RNS Number : 6354J
Inspired PLC
21 May 2025

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FOR IMMEDIATE RELEASE

21 May 2025

Inspired PLC

("Inspired" or the "Company")

Publication of Response Document

The Board of Inspired today announces the publication by Inspired of a response document (the "**Response Document**") in respect of the offer document published by Regent Acquisitions 2025 Limited ("**Regent**") on 7 May 2025 relating to the unsolicited cash offer by Regent for the entire issued and to be issued share capital of Inspired not already owned by the Wider Regent Group.

Recommendation to Reject Regent's Offer

The Inspired Board, which has received financial advice from Evercore, unanimously recommends that Inspired Shareholders reject Regent's wholly inadequate offer and take no action in respect of their shares. Evercore is providing independent financial advice to the Inspired Directors under Rule 3 of the Code. In providing their views, Evercore has taken into account the commercial assessments of the Inspired Directors**.**

The Inspired Board believes that Regent's Offer fundamentally undervalues Inspired and its prospects. In particular, the Inspired Board believes:

1. **Inspired is well positioned with a clear strategy to create long-term value;**
2. **Regent's Offer is an attempt to take control without paying a proper premium;**
3. **the Offer Price is well below comparable benchmarks; and**
4. **Regent taking control of Inspired may not be in the best interests of other shareholders.**

As previously announced on 29 April 2025, the holders of over 49 per cent. of Inspired's shares have indicated that they have no current intention to accept Regent's Offer.

In addition, the Inspired Board is in detailed discussions with a third party regarding a possible offer for Inspired at a price above Regent's Offer.

In accordance with Rule 2.6(e) of the Code, the Potential Competing Offeror is required, by not later than 5.00 p.m. on 29 June (being the 53rd day following the posting of Regent's Offer Document), either (i) to announce a firm intention to make an offer for Inspired in accordance with Rule 2.7 of the Code, or (ii) to confirm to Inspired that it does not intend to make an offer, in which case Inspired will promptly announce that fact and the Potential Competing Offeror will be treated as if it had made a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeover and Mergers.

The Response Document is published in accordance with Rule 25.1(a) of the City Code on Takeovers and Mergers and will today be posted or otherwise made available to Inspired shareholders and persons with information rights.

Certain important sections of the Response Document, including the letter from the Chairman of Inspired and details of Current Trading and certain statements of Inspired that constitute profit forecasts under the Code are set out in the Appendix to this announcement.

Capitalised terms used but not defined in this announcement have the meanings given to them in the Response Document.

Enquiries:

Inspired PLC	Tel: +44 (0)1772 689 250
Mark Dickinson, CEO	
Paul Connor, CFO	
Evercore (Financial Adviser to Inspired)	Tel: +44 (0)20 7653 6000
Ed Banks	
Dimi Georgiou	
Wladimir Wallaert	
Shore Capital (Nomad and Joint Broker)	Tel: +44 (0)20 7408 4090
Patrick Castle	
James Thomas	
Sophie Collins	
Panmure Liberum (Joint Broker)	Tel: +44 (0)20 3100 2000
Edward Mansfield	
Satbir Kler	
Joshua Borlant	
Alma Strategic Communications	+44 (0) 20 3405 0205

Justine James +44 (0) 7525 324431
Hannah Campbell inspired@almastrategic.com
Will Ellis Hancock

Important Notices

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Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at https://inspiredplc.co.uk/investors/ by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Disclosure requirements of the Code

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

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

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover 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.

Rule 2.9 information

In accordance with Rule 2.9 of the Code, the Company confirms that, as at close of business on 28 April 2025, its issued share capital consisted of 159,649,070 ordinary shares of £0.0125 each, which carry voting rights of one vote per share. The ISIN reference number for these shares is GB00BR2Q0V58. The Company does not hold any shares in treasury.

