INSPIRED

Inspiring change...

...for a better tomorrow.

Annual Report
& Accounts 2024

We're inspiring action today...

Financial Highlights

Overview of Inspired PLC's financial performance, including revenue, adjusted EBITDA, and profit before income tax for 2024.

Find out more on page 02

CEO Statement

Insights from CEO Mark Dickinson on the company's strategic direction, achievements, and future outlook.

Find out more on page 23

INSPIRED

The Valley, Arncliffe, England

...so our clients can look towards a better tomorrow.

We provide practical solutions to help our clients optimise operations, manage risks and thrive in the future low-carbon economy by improving cost control, reducing energy consumption and carbon emissions, and ensuring regulatory compliance – challenges we call the 4Cs.

Supporting clients at every stage of their net-zero transition, we deliver exceptional value through our four service divisions – whether they engage with a single product or a comprehensive suite of solutions.

Assurance Services

Optimisation Services

ESG Services

Software Services

Find out more on pages 30-37

Highlights of 2024

Financial highlights

REVENUE
£93.8m ▼ 5%
2023: £98.8m; 2022: £88.8m; 2021: £67.9m

ADJUSTED EBITDA[1]
£23.0m ▼ 9%
2023: £25.2m; 2022: £21.0m; 2021: £19.8m

NET DEBT[2]
£59.2m
2023: £48.7m; 2022: £37.2m; 2021: £32.9m

REPORTED PROFIT/(LOSS) BEFORE INCOME TAX
£11.8m
2023: (£6.2m); 2022: (£4.0m); 2021: (£1.1m)

UNDERLYING CASH GENERATED FROM OPERATIONS[5]
£21.2m ▲ 13%
2023: £18.7m; 2022: £21.7m; 2021: £10.3m

ADJUSTED PROFIT BEFORE INCOME TAX[3]
£11.9m ▼ 25%
2023: £15.8m; 2022: £14.0m; 2021: £13.4m

FINAL DIVIDEND PER SHARE
1.00p
2023: 1.50p; 2022: 1.40p; 2021: 2.50p[4]

1 Adjusted EBITDA is earnings before interest, taxation, depreciation, and amortisation, excluding exceptional items, share-based payments and changes in fair value of contingent consideration.
2 Net debt is bank borrowings less cash and cash equivalents.
3 Adjusted profit before income tax is earnings before tax, amortisation of intangible assets (excluding internally generated amortisation related to computer software and customer databases), exceptional items, share-based payments, the change in fair value of contingent consideration and foreign exchange gains/(losses) (a reconciliation of adjusted profit before tax to reported profit before tax can be found in note 10).
4 All per-share figures have been Adjusted to reflect the 10:1 share consolidation undertaken on 3 July 2023.
5 Underlying cash generated from operations is cash generated from operations, as adjusted to remove the impact of restructuring costs and fees associated with acquisitions.

Non-financial highlights

NUMBER OF CLIENTS SPENDING OVER £50,000
242
2023: 227; 2022: 154; 2021: 123

NUMBER OF £50,000 REVENUE CLIENTS SUPPORTED BY MORE THAN ONE DIVISION
183
2023: 159; 2022: 104; 2021: 69

NUMBER OF CLIENTS WITH OPTIMISATION SERVICES PROJECTS IN YEAR
412
2023: 370; 2022: 271; 2021: 194

NUMBER OF REPEAT OPTIMISATION SERVICES CLIENTS IN YEAR
244
2023: 208; 2022: 142; 2021: 94

AVERAGE CLIENT LIFETIME VALUE PER CLIENT (CLV) – CLV ASSESSED OVER A 10-YEAR PERIOD
£277,840
2023: £231,160; 2022: £161,109; 2021: £119,079

CARBON NEUTRALITY FOR OPERATING EMISSIONS
3,760 tCO_2e
2023: 3,258 tCO_2e; 2022: 5,485 tCO_2e; 2021: 5,692 tCO_2e

TOTAL NUMBER OF EMPLOYEES
734
2023: 702; 2022: 641; 2021: 608

EMPLOYEE RETENTION
85%
2023: 86%; 2022: 85%; 2021: 89%

Operational and strategic highlights

Assurance Services

Revenue
£36.6m
(2024: 36,676; 2023: 36,313; 2022: 35,972; 2021: 35,521; 2020: 29,608)

New client wins
Progress Housing Group, Butternut Box, IMO Car Wash, MBA Polymers UK Ltd, University of Wolverhampton and Future Inns.

REVENUE
£36.6m

ESG Services

Revenue
£6.4m
(2024: 6,405; 2023: 5,476; 2022: 2,580; 2021: 966; 2020: 493)

New client wins
DPD Group, Amtico International Limited, Kukri GB Limited and Giacom (Communications) Limited.

REVENUE
£6.4m

Optimisation Services

Revenue
£47.3m
(2024: 47,252; 2023: 53,989; 2022: 47,710; 2021: 29,059; 2020: 13,892)

New client wins
Big Yellow Self Storage Company Limited, Young & Co.'s Brewery, P.L.C, Synchemicals Limited, Centerprise International Limited and B. Braun Medical Ltd.

REVENUE
£47.3m

Software Services

Revenue
£3.5m
(2024: 3,530; 2023: 2,979; 2022: 2,514; 2021: 2,395; 2020: 2,117)

New client wins
E3 Energy, Motor Fuel Group, TUS Group and Highland Council.

REVENUE
£3.5m

Current trading and outlook

- 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 2025 as anticipated. The Board remains confident in delivering market expectations for FY25.
- As has been well publicised, the economic outlook remains uncertain and geo-political instability continues to create volatility in energy prices. The Board notes that the new US administration appears to have embarked on a divergent path to most other developed market governments around environmental policies and ESG. At this early stage, it is unclear what, if any, impact this will have on corporate spending on ESG compliance and carbon reduction. Over 99% of Inspired's business today comes from the UK and European markets. The Group has not seen any changes to its new business pipeline and starts the year with a robust pipeline of new business and the benefit of high retention rates across all four divisions which provide high visibility on 2025 revenues and beyond.
- Further to restructuring the balance sheet to underpin our growth aspirations, the Group has set three financial targets to provide increased clarity of the priorities for Inspired. The Group believes these are ambitious, and achievable, targets that will deliver value creation.
  - Net debt/EBITDA ratio towards debt free by FY27.
  - Free Cash Flow of £20 million per annum by FY27.
  - Organic gross profit growth of 10% CAGR to FY27.

Timeline of key ESG milestones

Our achievements

2020

Achieved carbon neutrality through offsets for Scope 1, 2, and operational Scope 3 emissions

Received the London Stock Exchange's Green Economy Mark

2021

Formed our ESG Performance and ESG Action Committees

Committed to purchasing electricity from 100% renewable sources

2022

Included a 20% weighting of ESG targets into the Inspired Incentive Plan

2023

Submitted our revised Scope 1, 2 and 3 net-zero target to the SBTi

Transitioned to a new head office, which will be a net-zero building once fully redeveloped

Started to engage with some tier 1 and tier 2 suppliers, contributing to our Scope 3 emissions reduction plan, which included discussions with some about Life Cycle Assessments (LCAs) of certain products

2024

Signed the Taskforce on Nature-related Financial Disclosures (TNFD) pledge

Started to develop the foundations of our STEM programme

Our aspirations

2025

Aiming to reduce water usage by 25%, paper usage by 50%, recycle 90% of paper waste, and replace or remove single-use plastic

Aiming for 80% of our suppliers to be making a TCFD disclosure or equivalent

2030

Aiming to achieve net-zero emissions for Scope 1 and 2

2050

Devoted to achieving net-zero for Scope 1, 2, and 3

We work with our clients to help them look towards a better tomorrow

We have over

700

experts available who have served

3,500+

of our clients.

About us

Inspired is the UK's leading commercial energy and sustainability advisor.

A genuine end-to-end service provider, we design and implement solutions to help organisations control their energy costs, achieve net-zero and thrive in the future low-carbon economy.

Our services range from utility data management and procurement to consumption reduction and intelligent ESG strategies.

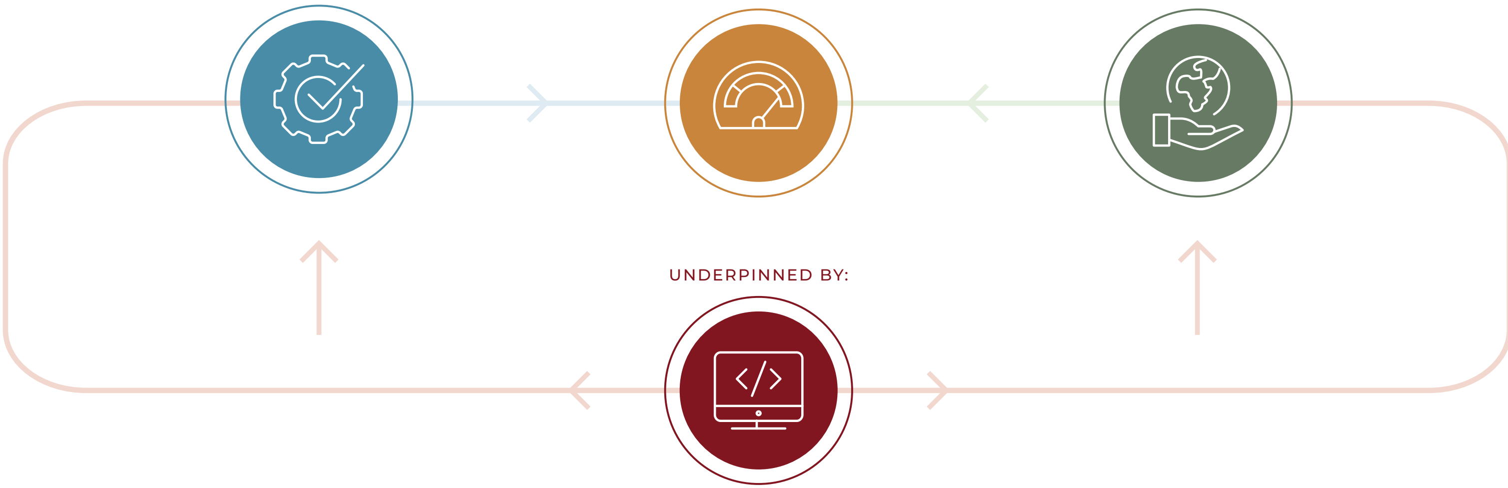
Peak District National Park, England

The Group operates in four divisions; a full-service suite to tackle our clients' needs.

Multiple pathways to success

Clients can engage with Inspired through any entry point, but our Assurance and ESG Services provide a natural starting path. These services help clients quickly control costs and achieve compliance, laying the foundation for ongoing Optimisation Services. All our offerings are powered by our proprietary Software Services.

We support clients at every stage of their journey toward managing the transition to net-zero. Whether they choose to engage with us through a single product or a comprehensive suite of solutions, each client is highly valued, receiving exceptional support and measurable value.



Assurance Services

Helping our clients better manage their utility data and costs.

→ Find out more on page 30

ESG Services

Supporting businesses making revenue-critical ESG disclosures to retain customers comply with regulations and attract investment.

→ Find out more on page 32

Optimisation Services

Innovating solutions to help our clients transition to net-zero by reducing carbon emissions, cutting costs and optimising utility usage.

→ Find out more on page 34

Software Services

Delivering technology to manage the vast amounts of sustainability data that underpin our services. Inspired's software is also licensed by third parties.

→ Find out more on page 36

New Forest National Park, Hampshire, England

Strategic report

Nuffield Health

Victoria Hadley, Head of Social Impact & Sustainability at Nuffield Health, discusses how the organisation is overcoming the challenge to reach net-zero and how Inspired's partnership is supporting that journey.

Watch case study here

UK'S TOTAL LAND AREA THAT IS MADE UP OF PEATLAND

12%

A compelling growth opportunity for investors

Investing in long-term client relationships has been key to our success. We believe in delivering exceptional value and service to our clients, and in return, they continue to support us year after year.

Read more about our business model and strategy on pages 14 to 22

We believe in delivering exceptional value and service to our clients, and in return, they continue to support us year after year.

Find out more on page 09

Strong macro drivers
There is a market opportunity worth £2.4 billion.

Competitive advantage
Our comprehensive, end-to-end solutions have made us the leading player in the market.

Technology-enabled service
We own the proprietary software that underpins our service.

Ambitious with a strong growth engine
We have pursued a strategy of growth through acquisition, which facilitated our transformation into a full-suite sustainability service provider.

Strong macro drivers

- Any business that spends more than £100,000 on energy and water annually is our potential customer.
- Companies are facing an increase in regulatory obligations, particularly on ESG, which creates potential customers for us.
- In a highly fragmented market, there is a market opportunity worth £2.4 billion.
- The energy crisis has made energy a critical topic for Boards, increasing demand for our services.
- We are a business that provides a pathway to the £138bn opportunity to deliver net-zero between 2024 and 2050.
- Our strong sales pipeline underpins our position as the market leader in providing solutions at a market-leading price point.

MARKET OPPORTUNITY

£2.4bn[1]

Competitive advantage

- We support c.3,500 businesses in reducing energy costs and achieving net-zero targets.
- Our team of experts can effectively manage the four essential client challenges: cost, carbon, consumption and compliance, empowering our clients to make informed decisions about energy and the environment.
- Our leading ESG disclosure service addresses UK businesses' climate change challenges at a leading price point.
- We offer comprehensive, end-to-end solutions for energy and ESG. We gather and analyse our clients' data to recommend and implement solutions that help them achieve net-zero emissions, earning trusted advisor status among C-suite executives.
- Our solution-agnostic approach has made us the leading player in the market.
- Our commitment to the environment and our clients was recognised when we received the London Stock Exchange Green Economy Mark in November 2020.

MANAGE THE FOUR C'S

Cost, Consumption, Carbon and Compliance

Technology-enabled service

- We own the proprietary software that underpins our service.
- We process millions of pieces of client data with respect to cost, consumption and carbon every month.
- We monetise this technology on a SaaS basis with other market participants, extracting revenues from parts of the market we would not usually have access to.
- By providing technology to our competitors, we professionalise our M&A pipeline and simplify the integration costs when we acquire a business already utilising our backbone.
- We provide disclosures and information, which allow our clients to meet their regulatory and legal obligations and have a baseline for making decisions with respect to energy and the environment.

SAAS REVENUE

c. £3.5m

Ambitious with a strong growth engine

- From 2017 to 2022, we have pursued a strategy of growth through acquisition, which facilitated our transformation into a full-suite sustainability service provider capable of delivering double-digit organic growth into the future.
- Our FY25 business continues the execution of or our strategic organic growth plan aiming double digit Adj. EBITDA growth as we prioritise building client lifetime value (CLV), supported by our multi-decade client relationships.

FY25 EXPECTATION

Organic double-digit Adj. EBITDA growth

1 Source: Cornwall Insight. Combined total market size.

Read more about our business model and our strategy on pages 14 to 22

A year of Inspired actions

"The Group remains well placed to service the growing demand from companies to reduce consumption, drive efficiencies and comply with reporting requirements."

Richard Logan
Chairman,
28 March 2025

FINAL DIVIDEND
1.0p
(2023: 1.5 pence)

FULL YEAR DIVIDEND
2.45p
(2023: 2.9 pence)

Inspired has delivered another year of good underlying progress, seeing positive momentum in both demand and our forward pipeline across all our divisions, albeit profits are below our initial expectations. I would like to thank everyone in the team for their hard work during the year. The Group remains well placed to service the growing demand from companies to reduce energy consumption, drive cost and operational efficiencies and comply with reporting requirements against progress relating to ESG.

The financial performance of 2024 reflects two main factors – the normalisation of the energy market after the extreme volatility seen in 2023 and a timing impact of three large Optimisation contracts, that have all since commenced in 2025. Both are short-term factors that do not impact the long-term value proposition of Inspired. Our Adjusted EBITDA and Adjusted PBT are in line with updated market expectations.

Inspired successfully completed a fundraise in January 2025, including £21.6m of new equity and £5m of convertible loan notes (before fees and expenses). With this additional capital, the Group's balance sheet has been transformed, and the Group is well placed to go after the material organic growth opportunities across our markets. I would like to thank our shareholders for supporting Inspired on this fundraise.

The Group's balance sheet was further strengthened by the termination of the Deed of Variation in August 2024, eliminating any remaining contingent payment obligations related to the Ignite acquisition. The Group enters FY25 with no further contingent payment liabilities.

Today, we are very well placed to take advantage of the structural growth opportunities across the Group, given its diverse product offering, high quality reputation and track record of offering clients attractive ROI. All four divisions offer high value products and services for clients, and all continue to contribute to driving higher client life-time value potential.

ESG

As a service provider helping businesses deliver market leading ESG disclosures, it is important that the Group is at the forefront of ESG performance. During FY24, the Group made further progress towards its ESG objectives.

25 July 2025

dividend payable to all registered on 20 June 2025

Dividend

Inspired has established a track record of delivering profitable and cash-generative growth which has facilitated a consistent and progressive dividend policy.

Accordingly, the Board proposes a final dividend of 1.0 pence (2023: 1.5 pence), subject to shareholder approval at the AGM in June, resulting in a full year dividend of 2.45 pence (2023: 2.90 pence). The dividend represents a resetting of dividend per share after the new ordinary share placing in January 2025, whilst maintaining the expected absolute cash distribution levels. The dividend will be payable on 25 July 2025 to all shareholders on the register on 20 June 2025 and the shares will go ex-dividend on 19 June 2025.

Ahead of the interim results publication, the Board intends to review its capital allocation and future dividend policy in consultation with shareholders, acknowledging its ambition to be approaching a debt free position by YE27.

Summary and outlook

Inspired made good progress in FY24, and the Group radically enhanced its financial footing via its capital raise with no further contingent consideration payments outstanding. As a result, the Group is set up to deliver on its strategic growth plan, with all four divisions delivering positive momentum in 2024. The Group enters FY25 with strong pipeline across all divisions and year-to-date trading is in line with management expectations.

The additional financial ambition of becoming debt free demonstrates confidence in the long-term success of Inspired and our cash generation potential as we look ahead.

Richard Logan
Chairman,
28 March 2025

WE INSPIRED...

The Green Economy Mark: Five years of green growth

Inspired was delighted to feature in the London Stock Exchange's 2024 report to look at what's driving the green economy, how it's evolving and the companies and funds innovating in the green economy space. Inspired is featured on page 24.

Read more

Roadshow events

Across the Group, we hosted 16 in-person events, supporting our clients in solving their organisation's energy and sustainability challenges, providing practical tips and case study examples.

Watch here

Manufacturing net-zero Roadmap

We have worked closely with Make UK to create a manufacturing-specific net-zero Roadmap, designed to guide businesses through their complex decarbonisation journey.

Read more

Key drivers towards a sustainable future

Rising energy costs, stricter ESG regulations, and ambitious net-zero targets are reshaping the business landscape. Strategic energy procurement, sustainability commitments, and compliance with evolving reporting standards will be key to long-term resilience and growth.

Macro drivers

Energy costs

Energy prices have become a critical issue for UK businesses since late 2021, prompting organisations to prioritise robust energy procurement strategies.

The crisis highlighted the enduring importance of prudent purchasing practices for operational resilience. Despite ongoing market uncertainties, the current backwardated market presents long-term opportunities to optimise costs and manage risks.

Transition to net-zero

At COP29, the Prime Minister announced the UK's new, more ambitious Nationally Determined Contribution (NDC) target: to reduce all greenhouse gas emissions by at least 81% by 2035, compared to 1990 levels[1].

UK businesses have a crucial role in the net-zero transition, with clear benefits for businesses: reduced energy bills, greater energy security, and enhanced public perception[2].

The Government has quantified the size of the net-zero challenge for UK businesses at £138bn from 2024 to 2050[3].

ESG requirements

A stricter NDC will require businesses to meet more stringent reporting and emission reduction mandates, including increased taxation through the UK Emissions Trading Scheme (ETS) and the introduction of the UK Carbon Border Adjustment Mechanism (CBAM) in 2027.

Large UK companies already adhere to extensive climate reporting requirements, and a UK Sustainability Reporting Standard (UK SRS) is anticipated in 2025 to support the Government's goal of becoming the world's first net-zero aligned financial centre.

How we are responding – Our 4Cs approach

Cost control

Energy is one of the most volatile commodity markets in the world. Without professional energy procurement advice, businesses could risk failing to manage high price risks or capitalise on low-cost opportunities. Inspired's procurement specialists offer expert insights and tailored risk management strategies to help clients navigate this landscape more effectively, protect themselves against price shocks and take advantage of any price drops. Our energy accounting analysts challenge and validate every bill component, interfaced directly with clients' accounting systems to ensure clients are billed accurately for their consumption.

Consumption reduction

Rapidly evolving technology presents both a challenge and an opportunity in reducing consumption. For over 15 years, our Optimisation Services have helped our clients reduce their carbon emissions and energy consumption. We are not affiliated with any manufacturer or service provider and remain technology-agnostic. We collaborate with major UK brand boards, as well as smaller businesses, to identify critical areas and reduce carbon emissions and energy consumption through comprehensive solutions.

Carbon emissions

Reaching net-zero is a gradual process. This is why we offer practical, incremental strategies to help our clients achieve their goals over time. Every organisation's requirements are unique, and we work with our clients to set ambitious but achievable objectives for their short-, medium-, and long-term goals. We also provide practical solutions to reduce their carbon emissions and navigate their journey to net-zero, making an immediate and lasting impact.

Compliance obligations

Businesses must remain accountable for their operations in the continuously developing climate reporting landscape. Not only must they understand their full societal impact by mapping out emissions and creating a carbon balance sheet but develop an action plan to reduce their impact. Such disclosures have become revenue critical as supply chains and customers increasingly expect them as a pre-requisite to doing business.

1 https://www.gov.uk/government/speeches/prime-ministers-national-statement-at-cop29-12-november-2024
2 https://assets.publishing.service.gov.uk/media/67619987d20fc50099e1902f/committee-on-climate-change-2024-government-response.pdf
3 Office for Budget Responsibility – Fiscal risks report – 6 July 2021. https://obr.uk/frs/fiscal-risks-report-july-2021/

Assurance Services

Mature market but fragmented with many small players.

Need:
- Every corporate consumer requires a supply contract.
- Addressing energy costs – an expert partner allows a customer to make informed energy buying decisions.
- Energy procurement is complex and fluctuating.
- Bill validation and budgeting is complex, repetitive and errors which will exist can be missed.
- Utilities are the largest indirect cost for most businesses and a board-level conversation – their financial management fosters C-suite relationships.

Solution:
- Expert procurement and energy accounting options.

Objective:
- Provide value to the client as a trusted advisor.

25% Available Blue Ocean[2]

14% Inspired Market Share

UK MARKET SIZE

£0.40bn[1]

ESG Services

New immature market with strong and growing call to action.

Need:
- Compliance is required.
- New ESG requirements are being continuously introduced.
- Additional disclosures and development plans are key in securing investment and attracting new customers.
- Inconsistent frameworks, lack of internal resources and unstructured data make self-assessment and reporting challenging for customers.

Solution:
- Expert data collection analysis, synthesis and taxonomy-agnostic disclosures leading to executable plans.

