and/or SCS, as the context requires;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“Vendors”	Ballyfouloo, Colin Barry, Ewen Barry, Mark Dickinson and John O’Driscoll.

Note: Any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension of it. Words importing the singular include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.

Glossary of technical terms

“EBITDA”	earnings before interest, taxation, depreciation and amortisation;
“FY”	financial year to 31 December;
“GBP”	Great British pound sterling;
“RCF”	revolving credit facility; and
“SME”	small and medium sized enterprises.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2017

Announcement of the Placing and publication of this document	29 June
First Admission and commencement of dealings in the Firm Placing Shares	4 July
CREST accounts credited in respect of the Firm Placing Shares	4 July
Dispatch of share certificates in respect of the Firm Placing Shares (if applicable)	By 11 July
Latest time and date for receipt of Forms of Proxy for the General Meeting	By 10.00 a.m. on 13 July
General Meeting	10.00 a.m. on 17 July
Completion of the Acquisition	17 July
Second Admission, completion of the Placing and commencement of dealings in the Conditional Placing Shares	18 July
CREST accounts credited in respect of the Conditional Placing Shares	18 July
Dispatch of share certificates in respect of the Conditional Placing Shares (if applicable)	By 25 July

STATISTICS RELATING TO THE ACQUISITION AND PLACING

Number of Existing Ordinary Shares	490,632,608
Firm Placing Shares	24,241,920
Issued share capital of the Company on First Admission	514,874,528
Conditional Placing Shares	37,827,046
Enlarged Share Capital on Second Admission	552,701,574
Placing Price	14.5p
Placing Shares expressed as a percentage of the Enlarged Share Capital on Second Admission	11.2%
Gross proceeds of the Placing receivable by the Company consisting of:	£9.0 million
Gross proceeds of the Firm Placing receivable by the Company	c.£3.5 million
Gross proceeds of the Conditional Placing receivable by the Company	c.£5.5 million
Market capitalisation of the Company at the Placing Price on Second Admission	£80.1 million

LETTER FROM THE CHAIRMAN

Inspired Energy PLC



(Incorporated in England and Wales under the Companies Act 2006 with registered number 07639760)

Directors:		Registered office:
Michael Fletcher	Non-Executive Chairman	29 Progress Business Park
Janet Thornton	Managing Director	Orders Lane
Paul Connor	Finance Director	Kirkham
Matthew Thornton	Sales Director	Lancashire
Mark Dickinson	Chief Operating Officer	PR4 2TZ
David Foreman	Corporate Development Director	
Richard Logan	Non-Executive Director	

29 June 2017

Dear Shareholder,

Acquisition of Horizon Energy Group Limited, Firm Placing of 24,241,920 new Ordinary Shares and Conditional Placing of 37,827,046 new Ordinary Shares at 14.5 pence per share and Notice of General Meeting

1. Introduction

The Company today announced that it has entered into an agreement with the Vendors to acquire a 90 per cent. interest in the issued share capital of Horizon for €9 million in cash, on a debt free cash free basis. Pursuant to the Option Agreement, further described in paragraph 6 below, Inspired may acquire, or certain Vendors may sell, the outstanding balance of 10 per cent. of the issued share capital of Horizon for payment of a further €1.0 million in cash. Further deferred consideration of up to €5.0 million may become payable in cash, subject to the achievement of certain financial performance targets for the periods ending 31 December 2017 and 31 December 2018. Mark Dickinson, the Chief Operating Officer of Inspired, is currently a Non-executive Director of Horizon and has a beneficial interest in a 4.5 per cent shareholding in Horizon.

In addition, the Company is proposing to raise an aggregate of £9.0 million (before expenses) through a placing of 62,068,966 Placing Shares at the Placing Price. 24,241,920 of the Placing Shares are being placed pursuant to existing authorities granted to the Directors at the Company's annual general meeting held on 20 June 2017 and the balance of 37,827,046 Placing Shares are being placed conditional, *inter alia*, on the passing of the Resolutions being proposed at the GM. The Firm Placing is conditional, *inter alia*, on First Admission (which is expected to become effective with dealings in the Firm Placing Shares to commence on 4 July 2017); and the Conditional Placing is conditional, *inter alia*, on Second Admission (which is expected to become effective with dealings in the Conditional Placing Shares to commence on 18 July 2017). Completion of the Acquisition is conditional upon the passing of the Resolution numbered 1 by Shareholders at the General Meeting. The Placing has not been underwritten.