Additional information

This announcement is not intended to, and does not, constitute an offer to sell, or the solicitation of an offer to subscribe to buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

APPENDIX

LETTER FROM THE CHAIRMAN OF THE COMPANY

Inspired PLC

(a company incorporated in England and Wales with registered number 07639760)

Directors	*Registered Office*
Richard Logan *(Non-Executive Chairman)*	Calder House
Mark Dickinson *(Chief Executive Officer)*	St Georges Park
Paul Connor *(Chief Financial Officer)*	Kirkham
David Cockshott *(Chief Commercial Officer)*	Lancashire
Sangita Shah *(Non-Executive Director)*	United Kingdom
Dianne Walker *(Non-Executive Director)*	PR4 2DZ
Peter Tracey *(Non-Executive Director)*	

21 May 2025

To Inspired Shareholders and, for information only, to the holders of securities convertible into, rights to subscribe for and options over, Inspired Shares

Dear Inspired Shareholder,

Response of the Inspired Board to the unsolicited offer from Regent

Introduction

On 22 April 2025, Regent announced an unsolicited offer to acquire Inspired for 68.5 pence per Inspired Share. Regent announced their offer without having made any attempts to engage with the Inspired Board about it in advance.

The Inspired Board believes that Regent's Offer fundamentally undervalues Inspired and its prospects. In particular, the Inspired Board believes:

1. **Inspired is well positioned with a clear strategy to create long-term value;**
2. **Regent's Offer is an attempt to take control without paying a proper premium;**
3. **the Offer Price is well below comparable benchmarks; and**
4. **Regent taking control of Inspired may not be in the best interests of other shareholders.**

The holders of over 49 per cent. of Inspired's shares have indicated that they have no current intention to accept Regent's Offer.

Additionally, the Inspired Board is in detailed discussions with a third party regarding a possible offer for Inspired at a price above Regent's Offer.

In accordance with Rule 2.6(e) of the Code, the Potential Competing Offeror is required, by not later than 5.00 p.m. on 29 June (being the 53rd day following the posting of the Offer Document), either (i) to announce a firm intention to make an offer for Inspired in accordance with Rule 2.7 of the Code, or (ii) to confirm to Inspired that it does not intend to make an offer, in which case Inspired will promptly announce that fact and the Potential Competing Offeror will be treated as if it had made a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeover and Mergers.

The Inspired Board is fully focused on maximising the value of Inspired for all shareholders, whilst protecting the interests of other stakeholders. The Inspired Board believes that Regent's Offer is causing disruption and distraction to Inspired's business, employees and management team, and risks destabilising customers and suppliers. The Inspired Board has consistently indicated to Regent and any other interested parties, that it is open to engaging constructively on any proposal that has the potential to be in the best interests of all shareholders. So far Regent have not sought to engage with the Inspired Board.

1. Inspired is well positioned with a clear strategy to create long-term value

Under its current leadership, Inspired has transformed into a market leading provider of a wide range of energy and sustainability services, with a blue-chip customer base of more than 3,500 customers across the industrial, commercial and public sectors.

Inspired has built a platform of scale, having more than doubled revenue from £43.7 million in 2019 to £93.8 million in 2024. Inspired is well positioned to benefit from the long-term secular macro tailwinds in its key markets.

Inspired has a clear strategy to leverage its complementary leading service lines to drive profitable long-term growth through:

- cross-selling energy Optimisation services into its customer base;
- cross-selling Assurance / ESG services to its existing customers;
- increasing the sales of its proprietary software to other service providers; and
- continued investment in technology to enhance its services offering and promote client acquisition and retention.

In particular, Inspired has a significant opportunity in its Optimisation division, with a project pipeline of c. £165 million revenue potential as at 31 December 2024, consisting of projects to reduce energy consumption and carbon emissions for c. 130 customers.

Following the fundraise in January 2025, Inspired has a robust balance sheet, with pro-forma leverage (excluding the Convertible Loan Notes) as at 31 December 2024 of less than 1.5x Adjusted EBITDA.