Objective:
- Provide value to the client as a trusted advisor.

100% Available Blue Ocean

0.5% Inspired Market Share

UK MARKET SIZE

£1.1bn[1]

Optimisation Services

Established market, technology is constantly evolving to offer improved more efficient solutions, the customers are faced with a plethora of alternatives.

Need:
- Continuous requirement to meet cost reduction targets and showcase the impact of energy efficiency actions.
- Customers, suppliers, investors and other stakeholders increasingly require organisations to showcase their ambition and action towards decarbonisation targets.
- Understanding customers' budgets and consumption patterns and/or their future roadmap enables a structured conversation to be had around making a difference to a customer's consumption, leading to cost reduction and improving disclosures.

Solution:
- Inspired provide turnkey contractor solutions with demonstrable reductions on a one-off or pilot, prove and roll-out basis.

Objective:
- Build on the trusted advisor status to deliver and implement solutions that will demonstrably reduce carbon emissions and energy consumption.

85% Available Blue Ocean

8% Inspired Market Share

UK MARKET SIZE

£0.7bn[1]

Software Services

Fragmented market with self-build main competition.

Need:
- Robust, rigorous and reliable solution to underpin the Inspired service offering.

Solution:
- Modular in nature, easy to update and refine. Developed for Inspired's needs to our schedule and specification.

Objective:
- Support the business and reach parts of the market Inspired cannot reach. Software is sold externally to larger estate customers and as an enabler to smaller TPIs that look after customers Inspired might not have direct access to.

50% Available Blue Ocean

1.5% Inspired Market Share

UK MARKET SIZE

£0.2bn

1 Source: Cornwall Insight.
2 Blue Ocean is the % of the market not currently using Inspired or an equivalent service provider.

The Inspired Way

How our approach is helping companies transition to net-zero

Reaching net-zero is a challenge for us all. Our role is to enable businesses to manage and benefit from the transition to net-zero through our innovative solutions.

Our end-to-end solutions to support companies as they transition

1 Office for Budget Responsibility – Fiscal risks report – 6 July 2021. https://obr.uk/frs/fiscal-risks-report-july-2021/

What makes us different:

Strong client relationships

Supporting clients on their journey

As we help clients meet their net-zero challenge and business objectives, we focus on listening to their every need and building trust and a long-term relationship with our clients. A personable rapport and client-centric approach is vital when representing Inspired.

Find out more on page 15

Delivered by our team of experts

Talented people with in-depth specialist knowledge

Our 734 energy and sustainability experts form the backbone of our organisation, and it is their commitment and hard work that have led us to our success today. We pride ourselves on the expertise, dedication and professionalism of our colleagues and we have invested in 976 training days in 2024.

Find out more on page 17

Technology-enabled

Innovative technology-enabled solutions

Our divisions depend on managing and processing unstructured data, vital for delivering our services. Built modularly and continually enhanced over the years, our proprietary software powers the technology behind our offerings. It supports 200 direct clients and 70 TPIs on a SaaS basis in the evolving energy and sustainability world, fully customisable to meet their unique needs.

Find out more on page 18

How we deliver value:

For clients

Supporting **c.3,500 businesses** on their journeys.

For colleagues

Rewarding careers that make a difference to our **734 employees**.

For partners

Beneficial relationships that enable us to collaborate as trusted advisors to **15+ long-standing partners**.

For communities

Supporting local community initiatives with over **80% of senior managers hired from local communities**.

Find out more on page 19

Outcome:

Delivering solutions that work for the good of the environment and society more broadly.

Strong client relationships

We support clients whatever stage they are at on their journey and whatever support they need – from auditing their data to helping reduce emissions, to complying with upcoming regulations and optimising their processes to manage the transition to net-zero. Companies can take one service or take advantage of our full suite of services.

CASE STUDY:

IVC Evidensia

A global leader in veterinary care, IVC Evidensia delivers their purpose of Healthy Animals, Happy Owners in around 2,500 locations across 20 countries.

Find out more on page 16

CASE STUDY:

Precision Colour Printing (PCP)

PCP are printers specialising in high quality magazine, catalogue, web and brochure printing, who partnered with Inspired to build an energy procurement strategy to suit their needs.

Find out more on page 16

EXPERTS AVAILABLE

700+

CLIENTS SERVED

3,500+

CASE STUDY:

Big Yellow Self Storage Company Limited

Big Yellow Self Storage provides secure and modern self-storage units for homes and businesses across over 100 locations nationwide.

Find out more on page 16

CASE STUDY:

IVC Evidensia

One of the latest highlights of their partnership with Inspired is an energy-saving project that now powers outstanding care more efficiently in 1,100 veterinary practices across the United Kingdom and Ireland. This work involved replacing inefficient lighting with new LED fittings and installing smart building controls for heating and cooling – generating more than 7,500,000 kWhs of savings.

Besides state-of-the-art lighting, the Inspired team used solutions such as Passive Infrared (PIR) to detect presence for the lights to switch on and off as required, as well as a cloud-based service to control the air conditioning timings and set-point temperatures. Despite an extensive number of sites, this complex work was completed promptly to ensure maximum energy reduction within IVC's financial year.

Besides driving energy efficiency with technical solutions, Inspired's comprehensive support to IVC Evidensia also includes energy accounting, energy procurement and compliance services.

CASE STUDY:

Big Yellow Self Storage Company Limited

The latest landmark of Inspired's partnership with Big Yellow is a successful energy-saving pilot project. This has involved setting carpark, facade, corridor and stairwell lighting controls and air conditioning controls across five of their sites, including flexi offices.

To ensure lights would only switch on when required, the Inspired team used solutions such as Passive Infrared (PIR) to detect presence, as well as a cloud-based service to control the air conditioning timings and set-point temperatures.

The impact of these measures was much better than Inspired's initial predictions – with energy consumption savings averaging 18% across the pilot sites.

Now is the time to extend this impact by rolling the measures out across the Big Yellow estate. Not only will the controls help our client cut down energy consumption, but the associated emissions savings contribute towards their Scope 1 and 2 targets.

Besides this successful collaboration, Inspired offers Big Yellow comprehensive utilities support across our divisions, including energy accounting, ESOS Phase 3 and 4 reporting and water procurement services.

CASE STUDY:

Precision Colour Printing (PCP)

Despite challenging market conditions, Inspired has secured favourable power and gas contracts for PCP, allowing the company to take advantage of opportune market points.

Working with Inspired has also led to a 33% saving on electricity supplier management fees and a 23% savings on gas supplier management fees for PCP.

PCP wants to place sustainability at the heart of everything it does. Therefore, the natural next step in our ongoing partnership is to examine the short – and long-term efficiency measures that underpin their wider environmental and sustainability ambitions.

As a result, we are exploring energy efficiency projects, including solar, Combined Heat and Power (CHP) and more detailed energy monitoring solutions. This will help reduce PCP's emissions, utility spend and reliance on grid import.

Delivered by our team of experts

We have an engaged team with a range of skills and experience to support our clients.

How our team helps

We invest in our people to ensure they have the knowledge and skills to keep clients up to speed on the changing environment. They can then proactively support them with the four essential challenges they are facing:

- Cost
- Carbon
- Consumption and
- Compliance

→ Read more in our Market Overview on page 12

Our team work to empower our clients to make informed decisions about energy and the environment. We also often meet with broader stakeholders to share our knowledge and raise awareness of energy and sustainability-related business impacts.

Our culture and values

As Inspired continues to grow and evolve, it is crucial to ensure that our culture reflects all our employees and guides our day-to-day actions. Our ESG Action Committee are working alongside members of the wider Inspired workforce to evaluate the core values that drive our teams and are important to our people so we can continue to foster a culture that aligns with the values we collectively uphold.

> "I have worked with many of my clients for over 15 years and I enjoy being a part of my clients' journey and building a deep understanding of their energy and sustainability requirements."
>
> **Elizabeth Bennett**
> Key Account Manager

Underpinned by innovative technology-enabled services

Q&A with our Chief Technology Officer, **Chris Lane**

How are you developing your technology to ensure you keep meeting customers' evolving needs?

Cloud, data security, product resilience and the self-visualisation of data through, for example, the provision of open Application Programming Interfaces (APIs) remain our staples. AI is an exciting prospect, and we work with a growing number of partners to understand how these emerging technologies can help us better serve our clients. Our most recent advances in this space assist with carbon reporting, the application of renewable energies and document parsing.

How does your technology underpin your solutions and support your clients?

We hold discussions with our clients through Account Managers, Customer Success team and our Roadshow events. These generate great ideas while keeping us familiar with the everyday demands our clients face: Requirements become modifications, updates and new apps. The latter find a home in "Unify", the app store for energy managers. Unify also houses our open API library, which feeds clients' own data warehouses with energy performance, carbon and asset data.

What new products/solutions will you be working on in 2025?

Our talented software team will innovate many new offerings this year. This includes our latest client portal – starring a live Position Report.

Other key projects include major upgrades to the core "Energy Manager" system, commencement of an integrated platform for ESG clients and the development of a standard carbon reporting suite for the Welsh public sector – home to many Universities, NHS Trusts and Local Authorities that rely upon our software.

INSPIRED CHANGE

Dukefield Energy

Dukefield Energy, part of the Dukefield Group, is a specialist energy consultancy operating predominantly in the public sector space. Since 2020, our Energy Manager software has supported Dukefield with their utilities, carbon and analytics management challenges.

Dukefield's partnership with SystemsLink demonstrates how a dynamic software solution can bolster customer service offering in the evolving energy consultancy landscape. This could mean having access to latest market information to inform clients' procurement decision-making, automating previously manual tasks or allowing energy experts to pinpoint any issues from clients' billing data.

Dukefield has enjoyed the customisation of the invoice validation software and reporting methods of Energy Manager. The consultancy has particularly benefited from PDF Auto – a tool which scrapes off data from an invoice – which has proven extremely invaluable for their invoicing.

Creating value for our stakeholders

Engagement across our stakeholder groups is important for us to ensure we understand their expectations and objectives. We strive to have open dialogue with our stakeholders and are continuously reflecting on how we can improve our communication.

For clients

We support our 3,500 clients at every stage of their journey toward managing the transition to net zero. Each client is highly valued, receiving exceptional support and measurable value.

NEW CLIENTS TO THE GROUP IN 2024

170

CLIENT CARBON EMISSIONS SAVINGS IN 2024

-26,272 tCO_2e

For colleagues

Rewarding careers that make a difference. We aim to attract the best new talent and we support our employees in their professional development and health and wellbeing through internal training and providing access to external support resources.

NUMBER OF EMPLOYEES

734

TRAINING DAYS IN 2024

976

For partners

Beneficial relationships that enable us to collaborate as trusted advisors and contribute to policy development. These collaborations not only deepen our understanding of client needs but also drive the evolution of our services.

NUMBER OF PARTNER-LED EVENTS ATTENDED IN 2024

73

LENGTH OF INSPIRED'S LONGEST PARTNERSHIP

14 years

For communities

Engaging with stakeholders/ communities to raise awareness and share knowledge. In 2024, we organised several initiatives to raise funds for local and national charities, donate food to local food banks and promote biodiversity. We also use local suppliers where possible.

SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

80%

NUMBER OF MOSS BUNDLES PLANTED ON OUR PEAT BOG RESTORATION DAY

7,200

UNDERPINNED BY:

Delivering net-zero solutions for a cleaner environment

We are committed to doing our part in creating a sustainable world.
Today's partner for a better tomorrow.

Read more about engaging with our stakeholders on page 52

Our purpose and vision

OUR PURPOSE

To create value for our stakeholders in the present and future economy. We do this by considering the needs of our clients and enabling them to manage and benefit from the global transition to net-zero.

Neist Point, Isle of Skye

OUR VISION

To be the client-focused leader of energy and sustainability services in the UK. We are confident that our focus on the delivery of our four business units will lead to continued success and growth.

Find out more: www.inspiredplc.co.uk

Our strategy

We aim to drive future growth by bringing new clients on board, developing our services to meet evolving client needs and building long-lasting client relationships. We've set ambitious growth aspirations to double Adjusted EBITDA organically over a 5-year period.

We aim to maximise the length of client relationships by meeting client needs and building Client Lifetime Value (CLV) through our end-to-end suite of sustainability services. This supports our growth ambitions.

How we maximise Customer Lifetime Value (CLV):

Expand

Expand our base of Assurance and ESG Services clients.

To deliver a maximum number of net-zero solutions, we prioritise meeting the needs of our clients and their building estates. Through our technology-enabled services, we assist clients in managing energy costs and ESG reporting by effectively handling large, unstructured data sets.

Increase

Increase the number of Assurance Services and ESG Services offered to our clients, ensuring a comprehensive suite of solutions.

Our Assurance and ESG Services collect, validate and process unstructured data related to corporate businesses, energy and carbon emissions.

Introduce

Introduce carbon reduction and social impact services to our clients, providing additional value and support.

Our Optimisation Services are primarily offered to add value to our existing clients, with whom we've built a strong "trusted advisor" relationship through their use of our Assurance and ESG Services.

Broaden

Broaden the availability of carbon reduction and social impact services to meet the diverse needs of our clients

Moving forward, the Group is committed to expanding our range of solutions and services, not only focusing on the environmental aspect ('E') but also encompassing the social ('S') and governance ('G') aspects through future acquisitions or partnerships.

Invest

Invest in technology to bolster Software Services, enabling us to provide more precise and efficient support to our clients.

To continue offering net-zero services to our Assurance and ESG clients, it is crucial for us to stay at the forefront of the market with our data services, ensuring that we maintain our position as a trusted advisor to our clients.

Streamline

Streamline operational costs to better serve our clients, ensuring maximum value.

Our focus on reducing the cost to serve for each client enables us to allocate resources towards enhancing our service offerings and improving our overall business operations, all with the aim of better serving our clients. This strategic approach also facilitates organic growth, ensuring that we continue to meet the evolving needs of our clients efficiently and effectively.

Our strategic priorities to drive growth and maximise CLV:

Recruit

Overview

The Group has attractive organic growth opportunities in the short and medium term, having demonstrated a track record of taking advantage of the market tailwinds and establishing a reputation as a trusted advisor. Recruitment of new clients, either new to the Group or new to a division, drives our organic growth, which in turn is a key input to driving our customer lifetime value model.

Our progress during the year

During the year, we recruited 170 new clients to the Group, with 100 commencing with the Assurance division, 59 with the ESG division and 11 with both. In addition, the number of clients supported by multiple divisions increased to 675 from 615 in 2023. Our Assurance division continues to be a vital source of cross-selling of clients into our Optimisation and ESG divisions.

Future priorities

Our focus remains on building scale across the Group, by recruiting new clients and cross-selling all the Group's services.

Retain

Overview

Client retention is critical for the Group's long-term success for value creation. By leveraging our proprietary software platform to manage our clients' data and by delivering first class service, efficiency improvements and cost savings, we retain clients. Client retention rates are among the best in the industry for our Assurance and Software divisions, both of which have client retention rates at over 85%. While our ESG division is newer and seeing faster new client recruitment, our retention rates are also highly attractive. In Optimisation, the client revenue is more transactional than the other divisions, with repeatable demand for services.

Our progress during the year

As the Group becomes more embedded into our clients' processes, through our excellent customer service and trusted advisor position, we will build the average 10-year potential life-time value. Our strategy of enhancing C-suite relationships has helped improve retention across our portfolio. In 2024, 10-year potential CLV increased 20% to £277,840 (2023: £231,160).

During FY24 the number of repeat Optimisation clients was 244 (2023: 208).

Future priorities

We aim to maintain our high levels of retention across Assurance and Software Services, while increasing retention rates for ESG Services and building repeat business for Optimisation Services.

Return on investment

Overview

Our focus on delivery of attractive return on investment (ROI) is two-fold. First, we apply relentless focus on delivering cost efficiency and cost avoidance for our clients across all four divisions. Delivering at attractive ROI to our clients is a key reason for our high retention rates.

Secondly, we are focused on delivering attractive ROI for the Group, through operational and capital efficiency.

Thirdly, working capital is most of the capital employed in our business, and we have invested in it to support our Optimisation business in recent years, given the long-term growth potential for the division. The Optimisation pipeline has seen strong growth during the year, underpinning our confidence that this investment will deliver attractive returns.

Our progress during the year

Across our Assurance division we achieved an average 5x ROI for the year for our clients.

The Group delivered an improved performance in our central cost to sales ratio in 2024 on an underlying basis, although the revenue deferral into 2025 from three large Optimisation projects means the impact will only be seen in 2025.

In 2024, our net working capital ('NWC') to sales ratio was 21% in 2024 (2023: 15%) as a result of the negative timing impact of the three large optimisation projects.

Future priorities

The Group continues to focus on improving cash conversion ratios, and in turn NWC sales ratio to drive an improvement in free cash flow.

Inspiring a sustainable future

"At its heart, our strategy remains to drive growth and maximise client lifetime value opportunities by consistently demonstrating that we are the leading energy and sustainability advisor."

Mark Dickinson
Chief Executive Officer,
28 March 2025

Overview: Significant progress delivered in 2024

Inspired delivered another significant strategic step forward in 2024, with progress on all of our operational KPIs, with our key KPI of 10-year client lifetime value ('CLV') potential increased by 20% to £277,840. Equally importantly, we successfully completed a fundraise in January 2025, with the support of existing and new shareholders, to strengthen our financial position. With leverage addressed, the Group can focus on growth and cash generation and is on course to achieve a net debt/Adjusted EBITDA ratio of c.1.0x by the end of FY25 compared to 2.59x at YE2024. The Group is now well capitalised and will continue to execute on its long-term growth plans, investing to drive growth, improve profitability and ultimately deliver improved free cash flow.

Our 2024 financial performance somewhat masks the strong underlying momentum we have created across the Group. As notified in December 2024, the Group had three large contracts within the Optimisation division that were delayed and consequently had a negative impact on our revenues and Adjusted EBITDA for the year. All three contracts have commenced and will contribute to our H1 FY25 financial performance. Individual Optimisation projects can be significant individual contributors to the Group's performance today. As we look to scale up the volume and frequency of Optimisation projects, which we expect to start to happen in FY25, the impact of individual projects will diminish in future years as the Group benefits from a broader portfolio effect. The Group will continue to drive growth in the division to create long-term value.

DOUBLING OF ADJUSTED EBITDA
by YE27

DEBT FREE
by YE27

10-YEAR CLV POTENTIAL INCREASED BY
20%
in 2024

There is positive momentum across Inspired which, with the support of our stronger balance sheet and dedicated team, enables us to provide critical solutions to clients as they adapt to the challenges of saving costs in their energy bills, compliance with ESG disclosure requirements, delivery of energy efficiency projects and meeting their obligations to achieve net-zero. I would like to thank the team for their hard work, dedication and commitment to Inspired.

Strategy

At its heart, our strategy remains to drive growth and maximise client lifetime value opportunities by consistently demonstrating that we are the leading energy and sustainability advisor in our end markets. The Group is well placed to take advantage of structural tailwinds around energy efficiency, ESG disclosure and net-zero.

We are focused on three priorities that will help us achieve our strategy – with a focus on customer recruitment, customer retention and delivering attractive ROI to our customers and consequently to our Group.

Recruitment:

The Group has attractive organic growth opportunities in the short and medium term, having demonstrated a track record of taking advantage of the market tailwinds and establishing a reputation as a trusted advisor. Recruitment of new clients, either new to the Group or new to a division, drives our organic growth, which in turn is a key input to driving Inspired's client lifetime value model.

During the year, we recruited 170 new clients to the Group, with 100 commencing with the Assurance division, 59 with the ESG division and 11 with both. In addition, the number of clients supported by multiple divisions increased to 675 from 615 in 2023. Our Assurance division continues to be a vital source of cross-selling of clients into our Optimisation and ESG divisions.

Retention:

Client retention is key for the Group's long-term success for value creation. By leveraging our proprietary software platform to manage our clients' data and by delivering first class service, efficiency improvements and cost savings, we retain clients. Client retention rates are among the best in the industry for our Assurance and Software divisions, both of which have client retention rates at over 85%. While our ESG division is newer and seeing faster new client recruitment, our retention rates are also highly attractive. In Optimisation, the client revenue is more transactional than the other divisions, with repeatable demand for services. During FY24 the number of repeat Optimisation clients was 244 (2023: 208).

As the Group becomes more embedded into our clients' processes, through our excellent customer service and trusted advisor position, we will build the average 10-year potential lifetime value. Our strategy of enhancing C-suite relationships has helped improve retention across our portfolio. In 2024, 10-year potential CLV increased 20% to £277,840 (2023: £231,160).

ROI:

Our focus on delivery of attractive return on investment is two-fold.

First – we apply relentless focus on delivering cost efficiency and cost avoidance for our clients across all four divisions. Delivering at attractive ROI to our clients is a key reason for our high retention rates. Across our Assurance division we achieved an average 5x ROI for the year for our clients.

Second – we are focused on delivering attractive ROI for the Group, through operational and capital efficiency. The Group delivered an improved performance in our central cost to sales ratio in 2024 on an underlying basis, although the revenue deferral into 2025 from three large Optimisation projects means the impact will only be seen in FY25.

Third – working capital is most of the capital employed in our business, and we have invested in it to support our Optimisation business in recent years, given the long-term growth potential for the division. The Optimisation pipeline has seen strong growth during the year, underpinning our confidence that this investment will deliver attractive returns. In 2024, our net working capital ('NWC') to sales ratio was 21% in 2024 (2023: 15%) as a result of the negative timing impact of the three large optimisation projects. The Group continues to focus on improving cash conversion ratios, and in turn NWC sales ratio to drive an improvement in free cash flow.

RECRUITED

170

new clients to the Group

NUMBER OF CLIENTS SUPPORTED BY MULTIPLE DIVISIONS

675

(2023: 615)

10-YEAR POTENTIAL CLV

£277,840

(2023: £231,160)

NET DEBT/ADJUSTED EBITDA RATIO OF

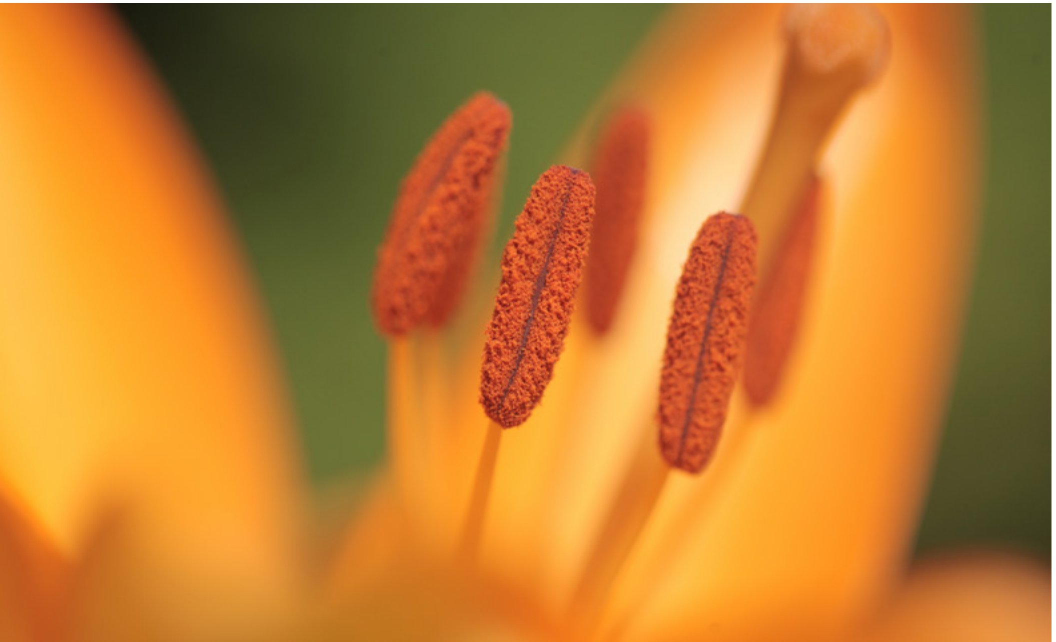
c.1.0x

by YE25 (YE24: 2.59x)

The focus on these three strategic priorities has resulted in significant progress against all our operational KPIs during 2024, as summarised in the table below.