Following the issue of the Placing Shares, the Board expects the Acquisition to be earnings enhancing in FY 2017 and significantly earnings enhancing in FY 2018. Further details of the terms of the Acquisition and the Placing are set out below under the headings "Principal terms of the Acquisition" and "Details of the Placing and the use of proceeds".

The main purpose of this document is to set out the reasons for and details of the Acquisition, the transaction with a Director and the Placing, to explain why the Independent Directors consider that they are in the best interests of the Company and its Shareholders as a whole, and to recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. Information on Inspired

Inspired was established in 2000 and provides expert consultancy on the negotiation of energy contracts, offering a range of services to its clients through the life of each contract including market analysis, bureau services and management services with the primary aim of reducing costs for its clients. Inspired's core focus is undertaking reviews into large industrial and commercial clients' energy needs and devising tailored energy purchasing strategies with reference to energy purchasing goals and risk appetite.

The Company is organised into two divisions, being the Corporate division and the SME division. The Corporate division currently comprises of seven subsidiaries and provides review, analysis and negotiation of gas and electricity contracts on behalf of corporate clients. Additional services provided include energy review, benchmarking, negotiation and bill validation. The Corporate division benefits from a trading team, who actively focus on high-volume customers, providing more complex, long-term energy frameworks based on agreed risk management strategies. In FY 2016, the Corporate division generated revenues of £16.3 million and EBITDA of £7.6 million.

The SME sector comprises the operations of EnergiSave Online Limited, KWH Consulting Limited and Simply Business Energy Limited. Within the SME division, the Group's energy consultants contact prospective SME clients to offer reduced tariffs and contracts based on the unique situation of the customer. Leads are generated and managed by the Group's internally generated, bespoke CRM and case management IT system. Tariffs are offered from a range of suppliers and the Group is actively working with new suppliers to increase the range of products available to SME clients. In FY 2016, the SME division generated revenues of £5.2 million and EBITDA of £1.8 million.

2.1. Strategy

The Board has an established acquisition strategy in place and has, since admission to trading on AIM in 2011, successfully executed eight acquisitions. The Board requires any target business to fulfil one or more of the following criteria:

- additional technical and/or service capability;
- sector specialism and diversification; or
- increased geographic footprint.

The Board will continue to seek acquisition opportunities which fit with the Group's strategy in order to augment the Group's services, products or markets.

2.2. Current trading and prospects

Inspired continues to trade in line with market expectations. The integration of both Flexible Energy Management Limited and Churchcom Limited, which the Group acquired in April 2017, is progressing smoothly and the companies are performing in line with the Board's expectations.

The Company's Procurement Corporate Order Book had grown to £31.5m ("**Order Book**"), as at 31 May 2017. The Order Book remains a consistent guide to future performance of the Group and provides strong visibility of revenues for the next three years.

3. Information on Horizon

3.1. Overview

Horizon is a corporate energy procurement business based in Cork Airport Business Park, Ireland and was originally established as Utility Brokers by Colin Barry in 2007. The company currently has 34 employees. Horizon acts on behalf of its clients, which comprise a range of customers including large Corporates, Public Sector bodies and SMEs, to both research and procure better energy deals with contracts usually established for 24 to 36 months. For small and medium-sized clients, Horizon provides its "Energy Buddi" monitoring systems with larger industrial users also benefitting from Horizon's energy trading desk providing access to real time information on power prices.

Horizon generates the majority of its revenues through commissions charged, to the suppliers, on energy consumption by Horizon's customers with the energy supplier ("**Commission Revenues**"). Horizon has contracts with key energy suppliers in Ireland such as SSE Airtricity, Energia and Electric Ireland. The level of commission is agreed at the outset of any contract.