Having successfully navigated the headwinds of Covid-19 and the energy market disruptions of 2022/23, Inspired is now well set for future growth. The Inspired Board believes that Inspired Shareholders should reject any offer that does not reflect the benefits of the investments that have been made and fails to recognise the full value of Inspired's future prospects.

2. Regent's Offer is an attempt to take control without paying a proper premium

Regent's Offer is the lowest price at which they could currently offer under the Code, being the price at which they bought Inspired Shares in the market on 5 February 2025.

Regent's Offer of 68.5 pence represents a premium of only 12.3 per cent. to the Unaffected Price of 61.0 pence on 17 April 2025, being the last business day before the announcement of Regent's Offer. This compares with the average premium on all-cash takeovers in the UK in the last 10 years of 46.5 per cent. This average premium would imply a valuation of 89.3 pence per Inspired Share.

Regent claim that Inspired's recent share price reflects Regent's share purchases, but the Offer Document reveals that Regent stopped buying Inspired Shares in February 2025, well before the strong share price performance in early April that followed the announcement of a 90-day pause in US tariff policy. In any event, Regent's Offer represents a premium of only 6.0 per cent. to the volume-weighted average price per Inspired Share of 64.6 pence for the last three months prior to the Unaffected Date.

In addition, Regent's Offer represents a discount 14.4 per cent. to the exercise price of 80.0 pence per Inspired Share of the warrants issued in Inspired's recent placement as well as the conversion price of the convertible loan notes for which Regent subscribed on 8 January 2025. Regent's Offer is also at a discount of 28.6 per cent. to Inspired's 52-week high share price (prior to the commencement of the Offer Period) of 96.0 pence per share on 14 May 2024.

3. The Offer Price is well below comparable benchmarks

Regent's Offer represents an Enterprise Value to FY24 Adjusted EBITDA multiple for Inspired of only 6.7x.

This is substantially below the average Enterprise Value to LTM Adjusted EBITDA multiple paid on recent comparable UK transactions of 8.0x:

- Sureserve Compliance Holdings Limited's final cash offer for Kinovo plc on 14 May 2025: 8.4x
- Regent Acquisitions Limited's acquisition of TClarke plc on 16 April 2024: 7.1x
- Cap10 Partners LLP's acquisition of Sureserve Group plc on 21 April 2023: 8.5x

Based on this average Enterprise Value to LTM Adjusted EBITDA multiple of 8.0x, Inspired would be worth 86.5 pence per share.

4. Regent taking control of Inspired may not be in the best interests of other shareholders

Regent say that they are fully committed to Inspired maintaining its listing on AIM and that, should Regent's Offer become unconditional, Inspired Shareholders can remain invested in Inspired alongside Regent. The Inspired Board believes that Regent taking control of Inspired may not be in the best interests of remaining Inspired Shareholders for the reasons set out below.

A change of control would create a material refinancing risk

Inspired's Revolving Credit Facility includes a change of control clause, as a result of which an acquisition by Regent of 30 per cent. or more of Inspired's shares would cause the facility to be cancelled with all outstanding amounts becoming immediately due and payable, unless waived by all lenders under the facility. The Inspired Board has already received notice from the Bank of Ireland, one of the two lenders under the facility, that, in such circumstances, it would seek immediate repayment, as it is winding down its dedicated British Corporate Banking operation. The total amount due under the facility as at 20 May 2025 was approximately £49 million.

Regent have not provided any details about whether, and if so how, they intend to refinance this debt. The Inspired Board believes that any such refinancing could be expensive and could potentially require additional equity capital from Inspired Shareholders.

In the absence of immediately available replacement sources of funding, there is a risk that Regent's actions would

In the absence of immediately available replacement sources of funding, there is a risk that Regent's actions would result in Inspired becoming technically insolvent.