	2020	2021	2022	2023	**2024**
Number of clients supported by multiple divisions within Inspired	307	414	492	615	**675**
Number of clients generating >£50,000 in revenue	114	123	154	227	**242**
Number of >£50,000 revenue clients supported by more than one division	49	69	104	159	**183**
Average 10 year CLV (£) potential per client[1]	102,468	119,079	161,109	231,160	**277,840**
Number of clients with Optimisation projects in the FY	151	194	271	370	**412**
Number of repeat Optimisation clients[2]	79	94	142	208	**244**

1 10 Year CLV is calculated as the average annual revenue for each active client in a year between that year and the three previous years multiplied by 10.
2 Clients that have used Inspired to undertake an optimisation project in previous financial years.



Assurance Services

Assurance Services helps businesses manage all aspects of energy and utility pricing data and accounting. In 2024, the division created strong momentum in new business generation, with low churn rates, to deliver revenue growth at stable margins. The division has access to some of the largest, most exciting companies, which we leverage through cross-selling opportunities to win further ESG reporting and Optimisation revenues from clients.

The delivery of a quality service to our clients meant we continue to expand our client base. During 2024, we were delighted with some new Assurance client wins including: Young & Co.'s Brewery, Student Roost, Paddy Power, Ideal Standard, and Eurosport in H1, in addition to Progress Housing Group, Butternut Box, MBA Polymers UK Ltd, University of Wolverhampton and Future Inns in H2.

Optimisation Services

The successful execution of our strategy to establish ourselves, through the provision of our data rich Assurance and ESG services, as a trusted advisor with the C-suite, provides a platform to deliver sustainability solutions to existing clients through our Optimisation Services division.

In the year, the division delivered 85 large sustainability solutions to existing clients (2023: 69), of which 52% were clients that have previously procured Optimisation Services. A further 327 (2023: 301) existing Assurance and ESG clients procured smaller sustainability solutions, of which 61% were repeat demand from existing Optimisation Services. Further to the integration of the Ignite and Inspired Optimisation divisions, our capacity to develop and design solutions that reduce energy consumption and carbon emissions for clients is significantly increased reflected in an increasing pipeline of Optimisation solutions.

Our 2024 financial performance is not representative of the underlying momentum within Optimisation Services, which is underpinned by a growing pipeline. As announced in December 2024, three large contracts within the Optimisation division were delayed, which consequently impacted on revenues and Adjusted EBITDA performance. All three contracts have commenced and will positively impact our H1 FY25 financial performance. As we continue to scale up our Optimisation division and diversify our customer and project base, the irregular nature of the projects may, from time-to-time, cause volatility in the results of the division. As we continue to work to mitigate the concentration risk, broadening the project portfolio, it should be noted that the timing of these larger projects does not impact the underlying value of the Group.

Optimisation Services generated revenues amounting to £47.3 million (2023: £54.0 million), a reduction of 12%. Absolute gross profit growth of the division is a truer reflection of the Optimisation Services division's performance given the variance on revenue driven by product mix with pass through costs, and this grew marginally in the year to £27.7 million (2023: £27.0 million), despite the negative timing impact of the three delayed projects. This reflects the underlying progress for the division.

Looking forward and noting the proven capability of expanding our cross-sell opportunities, this division provides a gateway to the £138 billion opportunity over the next 25 years for the delivery of energy efficiency and net-zero for commercial buildings and industrial processes in the UK market.

ESG Services

ESG Services helps businesses make revenue-critical ESG disclosures to retain their customers, comply with regulations and attract investment. The Group is uniquely positioned to implement the decarbonisation solutions we design through the Optimisation Services division, allowing our clients to achieve their net-zero ambitions.

ESG Services delivered 17% organic revenue growth with new client wins (including: Crest Nicholson Holdings, DPD Group, IMO Car Wash Group and, Giacom (Communications) Limited) and cross sells to existing Group customers (including Headlam Group, McAlpine & Co, British Car Auctions).

As we look ahead to 2025, we are committed to not only expanding our ESG division's client base but also to innovating new services that empower our clients to tackle the challenges and seize the opportunities presented by the Corporate Sustainability Reporting Directive (CSRD), the upcoming UK Sustainability Reporting Standards (SRS), and the Taskforce on Nature-related Financial Disclosures (TNFD), among others.

Our clients' journey towards low-carbon operations will be a top priority. We will focus on driving meaningful engagement with suppliers and fostering knowledge sharing throughout the entire value chain. By doing so, we aim to equip businesses with the tools they need to actively contribute to the UK's transition to a sustainable, low-carbon economy.

Software Services

Inspired's Assurance, ESG and Optimisation Services rely heavily on managing and processing unstructured data which underpins our service delivery. The technology enablement of these solutions is provided by 'Unify', our proprietary software platform which has been significantly developed over recent years and provides a market leading platform.

Unify is helping to technologically enable a market and industry that has in the past been slow to react and incorporate digital solutions to improve efficiency and performance. The Software division has delivered growth consistent with the prior period, with new client wins and high levels of client retention; it underpins the Group's delivery of broader services.

The Software Services division delivered 18% revenue growth and 25% growth in Adjusted EBITDA, reflecting the benefits from operating leverage of investment in prior periods.

The division is the go-to software platform of choice for large assurance providers, and we continue to focus on increasing the number of meters served by our SaaS platform.

Inspired's own ESG

As a service provider committed to enabling businesses to achieve market-leading ESG disclosures, the Group recognises the importance of leading by example in ESG performance. During FY24, we made remarkable progress towards our ESG objectives including:

1. We re-submitted our revised Scope 1 and 2 net-zero targets, along with our long-term Scope 3 net-zero target, to the Science-Based Targets Initiative (SBTi), proudly receiving approval in early 2025.
2. We prepared our first Integrated ESG Report, fully compliant with the latest EU legislation, specifically the Corporate Sustainability Reporting Directive (CSRD). This report includes our reporting under the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD), and it will feature our inaugural Taskforce on Nature-related Financial Disclosures (TNFD).
3. We conducted biodiversity assessments across the Inspired Estate, laying the groundwork for our upcoming TNFD, featured in our Integrated ESG Report.
4. We performed energy efficiency surveys throughout the Inspired Estate, unveiling opportunities for meaningful energy savings.
5. We established a dynamic supplier engagement working group to craft our supplier engagement policy, fully aligned with our SBTi supplier engagement targets.
6. We drafted our STEM policy for project implementation in the first half of 2025, setting the stage for a transformative STEM program.
7. We launched the Inspired Benefits Platform, enhancing our commitment to our employees.
8. We piloted the Peatbog charitable workday initiative, a powerful step towards our Inspired Charity Day Work Policy set for 2025.

Current trading and outlook

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.

As has been well 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 starts the year with a robust pipeline of new business and the benefit of high retention rates across all four divisions given the attractive ROI we provide to our clients, which provide high visibility on FY25 revenues and beyond.

The recent strengthening of our balance sheet, combined with our ongoing confidence in the growth potential of the Group provide a strong platform for long-term profitable growth and cash flow generation. These underpin our continued ambition to double Adjusted EBITDA by YE 2027 alongside our additional ambition of approaching a debt free position for the Group by YE 2027.

Mark Dickinson
Chief Executive Officer,
28 March 2025

Measuring our performance

We track various financial metrics that highlight the fundamental strength of our business and its operating divisions, allowing us to assess progress toward our strategic goals.

Group KPIs

AVG. NUMBER OF PERSONS EMPLOYED

+5%

FY24	734
FY23	702
FY22	641

Average number of persons employed indicates the growth in capacity during the period, and the continued investment in talent to facilitate future growth.

REVENUE (£000)

-5%

FY24	93,791
FY23	98,757
FY22	88,776

Revenue performance of the Group reflecting the negative timing impact in the Optimisation division with three large projects expected in 2024 delivered in H1 2025.

ADJUSTED EBITDA (£000)

-9%

FY24	22,992
FY23	25,212
FY22	21,000

Reduction in the year reflecting the increase in operating costs to deliver the expected Gross Profit growth impacted by the same dynamics as the Group's revenue performance.

Adjusted EBITDA is earnings before interest, taxation, depreciation, and amortisation, excluding exceptional items and share-based payments.

Adjusted EBITDA is the main measure of profitability used within the business.

ADJUSTED EBITDA MARGIN (%)

-1%

FY24	25
FY23	26
FY22	24

Adjusted EBITDA is the main measure of profitability used within the business, and therefore, the percentage of EBITDA generated from revenues enables the Group to monitor its profitability as its revenue mix evolves.

GROSS PROFIT (£000)

+4%

FY24	69,706
FY23	67,297
FY22	57,706

Gross Profit is a key measure of the direct cost required to provide our different service lines to customers. All divisions delivered gross profit growth in the year, demonstrating underlying growth across all four divisions.

Strategy in action: PLC

Established nationwide retail chain

Inspired partnership supplies sustained success to listed retailer.

This case study outlines the tangible benefits of Inspired's evolving support across our divisions to a listed retailer.

With over 700 stores, utilities are a significant cost consideration for the client – spending £43.5m on electricity, gas and water across their large and diverse estate in 2024.

ENERGY CONSUMPTION SAVING PER YEAR (TO DATE)

30%

At a glance

Since 2017, our partnership has generated diverse benefits across the client's operations – including cost, carbon and consumption.

So far, we have delivered over £20m in projects to reduce energy consumption at the relevant stores by 30% per year.

Moving forward, we expect to provide a further £12m of projects, delivering an annual saving of 35% on current utility spend across the portfolio and c.5,000 tonnes of carbon per year.

Furthermore, the value of our partnership has also extended beyond electricity, gas and water to telecoms.

Our forensic cost audit, which scrutinised the client's present and past telecoms billing, has so far resulted in over £610,000 in refunds and implemented annual savings for the client – with more expected.

Our solutions are all underpinned by the Group's Software Services.

Assurance Services

Our Assurance Services form the foundation of our partnership. In 2017, we began managing the client's energy procurement and accounting process – with water following later the same year.

Generated value:

- After resolving **over 5,300** queries with suppliers on the client's behalf – including high usage, incorrect rates and faulty meters – we have generated over **£4,344,000** in actual savings across electricity, gas and water over our partnership.
- Effective energy procurement is crucial for a client with this large and diverse of an estate. Our expert support has empowered the client to navigate the market from an informed footing – even in the unprecedented circumstances of the energy crisis. With their bespoke risk management strategy, the client has been able to make informed decisions about how and when they purchase electricity and gas, providing protection from market volatility.
- We have saved the client **c.£900,000** via identified water invoice errors and delivered **c.£900,000** in cost avoidance through water procurement.
- Our other water savings measures – including leak detection, limpet meters and auditing across several client sites – have generated over **£231,000** in savings for the client across our partnership.
- We have recovered over **£29,000** and implemented ongoing annual savings of over **£104,000** across our partnership through our water audit service.
- The water AMR and leak detection project in 2024 saw **435** devices installed. **18** client sites used an excess weekly consumption of 429 m^3, equating to £8,468. If the leaks continued to run at the same level for a year, this would have resulted in an excess of 22,308 m^3 at a cost of £75,600.

ESG Services

Across our partnership, Inspired's ESG Services provision has evolved from supporting the client's Energy Savings Opportunity Scheme (ESOS) and Streamlined Energy and Carbon Reporting (SECR) compliance to a comprehensive disclosure service.

In 2021, the team began supporting the client's Task Force on Climate-related Financial Disclosures (TCFD) reporting. When the 2022 introduction of Climate-related Financial Disclosures captured the client's subsidiaries, annual Scope 3 and SECR emissions calculations and a net-zero strategy were provided to support these disclosures.

In 2024, our service offering expanded to include support for clients with the Corporate Sustainability Reporting Directive (CSRD).

Generated value:

- Stakeholder transparency on the client's approach to mitigating climate change.
- Ensuring the client is informed on sustainability regulations and legislation.
- Failure to comply with these obligations could result in significant fines and reputational damage.

Optimisation Services

Our Optimisation Services have bolstered our comprehensive offering, including analysing the client's energy data to identify opportunities to reduce their consumption, carbon and cost and implementing the identified projects end-to-end.

Generated value:

- **719** Building Management Systems installations since 2021, resulting in over **£35m** in electricity savings to date.
- **Over £133,000** in Climate Change Levy savings from January 2021 to December 2024 for one of the client's subsidiaries through ongoing scheme management.

Together, we've navigated a transformative journey, saving our client **£42,251,000** on utilities.

Assurance Services

Our Assurance Services division helps our clients to better manage their utility data by navigating the volatile energy market, optimising costs and managing risks on their behalf.

Leveraging our technology-enabled service we process thousands of data pieces each month to support effective cross-selling into ESG and Optimisation Services.

Given the significant impact of energy costs on business success, precise energy purchasing and billing are essential. Our risk managers and procurement specialists develop tailored strategies to mitigate price volatility and reduce costs, while our energy accounting analysts ensure accurate billing. Many organisations integrate utilities into their strategic plans to reduce risk, reinforce commercial resilience and strengthen supply chain partnerships.

Assurance Services had another strong year for new business generation (including IMO Car Wash Group Limited MHS Homes Group, C.Brewer & Sons, AA Corporation, Butternut Box and University of Wolverhampton), with stable retention rates and delivered margins broadly in line with 2023.

The underlying organic revenue growth for the division was 1% in 2024 (2023: 1%) and since 2020 the underlying annual organic revenue growth of the Assurance Services division has been c.4%.

£36.6m

Assurance Services 2024 revenue contribution

Measuring our performance
Assurance KPIs

REVENUE (£000)

+1%

2024	36,604
2023	36,313
2022	35,972
2021	35,521
2020	29,608

ADJUSTED EBITDA (£000)

-0%

2024	14,827
2023	14,956
2022	16,178
2021	17,015
2020	14,336

GROSS PROFIT (£000)

+1%

2024	33,192
2023	32,857
2022	32,741
2021	32,665
2020	27,912

ADJUSTED EBITDA MARGIN (%)

-0%

2024	41
2023	41
2022	45
2021	48
2020	48

Impact of macro environment

UK businesses continue to prioritise strong procurement strategies and effective cost and carbon emissions management for operational resilience.

The Department for Energy Security and net-zero (DESNZ) recently sought views within the energy sector on the regulation of Third-Party Intermediaries (TPIs). Inspired has publicly responded, advocating for a tailored regulatory approach that addresses the diverse needs of all energy consumers, to ensure practicality and effectiveness. Read our response **here**.

Key developments and outlook

Throughout 2024, we continued to improve customer service standards and enhance client lifetime value (CLV) by delivering substantial value across all divisions where possible.

The Assurance Services division builds a stable client base and uses our data management and processing capabilities to design and implement Optimisation Services solutions, ultimately enhancing client value through the delivery of strategies that support their net-zero goals.

We welcome more regulation in the sector which is likely to strengthen the position of larger TPIs and increase confidence in the TPI market with increased transparency measures and regulatory oversight.

How we will deliver on our strategy

The period up to FY27

- Maintain position as the market leader in the UK and Ireland.
- Deliver 1% to 3% organic growth per annum.
- Focus on customer service to maximise client retention rates.

"Inspired's insights have been immensely valuable to our business throughout our collaboration. They have ensured the accuracy of our billing, providing us with peace of mind. Additionally, their portal has granted us efficient access to our data, enabling us to manage our energy smartly and effectively. We are very pleased with this partnership, as evidenced by our recent long-term renewal for Assurance Services."

Graeme Ireland
Head of Energy and Mechanical Services, Iceland Foods Ltd

CASE STUDY

United Learning

United Learning is a group of independent schools and academies, which aims to provide excellent education to children and young people across the country.

Over the past decade, Inspired has offered United Learning comprehensive energy and sustainability support across their diverse estate. This includes assurance and optimisation services, as well as delivering their tailored energy procurement strategy. Our partnership exemplifies the encompassing and continuous benefits working with an expert partner can offer. As a result of services delivered throughout our ongoing collaboration, Inspired has already saved United Learning over £87m.

Over time, our partnership has extended beyond the United Learning portfolio into creating further procurement opportunities through a compliant route to market.

In 2015 Inspired and United Learning began managing a multi-supplier framework for gas and electricity procurement – with 1.19 TWh of volume procured. Now we are seeking to bolster our framework partnership to accelerate additional value for education providers, their students and the wider public sector.

Going forward, United Learning continues to drive energy efficiency across their portfolio, ensuring individual schools are gaining maximum value from onsite assets and energy waste reduction while returning value into the student experience.

ESG Services

Our ESG Services division provides practical solutions to support our clients at every stage of their ESG journey. We help them make effective ESG disclosures, comply with emerging regulations, attract investment, and grow their customer base.

We help clients create customised ESG strategies, measure ROI, manage climate change risks, gather emissions data, and develop net-zero plans. With our support, clients can align their transition to a low-emissions economy with their overall business objectives.

What sets us apart from competitors is our ability to implement decarbonisation solutions through our Optimisation Services division, enabling clients to achieve their net-zero goals.

Since entering the ESG market in 2021, our division has experienced significant growth, driven by the development of a leading product that meets the market's evolving needs at a competitive price.

As ESG disclosures gain importance in revenue and investment decisions, fuelled by changing legislation, our client base continues to expand. Our services not only increase the lifetime value of clients like Amtico International Limited but also attract new clients, including DPD Group UK, Kukri GB Limited and Giacom Communications Limited to our Group in 2024.

£6.4m

ESG Services 2024 revenue contribution

Measuring our performance

ESG KPIs

REVENUE (£000)

+17%

2024	6,405
2023	5,476
2022	2,580
2021	966
2020	493

ADJUSTED EBITDA (£000)

-7%

2024	1,382
2023	1,493
2022	-572
2021	31
2020	93

GROSS PROFIT (£000)

+19%

2024	5,444
2023	4,562
2022	2,325
2021	966
2020	493

ADJUSTED EBITDA MARGIN (%)

-5%

2024	22
2023	27
2022	-22
2021	3
2020	19

Impact of macro environment

ESG reporting has shifted from a reluctant compliance obligation to a critical driver of revenue across all economic sectors. Even for businesses not yet bound by compliance requirements, effective ESG disclosures and meaningful progress toward a net-zero strategy are now vital for attracting clients, talent, and investors. In today's market, ESG is no longer optional – it is a cornerstone for business growth and success.

"Inspired have been an invaluable partner for nGAGE in our GHG emissions reporting and net-zero journey. We particularly appreciate their ability to translate complex requirements into clear and actionable information. Inspired continues to support us in our GHG reporting activities as well as supporting us to devise a comprehensive net-zero strategy for the global Group."

Louise Hindley
Group Chief People Officer,
nGAGE Talent

Key developments and outlook

At COP29 in December 2024, the UK was keen to demonstrate its commitment to a new, more ambitious Nationally Determined Contribution (NDC) target: to reduce all greenhouse gas (GHG) emissions by at least 81% by 2035, compared to 1990 levels.

A stricter NDC will require businesses to meet more stringent reporting and emission reduction mandates, including increased taxation through the UK Emissions Trading Scheme (ETS) and the introduction of the UK Carbon Border Adjustment Mechanism (CBAM) in 2027.

Large UK companies already adhere to extensive climate reporting requirements and several regulations will either expand or take effect in 2025 including Corporate Sustainability Reporting Directive (CSRD), Sustainable Finance Disclosure Regulation (SFDR), International Financial Reporting Standards (IFRS) S1 and S2 standards to name a few.

In addition, a UK Sustainability Reporting Standard (UK SRS) is anticipated in 2025 to support the government's goal of becoming the world's first net-zero-aligned financial centre.

The focus of the ESG Services division continues to be increasing the lifetime value of existing clients and adding new clients to the Group.

How we will deliver on our strategy

The period up to FY27

- Grow our taxonomy and ESG framework agnostic solutions to help businesses make their ESG disclosures in UK and Ireland.
- Expand our offering to support our client's business operations that are captured by the emerging EU and US disclosure frameworks.
- Continue to deliver the five-year organic growth plan through to 2027.
- Build ESG Impact Services to enable solution provision for each element of the ESG wheel.

"Over the past three years, Inspired has been our trusted partner in navigating the ever-evolving world of ESG and climate-related financial disclosures.

Together, we have built a strong and robust partnership. As we continue to refine and develop our ESG strategy, I look forward to collaborating with the Inspired team again on our next project."

James Streeter
Head of ESG, Tandem Bank

CASE STUDY

City Electrical Factors Limited (CEF)

Hear from Paul Thomas, Head of Environmental Sustainability at CEF, as he discusses the organisation's aim to be a leader in the sector with a focus on people, planet and communities.

Through Inspired's ongoing partnership, we support CEF through the legislative landscape for the group and develop their overall ESG reporting. This is achieved with target setting, net-zero roadmaps, climate risk assessments and workshops.

Watch the case study in full here

Optimisation Services

Our Optimisation Services division innovates solutions to help our clients transition to net-zero by reducing carbon emissions and optimising utility usage.

After benefiting from our Assurance Services for energy cost management and effective ESG reporting, our clients focus on reducing energy and carbon emissions.

Our Optimisation Services are introduced after we've obtained client insight to recommend the most suitable solution to support their net-zero goals. Data management is crucial, enabling us to pinpoint efficiency opportunities and explore diverse technologies to cut consumption and long-term energy costs.