In January 2016 Horizon secured a contract with the OGP to manage public sector electricity procurement. The OGP pays HEG a quarterly management charge for a range of services including re-tendering support for all government electricity procurement. This is performed in batches such as "schools", "hospitals" and "care homes" as and when the existing contracts are up for renewal. Horizon receives an additional payment per meter where HEG secures a better tariff. As a consequence of this contract, Horizon has a market position within the public sector and contract with OGP is due for renewal in January 2019.

In FY 2016, Commission Revenues represented 92 per cent. of HEG's total revenue, fees generated under the OGP contract represented 6 per cent. of HEG's revenues and the balance of HEG's revenues (2 per cent.) was generated by ancillary services.

3.2. Areas of expertise

Horizon provides the following services:

- Energy procurement
- Green energy
- Energy audits
- Energy monitoring
- Carbon reporting
- Funded LED Lighting
- Trading and price risk management
- Energy Buddi
- Market intelligence
- Invoice and tariff validation
- Market tracker

3.3. Energy market for TPIs in Ireland

The energy market in Ireland operates in a similar way to the market in the UK. Gas and electricity prices tend to be linked to the market prices in the UK. Consumers are free to choose from one of the energy suppliers registered to supply the market.

HEG provide services to non-domestic consumers in the small business, medium business and large energy user ("**LEU**") segments of the market. In 2016 there were approximately 2.24 million electricity customers in Ireland, of which c.200,000 related to non-domestic consumers. In gas, in 2016, there were approximately 680,000 gas customers of which c.26,000 related to the non-domestic market. The suppliers to both the non-domestic gas and electricity markets include: Bord Gáis Energy, Electric Ireland, Energia, SSE Airtricity and Vanyu.

Executive management team

Horizon's executive management will remain in place following completion of the Acquisition. The management team is comprised of the following:

Colin Barry – Managing Director

Colin founded Horizon in 2008 and is responsible for the overall direction of the business and ensuring close relationships with key clients and energy suppliers. Colin's key focuses are managing the sales growth across all channels, ensuring compliance across the business, and strategically managing the direction of the company. Colin will enter into a new service agreement in respect of his role as Managing Director.

Ewen Barry – Finance Director

Ewen is a former senior manager in transaction advisory services with EY prior to setting up his own practice focusing on SME high potential start-ups. Ewen has led the development of Horizon's CRM system and commission reconciliation & collection systems. He has overall responsibility for the finance function of the company.

Sandra Quinn - Corporate Services Director

Sandra joined Horizon in 2013 and has 15 years energy industry experience as the former Country Manager for Ireland with Schneider Electric Professional Services (formerly M&C Energy Group). Sandra manages the corporate offerings for industrial and commercial clients encompassing flexible procurement, trading, risk management and invoice and tariff validation as well as managing the Office of Government Procurement account (Irish Government).

4. Summary financial results of Horizon for FY 2016

Set out below are extracts from Horizon's unaudited financial statements which we prepared under Irish GAAP.

<i>Profit and Loss</i>			<i>Balance Sheet</i>		
€'000	FY 2016	FY 2015	€'000	FY 2016	FY 2015
Revenue	3,921	2,028	Gross assets	2,255	931
EBITDA	1,699	(480)	Net assets	1,197	(206)
Profit after tax	1,402	(566)			
<i>EBITDA margin</i>	<i>43%</i>	<i>(24)%</i>			

As at 23 March 2017, HEG's order book in respect of Commission Revenues stood at c.€12.5 million with new customers to HEG representing c.€6.7 million and c.€5.8 million through existing customers renewing their energy supply contracts. 67 per cent. of the order book is set to expire by the end of FY 2018 with 93 per cent. set to expire by the end of FY 2019.

5. Background to and reasons for the Acquisition

The Acquisition of Horizon will be consistent with Inspired's stated strategy of generating growth organically or through acquisition. The Board believes the Acquisition will have a number of positive benefits for the Enlarged Group:

5.1. Opportunity for further value creation

- Horizon will be able to leverage the platform and capabilities of the Enlarged Group to extend and consolidate its market-leading position in Ireland;
- There will be cross-selling opportunities as Horizon's sales team will be able to offer its customers the access to the additional capabilities and services of the Enlarged Group; and
- Ireland's energy procurement sector is relatively underdeveloped compared to the UK providing a significant opportunity for further growth, leveraging the Enlarged Group's experience of growth in the UK market.