Regent have not articulated a strategy for growth

Regent's stated strategy for Inspired is to refocus the business on debt reduction. Whilst the Inspired Board supports reducing overall levels of debt over time, it believes that this should be done in a measured way that still supports ongoing investment in future growth. In particular, the delivery of Inspired's significant Optimisation pipeline requires investment in operating expenditure of the Group and an element of working capital investment. The Inspired Board considers that growth in Optimisation, which underpins its strategy to (i) cross-sell services to customers, (ii) win major new contracts, and (iii) retain existing customers, is a critical component of future shareholder value creation.

Regent themselves state that they believe Inspired's operating cash flows are "best utilised through reinvestment into the business to support long term future growth", but instead intend to prioritise debt reduction. The Inspired Board believes that accelerating debt reduction with the intention of eliminating all debt by the end of 2026, as Regent intend, would be both impractical and damage Inspired's future growth prospects.

Regent have not been clear on governance

If Regent's Offer becomes unconditional, Regent will fully control the appointment of directors to the Inspired Board. Regent have indicated that they intend to be represented on the Inspired Board and to replace certain current Inspired Directors with new directors but have given no substantive indication of the Inspired Board composition that they would implement. Regent have not stated that they intend to comply with corporate governance best practice. In the absence of such a statement, the Inspired Board believes that the future governance of the Company may not be suitable for a UK listed business.

Regent have indicated that they intend to materially reduce Inspired's dividends

Regent have confirmed that they would halt all dividends until Inspired's debt is eliminated. The Inspired Board believes that its progressive dividend policy is an important discipline and a key part of its capital allocation strategy. The Inspired Board sees dividends as a valuable source of income for investors and an important component of total shareholder returns. The Inspired Board does not support a strategy of cancelling the dividend.

Reduced liquidity and risk of a sustained depressed share price

If Regent's Offer becomes unconditional, the Inspired Board believes that it would significantly reduce the liquidity in Inspired Shares and thereby potentially make it harder for Inspired Shareholders to realise value in the market. Regent themselves have indicated that they believe that Inspired Shareholders would not be able to achieve the Offer Price by selling in the market in the absence of the Offer, suggesting that there may be a sustained discount in the value of Inspired Shares if Regent's Offer becomes unconditional.

Inspired Board's views on Regent's intentions regarding Inspired's business

The Code requires the Inspired Directors to give their views on the effect of Regent's Offer on Inspired's interests, including, specifically, employment, and its views on Regent's strategic plans for Inspired. The Inspired Board's views on Regent's strategic plans, intention to eliminate debt, future governance of Inspired and intention to keep Inspired's AIM listing are set out above.

In addition, Regent have indicated that they will conduct a strategic review which may result in "material changes" (by which the Inspired Board infers reductions) in employee and management headcount. The Inspired Board believes that any material reduction in headcount could impact Inspired's future growth prospects and be potentially harmful for the employees who lose their jobs. The Inspired Board highly values the skills and commitment of its employees and regrets the distraction and destabilisation caused by Regent's Offer.

Accordingly, the Inspired Board does not support Regent's intentions regarding the employees, management or strategic plans for Inspired.

Over 49 per cent. of Inspired Shareholders do not intend to accept Regent's Offer

As announced on 28 April 2025, the Inspired Board has received written confirmation from six major Inspired Shareholders, and each of the Inspired Directors, confirming that they believe that Regent's Offer fundamentally undervalues Inspired and that they have no current intention to accept Regent's Offer.

These Inspired Shareholders hold or control together voting rights over 78,449,678 Inspired Shares, representing 49.14 per cent. of Inspired's share capital.

Other potential interest in Inspired

During 2024, the Inspired Board received interest from a number of parties who made indicative proposals to acquire Inspired. The Company is not currently in active discussions with such parties.

Shortly before Regent's Offer, the Inspired Board had received an approach from, and was in active discussions with, a potential bidder for Inspired. Notwithstanding Regent's Offer, the Inspired Board remains in detailed discussions with this potential bidder regarding an offer at a value above Regent's Offer Price. The proposal contemplates a potential partial share alternative for Inspired Shareholders who would wish to remain invested.