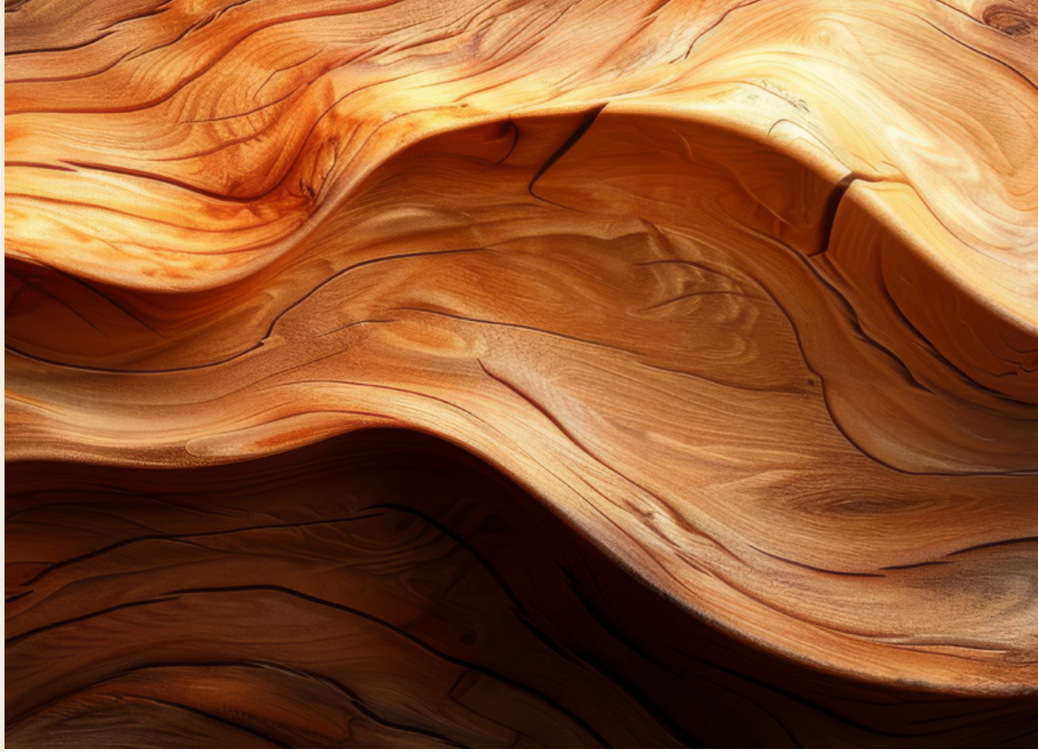
Our independent energy expertise proves invaluable in selecting the optimal solution(s) for our clients. We offer unbiased recommendations and reliable, investment-grade feasibility studies through our expert engineers and trusted technology partners. We also support by securing capital, overseeing implementation, validating savings and measuring ROI.

As anticipated, the Group's Optimisation Services division saw high levels of demand in 2024. This was driven by strong levels of repeatable demand from clients who had previously bought Optimisation Services and cross-selling to clients from the Assurance and ESG Services divisions, including Big Yellow Self Storage Company Limited, Young & Co's Brewery, P.L.C, Synchemicals Limited, Centerprise International Limited and B. Braun Medical Ltd.

In the year, the division delivered 85 large sustainability solutions to existing clients (2022: 69), of which 52% were clients that have previously procured Optimisation Services. A further 327 (2022: 301) existing Assurance and ESG clients procured smaller sustainability solutions, of which 61% were repeat demand from existing Optimisation Services. Further to the integration of the Ignite and Inspired Optimisation divisions, our capacity to develop and design solutions that reduce energy consumption and carbon emissions for clients is significantly increased reflected in an increasing pipeline of Optimisation solutions.

£47.3m

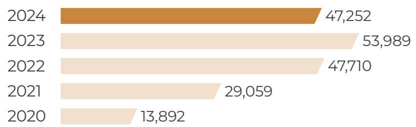
Optimisation Services 2024 revenue contribution



Measuring our performance
Optimisation KPIs

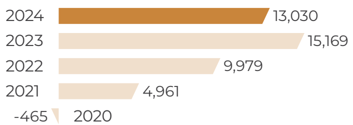
REVENUE (£000)

-12%



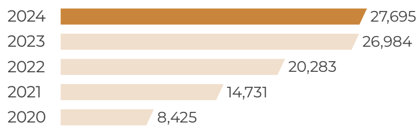
ADJUSTED EBITDA (£000)

-14%



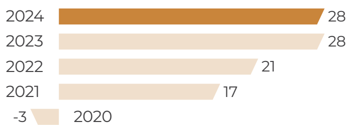
GROSS PROFIT (£000)

+3%



ADJUSTED EBITDA MARGIN (%)

-0%



Impact of macro environment

Businesses are prompted to tackle climate change and achieve net-zero, accelerated by the energy crisis and the need to implement an energy crisis defence for the future.

The UK's recently revised Nationally Determined Contribution (NDC) target: to reduce all greenhouse gas emissions by at least 81% by 2035, will be followed by a published plan from Government in 2025, updating the policies and proposals that will enable its achievement.

UK businesses have a crucial role in the net-zero transition, with clear benefits for businesses: reduced energy bills, greater energy security, and enhanced public perception.

Key developments and outlook

Effective data management through our Assurance and ESG Services enables us to assist clients in identifying and evaluating energy and carbon reduction opportunities, leading to a growing number of on-site solutions.

Throughout 2024 we continued to bring new products to market and concentrated on refining our operational framework within Optimisation Services to improve customer service standards and opportunities.

How we will deliver on our strategy

The period up to FY27

- Deliver 15% to 25% underlying organic Gross Profit growth per annum.
- Focus on delivering Carbon Action Programmes to deliver net-zero carbon strategies for clients.

"Denso Manufacturing UK Limited (DMUK) engaged Inspired PLC to assist in our journey towards net-zero and they have thus far proven to be a reliable and supportive partner. Some personnel changes at DMUK meant we lost some crucial knowledge and expertise as we approached ESOS Phase 3 but the support and guidance from Inspired was vital in allowing us to complete Phase 3 by the deadline. As we look to move towards Phase 4 and our overall net-zero target, we are sure Inspired will continue to support us along this journey."

Mike Regan
Senior Buyer, Denso Manufacturing

CASE STUDY

dnata

A solar PV project delivered by Inspired for dnata, one of the world's largest air services providers, at their facility near Heathrow Airport.

Watch the Inspired team discuss dnata's net-zero journey with Corporate Assurance Director Tania Boyes and learn how we've designed, supplied and installed a solar PV project alongside providing ongoing support for their organisation's goal to reduce carbon emissions by 50% by 2030.

Watch the case study in full here

CASE STUDY

Victoria Group

A leading supply chain provider with six port facilities across the UK, the Victoria Group is an operation of national importance and a key partner to countless organisations.

Inspired was invited to offer Victoria Group suggestions of energy saving measures with a carbon reduction benefit. After a thorough estate-wide review, our Technical Services team suggested a Solar PV solution for five sites spread across the UK. The five arrays totalled 770kWp and would generate between 15% and 35% of each site's annual import volume. As part of this process, DNO connection agreements were submitted and structural surveys undertaken. System sizes and configurations were then reviewed considering DNO restrictions, and the systems re-optimised.

Despite the requirement to deliver a solar project under the working conditions of a live sea port, the Inspired team commissioned the projects on time and has continued to monitor array performance online since commissioning to ensure optimal generation.

Software Services

Our Software Services division delivers technology to manage the vast amounts of sustainability data that underpin our services.

Our software also offers an ever-expandable set of tools, which not only underpin the Group's service provision but is also provided on a SaaS basis to direct customers and other TPIs, becoming increasingly recognised as the leading industry platform. Modular by design, the software equips direct clients and other TPIs for the continually changing energy and sustainability world, fully customisable for their organisation's needs. Whether their challenge is energy or carbon management, buying or budgeting, the solution is housed in one central app store.

The division has delivered significant growth in 2024, adding a number of new clients including Motor Fuel Group, Highland Council, TUS Group and E3 Energy Ltd.

Inspired's Software Services division now manages in excess of 500,000 meters and our technology benefits more than 70 TPIs (including ten who support in excess of 10,000 meters) and over 200 direct software clients. There is no significant client concentration, and the division enjoys exceptional client retention rates.

£3.5m

Software Services 2024 revenue contribution

Measuring our performance

Software KPIs

REVENUE (£000)

+18%

2024	3,530
2023	2,979
2022	2,514
2021	2,395
2020	2,117

ADJUSTED EBITDA (£000)

+25%

2024	2,196
2023	1,757
2022	1,768
2021	1,770
2020	1,436

GROSS PROFIT (£000)

+17%

2024	3,375
2023	2,894
2022	2,357
2021	2,330
2020	2,070

ADJUSTED EBITDA MARGIN (%)

+3%

2024	62
2023	59
2022	70
2021	74
2020	68

Impact of macro environment

Both the energy crisis and other geopolitical events in recent years have triggered shifts in consumer behaviour, business operations and market uncertainty, emphasising the importance of responsive, online systems.

Net-zero pressures and increasing ESG regulations are further prompting both direct clients and TPIs into visualising and managing their energy and environmental data.

In 2024, we continued to observe growth that reinforces the unchanged demand for software solutions. TPIs still seek software to adapt to client needs, while direct clients seek systems to enhance cost and consumption visibility for reduction and decarbonisation purposes.

Key developments and outlook

Over the last 30 years, SystemsLink – our TPI-facing software brand – has grown to be a market leader, helping consultants to reduce energy costs, stay compliant and reach their net-zero targets. To reflect who we are and where we're headed, we've had a brand refresh and launched a new website in 2024.

We also held monthly training webinars covering key software features, attended by over 800 users, and organised six face-to-face customer roadshow events in November, meeting with 127 clients across the country.

We also released several key software developments, including upgrades to PDF Auto, engaged more suppliers through Query Portal, increased the number of queries through our API service and enhanced our BI module to contribute further growth of the division. In 2024 alone, we had more than 10,000 users of our software.

How we will deliver on our strategy

The period up to FY27

- Deliver 10% to 20% organic growth.
- Deploy capex to deliver 6–8 new technology solutions per year.

CASE STUDY

Inverclyde Council

SystemsLink has provided Inverclyde Council with a complete and cost-effective energy management solution, which allows the council to identify waste and overspend and track their savings.

Previously the Council team had to enter data onto numerous spreadsheets. Maintaining this data was difficult and time-consuming, requiring their staff to find invoices from paper copies.

The SystemsLink web portal has served a key role for the Council's Energy & Climate Change Team to raise awareness on energy matters. The Council team can now utilise the information available through the portal to make suggestions for improvements and swiftly communicate energy consumption across the organisation.

The Council's Finance department has benefited from web portal access the most as they can now monitor specific groups with ease – allowing them to spot any anomalies and trends and rectify errors before invoices are paid.

Energy Manager software also allows the Council to easily group their buildings and update groups in bulk.

"

The SystemsLink platform is very functional, and the support staff have been brilliant in helping us understand the platform so we can better inform our clients."

Tolulope Falope
Consultant, Touchstone Services

"

As a charity, we must account for every penny but having Energy Manager means we always have access to our bills and consumption data which is important. The graphs that get created from our data are useful and easy to explain when sending to teams. The SystemsLink support team are so fast at coming back to us if we have any questions, it's brilliant."

Joanne Rollason
Operation Property Analyst, Canal & River Trust

London Stock Exchange Green Economy Mark

We are pleased to have received the London Stock Exchange's Green Economy Mark since 2020. It recognises companies contributing to a greener and more sustainable economy and allows greater visibility for investors interested in green economy activities. To receive it, companies must generate at least 50% of their revenue from green revenue streams as defined by FTSE Russell's Green Revenues taxonomy.

Inspired was delighted to feature in the London Stock Exchange's 2024 report 'The Green Economy Mark: Five years of green growth'. Read the case study **here** and the report in full **here**.

		2024 revenue £000	**2024 green revenue £000**	2023 revenue £000	2023 green revenue £000
Procurement	Consultancy and advisory services on placing energy supply contracts for corporate consumers. Focusing on the management of renewable obligations, feed-in tariffs and climate change levies	**22,075**	**22,075**	23,087	23,087
Energy accounting	Verification of energy invoices and charges for corporate energy consumers, including validation of consumption data, which forms the basis of submissions for sustainability reporting and voluntary schemes such as the CDP	**9,004**	**9,004**	7,949	7,949
Monitoring and targeting	Monitoring of site energy consumption to reduce energy and water waste and drive energy-efficient behaviour from employees	**8,672**	**8,672**	7,812	7,812
ESG	Production of net-zero Programmes and setting of science-based targets. Creation of TCFD and SECR disclosures and ESG reports	**6,405**	**6,405**	5,476	5,476
Forensic audit	Historical cost recovery relating to consumer energy and water invoices	**8,608**	**–**	3,811	–
TRIAD alerts	Forecasting and notifying of TRIAD periods to energy consumers	**131**	**–**	182	–
Optimisation Services	Consumption reduction management through energy efficiency, demand-side response and onsite renewable generation	**38,896**	**38,896**	50,440	50,440
Total		**93,791**	**85,052**	98,757	94,764

2024 % GREEN REVENUE
90%

2023 % GREEN REVENUE
96%

Good operational performance and strengthened financial position

"The strategic and financial initiatives delivered in the year, and subsequent to the year end, have ensured the Group is well placed to deliver the effective implementation of our strategic growth plan."

Paul Connor
Chief Financial Officer,
28 March 2025

GROSS PROFIT

+4%

ADJ. EBITDA MARGIN

25%

I am pleased to report financial results for the year ended 31 December 2024, with the Group delivering a robust operational and financial performance during the year, whilst also making clear strategic and financial progress.

2024 was a year in which saw a 5% decrease in revenue organically, with total revenues of £93.8 million compared to £98.8 million in 2023, but a 4% increase in Gross Profit to £69.7 million (2023: £67.3 million). Group Adjusted EBITDA decreased by 9% to £23.0 million (2023: £25.2 million). In percentage terms, the Adjusted EBITDA margin was 25% (2023: 26%), reflecting an increase in operating costs to facilitate the expected growth impacted by delays in the Optimisation division as three large shifted into 2025.

Divisional performance

Assurance Services

Assurance Services delivered 39% of total Group revenues in 2024 (2023: 37%) at £36.6 million (2023: £36.3 million), an increase of 1%.

The division contributed Adjusted EBITDA in line with expectations of £14.8 million (2023: £15.0 million), with Adjusted EBITDA margins stabilising at 41% (2023: 41%), as we retain our objective to provide a first-class level of service to our Assurance clients, which we believe is essential to continue to be the market leaders in Assurance Services.

The Assurance Services division entered FY25 with 82% of expected 2025 revenues contracted (2023: 81%), an expectation of 10% of revenue coming from in year renewals (2023: 14%), underpinned by customer retention rates during 2024 at 88% (2023: 90%), with the balancing 8% expected to come from new wins in year (2023: 5%). This provides confidence that the division will continue to contribute revenue growth in FY25.

The division already has 60% of its 2026 revenues contracted (2023: 56%), an expectation of a further 24% from renewals to be secured in 2025 and 2026 (2023: 32%), and 16% expected from new wins in 2025 and 2026 (2023: 12%).

Optimisation Services

Optimisation Services generated 50% of total Group revenues in 2024 (2023: 55%), amounting to £47.3 million (2023: £54.0 million), a reduction of 12%. Optimisation Services contributed gross profit in line with the prior year of £27.7 million (2023: £27.0 million) which we believe is a better measure of growth within this area. Adjusted EBITDA of £13.0 million (2023: £15.2 million), showed a reduction of 14%, as a result of an increase in staff costs and other operating expenditure as the division increased capacity in expectation of delivering gross profit and Adjusted EBITDA growth in the period prior to the deferral of gross profit contribution through the delay in deliver of the three large optimisation projects in H2 2024.

The division continues to see growth and diversification of the customer pipeline, benefitting from cross-selling and repeat demand from customers, with clients focusing on the beneficial impact of energy usage and demand reduction.

Adjusted EBITDA margin for 2024 was in line with prior year at 28% (2023: 28%), driven by product mix. Subject to product mix, management's expectation is that the division will consistently generate Adjusted EBITDA margins of c.20-30%, noting that revenue growth and profit margins can vary due to product mix in any reporting period within the Optimisation Services division.

Demand for Optimisation Services continues to increase, with strong underlying drivers, including the drive to net-zero, and further accelerated by the high commodity prices. As the division is expected to continue to represent a greater proportion of Group revenues from FY25 onwards, Group margins will reflect the change in business mix.

ESG Services

ESG Services generated revenues of £6.4 million (2023: £5.5 million), delivering 17% growth. The ESG Services division delivered Adjusted EBITDA of £1.4 million (2023: £1.5 million), as the division continues to invest in talent to deliver further growth.

Within ESG Services, there was £1.7 million of revenue (2023: £1.9 million) from delivery of services in relation to the Energy Savings Opportunity Scheme (ESOS). The Group noted previously that this revenue is cyclical being based on the phases of the scheme, but we have continued to see this service line develop into a recurring revenue stream for the division. ESOS services contribute a lower GP margin than other ESG services at c.40%.

The ESG Services division delivered retention rates for recurring revenue services of 89% in 2024 (2023: 89%).

With these high levels of customer retention, and the division entering 2025 with over 65% of the 2025 forecast revenue already contracted (2023: 65%), the Group has confidence in the ESG Services division continuing its growth trajectory in 2025.

The increasing focus of businesses on net-zero targets, combined with mandatory requirements for businesses to make ESG disclosures, provides a favourable backdrop to continue to invest in the strategy for the ESG Services division.

Software Services

The Group's Software Services division continues to develop well, with revenues growing by 18% to £3.5 million (2023: £3.0 million), with the growth driven by new client acquisition and an increase in revenue generated from existing customers, as the Group continues to add additional modules to its existing platform.

Software Services generated Adjusted EBITDA of £2.2 million (2023: £1.8 million) and produced an Adjusted EBITDA margin of 62% (2023: 59%), reflecting the benefits of investment in capacity in prior periods.

The Software Services division delivered retention rates for recurring revenue services of 92% in 2024 (2023: 95%), with in excess of 85% of expected revenues in 2025 coming through renewals of existing customer licenses (2023: 80%).

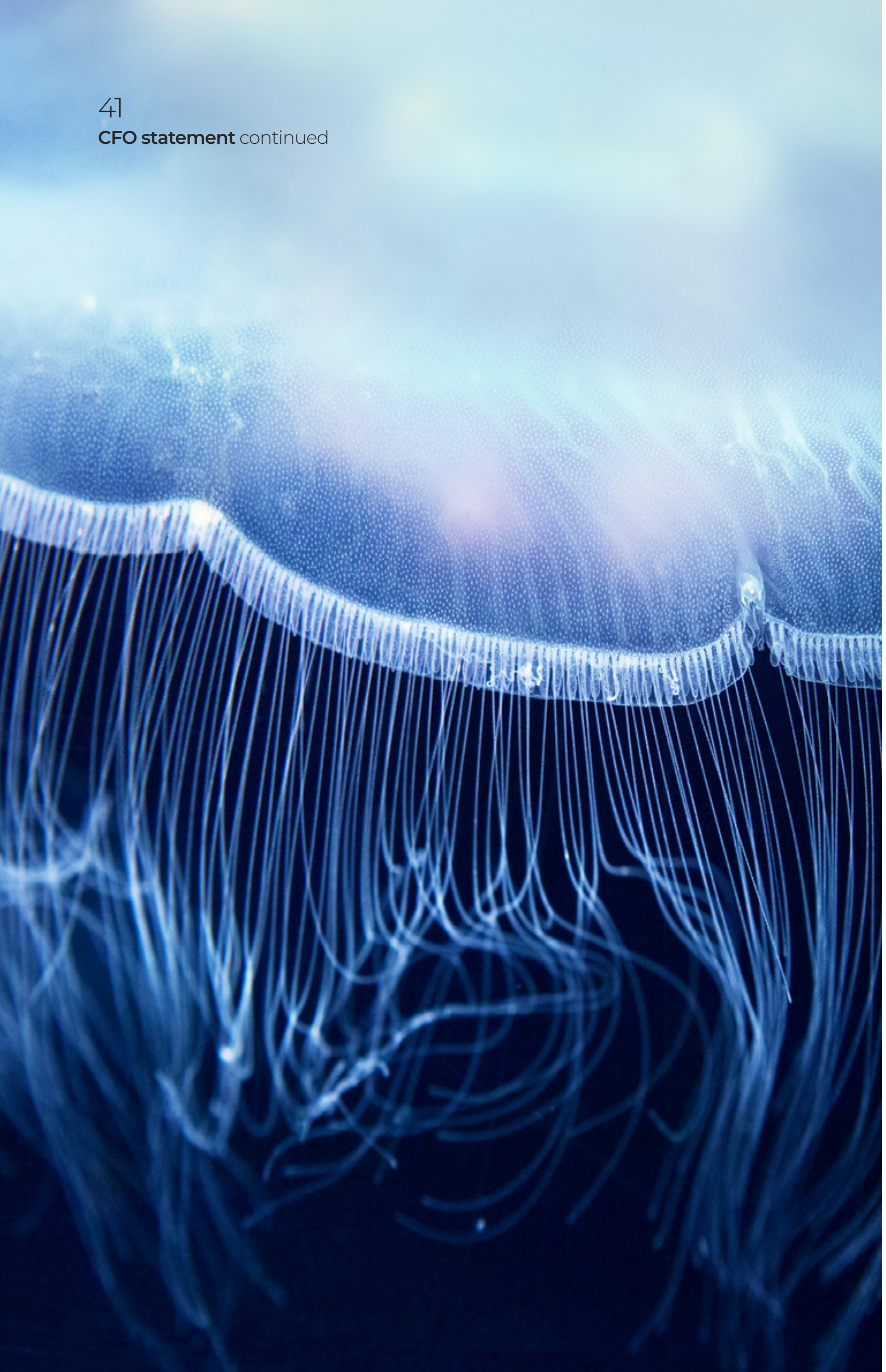
Group results

Group central PLC costs were £8.4 million (2023: £8.2 million). As expected, the Group has seen a deceleration of PLC cost growth in 2024, as the Group benefits from operating leverage and improved productivity.

Overall, the Group generated Adjusted EBITDA for the year of £23.0 million (2023: £25.2 million); the Adjusted EBITDA margin was 25% (2023: 26%). This reduction is as a result of the increase in staff costs as we invested in increased capacity to support future growth and operating expenditure as the Optimisation division, increased capacity in expectation of delivering gross profit and Adjusted EBITDA growth in the period prior to the delay in deliver of three large optimisation projects in H2 2024.

After deducting charges for depreciation, amortisation of internally generated intangible assets and finance expenditure, the adjusted profit before tax for the year was £11.9 million (2023: £15.8 million). Finance costs of £5.8 million (2023: £4.5 million) were higher due to a higher level of average debt over the year.

Under International Financial Reporting Standard (IFRS) measures, the Group reported a profit before tax for the year of £11.8 million (2023: loss of £6.2 million), with reported profit before tax in the year impacted by changes in the fair value of contingent consideration, charges for the amortisation of intangible assets as a result of acquisitions, share-based payment charges and restructuring costs.



A reconciliation of reported profit/(loss) before tax to adjusted profit before tax is calculated in the table below.

Alternative performance measures

Acquisition activity, non-recurring items and material items can significantly distort underlying financial performance from IFRS measures. The Board therefore considers it appropriate to report adjusted metrics, as well as IFRS measures, for the benefit of primary users of the Group's financial statements. Reconciliations to Adjusted Profit Before Tax and Adjusted Fully Diluted EPS can be found in note 10.

Exceptional costs

Exceptional costs of £2.6 million (2023: £3.6 million) were incurred in the year. Exceptional costs include £0.6 million for the performance fees in relation to FY24 performance payable to the vendors of the Ignite business (as detailed below), £0.4 million in relation to the restructuring of the Group's Irish subsidiary Horizon Energy Group Limited, £0.4m settlement of claim and associated professional fees, £0.4 million in relation to acquisition activity, £0.2 million of onerous lease costs resulting from the Group's consolidation of its office portfolio, and £0.6 million in relation to restructuring costs.