5.2. Operational efficiencies

- The Enlarged Group stands to benefit from the opportunity to leverage off the lower cost Irish sales team to sell into the UK;
- Economies of scale may be generated through the dilution of central costs; and
- Synergies will be generated through the alignment of internal IT systems, procedures and processes.

5.3. Diversification

- The expansion into Ireland will provide further geographic diversity; and
- A presence in Ireland, a member of the EU, may provide continued access to the EU market should Brexit negotiations fail to deliver a trade deal comparable to trade conditions today.

6. Principal terms of the Acquisition

6.1. Acquisition Agreement and Option Agreement

Under the terms of the Acquisition Agreement, Inspired has agreed to acquire, on completion of the Acquisition, 90 per cent. of the issued share capital of Horizon from the Vendors for an Initial Consideration of €9 million in cash on a debt free cash free basis, the balancing interest of 10 per cent. being subject to the Option Agreement described below. Completion of the Acquisition is conditional, amongst other things, upon the passing of Resolution 1 by Shareholders at the General Meeting.

The Option Agreement will consist of a put and call option between Inspired, Ballyfouloo and Colin Barry. Under the Acquisition Agreement, Ballyfouloo, a company wholly owned by Mr Barry, will retain a 10 per cent. beneficial

interest in HEG with Colin Barry retaining the legal title. The Option Agreement will be exercisable for a six month period following the first anniversary of completion of the Acquisition. Under the terms of the Option Agreement, Inspired may, by exercise of a call option, require Ballyfouloo and Colin Barry to sell the outstanding 10 per cent. interest and Ballyfouloo and Colin Barry may, under a put option, require Inspired to acquire the outstanding 10 per cent. interest. The purchase price for the outstanding 10 per cent. interest in HEG pursuant to the Option Agreement will be €1 million in cash (the “**Option Consideration**”).

The Acquisition Agreement contains warranties and indemnities in favour of Inspired customary for a transaction of this nature. The warranties relating to the Vendors' title to the shares being sold and their capacity to sell such shares were given on signing of the Acquisition Agreement and will be repeated prior to completion of the Acquisition (“**Completion**”), and Completion is conditional on such warranties not having been breached. The remaining warranties relating to the business of HEG were also given on signing of the Acquisition Agreement and will be repeated prior to Completion.

Colin Barry, John O’Driscoll and Ewen Barry will each give customary covenants in the Acquisition Agreement restricting, for a period of two years from completion of the Acquisition, them from undertaking employment or other activities which compete with the Company.

6.2. Earn out consideration

Under the Acquisition Agreement further contingent consideration of up to a maximum of €5.0 million, in cash, may be payable subject to the achievement of certain performance criteria (“**Earn-out Consideration**”). Payment of the Earn-out Consideration is based upon the financial performance of HEG for FY 2017 and FY 2018.

To the extent that HEG generates an EBITDA that is equal to or more than €2,200,000 in FY 2017 (“**FY 2017 Base Threshold**”), Inspired will pay the Vendors a further €1,250,000. Inspired shall pay a further €1 for every €1.25 by which HEG’s EBITDA exceeds the FY 2017 Base Threshold capped at €750,000. The Earn-out Consideration, in respect of FY 2017, will be payable prior to 31 March 2018.

To the extent that HEG generates an EBITDA that is equal to or more than €2,450,000 in FY 2018 (“**FY 2018 Base Threshold**”), Inspired will pay the Vendors a further €1,250,000. Inspired shall pay a further €1 for every €2 by which HEG’s EBITDA exceeds the FY 2018 Base Threshold capped at €750,000. In addition, Inspired shall pay the Vendors a further €1 for every €1 by which HEG’s contracted order book, as at 31 December 2018, exceeds €14.5 million capped at €1,000,000. The Earn-out Consideration, in respect of FY 2018, will be payable prior to 31 March 2019.

Mark Dickinson will receive a *pro rata* share of the Initial Consideration and any Earn-out Consideration due and payable.