In accordance with Rule 2.6(e) of the Code, the Potential Competing Offeror is required, by not later than 5.00 p.m. on 29 June (being the 53rd day following the posting of the Offer Document), either (i) to announce a firm intention to make an offer for Inspired in accordance with Rule 2.7 of the Code, or (ii) to confirm to Inspired that it does not intend to make an offer, in which case Inspired will promptly announce that fact and the Potential Competing Offeror will be treated as if it had made a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeover and Mergers.

Since Regent's Offer, the Inspired Board has also received an approach from another interested party and held discussions regarding a possible offer at a price above Regent's Offer. The Inspired Board is no longer in active discussions with this party.

There can be no certainty that these discussions will result in a firm offer being made for Inspired, nor as to the terms on which a firm offer might be made.

CURRENT TRADING AND PROFIT FORECASTS

Year ended 31 December 2024

Year ended 31 December 2024

On 31 March 2025, the Company announced its final results for the year ended 31 December 2024, including the following key points:

- Revenue of £93.8 million (2023: £98.8 million), with gross profit of £69.7 million (2023: £67.3 million), reflecting good underlying demand across all four divisions. Optimisation Services was impacted by delays to three large projects expected in 2024 now being delivered in H1 FY25.

- Adjusted EBITDA of £23.0 million (2023: £25.2 million), reflecting the impact of the reduction in revenues and associated lost gross profit.

- Adjusted PBT of £11.9 million (2023: £15.8 million), primarily driven by the reduction in Adjusted EBITDA, as well as increased finance costs.

- Free cash flow of £3.9 million (2023: £3.2 million), with an increase in cash generated from operations of £21.2 million (2023: £18.7 million), in part, offset by increase in finance expense and tax.

- Reported net debt as at 31 December 2024 was 2.59x Adjusted EBITDA (2023: 1.93x), following final contingent consideration payments of £10.8 million (2023: £12.1 million). The Group has no outstanding contingent consideration liabilities.

- Following completion of the £26.7 million fundraising in January 2025, Group pro-forma net debt / Adjusted EBITDA reduced to 1.47x[1,2].

- The FY25 financial year has started well and in line with management's expectations. The three significant Optimisation projects are on track for delivery in H1 FY25 as anticipated. The Board remains confident for FY25.

Current trading update

By the end of Q1 2025, the Company had delivered Adjusted EBITDA ahead of the equivalent period in 2024. The Assurance, ESG and Software divisions all performed well and in line with management's expectations. The three significant Optimisation projects delayed from 2024 remain on track for delivery in H1 2025, however, at the end of Q1, there was some slippage in these into Q2 with the result that Adjusted EBITDA for Optimisation, and therefore the Group overall, was behind management's expectations for Q1 2025.

With the performance of Assurance, ESG and Software remaining in line with management expectations and a growing Optimisation pipeline to support the delivery of its original full year expectations, management remains confident in the outcome for the full year. However, because of the slower than anticipated pace of conversion of the Optimisation pipeline in H1 2025, there is a higher risk profile than envisaged at the start of the year as management now expects the full year 2025 performance to be materially H2 weighted, with a particular weighting towards Q4 2025. It should be noted that due to the business's diversification into Optimisation Services, the phasing of revenue and profit can be volatile throughout the year. The expected pattern at this point in FY25 is broadly similar to that experienced in prior years.

As a result of the in-year weighting set out above, Net Debt[2] is now expected to be c. £45 million at 30 June 2025 and c. £40 million at the end of FY25, with the working capital investment in Optimisation in Q4 2025 expected to unwind in Q1 2026.

As has been widely reported, the economic outlook remains uncertain and geo-political instability continues to create volatility in energy prices. This market volatility and ongoing European ESG regulations remain key demand tailwinds for Inspired's services. The Group benefits from high retention rates across the Assurance, ESG and Software divisions, given the attractive ROI Inspired provides to its clients.