Change in fair value of contingent consideration

The fair value of contingent consideration at the balance sheet date is a judgement of the contingent consideration which will become payable based on a weighted average range of performance outcomes of the acquired business during earn out periods reflecting uncertainty in future periods, which is subsequently discounted at a risk-free rate for the time value of money.

The Group recognised a £4.9 million gain (2023: loss of £14.6 million) in the period as a result of changes in the fair value of contingent consideration which was treated as exceptional. The gain was primarily driven by the Group accelerating the integration of Ignite and terminating the Deed of Variation (Deed of Termination) in relation to Ignite Energy LTD, and as a result has no outstanding contingent consideration payment obligations in relation to the Ignite Energy LTD transaction. Following payment of the final contingent

	2024 £000	2023 £000
Profit/(loss) before income tax	**11,769**	(6,169)
Share-based payment cost	**893**	1,187
Amortisation of acquired intangible assets	**1,475**	2,272
Foreign exchange variance	**12**	(257)
Change in fair value of contingent consideration	**(4,870)**	14,621
Finance expenditure	**–**	482
Exceptional costs	**2,571**	3,620
Total	**11,850**	15,756

consideration payment relating to the acquisition of Businesswise Solutions Ltd of £2.2m in H2 2024, the Group has no further contingent consideration payments to fund, and therefore contingent consideration on the balance sheet at 31 December 2024 is zero.

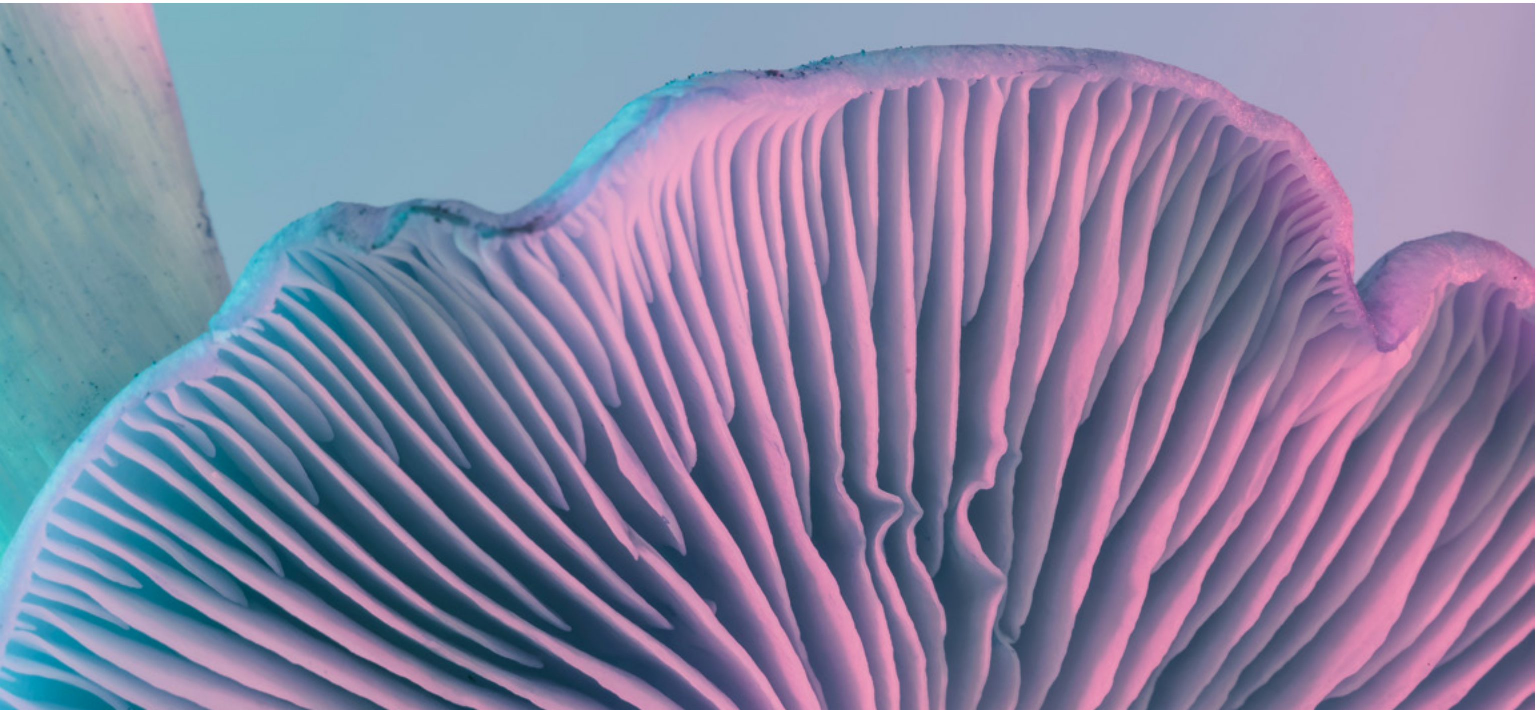
On entering the Deed of Termination, the Group has also entered into consultancy agreements with the vendors of Ignite for the period ending 31 May 2025 (Restructuring Period). The consultancy agreement contains a monthly fee payable to each consultant, which is equivalent to their previous employment contract and also includes a performance fee based on gross margin targets for Ignite during the Restructuring Period (Performance Fee). Based on Management's current expectations for the Ignite business, the total Performance Fee would be £1.1m, a reduction for initial expectation of £2.3m, following the deferral of the three significant optimisation projects the Performance Fee will be payable in two instalments over 2025.

Exceptional costs, amortisation and impairment of internally generated intangible assets, share based payment charges and changes in fair value of contingent consideration are considered by the Directors to be material and exceptional in nature; they, therefore, merit separate identification to give a true and fair view of the Group's result for the period.

Cash and working capital

Group cash generated from operations during the period was £18.2 million (2023: £15.9 million), an increase of 14%. Excluding exceptional costs, cash generated from operations was £21.2 million (2023: £18.7 million). Underlying operating cash conversion ratios remain a key focus for management, acknowledging the need to facilitate the growth within the Optimisation Services division.

Free cash flow during the year was £3.9 million (2023: £3.2 million), with the increase in cash generated from operations, in part, offset by increase in interest and tax. Post the fundraise completed in January 2025, the Group is now well positioned to execute on its long-term growth plans to deliver improved profitability and free cash flow generation leading it to becoming debt free.



Trade and other receivables and deferred consideration increased 11% in the period to £51.7 million (2023: £46.5 million), with invoiced trade receivables reducing 27% to £12.9 million (2023: £17.6 million). This reduction in receivables was the result of the very high levels of project activity in Q4 2023 within the Optimisation Services division unwinding in early 2024 as expected; the comparative Q4 in 2024 delivered lower levels of Optimisation project activity year on year.

Accrued income increased in the period by 53% to £30.3 million (2023: £19.9 million), with £10.5 million (2023: £4.1 million) being recoverable in greater than 12 months, being driven by strong performance of share of savings revenue lines within Optimisation in 2024.

Trade and other payables increased £3.2 million (16%) to £23.1 million (2023: £19.9 million). There was a £2.4 million (37%) reduction in trade payables to £3.9 million (2023: £6.3 million) reflecting lower Optimisation activity levels in Q4 2024. This was offset by a £5.8 million increase in deferred income to £7.9 million (2023: £2.1 million) with a continued focus on improving payment terms; and accruals increased by 16% to £5.3 million (2023: £4.6 million). Working capital management remains a key focus for the Group in sustaining strong cash conversion.

The Group made payments to acquire intangible assets of £5.8 million in 2024 (2023: £5.6 million), and payments to acquire property, plant and equipment of £0.8 million (2023: £0.9 million).

Financial position and liquidity

At 31 December 2024, the Group's net debt was £59.2 million, excluding the impact of IFRS 16, increasing from £48.7 million at 31 December 2023, being 2.59x Adjusted EBITDA at year-end 2024 (2023: 1.93x).

The Group held cash and cash equivalents of £5.2 million on hand as at 31 December 2024 (2023: £8.8 million).

In May 2024, the Group agreed an increase in the Revolving Credit Facility to £65.0m until 30 April 2025 to provide additional liquidity in the period in which the Group pays the final outstanding contingent consideration payments. The Group's £65.0m Revolving Credit Facility was fully drawn at 31 December 2024.

The facility is subject to two covenants, which are tested quarterly: adjusted leverage to Adjusted EBITDA (Adjusted Leverage Covenant) and Adjusted EBITDA to net finance charges (Interest Cover). Under the refinanced facility, the Group reset the Adjusted Leverage Covenant, with an increase in headroom to 2.75:1.00 through to June 2024, tapering to 2.50:1.00 from June 2024 to June 2025, and then tapering to 2.00:1.00 across the remainder of the facility. Interest Cover is not to be less that 4.00:1.00 across the term of the facility.

Subsequently, in November 2024, the Group agreed with its banking partners a resetting of the adjusted leverage and interest cover covenant for quarter ending 31 December 2024 to 3.00x and 3.50x respectively, increasing the headroom available to the Group from a covenant perspective. From 31 March 2025, covenant levels revert to those mentioned above.

In January 2025, the Group raised £21.66m in aggregate (before fees and expenses) through a placing of 54,150,535 placing shares at an issue price of 40.0p per placing share. In addition, the Company issued Convertible Loan Notes ('CLNs') with an aggregate principal amount of £5 million to Gresham House Asset Management and Regent Gas (its two largest shareholders), which can be converted into new Ordinary Shares in part or full at any time during the two year term of the CLNs at a conversion price of 80.0p per ordinary share.

The Group is utilising the proceeds of the placing and the CLN to strengthen its balance sheet, helping Inspired pursue and achieve a consolidated net debt/ Adjusted EBITDA ratio towards 1:1 (on a LTM basis) by the end of FY25.

Summary

The strategic and financial initiatives delivered in the year, and subsequent to the year end, have ensured the Group is well placed to deliver the effective implementation of our strategic growth plan. The strong underlying demand in the year, in a challenging environment coupled with a strengthened platform capable of generating long-term growth position leaves Inspired well placed to achieve its long-term financial goals.

Paul Connor
Chief Financial Officer,
28 March 2025

Principal risks and uncertainties

The Board has assessed the Group Strategy in the context of the risks and uncertainties that it would be willing to take in pursuit of that strategy. The Board has made a clear assertion of those risks that are considered to be unacceptable.

The accepted risks form the basis of our Risk Appetite Statement, which comprises the risk assertions and the parameters within which we expect our people to work. The parameters can apply to more than one risk assertion, and therefore the individual risk assertions should not be read in isolation.

"We have identified our key risks and are implementing appropriate measures to prevent, manage, or mitigate them."

Risk appetite statement

Risk assertion	Risk parameters
Organic growth We will rigorously pursue divisional organic growth strategies in accordance with our strategy.	Investment in resources will be consistent with the strategic plan, which will be reviewed on a timely basis. We are prepared to make an Adjusted EBITDA-impacting Investment, providing such investment is capable of delivering an IRR within the Board's set parameters.
Mergers and acquisitions We will not actively pursue acquisitions in the near term, as the Group focuses on reducing net debt to Adjusted EBITDA nearer to one times.	In the near term, the Group is focused on reducing net debt to Adjusted EBITDA nearer to one times. Therefore, acquisitions will only be made on the basis that net debt/EBITDA returns to less than one times within 12 months of a transaction all other things being equal. An acquisition will be earnings enhancing within 24 months of completion on an adjusted fully diluted EPS basis.
Returns and profitability Growth shall be pursued on a profitable basis.	The Group shall aim to maintain Adjusted EBITDA margins at a divisional level. Overall margin dilution is acceptable when this is due to a blend of services provided by the division. The Group shall be able to loss lead a product or service as a catalyst for growth, providing the overall margin dilution at a divisional level is within the Boards set parameters.
Capital structure The Group is prepared to use leverage to achieve its objective pursuant to the strategy.	We will seek to reduce net debt levels to the ratio of net debt to Adjusted EBITDA at less than one times, save where driven by the short-term impact of an acquisition or an increase in working capital to deliver organic growth. We will maintain adequate liquidity and headroom against covenants as reviewed every month.
Reputation/brand/image We will avoid/manage situations or actions that could harm our reputation and brands. We aim to be transparent with all of our stakeholders unless prejudicial to our collective interests.	No tolerance for breaches of: Legislative/statutory requirements Inspired policies International sanctions Delegated authority levels
Safety, health and environment We will not undertake or pursue activities that pose unacceptable hazards or risks to our people, the communities in which we operate, or the broader environment.	Require Risk Assessment Method Statements (RAMs) for any work undertaken on Group properties. Provide RAMs for any work we undertake on third-party premises. There is no tolerance for breaches of the Inspired Health and Safety and Environmental Policy.
Innovation We will invest in technology, research and development to innovate our customer offering, allowing us to maintain and expand our market share.	We are prepared to invest up to a Board-approved percentage of Group revenue in innovation or software development to underpin our technology-enabled service.

Risk management

The responsibility for risk identification and mitigation lies with the management of the business. Current and emerging risks are identified by each business area, with each area responsible for managing that risk, implementing appropriate controls and mitigating actions in the short term and monitoring the longer-term impacts and reporting on it to the management team and senior Executives. Risks are assessed and quantified in terms of likelihood of occurrence and impact, both before and after control mitigation. Assessing the gross risk before control mitigation allows the business to review the relative impact of the existing controls by comparing the gross and net risk assessment. This also allows the business to better allocate resources to mitigating controls and avoid actions which have a negligible impact on the risk assessment.

The environment in which we operate is constantly evolving; new risks arise, and the potential likelihood and impact of known risks may change. Thus, not all risks are controllable or foreseeable, a key example being natural disasters or pandemics. Our response to such risks is having controls which lessen the impact on our business should they occur. For example, in the case of a natural disaster, we have planning protocols, with clear accountability to minimise disruption to operations and our customers whilst prioritising the safety of our employees.

The risks detailed on pages 46 to 50 are those which have been identified as principal risks based on the likelihood of occurrence and the severity of the potential impact in accordance with section 414C of the Companies Act. Whilst not a principal risk for the Group, we have also adopted what we consider to be best practice, in particular, building on our management of risks associated with climate change through our Group Climate-related financial disclosure.

Staff recruitment, development and retention

Impact on strategy: Organic growth, People, Customers
Risk level: No change

Failure to recruit, train, develop and retain our staff may impact Group operations and service delivery.

Why we think this is important	How we are mitigating this risk	Changes during FY24
As a technology-enabled service provider in a specialist marketplace, our employees are our highest direct cost and fundamental to the quality and provision of our services.	**Executive management** In the instance the CEO, CFO and CCO were unable to undertake their duties due to unforeseen circumstances, the business has interim succession in place to minimise the disruption to the business in the short term and enable the Board to facilitate a process to appoint permanent replacements in an appropriate manner. **Employees** Regular competitive review of reward structures and staff surveys/appraisals. All senior managers are incentivised with share options with a 12 to 24-month forward horizon. All staff have a quarterly bonus structure, which provides a high-precision tool for aligning rewards to behaviours. 25% of this bonus is retained for 12 months and is lost if the individual leaves the company. An internal recruitment function maintains an active recruitment pipeline for all key roles within the organisation.	Continued development of a training function that delivered 976 days of training during 2024.

Health and safety

Impact on strategy: People, Customers, Legal, Reputation
Risk level: No change

Failure to protect our people and other stakeholders from harm associated with a breach of our legal and regulatory obligations.

Why we think this is important	How we are mitigating this risk	Changes during FY24
Our Optimisation Services require visits by staff and contractors to client sites to install and remove electrical and other equipment. In addition, the shift towards home workplaces extra demands on employers to ensure their employees are safe within the work-from-home environment.	All employees and contractors must provide and operate to an approved RAMs when working on a client's site. Every employee is surveyed each month with respect to their ability to work safely from home. Every employee working at home is required to complete a DSE assessment. Any employee who cannot maintain a safe home working environment is contractually required to return to the office environment.	Maintained and Developed ISO45001 and SafeContractor. Conduct monthly internal DSE assessment to support colleagues working remotely. Conduct remote HSE assessment program for works on client sites.

Strategy key

Organic growth · People · Customers · Investment · Reputation · Legal · Community

Risk level Key

Increased risk · No change · Decreased risk

IT security and continuity

Impact on strategy: Organic growth, Customers, Reputation
Risk level: No change

Failure to maintain business systems or technical infrastructure that serves the business needs.

Failure to successfully execute changes to these business systems or technical infrastructure; together with failure to minimise disruption and maintain business as usual activity during technical infrastructure or business system changes. Failure to adequately protect the business operations from cybercrime.

Why we think this is important

Given we are a B2B service provider we do not really process any personal data. As a technology-enabled service provider, we would suffer material reputational risk if we were the victim of a cyber-attack.

Our Software Services Division provides SaaS-based solutions and needs to maintain data security to current market standards.

How we are mitigating this risk

We operate to the Cyber Essentials Plus standard. We operate a cyber security autonomous breach protection platform across our IT assets. We operate a regular programme of simulated phishing attacks on the organisation to allow us to educate and embed 'cyber safe' behaviours in employees. Our proprietary software is regularly penetration tested by a third party and subject to independent code reviews before release.

Changes during FY24

During 2024 operations were maintained to the ISO27001.

Ethics, ESG and political

Impact on strategy: People, Investment, Customers, Community
Risk level: No change

Failure to balance the interests of our stakeholders in the context of environmental, social and political risks can have an adverse reaction on the business.

Why we think this is important

We operate a business which performs an integral role in enabling ESG reporting, and our organisation must remain at the forefront of thought leadership and behaviours in that regard. We are unwilling to accept dishonest or corrupt behaviour from our people or external parties acting on our behalf whilst conducting our business. If we fail to act with integrity, we are at risk of:

a. reputational damage leading to a loss of customers;
b. legal action from regulators including fines, penalties, and imprisonment; and
c. exclusion from markets is important for our future growth.

We expect all business areas to do the right thing and conduct business in compliance with procedures, applicable laws, and Inspired PLC policies.

How we are mitigating this risk

We voluntarily provide a full suite of ESG disclosures. The Group policies set standards that Inspired PLC expects from employees and suppliers and the consequences of failure to operate at the expected standards. These policies are published on our Group website, along with a statement of our performance against those policies on page 85.

Changes during FY24

Completed 2024 CDP submission

Submitted updated targets to the Science-based Targets Initiative for validation.

ESG Performance Committee met three times during the year.

Executive Board undertook a two-day ESG workshop to review updated near-term targets, emerging legislation and climate and biodiversity risks.

Updated climate risks and opportunity register.

Developed biodiversity risks register.

Strategy key

Organic growth | People | Customers | Investment | Reputation | Legal | Community

Risk level Key

Increased risk | No change | Decreased risk

Competitive environment and market conditions

Impact on strategy: Organic growth, Customers

Risk level: No change

Changes to our marketplace and the competitive environment can impact our ability to retain our clients and attract new ones.

Why we think this is important

When energy prices rise, energy suppliers can fail financially, and clients often delay their contracting decisions and shorten the duration of the contracts they place. Whilst this does not impact our revenues, providing we maintain our client retention rates, it will reduce the business' forward order book, which is measured on a total contract value basis.

In the event of an energy crisis, energy suppliers can start to fail in their ability to provide contracts for consumers; this can increase the amount of rework required to meet normal client needs and reduce margins.

In addition, the energy crisis can increase the amount of client churn in the marketplace as even clients who have received a good service have suffered bad results, which can lead to a contraction in market share if the business is not replaced by new clients.

Inspired PLC is a player of scale in the energy assurance market, which supports the organic growth engine. As such, Inspired needs to be aware of changes in competitor behaviour and proactively develop services and solutions in the face of changing market conditions.

Energy Assurance Services are currently an unregulated market, and should regulation be introduced, the increased cost of compliance could impact the results of the Group.

In the current global macroeconomic environment, there is an increased risk of supply chain failure, which can impact Optimisation projects.

The general market for insurance products has tightened for the energy sector, which has increased premiums. Such Insurance can be a pre-requisite for sales contract awards and could restrict new sales, and increased premiums can reduce margins.

How we are mitigating this risk

We prioritise client service and satisfaction in order to maintain retention rates during a period of shorter contract situations. We operate a 'Client at Risk/Intensive Care' process should a client express concerns about service.

We maintain capacity within our product development functions to redeploy resources to front-line services should we see a spike in requirements for service delivery, which can cover a circa six-month resource shock.

We increase focus on new sales to Assurance clients to mitigate the risk of increased churn during an energy crisis.

Diversify risk away from Assurance revenues so any adverse impact is diluted by Optimisation Services, which typically accelerate during an energy crisis.

We endeavour to maintain sales and operational processes that operate to a level over and above the proposed regulatory requirements.

We have participated in the consultation issued by DESNZ and highlighted areas that require re-evaluation to make them fit for purpose for the sector in which we operate.

We work with an insurance broker to better educate the insurance market on the risks that can and should be insured in order to better align our policy with actual rather than perceived risks.

Changes during FY24

We continue to engage with DESNZ and other bodies to influence the direction of the regulation.

We continue to make strong progress in diversifying our revenue lines away from Assurance Services which now represent less than 40% of Group revenues.

Strategy key

Organic growth · People · Customers · Investment · Reputation · Legal · Community

Risk level Key

Increased risk · No change · Decreased risk

Inspired PLC | Annual Report & Accounts 2024
Company Overview
Strategic Report
Corporate Governance
Financial Statements

Operational risk		Impact on strategy	Risk level
Failure to maintain operational productivity will risk client service levels and delivery of results.		Organic growth	No change
Why we think this is important	**How we are mitigating this risk**	**Changes during FY24**	
Acquisitions have been a significant growth driver in the past for Inspired and we are in the final phases of completing these historical integrations. Failure to complete these properly can adversely impact the expected results. In times of high energy price volatility, there is an increased risk that the client evaluates their positions with hindsight and can be dissatisfied that too much or too little has been bought at any point in time. Whilst the transition to home working has been successful, there is a danger that productivity declines as collaboration and problem solving reduces. The business provides a critical service to clients with respect to managing client disconnection notices, which relies on the postal service.	Client contracts have a limit of liability, which generally caps exposure at the fees of the client and, in exceptional cases, the limit of the Group's professional indemnity insurance. Operational KPIs track the quantities of deliverables, which determines productivity with qualitative customer survey KPIs also regularly monitored. The current flexible working proposals will mandate time in the office with teams to maintain collaboration. We are implementing an outsourced scanning solution which allows posts to be delivered to a PO box, scanned and distributed electronically to the correct person in our organisation, increasing reliability and differentiating our service.	Following the successful implementation of numerous project rollouts, we have decided to integrate the Inspired Optimisation business unit and Ignite into one division. This has enabled us to give greater breadth, experience and market-facing coverage to realise our growth potential.	