7. Banking facilities

In order to fund the cash component of the Initial Consideration and to provide additional financial flexibility for the Group, Inspired has entered into New Banking Facilities with Santander. Santander will provide the following facilities comprising of £29.6 million and €7 million split as follows:

	Currency	Term	Facility provided (million)	Nature of facility
Facility A	GBP	5 years	£6.3	Amortising term loan
Facility C	GBP	5.5 years	£8.3	Bullet term loan
Facility D	GBP	5 years	£2.5	Revolving credit facility
Facility E	GBP	From 30 months to 5 years following completion of the Acquisition	£12.5	Acquisition facility
Total			£29.6	
Facility B	Euro	5 years	€7.0	Amortising term loan

Facilities A, B and C will be drawn down immediately prior to completion of the Acquisition, with facilities D and E remaining undrawn. The New Banking Facilities have covenants that will be tested on a quarterly basis relating to interest cover, debt to EBITDA and debt service cover.

8. Details of the Placing and use of proceeds

The Placing will raise, in aggregate, £9.0 million (before commissions and expenses) through the conditional placing of the Placing Shares at a price of 14.5 pence per share with institutional and other investors.

The Firm Placing Shares are being placed pursuant to existing authorities granted to the Directors at the Company's annual general meeting held on 20 June 2017 while the Conditional Placing Shares are being placed conditional, *inter alia*, on the passing of the certain of the Resolutions at the GM.

The Placing Shares, when issued, will represent approximately 11.2 per cent. of the Enlarged Share Capital immediately following Second Admission. The Placing Shares will rank in full for all dividends with a record date on or after the date of Admission and otherwise equally with the Ordinary Shares in issue from the date of Admission.

The Firm Placing (which is not being underwritten) is conditional, *inter alia*, upon:

- (a) the Placing Agreement becoming unconditional in all respects as regards the Firm Placing (save for First Admission occurring) and not having been terminated in accordance with its terms prior to First Admission; and
- (b) Admission of the Firm Placing Shares becoming effective on or before 8.00 a.m. on 4 July 2017 or such later date as the Company, Shore Capital and Panmure Gordon may agree, being no later than 8.00 a.m. on 10 July 2017.

The Conditional Placing (which is not being underwritten) is conditional, *inter alia*, upon:

- (a) the Placing Agreement becoming unconditional in all respects as regards the Conditional Placing (save for Second Admission occurring) and not having been terminated in accordance with its terms prior to Second Admission;
- (b) Resolutions 2 and 3 set out in the Notice of General Meeting forming part of this document being approved by the Shareholders; and
- (c) Admission of the Conditional Placing Shares becoming effective on or before 8.00 a.m. on 18 July 2017 or such later date as the Company, Shore Capital and Panmure Gordon may agree, being no later than 8.00 a.m. on 31 July 2017.

8.1. The Placing Agreement

Pursuant to the terms of the Placing Agreement, the Brokers have conditionally agreed to use their reasonable endeavours, as agents for the Company, to procure subscribers for the Placing Shares at the Placing Price with certain institutional and other investors.

The Placing Agreement contains warranties from the Company in favour of the Brokers in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Shore Capital and Panmure Gordon in relation to certain liabilities they may incur in respect of the Placing. The Brokers have the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given in the Placing Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing Agreement, the occurrence of a *force majeure* event which in the Brokers' opinion may be material and adverse to the Company or the Placing, or a material adverse change affecting the financial position or business or prospects of the Company.

8.2. Settlement and dealings

Application will be made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in the Firm Placing Shares will commence on 4 July 2017.

Application will be made to the London Stock Exchange for the Conditional Placing Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence on 18 July 2017, subject to the passing of the Resolutions 2 and 3 at the GM.

The Placing Shares being issued pursuant to the Placing will, on Admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the issued Ordinary Shares.

8.3. Use of proceeds

The Company intends to use the net proceeds of the Firm Placing for the Company's funding requirements with respect to the Initial Consideration in relation to the Acquisition. The Company may use the net proceeds of the

Conditional Placing to either partly satisfy the Initial Consideration or to de-lever the business in advance of the identification of appropriate acquisition opportunities.

9. Substantial property transaction under the Act

Sections 190 and 191 of the Act require that any substantial property transaction with a director of the Company must be approved in advance by shareholders at a general meeting of the Company. A substantial property transaction is defined, *inter alia*, as one that is in excess of £100,000.