Inspired's long-term growth aspirations are underpinned by the strong pipeline for Optimisation projects, which has continued to grow in absolute terms since the start of FY25. Some client concentration remains and the planned diversification of the client base is expected to extend at least into FY26. Successfully converting this pipeline to executed projects and navigating the higher risk FY25 trading profile, will be key to future performance.

Inspired Profit Forecasts

FY25 Adjusted EBITDA

The Company's trading update on 2 December 2024 stated that the Inspired Board had "confidence in delivering market consensus for FY2025 Adjusted EBITDA" The trading update included a footnote stating that:

"The Company considers that current market consensus for the year ended 31 December 2025 Adjusted EBITDA is £30.1 million."

FY27 Aspirations

Since the end of FY22, following the Company's transition from being solely an energy broker into a full suite sustainability services provider, it has set out its strategy to drive profit growth over the five-year period to FY27. In this context, the Inspired Board has on several occasions indicated its aspiration, objective or goal to double Adjusted EBITDA in this period. Most recently, on 31 March 2025, it stated:

"Inspired's continued ambition to double Adjusted EBITDA [from FY22] by YE 2027"

Confirmations

These two statements (the "**Statements**") are considered to constitute profit forecasts for the purposes of Rule 28 of the Code:

As required under Rule 28.1 (c) of the Code, the Directors confirm that the Statements continue to be valid as at the date of this announcement. The Directors further confirm that they have been properly compiled on the basis of the assumptions stated within this paragraph and that the basis of accounting used is consistent with the accounting policies of the Company.

Set out below is the basis of preparation in respect of the Statements, together with the assumptions on which they are based.

Basis of preparation

The Statements have been prepared on a basis consistent with Inspired's accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of the Inspired's annual results for the year ended 31 December 2024.

The Statements exclude any transaction costs applicable to Regent's Offer or any other associate accounting impacts as a direct result of Regent's Offer.

Assumptions

The Statements are based on the assumptions listed below.

Factors outside the influence or control of the Inspired Directors

- Regent's Offer does not become unconditional.
- Regent's Offer will not have any material impact on Inspired's ability to retain existing customers.
- Regent's Offer will not have any material impact on Inspired's ability to win new business.
- Regent's Offer will not result in any material changes to Inspired's obligations to customers.
- Regent's Offer will not result in any material staff departures.
- Regent's Offer, or purchases of Inspired Shares by Regent, will not result in immediate repayment of the Revolving Credit Facility.
- Regent's Offer will not result in any change in behaviour of energy suppliers competing with Regent who provide services to the customers of the Group.
- There will be no material changes to existing prevailing macroeconomic or political conditions in the markets and regions in which Inspired operates.
- There will be no material changes to the conditions of the markets and regions in which Inspired operates.
- Customer demand for Inspired's services will continue to develop in line with previous trends and suppliers will not seek to change materially their relationships with Inspired.
- There will be no material changes in the behaviour of competitors in the markets and regions in which Inspired operates.
- The interest, inflation and tax rates in the markets and regions in which Inspired operates will remain materially unchanged from the prevailing rates.
- There will be no material adverse events that will have a significant impact on Inspired's financial performance.
- There will be no business disruptions that materially affect Inspired or its key customers, including natural disasters, acts of terrorism, cyberattack and/or technological issues or supply chain disruptions.
- There will be no material changes to the foreign exchange rates that will have a significant impact on Inspired's revenue or cost base.
- There will be no material involuntary management changes or departures of key Inspired personnel.
- There will be no material changes in legislation or regulatory requirements impacting on Inspired's operations or on its accounting policies.
- There will be no material litigation in relation to any of Inspired's operations.