Strategy key

Organic growth · People · Customers · Investment · Reputation · Legal · Community

Risk level Key

Increased risk · No change · Decreased risk

Finance and contractual risk		Impact on strategy	Risk level
Failure to manage our financial and contractual risks can lead to unexpected increased changes to the Group's profitability and net debt levels.		Organic growth	No change
Why we think this is important	**How we are mitigating this risk**	**Changes during FY24**	
Our revenues can be exposed to the underlying performance of our clients' businesses. Our Optimisation Services require the purchase and hold of stocks of equipment to deliver net-zero projects to our clients. The value of this stock can vary over time. The journey to net-zero can require the use of offset certificates for clients. In order to match buyers with sellers, we need to warehouse these certificates from time to time, which can expose the Group to market risk with respect to the value of certificates. Projects that deliver net-zero solutions can require the installation of equipment, and this process can adversely affect the working capital profile of the business. The business finances its acquisitive growth and working capital requirements using banking debt, which is subject to the satisfaction of applicable covenant tests. Increased interest rates are likely to reduce profit before tax. A tightening debt market may cause issues with respect to the cost of and access to the debt markets in the future.	We maintain a highly diversified revenue stream within our Assurance Services Division, with no client representing more than 1% of revenues. The Group does have revenue concentration with respect to Optimisation Services, which is mitigated from a bad debt perspective by credit insurance. From an orderbook perspective, the risk is mitigated by the relatively low number of clients the Group has to be active with on-premise to deliver its growth thesis. Stocks are revalued regularly and assessed for relevance, given the fast-paced nature of technological change. The value of warehoused green certificates is marked to market monthly and sold back if it adversely impacts the P&L to limit liability. Project WIP, invoicing and cash recovery is monitored weekly by the Chief Financial Officer. The satisfaction of our debt covenants is assessed monthly to ensure our compliance and to monitor future expected headroom. Interest rate costs are a focus of management attention with careful management of debt levels where it does not prejudice the strategic plan.	During January 2025, the Group completed a Fundraise, comprising of the placing of new ordinary shares to raise proceeds of £21.7 million (before fees and expenses), and the issue of £5.0 million of Convertible Loan Notes, which has significantly strengthened the Group's balance sheet, providing appropriate covenant headroom and liquidity.	

Strategy key

Organic growth · People · Customers · Investment · Reputation · Legal · Community

Risk level Key

Increased risk · No change · Decreased risk

Section 172 (1)

The Directors confirms that during the year, it has acted in good faith to promote the long-term success of the Company for the benefit of its key stakeholders: shareholders, employees, customers, suppliers and the communities and environments in which we operate, all while having due regard to the matters set out under Section 172 (1) (a) to (f) of the Companies Act 2006.

Relevant Disclosures			Page
A	The likely consequence of any decision in the long term.	Our purpose Our vision Our business model Strategy Market overview Group results & dividends	20 20 14 21 12 114
B	The interest of the Company's employees.	Employee engagement Social	54 79
C	The need to foster the Company's business relationship with suppliers, customers and others.	Our people Customer engagement Supplier engagement Anti-bribery and corruption Modern slavery and human trafficking	80 55 56 85 85
D	The impact of the Company's operations on the community and the environment.	Responsible business Local communities	58 84
E	The desirability of the Company maintaining a reputation for high standards of business conduct.	Culture Supplier code of conduct Whistleblower protection	95 85 85
F	The need to act fairly as between members of the Company.	Shareholder engagement Annual General Meeting	53 53

How the Board considers Section 172 matters

Methods used by the Board to perform their duties include:

- The Board actively considers the Group's purpose, values and corporate culture when reviewing the Company's policies, particularly relating to business conduct.
- The Audit Committee has oversight of the Company's risk assurance and management framework and the actions that are in place, or that will be put in place, to mitigate risk (including any emerging risks where appropriate) in the short-, medium- and long-term.
- The Board and the ESG Performance Committee considers all ESG matters carefully as it continues to develop its ESG programme across the Group, as outlined in Responsible business from page 58.
- Members of the Board engage directly with employees and shareholders and receive feedback from the Group Chief Executive and Group Chief Financial Officer on meetings with investors and analysts.

The Salt Cellar, Peak District

Strengthening connections for a sustainable future

Meaningful engagement with our stakeholders is at the heart of our success.

We believe in fostering open communication, transparency, and collaboration to drive long-term value. Through regular dialogue, strategic partnerships, and innovative engagement initiatives, we work to ensure that every stakeholder's voice is heard and that we continue to deliver solutions that create lasting impact.

→

Read more about our peat bog restoration initiative to support our carbon reduction and ESG efforts on page 84.

"We are dedicated to achieving sustainable growth that benefits all our stakeholders."

CALCULATED

~150m

tonnes of CO_2e (everything calculated until 31 December 2024)

Shareholder engagement

The Board understands the vital importance of open dialogue, transparency and fair consideration of the company's shareholders. The Board engages with shareholders regularly, and their views are sought on key issues such as strategy, governance, financial performance, and Board remuneration. Our investor relations programme provides shareholders with regular updates on operational and financial performance, including regular market announcements, presentations, face-to-face meetings with investors, roadshows, and AGM.

Investor meetings and roadshows

During 2024, the CEO, CFO and CCO continued to engage with numerous institutional investors virtually and face-to-face. These were often centred around major events such as the 2023 full year results, 2024 half year results and the 2024 Fundraise. During 2024, we participated in a number of capital markets events hosted by our Brokers to widen our investor interaction.

London Stock Exchange Regulatory News Service (RNS)

Inspired uses the London Stock Exchange Regulatory News Service (RNS) to advise the market (i.e., shareholders and others) of performance and significant matters. All RNS announcements are available on the company's website: **www.inspiredplc.co.uk/news**. Our Brokers are updated by the company and circulate notes regularly.

Annual General Meeting ("AGM")

The AGM is a key forum for communications with any shareholder who wishes to attend, and the Directors are available here to listen to the views expressed formally and informally; we encourage all shareholders to attend. All resolutions at the 2024 AGM were passed with a majority of votes in favour. The outcomes of resolutions put to the AGM (as to whether they were successfully passed or not) are published and are available on our website.

Annual Report

The annual report is made available to all shareholders every year and is published in May. We strive to make our annual report as accessible as possible through electronic communication tools on our website. Shareholders have the option to receive a hard copy of the report via post, or they can download PDF copies from our website or through email.

Corporate website

The Inspired website, **www.inspiredplc.co.uk**, has an investor section which includes all of our annual reports, results presentations, AMG notices, RNS feeds, ESG and TCFD reports, and company policies. The website also outlines our business strategy and model, our ESG strategy, our four divisions, and our products and services.

Employee engagement

We communicate openly with our employees and use multiple channels to effectively communicate ideas and processes. These channels allow us to frequently update each employee about business operations and performance at the Group level. Our communication channels are an open dialogue, enabling employees to feed back.

Clear and effective communication across all levels of Inspired is fundamental for us to continue be successful. We know that every operational change within an organisation can affect our employees. That's why changes are communicated with adequate notice and employees are encouraged to voice any concerns they may have in relation to proposed changes. If an understanding cannot be reached, we provide any minimum notice local laws require.

Employee newsletter

In 2024 we continued circulating our monthly newsletter to keep our colleagues informed about the business and celebrate their achievements and key milestones. The newsletter features information on new legislation, product launches or developments and updates to any internal policies, process or projects. To support employee development, each issue highlights current internal vacancies and upcoming or new training courses. We also use the newsletter to welcome new joiners, thank leavers for their service and celebrate internal promotions and work anniversaries.

HR portal

Our cloud-based human resources portal streamlines our existing HR solutions and creates a single location for employees to manage absences, payslips, applying for internal vacancies, and much more. In 2024, we added a new feature where internal policies are hosted and can be viewed and accepted by employees within the portal.

Employee Engagement Committee

The Employee Engagement Committee (EEC) consists of employees from across the business and our offices. It runs engagement initiatives and charity fundraising. In 2024, the EEC led organised beach cleans, virtual coffee mornings, a Peat Bog restoration initiative, food bank collections and team-led charitable giving events. More information can be found on page 84.

Customer engagement

Communication

Our clients want services which ensure compliance with the necessary regulations, help them prepare for the future and provide value for money. We work closely with them to ensure we are providing this. Our dedicated Account Managers act as a liaison, ensuring customer satisfaction and providing support outside of service delivery. This helps us to maximise client retention rates and maintain a position as market leader for our services. We work very closely with our customers and their internal teams, engaging with them regularly throughout the year and holding capacity building sessions with our customer's senior management and C-suite.

Events

Engaging with our customers is fundamental to Inspired's ethos. Through our in-person workshops, such as our "Energy and Sustainability Roadshows," we foster meaningful connections with both current and potential clients nationwide. The return of these events in Summer enabled us to provide market and regulatory updates to inform their own strategies and gather invaluable feedback directly from the 144 attendees.

From this feedback, we've further evolved our approach for 2025, focusing on sector-specific content, insights and venues to add even more value to their experience. These initiatives reflect our commitment to building lasting partnerships and empowering success together.

For those who cannot attend face to face, we hold a webinar online each quarter to address key industry updates. In 2024, we had over 700 users attend.

Client content

Beyond our events, we maintain a multifaceted approach to customer engagement. From monthly newsletters and webinars, training sessions and policy updates to an active social media presence, we strive to provide valuable content and foster ongoing dialogue.

ROADSHOW ATTENDEES

144

WEBINAR VISITORS

700

"Inspired's dedicated team of experts has consistently delivered exceptional professional service, assisting us in navigating the energy market to meet all our business needs."

Dominic Stirling
Energy & FM Contracts Manager, City Plumbing Supplies

Supplier engagement

Relationship management

We need to consider two very different types of suppliers and manage those relationships accordingly. As with all businesses we have suppliers that provide us with goods and services that enable our business. We manage those suppliers in a manner appropriate to their size and scale of interaction with Inspired. All supplier contracts of significance are reviewed and signed by a director and will be subject to our onboarding process. Ongoing supplier relationships are managed by senior personnel. As a result, we have established relationships and multi-year contracts with our key suppliers.

Additionally, we consider relationships the wider utility supplier market as key to our business success. Although they do not directly supply utilities to our company, they are key suppliers to our clients and given the nature of our interaction with those utility suppliers on behalf of our clients we consider them in a comparable manner. If we are to recommend a utility supplier to our clients, the selection and recommendation process require careful consideration of the client needs and service requirements as well as the relative competitiveness, capability, and risk appetite of the suppliers. Energy suppliers continue to be cautious about the types of business they are willing to take on and the price risks they are prepared to accept and those they pass back to clients. We seek to understand, challenge and work with suppliers to ensure we match supplier and clients appropriately. These relationships exist and are nurtured at all levels form day to day operational reviews

of customer specific performance to executive level strategic performance and capability sessions. We work with suppliers to develop new and innovative products as well as seeking more efficient way of working together including wherever possible, direct data exchanges and the reduction of paper invoices.

Supplier onboarding

Our supplier onboarding process includes checks to ensure that new suppliers align with our standards and values. For example, we ask that they all agree to our Supplier Code of Conduct which sets out our expectations with respect to the conduct of our supply chain, including on matters such as anti-bribery and corruption, human rights and modern slavery. Furthermore, we review our suppliers' environmental policies during our onboarding process to ensure that they work to environmental standards consistent with our own.

Supply chain emissions

Close engagement with our suppliers becomes even more important as we work on reducing our carbon footprint. We will be working with key suppliers in the coming years to gain a better understanding of their supply chain, its impact on our Scope 3 emissions and how we can work together to reduce this.

Partner engagement

Partnerships are pivotal to Inspired's mission of supporting clients through their unique challenges. Particularly in sectors where energy-intensive processes and intricate supply chains present complex environmental hurdles, our strategic alliances with industry leaders and trade federations are indispensable.

By forging enduring relationships with partners like Procurement for Housing and Make UK over 14 years, we've become trusted advisors, delivering consistent value to clients. These collaborations not only deepen our understanding of client needs but also drive the evolution of our services. By becoming a trusted advisor to partners who represent member businesses, there is an opportunity for Inspired to generate new, value-driven relationships from their membership.

Through initiatives like thought leadership contributions and joint events, we extend our reach to diverse businesses, fostering new relationships rooted in shared value; a list of our partnerships is on page 19.

Working with our partners

In September 2024, we co-sponsored an event with Gresham House Ventures for the second year running, Women in venture capital, bringing together female innovators, investors and advisers for an evening of talks and networking with the aim of providing a supportive forum to make connections, share learnings and build relationships. The event was well attended, with over 55 people coming to listen to the speakers, which included Kat Mitchell, Founder CRO of MPB who shared insights from her journey scaling a business, fundraising and internationalising to the US, and our Managing Director of ESG Services, Dr Michelle de Jongh. This was followed by drinks, nibbles and networking on the rooftop deck of our London office.

The Sustainability Reporting Summit 2024 was hosted in partnership with Inspired by the London Stock Exchange. Dr Michelle de Jongh, Director ESG Services moderated an engaging panel discussion on "The Case for Reporting – value creation and risk management" alongside participants from Aviva, Fidelity International and Railpen. The session can be watched on demand **here**.

Inspired was also delighted to collaborate with The Quoted Companies Alliance to produce this guide. It sought to provide clear steps in approaching environmental and social issues, breaking down best practice and investor expectations. Access the guide **here**.


Serpentine Road, Peak District

Responsible Business

"Effective ESG management is fundamental to responsible business practices. By integrating sustainability into our operations, we strive to create lasting value for both people and the planet."

Non-financial and sustainability information statement

This responsible business section has been prepared in accordance with Section 414CB of the Companies Act 2006. This section of the annual report highlights our ESG achievements for 2024 and includes our reporting requirements under the Climate-related Financial Disclosure Regulations 2022 and the Streamlined Energy and Carbon Report Regulations 2018.

Our ESG strategy

We are dedicated to maintaining transparency in our operations by providing year-on-year comparable data and annual updates on our progress toward established targets. Since 2021, we have published annual ESG reports aligning with the Global Reporting Initiative (GRI) and the Taskforce on Climate-related Financial Disclosures (TCFD). This year, however, we are introducing a new strategy: we will present an integrated ESG report that aligns with the latest EU legislation, specifically the Corporate Sustainability Reporting Directive (CSRD). This report will also adhere to the principles of the GRI, TCFD, and the Taskforce on Nature-related Financial Disclosures (TNFD). Our integrated approach aims to create a unified framework and consistent terminology for ESG reporting. Please see our website **www.inspiredplc.co.uk/esg** to download our Integrated ESG Report.

Our commitment

We are committed to doing our part in creating a sustainable world. We approach this from two angles: improving our operations and supporting clients in managing their ESG impacts. For both, we consider sustainability to be a journey, starting with legal compliance and benchmarking, followed by building a robust strategy, processes and reporting, always with the goal of net-zero in mind.

Since 2020, we have received the London Stock Exchange's Green Economy Mark, recognising how our business contributes to a greener economy through our customers' products and services. Please see page 38 for our disclosure.

Our ESG strategy is informed by both mandatory and voluntary ESG disclosures, which are published on our website, **www.inspiredplc.co.uk**.

ESG governance

ESG principles are implemented throughout the organisation, from the Board of Directors to our employees. Our CEO, Mark Dickinson, and the Board drive this initiative.

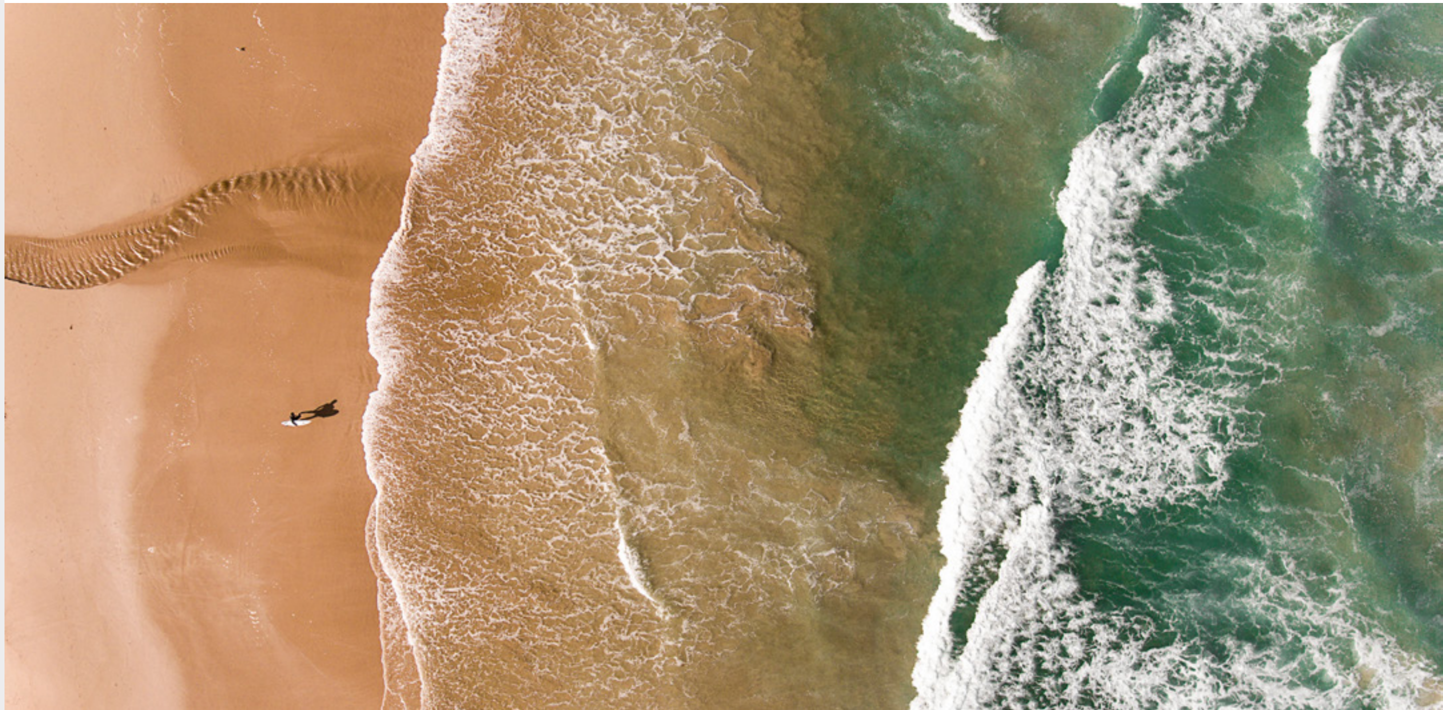
The Board shares responsibility for approving the ESG strategy and reviewing performance with the ESG Performance Committee, details on our governance structure can be found on page 88. Our ESG Performance Committee provides a crucial external and independent perspective, ensuring adequate internal controls and risk management measures are in place. You can find more information about this on page 98.

ESG Action Committee

Our ESG Action Committee consists of representatives from all business areas. It is responsible for the day-to-day actions that will move us towards our long-term ESG goals, including our net-zero targets to mitigate climate-related risks. It met three times in 2024, reporting the outcomes to senior management and the Board after each meeting.

Employee Engagement Committee

We believe that ESG needs to be led from the top and championed by our employees. Our Employee Engagement Committee meets every second month and is supported by the ESG Action Committee where necessary.



Climate-related Financial Disclosure

Inspired are required to report under the Companies (Strategic Report) (Climate-related Financial Report) (Climate-related Financial Disclosure) Regulations 2022 and have complied with all eight disclosure requirements.

We acknowledge the climate crisis and its potential business impacts. Properly responding to these and developing a resilient business model requires good risk management. In addition to our standard risk management process, we have also used the TCFD recommendations to develop an internal Climate Risk Management Framework and climate scenario modelling.

"Managing climate-related risks and opportunities is embedded in our governance processes, ensuring a resilient and forward-thinking business model."

Governance

As a business focused on offering innovative solutions to businesses as we transition to a low-carbon economy, managing climate-related risks and opportunities is embedded in our existing governance processes. This includes our Board, Executives, ESG Performance Committee, and ESG Action Committee.

Our complete risk assessment process is outlined above under "Principal Risks and Uncertainties" on page 44. In summary, each business area is responsible for identifying and assessing the risks associated with its division and feeding this up to the Board for oversight. Climate-related risks are also overseen by the Board and assessed using the same likelihood and impact scales but are identified by our internal ESG team.

The Board

Ultimate responsibility for identifying, assessing and managing climate-related risks sits at both Executive and Board levels. Our internal ESG team updates the Board annually on any developments or changes in climate-related risks as part of our corporate risk management process. This year, the risks and opportunities were presented to and discussed with the CEO, CCO and CFO in July.

The Board has been assessing the risks and opportunities from climate change since 2021 and, each year, has determined that given our current controls and business model, climate change overall does not pose a material risk to Inspired. Table 3 on page 67 shows the 19 business categories identified as having the highest potential to be affected by climate change. The changes associated with climate change, including the transition to a low-carbon economy, actually offer many opportunities for growth for our business. We have chosen to include it as a sub-topic within our Ethics, ESG and Political risk category of our Corporate Risk Register. We closely monitor the components of this to ensure we understand any emerging changes within it.

Executive responsibility

Executive responsibility for climate impact lies with our CEO, Mark Dickinson. He ensures that climate-related risks, opportunities, and responses are taken into consideration in the business strategy. Responsibility for ensuring appropriate consideration of potential financial impacts lies with our CFO.

To ensure ESG is embedded in the business, the Inspired Incentive Plan for our executives includes ESG targets, which have a weighting of 20%.

ESG Performance Committee

The ESG Performance Committee is one of four Board committees and consists of our Non-Executive Directors and Chairman (see page 98 for more detail). It is responsible for holding the Executive Directors to account with respect to climate risks, impacts and all ESG-related matters to the business. Climate change is an annual standing agenda item for the ESG Performance Committee, and they are responsible for reviewing the climate-related risks and opportunities presented in our annual CFD report.

Risk management

Our internal climate risk management process is based on the UK Government's Green Leaves III Environmental Risk Management Practices, which has four interconnected processes to identify, assess and address potential risks and opportunities, as outlined below.

Step 1: Formulate the problem

To manage risk, first, we must identify it. Our internal ESG team is responsible for climate-related risks. For each of the categories outlined by the TCFD guidelines, our internal ESG team, in conjunction with the Board, has developed Group-specific impact descriptions. These are documented in our climate-related risk register, which feeds into our corporate risk register and risk management processes under the Ethics, ESG and Political risk category.

Each risk is considered from a financial impact perspective, which means that some risks are subdivided and given separate ratings, reflecting the complex way that risks can impact the Group. This is particularly relevant to the transition risks where we are both responding as a business and supporting other companies in their response.

The risk descriptions take into account business-specific considerations, macroeconomic factors and the results of our climate scenario analysis. Our climate-scenario analysis is run by our internal ESG team for all our sites (nine total in FY24) and considers three warming pathways over three time horizons. It uses data from IPCC-accredited external datasets such as CORDEX, CLIMADA and IAM models. Additionally, they perform a horizon scanning exercise to review recent, planned and potential changes to legislation, markets and stakeholder interests. This gives us the granularity and insight we need into the potential impacts and the possible timescales of those impacts. Whilst the scenario analysis and horizon scanning are conducted annually and separately from our general risk management process, the risks resulting from this are assessed and quantified following our overall risk management system.

Our climate scenarios and time horizons are described in more detail on page 63.