Mark Dickinson, Chief Operating Officer of Inspired, has a beneficial interest in a 4.5 per cent. shareholding in Horizon and is a director of Horizon. He will receive a *pro rata* share of the Initial Consideration and any Earn-out Consideration due and payable as a result of the Acquisition. The Initial Consideration that Mark Dickinson is due to receive is c.€405,000.

The Resolution numbered 1 is an ordinary resolution that therefore seeks shareholder approval for Mark Dickinson to receive his *pro rata* share of the Initial Consideration and any Earn-out Consideration due and payable as a result of the Acquisition.

10. Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions from the Independent Directors and certain Shareholders who hold, or are interested in, an aggregate of 296,425,252 Existing Ordinary Shares, representing approximately 60.4 per cent. of the Company's current issued share capital.

11. General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Gateley Plc, Ship Canal House, 98 King St, Manchester M2 4WU at 10.00 a.m. on 17 July 2017, at which the Resolutions will be proposed as ordinary or special resolutions as summarised below:

Ordinary Resolutions

1. THAT, for the purposes of section 190 of the Act, the substantial property transaction (within the meaning of section 190 of the Act) to be made between Mark Dickinson (as one of the Vendors) and the Company pursuant to which Mark Dickinson, a director of the Company, who has a beneficial interest in a 4.5 per cent. shareholding in Horizon, will receive a *pro rata* share of the Initial Consideration and any Earn-out Consideration due and payable as a result of the Acquisition, be approved;
2. THAT, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) in connection with the Conditional Placing up to an aggregate nominal value of £47,283.81,

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier); and

Special Resolution

3. THAT, if resolution 2 above is passed, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 2 as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities in connection with the Conditional Placing up to an aggregate nominal amount of £47,283.81, representing approximately 6.8 per cent. of the Enlarged Share Capital of the Company,

such authority to expire at the end of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier);

Ordinary Resolution

4. THAT, subject to and conditional upon the passing of resolution 3 above and Second Admission occurring, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act:

- a. to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) up to an aggregate nominal value of £227,989.40 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company); and further
- b. to allot equity securities up to an aggregate nominal value of £455,978.80 (such amount to be reduced by the nominal value of any relevant securities allotted pursuant to the authority in paragraph 4a. above) in connection with a rights issue or similar offer in favour of ordinary shareholders,

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier); and

Special Resolution

5. THAT, if resolution 4 above is passed and Second Admission occurs, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 4 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:
 - a. the allotment of equity securities or sale of treasury shares in connection with a rights issue or similar offer in favour of ordinary shareholders; and
 - b. the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 5a. above) up to an aggregate nominal amount of £34,543.85, representing approximately 5 per cent. of the Enlarged Share Capital on Second Admission of the Company,

such authority to expire at the end of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier).

12. Action to be taken

The Form of Proxy for use at the General Meeting by Shareholders holding Existing Ordinary Shares in certificated form accompanies this document. Whether or not you intend to be present at the meeting, the Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 13 July 2017. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the Notice of General Meeting and described in the CREST Manual. **The completion and return of a Form of Proxy or appointment of a proxy via CREST will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.**

13. Recommendation

The Independent Directors consider the Acquisition and Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 88,318,195 Existing Ordinary Shares, representing approximately 18.0 per cent. of the current issued share capital of the Company.

Yours faithfully

Michael Fletcher

Non-Executive Chairman

Inspired Energy PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 07639760)

Notice of General Meeting

Notice is hereby given that a general meeting (**Meeting**) of Inspired Energy PLC (**Company**) will be held at the offices of Gateley Plc, Ship Canal House, 98 King St, Manchester M2 4WU on 17 July 2017 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions (**Resolutions**), of which resolutions 1, 2 and 4 will be proposed as ordinary resolutions and resolutions 3 and 5 will be proposed as a special resolutions:

In this notice words and defined terms shall have the same meanings as words and defined terms in the circular to the holders of Ordinary Shares dated 29 June 2017 to which this notice is attached.