Factors within the influence and control of the Inspired Directors

- The Inspired Board will not make any material changes to the present management of Inspired.
- The Inspired Board will not make any material change in the operational strategy of Inspired.
- The Inspired Board will not make any material change to its customer and supplier relationships.
- There will be no material acquisitions or disposals.
- There will be no material strategic investments over and above those currently planned.
- There will be no material change in the dividend or capital policies of Inspired.

Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

Footnotes:

(1) Pro forma net debt / Adjusted EBITDA uses the 31 December 2024 net debt and adds £25.4 million of net funds raised in January 2025, divided by the 2024 Adjusted EBITDA.

2025, divided by the 2024 Adjusted EBITDA.

(2) Net debt excludes the impact of £5m convertible loan notes issued as part of the fundraise in January 2025.

SOURCES OF INFORMATION AND BASES OF CALCULATION

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

1. All references to Inspired Shares are to Inspired ordinary shares of £0.0125 each.

2. Pro-forma leverage as at 31 December 2024 of less than 1.5x Adjusted EBITDA has been calculated based on:

    a. Adjusted EBITDA of £23.0 million as at 31 December 2024; and

    b. "**Pro-forma Net Debt**" of £33.8 million calculated based on:

        i. Net debt of £59.2 million as at 31 December 2024; less

        ii. Net funds of £25.4 million raised as at 8 January 2025 through the placing and convertible loan note issuance.

3. 46.5 per cent average premium on all UK all-cash takeovers over the last ten years is based on the average 1-day prior to announcement premium achieved in UK public market takeovers in the ten years to 13 May 2025. This data is exported from SDC (criteria: a) Target Nation: UK; b) Deal Status: Unconditional, Completed or Pending; (c) Public Status: Public). The export was then adjusted to include deals with consideration offered of "Cash", "Cash Only" and "Cash and Cash Dividend", exclude all deals with deal type categorised as "Stake Purchase" and exclude all deals with acquisition techniques categorised as "Privately Negotiated Purchase". Sailpoint Technologies UK Ltd's acquisition of Osirium Technologies PLC was excluded as an outlier given SDC reports a premium of approximately 19,483 per cent.

    Applying the above stated average premium of 46.5 per cent to Inspired's Unaffected Price of 61.0 pence on 17 April 2025 would imply a valuation of 89.3 pence per Inspired Share.

4. The Enterprise Value of Inspired of £153.7 million implied by Regent's Offer has been calculated based on:

    a. the value of £113.4 million attributed to the fully diluted issued share capital of Inspired calculated based on 68.5 pence per Inspired share and:

        i. 159,649,070 Inspired Shares in issue; and

        ii. a maximum of 7,871,693 Inspired Shares to be issued on the exercise of in-the-money options and vesting of awards under the Inspired Share Plans; less

        iii. 1,974,750 Inspired Shares held by the Inspired Employee Benefit Trust that can be used to satisfy the exercise of options and vesting of awards under the Inspired Share Plans;

    b. plus the amount of "**Debt-like Items**" of £40.3 million as at 8 January 2025 calculated as follows:

        i. Pro-forma Net Debt of £33.8 million as at 8 January 2025 (as set out in paragraph 2 of this Part 4); plus

        ii. convertible loan notes of £5.0 million as at 8 January 2025; plus

        iii. deferred tax liabilities of £1.1 million as at 31 December 2024; plus

        iv. lease liabilities of £2.4 million as at 31 December 2024; less

        v. equity investments of £2.0 million as at 31 December 2024.

5. The implied FY24 Enterprise Value to Adjusted EBITDA multiple of approximately 6.7x is calculated by reference to the Enterprise Value set out in paragraph 4 of this Part 4, divided by Inspired's Adjusted EBITDA for the 12-month period ending 31 December 2024 of £23.0 million.