Step 2: Assessing our risks and opportunities

We use forward-looking analysis to assess the actual and potential impacts of climate change on the business, both positive and negative. In addition to the considerations mentioned above, we also take into account our stakeholders' perceptions and assessments of climate-related risks. For each risk, we assign a gross risk score using a five-point scale for likelihood (from remote to highly probable) and impact (from insignificant to catastrophic). We then assess existing and potential mitigation measures to determine updated likelihood and impact ratings, resulting in a final net risk score. Our risk matrix provides an overall score and colour rating from red to green, with material risks classified red (20+). While none of our climate-related risks are considered material, we have included those with the highest impact value for the sake of transparency.

As the situation develops each year and the science improves, we will continue to monitor and assess these risks annually.

Step 3: Appraising our risk management options

Assessing climate-related risks is complex due to uncertainties in climate change and future policies. We follow the Precautionary Approach from the Rio Convention of 1992, avoiding risk management actions that could harm the public or the environment when there is no scientific consensus on the impacts.

For each risk, the Board consider the actions and controls already in place, as well as additional measures where appropriate and the potential consequences of taking no action, based on the uncertainty in the scientific evaluations. As recommended by Green Leaves III, we considered each of the five risk management options – terminate, mitigate, transfer, exploit, or accept – and the potential positive and negative effects of each option on economic factors, technical factors, environmental security, social issues and organisational capabilities.

Step 4: Addressing risks and opportunity

We assess risks by considering their likelihood and potential impact, creating pre- and post-mitigation assessments. A gross risk score helps us document the effects of existing controls, allowing us to focus on remaining material risks through monitoring and additional actions.

Some risks, like natural disasters due to climate change, are unforeseeable or uncontrollable. To address these, we implement controls to minimize their impact on our business. For example, in the case of a natural disaster, we have planning protocols, with clear accountability, to minimise disruption to operations and our customers whilst prioritising the safety of our employees.

Strategy

Our approach

Inspired provides a comprehensive range of services to help businesses transition to a low-carbon economy, so there are many opportunities for our business, although we also acknowledge the risks of climate change. We conduct climate scenario analysis across three time horizons to better understand the risks and opportunities. Climate change and its impacts, as well as business and government responses, will evolve significantly over the coming decades, going beyond traditional business planning and investment cycles. Modelling multiple potential futures over several time horizons allows us to assess potential business impacts and resilience, as well as identify possible opportunities. The short term runs to 2029 for immediate business planning, the medium term extends to 2039 to incorporate our Scope 1 and 2 net-zero target into strategic decisions, and the long term looks to 2055 for our Scope 3 net-zero goal.

This annual report disclosure outlines our material climate risks and opportunities (see Tables 1 and 3); the full list of risks and opportunities considered is provided in our standalone 2024 Integrated ESG Report.

Climate scenarios

Our three scenarios cover a worst-case, best-case and most-likely scenario:

Proactive: <2°C by 2100: strong climate leadership and innovation lead to an approximate alignment with the Paris Agreement's ambition to limit global warming to well below 2 °C of warming above pre-industrial levels. A coordinated approach ensures that the transition is inclusive and orderly, with businesses taking the initiative to promote regeneration. These changes generate high levels of transition risks but limited physical risks. It offers substantial opportunities for our business to offer services to other companies.

Reactive: 2–3°C by 2100: in this scenario, warming follows a trajectory modelled from the commitments and pledges made during COP26. Uncoordinated government action means this pathway has the most transition risks and increased severity of physical risks compared to the proactive scenario. Again, we will be able to benefit from offering services to other companies. The nature of our business means the potential impact of physical risks is limited.

Inactive: >3°C by 2100: geopolitical issues and general lack of interest result in minimal action on climate change for the next decade, leading to strong economic growth followed by societal and economic turmoil as climate impacts worsen. Businesses face limited short- and medium-term transition risks but the most severe physical impacts. For Inspired, the risks of physical impacts are limited but the lack of regulatory and market pressure to reach net-zero could affect our services aimed at supporting the low-carbon transition. However, with our diversified business model, we anticipate our procurement – and energy-focused services being in continued demand, regardless of how the future develops.

There have been no substantial changes to the climate modelling results this year.

Our results

Our results show we are most vulnerable to transition impacts, which are highest in the proactive and reactive scenarios. Due to the nature of our business, these scenarios also offer the highest opportunities. Four risks were considered material; each was rated as unlikely to happen but could have a major impact if it did. We continue to monitor all risks as part of our climate risk management framework as we know this is a complex and developing topic.

Transition risks

As a primarily office-based company, we face greater threats and opportunities from transition risks than physical risks. Transition risks are primarily driven by macro-economic factors as the world moves to a lower-carbon global economy, and typically rely on actions from external stakeholders. Due to this, most of our transition risks are modelled to be in either the proactive or reactive scenario, where more action is taken.

For our business, each service is anticipated to become more sought after and expensive as society reacts to climate change and attempts to overcompensate for past climate failures. This increases both our risk and opportunity values in the long term. Younger generations entering the workforce may also demand stronger ESG practices from their workplaces.

Old Man of Storr, Isle of Skye

Our material risks primarily come from potential impacts on financing, including impacts on asset valuation, which are unlikely given our controls but could have a major impact. The Group carries £76.8 million of goodwill on our balance sheet. If an acquisition were adversely impacted by climate change, then the value of such assets would be impaired. We expect minimal impact on asset values in the short term, and our net-zero strategy ensures we are mitigating for asset impact in the longer term.

Physical risks

Most of our operations are in the UK and Ireland. Based on our climate scenarios, the impact of acute physical risks on our operations is likely to be insignificant across all time horizons. The greatest effects are expected in the above 3°C scenario, with a predicted 6% rise in average temperatures by 2052. This could reduce overall energy demand and, consequently, revenue from energy procurement services. However, all physical risks are classified as green.

TABLE 1: INSPIRED'S MATERIAL CLIMATE-RELATED RISKS

● Short Term (2024-2029) ● Medium Term (2030-2039) ● Long Term (2040-2055)

Risk	Business category, risk and response	Scenario and timeframe of greatest impact	Value of impact area and risk value
Market: Changes in asset values	**Business category:** Asset Values **Risk:** Policy that pushes technological and behavioural change will ultimately filter through to the financial markets. This may result in new markets, competitors and changing investor relations. Inspired must, therefore, be proactive in responding to climate-related issues and be transparent about its actions. Otherwise, new green investment opportunities may be missed, and our financing may be impacted. **Response:** We expect minimal impact on asset values in the short term, and our net-zero targets and strategy ensure we are mitigating for asset impact in the longer term. Through our controls, the likelihood of this risk decreases from possible to unlikely. However, the impact could still be major if it did occur.	● (2040-2055) <2°C 2-3°C	**Value of impact area:** £81.5m **Risk value:** ● £4.1m
Reputation: Increased stakeholder concern	**Business category:** Labour **Risk:** Employees increasingly demand that businesses have robust carbon credentials. The same is expected to be seen all stakeholders. This is a factor across all our scenarios and time horizons. **Response:** We are transparent about our commitment to supporting the transition to a low-carbon economy, demonstrated by our ESG reporting and net-zero targets.	● ● ● (2024-2055) <2°C	**Value of impact area:** £42.5m **Risk value:** ● £0.9m ● £2.1m ● £4.3m
Chronic physical risk: Rising mean temperatures	**Business category:** Assurance services **Risk:** In more southern locations, increases in mean temperature may result in increased frequency of heat waves. Rising temperatures will impact revenue from our assurance services due to changes in energy consumption. **Response:** This risk can be mitigated by reducing the amount of client revenue that is linked to energy consumption through amending revenue streams to be fee-based as opposed to charges being linked to billed consumptions.	● (2040 – 2055) <2°C	**Value of impact area:** £36.7m **Risk value:** ● £0.4m

Opportunities

In the proactive and reactive scenarios, there are substantial opportunities for our business to support other companies in their response to climate change, through managing their energy use, decarbonising their operations and in assisting with reporting compliance. These opportunities would be limited in a reactive scenario. Given that the UK is aiming for a net-zero by 2050 and has adjusted its 2035 targets while implementing more climate-related regulations, the likelihood of achieving this outcome is considered low. We are acting on these opportunities with the strategic development of our ESG and Optimisation Service Divisions set out in the main report above. Table 2 shows our top three opportunities, determined by ranking all opportunities based on estimated opportunity value.

TABLE 2: INSPIRED'S TOP CLIMATE-RELATED OPPORTUNITIES

Short Term (2024-2029) Medium Term (2030-2039) Long Term (2040-2055)

Opportunity	Business category, risk and response	Scenario and timeframe of greatest impact	Value of impact area and opportunity value
Reputation: Increased stakeholder engagement	**Business category:** Optimisation Services **Opportunity:** As regulation tightens and energy and carbon costs rise, climate change becomes a bigger financial burden on businesses as the UK transitions into a low-carbon economy. A reduction in hurdle rate for carbon reducing investment costs as businesses try to mitigate reputation risks. We anticipate growing demand for our Optimisation Services to support businesses decarbonise their operations in line with UK targets, see page 34. **Response:** Following several strategic acquisitions, we are well positioned to provide energy optimisation services to corporate businesses. We expect improved payback on energy efficiency projects due to increased costs of GHG allowances, government grants and reduced cost of capital through companies applying a lower cost to net-zero projects.	(2024-2055) <2°C	**Value of impact area:** £47.1m **Opportunity value:** £7.1m
Policy & legal: Enhanced climate- and emissions-related reporting obligations	**Business category:** Assurance Services **Risk:** Increasing reporting obligations allow us to expand our offering in terms of disclosure preparation and energy reduction strategies for clients. We see this as an opportunity for the Assurance Services client base as we develop our CLV strategy set out on pages 21 to 22. **Response:** Implementation of TCFD, DESNZ CFD and the requirement for corporate businesses to disclose and report on their Scope 3 emissions represents a commercial opportunity for Energy Assurance Services on a wider scale.	(2024-2055) <2°C	**Value of impact area:** £36.7m **Opportunity value:** £4.4m
	Business category: ESG Services **Opportunity:** Increase demand for ESG services is reflected in the growth within the ESG Service Division, see page 32. This demonstrates that the opportunity is already being experienced in the business in the short term. We anticipate it will keep growing over time. The impact will be largest in our proactive and reactive scenarios, as more businesses are mandated to act and seek advice from companies like Inspired. **Response:** Currently, we have an organic market entry into ESG disclosure services. With TCFD becoming mandatory, and large UK businesses being captured by DESNZ CFD, and the introduction of CSRD in the EU we are experiencing additional revenues in this area.	(2024-2055) <2°C 2-3°C	**Value of impact area:** £6.4m **Opportunity value:** £48.0m

Impact and Resilience

Climate change is currently not considered to pose a material risk to our business and has not been added to our principal risks, although it is included on our main risk register as a sub-topic under the Ethics, ESG and Political category. The transition risks associated with moving to a low-carbon economy that could potentially materially impact our business should they arise are around impacts to financing due to improper response to climate change, investor pressure and regulatory changes. However, our controls mean the likelihood of this is rated unlikely.

Whichever climate scenario unfolds, our potential opportunities could outweigh the scenario's risk factor, demonstrating a strong business resilience to climate-related risks. Importantly, all our opportunities have the potential to unfold under each scenario. We have continued to see growth in our services around compliance, emissions reporting and energy management over recent years, demonstrating that the business is moving in the right direction. Demand for these services is increasing as the effects of climate change are being experienced worldwide.

TABLE 3: RISKS AND OPPORTUNITIES FOR INSPIRED PLC SPLIT BY BUSINESS CATEGORY

Business category	2024 value £m	2023 value £m	Risk	Opportunity
Technology providers	**0.5**	0.8	●	
Transport	**0.8**	0.9	●	
Energy and Utility Costs	**0.1**	0.1*	●	
Capital Markets	**0.6**	0.5	●	
Bank Finance	**5.8**	4.4	●	
Engineering Contractors	**4.2**	7.0	●	●
Offices	**0.5**	0.5	●	●
Asset Values	**81.5**	82.6	●	
Robotic Process Automation	**1.0**	0.6	●	
Capital Equipment	**0.8**	0.9	●	
IT Development	**3.3**	2.6	●	
M&A Execution	**0**	0.0	●	
Labour	**42.5**	41.1	●	
Assurance Services	**36.7**	36.3	●	●
Optimisation Services	**47.1**	54.0	●	●
ESG Disclosure Services	**6.4**	5.4	●	●
Software Services	**3.5**	3.0	●	●
ESG Impact Services	**–**	–		
Equipment Manufacturers	**3.4**	7.1	●	●

* This has been restated in alignment with the FY23 utility emission restatements.

Metrics and targets

We aim to lead by example and have set what we believe to be ambitious but feasible net-zero targets, by 2030 for Scopes 1 and 2 (2019 baseline; market-based for Scope 2 only in line with the GHG Protocol) and by 2050 for Scope 3 (2023 baseline). This requires a 90% reduction in absolute emissions by the target deadline, allowing for a maximum of 10% to be offset. In 2023, we submitted our targets to the Science-based Targets initiative (SBTi) and validation began in January 2024. We were informed that our intensity-based, short-term Scope 3 target needed amending and held a session with our CEO, CCO and CFO in July 2024 to present the alternative options. It was decided to change from an intensity metric based on £m revenue, which is no longer accepted by the SBTi, to one based on emissions per kW of energy-consuming products sold. We also updated the baseline year for our Scope 3 emissions targets to 2023. The change in intensity metric indicated that using a 2021 baseline would mean we had already achieved the reductions necessary to align with SBTi standards. Our updated targets were submitted to SBTi for final validation in November 2024 with the expectation of our targets to be validated in Q1 of 2025.

Our streamlined energy and carbon report and carbon balance sheet list all our carbon emissions, broken down by scope and subcategory. Table 4 lists the metrics and targets we have set to manage our climate-related risks and opportunities.

TABLE 4: INSPIRED'S KEY CLIMATE-RELATED TARGETS

Target year	Key performance indicators	Progress in 2024	Next steps	Applicable Risk/Opportunity
2024	Have science-based targets validated by SBTi.	This target was missed due to SBTi feedback requiring resubmission. Presented updated target options to the Board. Board signed off on the updates, which were resubmitted in November.	Complete validation of targets by SBTi.	**Risk:** Increased stakeholder concern and increased emissions reporting obligations.
2025	Achieve 80% of suppliers by spend making a TCFD disclosure or equivalent by the end of 2025.	Due to the disbandment of the Taskforce on Climate-related Financial Disclosures, it is no longer easy to track this target. We have therefore decided to replace it with the one below covering SBTi-targets.	Track suppliers committing to science-based targets.	**Risk:** Increased stakeholder concern and uncertainty in market signals. **Opportunity:** Increased stakeholder engagement.
2029	50% of suppliers (by spend, covering purchased goods and services), will have science-aligned targets by 2029.	FY24 spend data has been analysed for current position of suppliers as named in our OPEX files.	The FY24 data review has flagged that some companies may have parent-level targets. This will be reviewed in 2025 and figures produced showing our progress towards this target.	**Risk:** Increased stakeholder concern and uncertainty in market signals. **Opportunity:** Increased stakeholder engagement
2030	Reduce absolute Scope 1 and (market-based) 2 GHG emissions to net-zero (90%) by 2030, from a 2019 base year*. Baseline: 585 tCO_2e 2024: 80 tCO_2e	On track for Scope 1 and 2, with a 81.9% reduction from baseline. A 0.3% annual reduction is now needed to reach our target. Implemented Circuit Level Monitoring across the office to monitor energy consumption including solar generation.	Upgrade air conditioning and ventilation controls. More efficient gas boiler at Calder House and solar panels at BusinessWise site.	**Risk:** Increased emissions reporting obligations.
	Reduction of 51.6% in Use of Sold Product emissions per kW of energy-consuming products sold, from a 2023 baseline. Baseline: 1.51 tCO_2e/kW 2024: 1.52 tCO_2e/kW	Our intensity target baseline is 1.51 for 2023 and in 2024 our intensity per kW of energy-consuming products sold was 1.52, a 0.5% increase which puts us slightly off-track. As this target was set this year, we will be determining our actions in FY25.	Assess and plan actions for achieving this target.	**Risk:** Increased emissions reporting obligations. **Opportunity:** Increased stakeholder engagement.
2050	Reduce absolute Scope 3 GHG emissions to net-zero (90%) by 2050, from a 2023 base year. Baseline: 18,469 tCO_2e 2024: 12,026 tCO_2e	On track for overall net-zero, with a 35% reduction from baseline. A 2.1% annual reduction is now needed to reach our target. Developed net-zero strategy for the whole business. Continued Scope 3 data improvement.	Begin supply chain engagement with top suppliers (by spend). Improve Scope 3 data collection accuracy.	**Risk:** Increased emissions reporting obligations.

* The GHG Protocol, and therefore the SBTi, does not currently allow for Scope 1 market-based emissions based on green gas certificates.

Our carbon emissions

Each year we calculate our full carbon footprint to measure our progress and, since 2020, have purchased offsets to achieve carbon neutrality for Scope 1, 2 and operational Scope 3 emissions.

We include emissions associated with our operational supply chain to further incentivise reducing emissions from our suppliers. We are currently working with our suppliers to understand their emissions better and improve our data collection. This will allow us to reduce our Scope 3 emissions, a key step on our path to net-zero.

FIGURE 1: GRAPH SHOWING BARS REPRESENTING OUR SCOPE 1 AND (MARKET-BASED) 2 EMISSIONS SINCE 2019 AND A STRAIGHT LINE INDICATING OUR NET-ZERO TARGET REDUCTION FOR SCOPE 1 AND 2.

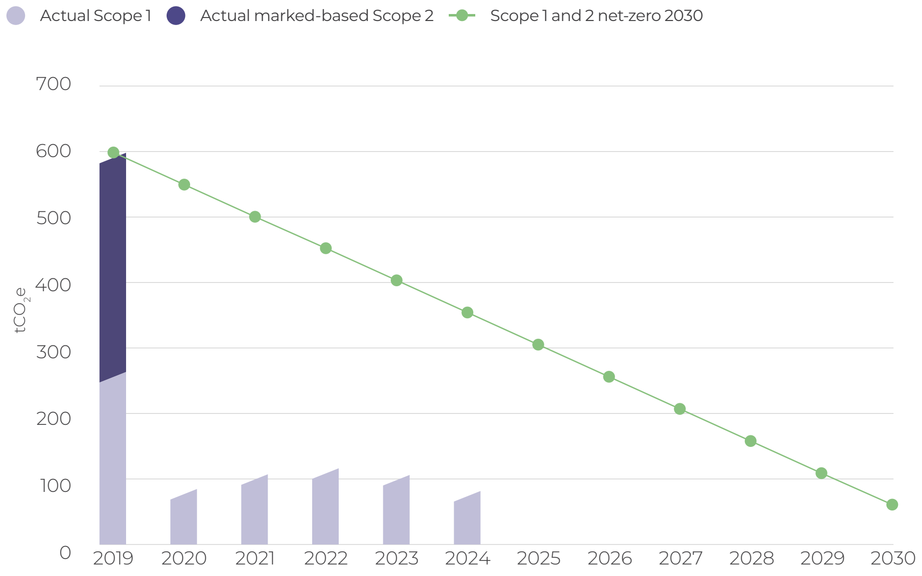
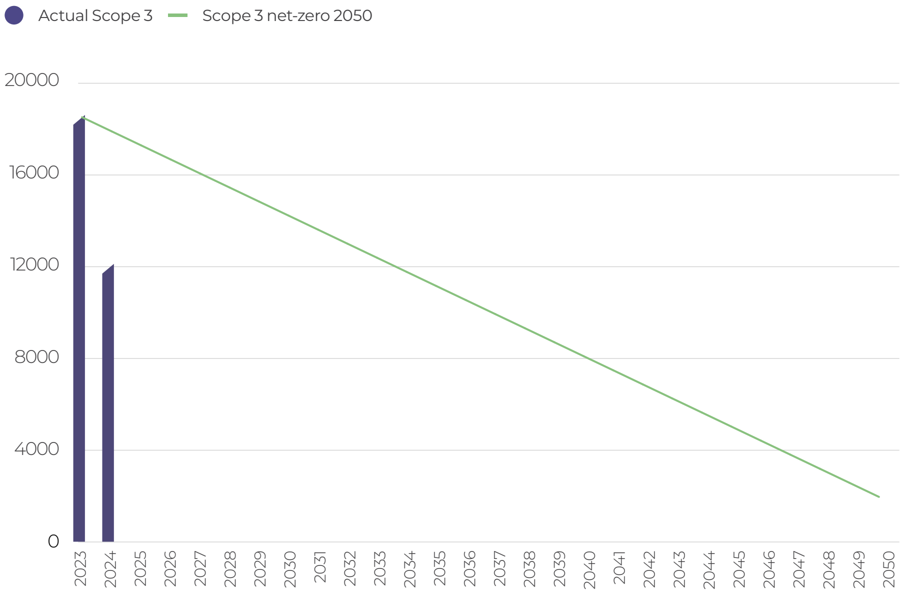


FIGURE 2: GRAPH SHOWING BARS REPRESENTING OUR TOTAL SCOPE 3 EMISSIONS SINCE 2023 AND A STRAIGHT LINE INDICATING OUR OVERALL NET-ZERO TARGET REDUCTION.



Streamlined Carbon and Energy Report (SECR)

Total greenhouse gas emissions

Our total consumption (kWh) and total emissions (tCO_2e) for energy supplies reportable by the Group have been calculated on both a location basis and market basis. The market-based emissions reflect the carbon savings achieved through the purchase of REGOs (186 MWh) and Green Gas Certificates (183 MWh).

See the methodology on page 73 for more details.

TABLE 5: INSPIRED PLC TOTAL CONSUMPTION (KWH) FIGURES

Utility and scope	2024 UK consumption (kWh)	2024 global (excluding UK) consumption (kWh)	2023 UK consumption (kWh)*	2023 global (excluding UK) consumption (kWh)
Gaseous and other fuels (Scope 1)	183,280	0	296,661	0
Transportation (Scope 1)	209,048	0	222,865	0
Grid-supplied electricity (Scope 2)	179,655	6,443	315,225*	13,535
Self-Generated (Scope 2)	9,073	0	N/A	N/A
Transportation (Scope 3)	927,730	0	962,572	0
Total	**1,508,786**	**6,443**	**1,797,323***	**13,535**

* Please see Table 13 for restatements of 2023 electricity figures.

80%

OF UK PEATLANDS ARE IN A STATE OF DEGRADATION, MODIFIED THROUGH HISTORICAL AND RECENT LAND MANAGEMENT PRACTICES.