Ordinary Resolutions

1. THAT, for the purposes of section 190 of the Act, the substantial property transaction (within the meaning of section 190 of the Act) to be made between Mark Dickinson (as one of the Vendors) and the Company pursuant to which Mark Dickinson, a director of the Company, who has a beneficial interest in a 4.5 per cent. shareholding in Horizon, will receive a *pro rata* share of the Initial Consideration and any Earn-out Consideration due and payable as a result of the Acquisition, be approved;
2. THAT, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) in connection with the Conditional Placing up to an aggregate nominal value of £47,283.81 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company),

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired; and

Special Resolution

3. THAT, if resolution 2 above is passed, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 2 as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to the allotment of equity securities in connection with the Conditional Placing up to an aggregate nominal amount of £47,283.81, representing approximately 6.8 per cent. of the Enlarged Share Capital of the Company,

such authority to expire at the end of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save if, prior to its expiry, the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority expires, and the Directors of the Company may allot equity securities under any such offer or agreement as if the authority had not expired;

Ordinary Resolution

4. THAT, subject to and conditional upon the passing of resolution 3 above and Second Admission occurring, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Act:
 - a. to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as relevant securities) up to an aggregate nominal value of £227,989.40 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company); and further
 - b. to allot equity securities up to an aggregate nominal value of £455,978.80 (such amount to be reduced by the nominal value of any relevant securities allotted pursuant to the authority in paragraph 4a. above) in connection with a rights issue or similar offer in favour of ordinary shareholders where the

equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory,

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired; and

Special Resolution

5. THAT, if resolution 4 above is passed and Second Admission occurs, the Directors of the Company be authorised to allot equity securities for cash under the authority given by that resolution 4 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:
- a. the allotment of equity securities or sale of treasury shares in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and
 - b. the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 5a. above) up to an aggregate nominal amount of £34,543.85, representing approximately 5 per cent. of the Enlarged Share Capital on Second Admission of the Company,

such authority to expire at the end of the next annual general meeting or on the date which is six months after the next accounting reference date of the Company (if earlier) save if, prior to its expiry, the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires, and the Directors of the Company may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

By order of the board

Michael Fletcher

Notes:

- (i) Voting will take place by means of a show of hands, unless a poll vote is demanded.
- (ii) A shareholder may appoint one or more proxies to exercise their voting rights at the General Meeting (“GM”), so long as each proxy is appointed to exercise voting rights attached to different shares. A proxy need not be a member of the Company.
- (iii) The Form of Proxy provided by post may be used to appoint a proxy to attend and vote at the meeting on behalf of a shareholder. Shareholders who have already registered their details at www.capitashareportal.com may choose instead to register their proxy appointment online. Full details on giving voting instructions are available at www.capitashareportal.com or on the Form of Proxy. A blank Form of Proxy can also be downloaded from our website at www.inspiredplc.co.uk. The postal address for receipt of completed Form of Proxy is Equiniti Limited, The Registry, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
- (iv) To be valid, an electronic proxy appointment, or a duly signed Form of Proxy, (together with any power of attorney or other authority under which it is signed, or a certified copy of the same, if applicable), must be received by the Registrars by 10.00 a.m. on 13 July 2017. The cut-off time for receipt of proxy appointments also applies to the amendment of proxy instructions. Any amended proxy appointment received after 10.00 a.m. on 13 July 2017 will be disregarded.
- (v) Appointing a proxy will not prevent you from attending the GM and voting in person. However, if you decide to do so, any proxy previously appointed by you will not also be able to attend, speak and vote on your behalf.
- (vi) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders listed in the register of members of the Company as at 6.30 p.m. on 13 July 2017 shall be entitled to attend and vote at the GM in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is the close of business on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (vii) In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (viii) Copies of directors’ service contracts and the letters of appointment of the non-executive directors will be available for inspection at the registered office of the Company, Inspired Energy PLC, 29 Progress Business Park, Orders Lane, Kirkham, Lancashire PR4 2TZ, during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the GM.
- (ix) As at the date of this Notice the Company’s issued share capital comprises 490,632,608 ordinary shares of 0.125p each. Each ordinary share carries one vote and therefore the total number of voting rights at 28 June 2017 was 490,632,608.