6. The reference to the Inspired offer-implied multiple being substantially below the average multiple paid recently for comparable UK transactions is based on the implied Regent offer multiple of 6.7x FY24 Adjusted EBITDA (as set out in paragraph 5 of this Part 4) being less than the average of precedent transaction Enterprise Value to LTM Adjusted EBITDA multiples of 8.0x, as set out below:

    a. Sureserve Compliance Holdings Limited's final cash offer for Kinovo plc ("**Kinovo**") (announced on 14 May 2025) which had an LTM Adjusted EBITDA multiple of 8.4x based on:

        i. Kinovo's Equity Value of £56.4 million (sourced from Kinovo's Rule 2.7 Announcement dated 14 May 2025); plus

        ii. Debt-like items of £2.4 million as at 30 September 2024 (sourced from Kinovo's Interim Report 2024), including borrowings of £0.1 million, lease liabilities of £1.4 million, overdraft of £0.9 million, and less cash of £0.0 million, resulting in Kinovo's Enterprise Value of £58.8 million; divided by

        iii. LTM Adjusted EBITDA of £7.0 million (sourced from Kinovo's Interim Report 2024).

b. Regent's Acquisitions Limited's acquisition of TClarke plc ("**TClarke**") (announced on 16 April 2024) which had an LTM Adjusted EBITDA multiple of 7.1x based on:

i. TClarke's Equity Value of £90.6 million (sourced from TClarke's Rule 2.7 Announcement dated 16 April 2024), plus

ii. Debt-like items of £0.3 million as at 31 December 2023 (sourced from TClarke's Annual Report 2023), including borrowings of £10.0 million, lease obligations of £7.8 million, retirement benefit obligations of £11.8 million, and less cash of £29.3 million, resulting in TClarke's Enterprise Value of £90.9 million; divided by

iii. LTM Adjusted EBITDA of £12.8 million (sourced from TClarke's Annual Report 2023).

c. Cap10 Partners LLP's acquisition of Sureserve Group plc ("**Sureserve**") (announced on 21 April 2023) which had an LTM Adjusted EBITDA multiple of 8.5x based on:

i. Sureserve's Equity Value of £214.1 million (sourced from Sureserve's Rule 2.7 Announcement dated 21 April 2023), plus

ii. Debt-like items for continuing operations of £2.7 million as at 31 March 2023 (sourced from Sureserve's Interim Report 2023), including lease liabilities (net of unamortised finance costs) of £17.6 million, less net cash of £12.8 million and interests in joint ventures of £2.1 million, resulting in Sureserve's Enterprise Value of £216.8 million; divided by

iii. LTM Adjusted EBITDA for continuing operations of £25.6 million (sourced from Sureserve's Interim Report 2023).

d. These comparable UK transactions were selected on the basis that they are public takeovers of UK listed companies which: (i) are of a similar size to Inspired; (ii) took place in the last three years; and (iii) provide similar services and/or operate in similar end markets as Inspired.

7. The implied value of Inspired of 86.5 pence per share based on the industry precedent transactions average Enterprise Value to LTM Adjusted EBITDA multiple has been calculated based on:

a. the average industry precedent transactions Enterprise Value to LTM Adjusted EBITDA multiple of 8.0x as set out in paragraph 6 of this Part 4; multiplied by

b. Inspired's Adjusted EBITDA for the 12-month period ending 31 December 2024 of £23.0 million; less

c. Debt-like Items of £40.3 million as at 8 January 2025, as set out in paragraph 4 of this Part 4; divided by

d. Inspired's fully diluted issued share capital, as set out in paragraph 4 of this Part 4.

8. Unless stated otherwise, all prices quoted for Inspired Shares are Closing Prices and are derived from Bloomberg.

9. Volume weighted average prices are derived from Bloomberg.

10. Certain figures included in this announcement have been subject to rounding adjustments.

11. Unless otherwise stated, the financial information relating to Inspired is extracted from the annual report and accounts of Inspired for the relevant years, and the audited consolidated financial statements contained therein have been prepared in compliance with United Kingdom accounting standards, including IFRS and the Companies Act.

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