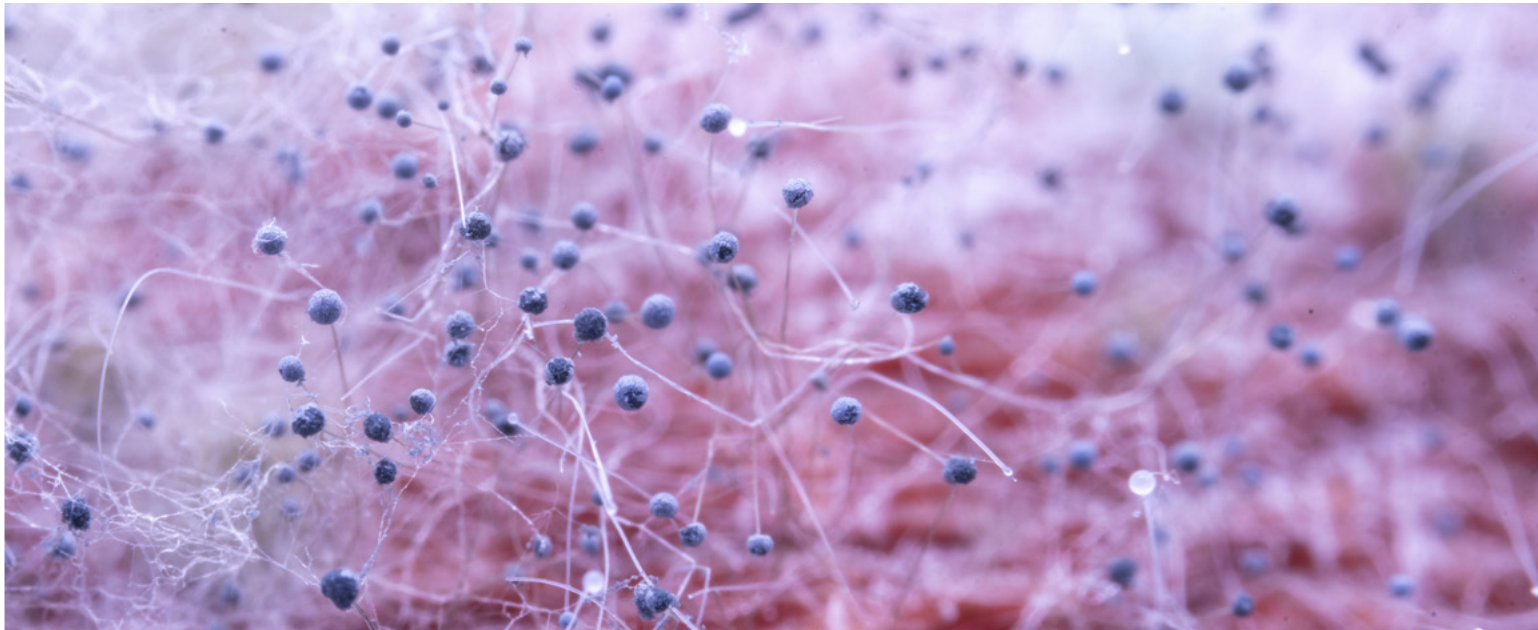


TABLE 6: INSPIRED PLC TOTAL LOCATION-BASED EMISSIONS (TCO_2E) FIGURES

Utility and scope	2024 UK consumption ($tC0_2e$) location-based	2024 global (excluding UK) consumption ($tC0_2e$) location-based	2023 UK consumption (tCO_2e) location-based*	2023 global (excluding UK) consumption (tCO_2e) location-based
Scope 1 total	**80.11**	**0.00**	**104.39**	**0.00**
Gaseous and other fuels (Scope 1)	33.52	0.00	54.27	0.00
Transportation (Scope 1)	46.59	0.00	50.12	0.00
Scope 2 total	**37.20**	**1.73**	**65.28***	**3.60**
Grid-supplied electricity (Scope 2)	37.20	1.73	65.28*	3.60
Scope 3 total	**206.77**	**0.00**	**216.49**	**0.00**
Transportation (Scope 3)	206.77	0.00	216.49	0.00
Total	**324.09**	**1.73**	**386.15**	**3.60**

* Please see Table 13 for restatements of 2023 electricity figures.

TABLE 7: INSPIRED PLC TOTAL MARKET-BASED EMISSIONS (TCO_2E) FIGURES

Utility and scope	2024 UK consumption (tCO_2) market-based	2024 global (excluding UK) consumption (tCO_2) market-based	2023 UK consumption (tCO_2) market-based	2023 global (excluding UK) consumption (tCO_2) market-based
Scope 1 total	**46.64**	**–**	**50.19**	**–**
Gaseous and other fuels (Scope 1)	0.04[1]	–	0.07[1]	–
Transportation (Scope 1)	46.59	–	50.12	–
Scope 2 total	**0.00**	**0.00**	**0.00**	**0.00**
Grid-supplied electricity (Scope 2)	0.00	0.00	0.00	0.00
Scope 3 total	**206.77**	**–**	**216.49**	**–**
Transportation (Scope 3)	206.77	–	216.49	–
Total	**253.41**	**0.00**	**266.68**	**0.00**

1 Natural gas market-based emissions have been calculated taking into account carbon dioxide savings from the purchase of Green Gas Certificates.

Intensity metric

An intensity metric of tCO_2e per FTE has been calculated for the Group's annual total consumption. This methodology is compliant with SI 2008/410 7 Sch 15(3).

TABLE 8: INSPIRED PLC EMISSIONS INTENSITY METRICS

Intensity metric	**2024 intensity metric**	2023 intensity metric*
Total FTE	**740**	704
tCO_2e/FTE (location-based)	**0.44**	0.56
tCO_2e/FTE (market-based)	**0.34**	0.38

* These have been recalculated due to a restatement of 2023 electricity figures, see Table 13 for more detail.

The 2024 location-based SECR emissions (Scope 1, 2 and Scope 3 business travel) for Inspired have decreased 16.4% compared to 2023. This year we saw a decrease across all categories, particularly in electricity and gas used in our offices.

Inspired has one subsidiary that qualifies for SECR as an individual entity in 2024, details in Tables 9 and 10.

TABLE 9: INSPIRED ENERGY SOLUTIONS TOTAL CONSUMPTION (KWH) FIGURES

Utility and scope	**2024 consumption (kWh)**	2023 consumption (kWh)
Gaseous and other fuels (Scope 1)	**37,073**	31,955
Transportation (Scope 1)	**190,449**	205,187
Grid-supplied electricity (Scope 2)	**121,338**	252,074*
Transportation (Scope 3)	**368,827**	399,578
Total	**717,687**	**888,794***

* Please see Table 13 for restatements of 2023 electricity figures.

TABLE 10: INSPIRED ENERGY SOLUTIONS TOTAL LOCATION-BASED EMISSIONS (TCO_2E) FIGURES

Utility and scope	**2024 consumption (tCO_2e)**	2023 consumption (tCO_2e)
Gaseous and other fuels (Scope 1)	**6.78**	5.85
Transportation (Scope 1)	**42.45**	46.15
Grid-supplied electricity (Scope 2)	**25.12**	52.20*
Transportation (Scope 3)	**82.20**	89.87
Total	**156.56**	**194.07***

* Please see Table 13 for restatements of 2023 electricity figures.

Energy efficiency improvements

Inspired is committed to year-on-year improvements in its operational energy efficiency. As such, a register of energy efficiency measures available to the Group has been compiled, with a view to implementing these measures in the next five years.

Measures ongoing and undertaken through 2024

In November 2024, we resubmitted our updated net-zero targets after feedback from the SBTi. This month, we also implemented Circuit-Level Monitoring (CLM) to monitor and target consumption, reducing energy waste and improving operational efficiency. This also allows us to monitor the electricity generated by the solar panels on our office in Kirkham.

Measures prioritised for implementation in 2025

In FY25, Inspired is looking to upgrade its air conditioning and ventilation controls to decrease general energy consumption around the offices. We will look at installing roof-mounted solar PV panels at the Business Wise site and replacing the gas boiler at Calder House with a more efficient 125L cylinder for hot water provision. Furthermore, we will roll out training and awareness materials to support behavioural change towards lower energy consumption in our offices.

SECR methodology

Our Scope 1, 2 and 3 kWh consumption and CO_2e emissions data has been calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2024 version 1 has been used, utilising the published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period 01/01/2024 – 31/12/2024.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Inspired PLC. These were calculated at the meter level on a kWh/day pro-rata basis. For several of our sites, we are indirectly responsible for utilities (i.e., via a landlord or service charge) or no data was available for the meters. Estimations were calculated as follows:

- For the Cork Horizon Unit, Nelson, and Manchester properties, the median consumption for similar properties was calculated at the meter level and applied.
- For the Cardiff and London properties, an average kWh/FTE consumption was calculated at the meter level and was applied to similar properties with no available data.

- For the Bedford property, a typical practice energy benchmark from CIBSE (Chartered Institution of Building Services Engineers) Guide F (2012) was applied to the floor area (m2) of the property.

All estimations equated to 31.90% of reported consumption.

For the market-based emissions reporting methodology, an emissions factor of 0 tCO_2/kWh was applied to all electricity supplied to Inspired from renewable energy contracts. As 100% of Inspired PLC's electricity consumption was supplied through renewable energy contracts, total Scope 2 market-based emissions equate to 0 tCO_2. Natural gas market-based emissions have been calculated to account for carbon dioxide savings from the purchase of Green Gas Certificates.

Due to a change in calculation methodology for FY24, the Grid-supplied Electricity (Scope 2) figure from FY23 has been recalculated to provide comparable results to track year-on-year progress against emission reduction targets.

Intensity metrics have been calculated using total tCO_2e figures and the selected performance indicator agreed with Inspired PLC for the relevant report period:

- Full-time equivalents (FTE) FY24 (FY23) 740 (702).

Carbon balance sheet

GHG inventory

We disclose our full greenhouse gas (GHG) emissions footprint, covering Scopes 1, 2 and 3, as this is best practice and provides the fullest picture of a company's emissions footprint. To ensure full transparency, we review every category of the GHG Protocol and report on all that are applicable to our business.

Inspired's total emissions fell by 35% between FY23 and FY24, largely driven by a decrease in Scope 3 – Category 11 (Use of Sold Products) and Category 1 (Purchased Goods and Services) emissions. Scope 3 – Category 1 emissions dropped due to fewer products bought for resale in FY24, and Scope 3 – Category 11 emissions due to fewer energy-consuming products, such as LEDs, being sold. Inspired's Scope 1 emissions decreased by 23% between FY23 and FY24 and Scope 2 emissions (location-based) decreased by 43%. These reductions were due to due to more efficient buildings and rationalisation of the portfolio.

Whilst the product we sell are energy saving, they still consume energy, and this must be accounted for in our GHG inventory. This means that the more we help clients decarbonise by providing energy-saving products, the higher our Scope 3 emissions will become. When we consider this growth in the context of the increasing scale of our operations on both a revenue and total energy of products sold basis, we are becoming more effective in our emissions management.

However, we know that the objective of net-zero is to deliver absolute reductions in emissions and intensity metrics only serve to show a direction of travel.

Operational analysis

As an organisation we have chosen to not only make ourselves carbon neutral for Scope 1 and Scope 2 emissions, but also for the Scope 3 emissions we have consumed in the provision of our operations. Our operational analysis shows that our absolute carbon cost of operations reduced by 8.2% during 2024. We have purchased 3,688 tCO_2e of voluntary carbon offsets, 183MWh of RGGOs and 186 MWh REGOs to achieve carbon neutrality across our operations (Table 11).

By achieving carbon neutrality for our operations, we ensure there is a commercial cost associated with our emissions, providing a commercial incentive to make improvements. However, although carbon neutrality is a useful tool in the short term, our ultimate aim is an absolute reduction in the emissions we produce through our value chain to achieve net-zero.

Analysis of carbon benefits to customers

Where we provide energy-consuming products to our customers to help them reduce their emissions, such as LEDs and heat pumps, we aim to see the return on investment through the net carbon impact of those products. The analysis of carbon benefits to customers shows that we are saving our customers more emissions than those associated with the products themselves, i.e. embedded in the raw materials of the products or from their end-of-life treatment. This results in a positive net carbon impact for our customers. In 2024 we invested 1,416 tCO_2e, in Categories 1 and 12-related emissions, to help our customers to save 26,272 tCO_2e, a net decrease of 46% over 2023 due to fewer products being sold.

TABLE 11: INSPIRED PLC OFFSETS AND RENEWABLE ENERGY CERTIFICATES PURCHASED FOR 2022,2023 AND 2024

	2024		2023		2022	
	tCO_2e	MWh	tCO_2e	MWh	tCO_2e	MWh
Carbon Offsets	3,688	N/A	3,135	N/A	5,381	N/A
REGOs	39	186	54	328	50	275
RGGOs	34	183	69	297	55	273
Total	**3,761**	**369**	**3,258**	**625**	**5,486**	**548**

TABLE 12: 2024 CARBON BALANCE SHEET

	GHG inventory						Operational analysis		
	Location based tCO_2e			Market based tCO_2e			Carbon cost of operations tCO_2e		
Emissions scope and Scope 3 category	2024	Restated 2023	% Change	2024	Restated 2023	% Change	2024	Restated 2023	% Change
Scope 1	**80**	104	(23.3%)	**47**	50	(7.1%)	**47**	50	(7.1%)
Natural gas	**34**	54	(38.2%)	**0.04**	0.07	(35.4%)	**0.04**	0.07	(35.4%)
Transport	**47**	50	(7.0%)	**47**	50	(7.0%)	**47**	50	(7.0%)
Scope 2	**39**	69	(43.5%)	**0**	0	N/A	**0**	0	0.0%
Scope 3	**12,026**	18,469	(34.9%)	**12,026**	18,469	(34.9%)	**3,642**	3,760	(3.1%)
1. Purchased goods and services	**3,660**	4,850	(24.5%)	**3,660**	4,850	(24.5%)			
Energy consuming products for resale	**1,413**	2,595	(45.5%)	**1,413**	2,595	(45.5%)			
Other goods and services	**2,246**	2,255	(0.4%)	**2,246**	2,255	(0.4%)	**2,246**	2,255	(0.4%)
2. Capital goods	**523**	522	0.3%	**523**	522	0.3%	**523**	522	0.3%
3. Fuel – and energy-related activities	**31**	45	(31.1%)	**31**	45	(31.1%)	**31**	45	(31.1%)
4. Upstream transportation and distribution	**18**	25	(27.9%)	**18**	25	(27.9%)	**18**	25	(27.9%)
5. Waste generated in operations	**0.1**	0.3	(71.7%)	**0.1**	0.3	(71.7%)	**0.1**	0.3	(71.7%)
6. Business travel	**379**	403	(5.9%)	**379**	403	(5.9%)	**379**	403	(5.9%)
7. Employee commuting	**444**	511	(13.0%)	**444**	511	(13.0%)	**444**	511	(13.0%)
8. Upstream leased assets	**0**	0	0.0%	**0**	0	0.0%			
9. Downstream transportation and distribution	**0**	0	0.0%	**0**	0	0.0%			
10. Processing of sold products	**0**	0	0.0%	**0**	0	0.0%			
11. Use of sold products	**6,965**	12,105	(42.5%)	**6,965**	12,105	(42.5%)			
12. End-of-life treatment of sold products	**2**	6	(57.1%)	**2**	6	(57.1%)			
13. Downstream leased assets	**0**	0	0.0%	**0**	0	0.0%			
14. Franchises	**0**	0	0.0%	**0**	0	0.0%			
15. Investments	**3**	3	(8.3%)	**3**	3	(8.3%)			
Total all scopes	**12,145**	18,642	(34.9%)	**12,072**	18,519	(34.8%)	**3,688**	3,810	(3.2%)
All scopes $kgCO_2e$ per £ (revenue)	**0.13**	0.19	(31.4%)	**0.13**	0.19	(31.3%)	**0.04**	0.04	2.0%
All scopes tCO_2e per employee	**16.4**	26.6	(38.2%)	**16.3**	26.4	(38.2%)	**5.0**	5.4	(8.2%)

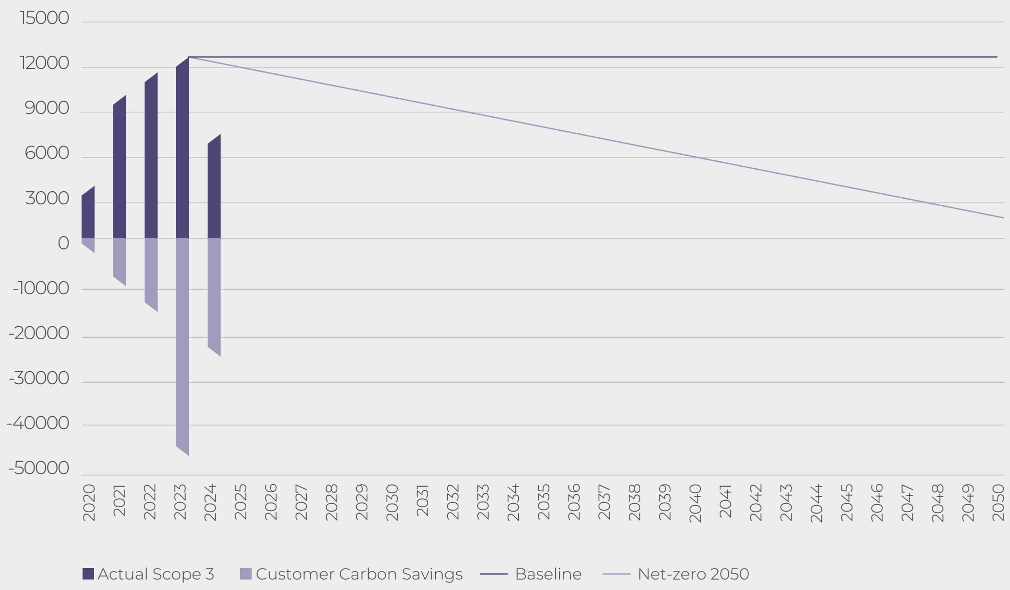
Please see Table 13 for original & re-calculated 2023 values and rationale for amendments.

TABLE 12: 2024 CARBON BALANCE SHEET CONTINUED

	Analysis of carbon benefits from customer use of energy-consuming products								
	Carbon cost of energy-consuming products sold to customers tCO_2e			Carbon saving from use of energy-consuming products by customers tCO_2e			Customers net carbon impact from use of energy-consuming products tCO_2e		
Emissions scope and Scope 3 category	**2024**	Restated 2023	% Change	**2024**	Restated 2023	% Change	**2024**	Restated 2023	% Change
Scope 1									
Natural gas									
Transport									
Scope 2									
Scope 3	**1,416**	2,601	(45.6%)	**26,272**	48,388	(45.7%)	**24,856**	45,787	(45.7%)
1. Purchased goods and services									
Energy consuming products for resale	**1,413**	2,595	(45.5%)				**(1,413)**	(2,595)	(45.5%)
Other goods and services									
2. Capital goods									
3. Fuel- and energy-related activities									
4. Upstream transportation and distribution									
5. Waste generated in operations									
6. Business travel									
7. Employee commuting									
8. Upstream leased assets									
9. Downstream transportation and distribution									
10. Processing of sold products									
11. Use of sold products				**26,272**	48,388	(45.7%)	**26,272**	48,388	(45.7%)
12. End-of-life treatment of sold products	**2**	6	(57.1%)				**(2)**	(6)	(57.1%)
13. Downstream leased assets									
14. Franchises									
15. Investments									
Total all scopes	**1,416**	2,601	(45.6%)	**26,272**	48,388	(45.7%)	**24,856**	45,787	(45.7%)
All scopes $kgCO_2e$ per £ (revenue)	**0.02**	0.03	(42.7%)	**0.28**	0.49	(42.8%)	**0.26**	0.46	(42.8%)
All scopes tCO_2e per employee	**1.9**	3.7	(48.4%)	**35.5**	68.9	(48.5%)	**33.6**	65.2	(48.5%)

Please see Table 13 for original & re-calculated 2023 values and rationale for amendments.

CUSTOMER CARBON EMISSIONS SAVINGS GRAPH



> "We are proud of our investment and involvement with Inspired to support green, renewable energy to our sites, this investment has helped reduce Scope 2 emissions across all our operations."
>
> **Steve Marshall**
> Director, Victoria Group

TABLE 13: 2023 RE-STATED FIGURES FOR INSPIRED PLC

Line Item	Original 2023	Re-Stated 2023	Rationale
Grid-supplied electricity (Scope 2)	314,518 kWh	315,225 kWh	The calculation methodology for electricity estimates has been updated in 2024. FY023 figures were updated to reflect this change.
	65.13 tCO_2e	65.28 tCO_2e	
Category 1 – Purchased Goods and Services	4,844 tCO_2e	4,850 tCO_2e	FY23 Scope 3 emissions have been restated to account for updated DEFRA conversion factors for Cat 1, 2, 4 and 6.
Category 2 – Capital Goods	453 tCO_2e	522 tCO_2e	
Category 4 – Upstream Transportation and Distribution	23 tCO_2e	25 tCO_2e	
Category 6 – Business Travel	392 tCO_2e	403 tCO_2e	
Category 7 – Employee Commuting	201 tCO_2e	511 tCO_2e	Employee Commuting has also been restated to include home working emissions in FY2023.

Taskforce on Nature-related Financial Disclosures

Inspired is proud to be an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD). We signed the pledge in early January 2024 as an acknowledgement of our interdependencies with the natural world. It is a natural addition to our existing disclosures, expanding them to include our impact on the broader environment through our operations and our value chain.

This is a summary of our TNFD report, for more detail please see our Integrated ESG Report.

Governance

The management of nature-related risks and opportunities will be fully integrated into our existing processes for climate-related risks in FY25. Initial risks, aligned with our climate-related risks, were presented to the Board for discussion and assessment in July 2024. Please see page 88 for more information on our governance processes.

Risk and Impact Management

To understand the potential impact of our operations, we conducted desktop surveys for ten sites. Publicly available platforms, including the National Biodiversity Network (NBN) Atlas and Magic Maps, were used to review indicators, including designated sites, priority habitats, and invasive and protected species. This triggered a site visit to Wantage due to its proximity to an area of outstanding natural beauty. During this visit, the buildings and general site were surveyed for environmental management, flora and fauna species, and any human disturbances that may impact biodiversity. It found a variety of specifies present and some potential impacts. Outdoor lighting on site is largely dim. However, there are two floodlights which could contribute to light pollution. Site management, including weed killer use, could reduce biodiversity. These will be discussed with the site managers to determine how to minimise impact.

Additionally, we are considering the potential impact of our value chain on the environment. This is limited due to the relatively small number of products we purchase. We also have limited control over the most impactful stages of production, particularly mining, due to the complex nature of modern supply chains. Full details will be provided in our standalone Integrated ESG Report.

Strategy

Our results show that the impact of our direct operations on biodiversity and ecosystems is limited. This is due to our business being primarily service-based, with the addition of technology installations at existing client sites. However, we know that the products we sell will impact nature in our upstream value chain due to the sourcing and processing of raw materials such as copper and silicon. For example, mining can lead to habitat loss and land degradation, and noise pollution can disrupt the balance of an ecosystem. In FY25, we will look further into our upstream value chain to understand this impact and determine if we can improve it.

Metrics & Targets

For our Wantage site, we will consider ways of minimising our potential impact in FY25. This may include changing our grounds management routine or limiting the use of the floodlights. For our value chain, we will conduct further research into the materials and processes involved in the manufacturing of our products before determining whether and where we can mitigate this.

Waste and water

As well as the environmental considerations outlined in our TCFD and TNFD reports, summarised on pages 60 to 69, we are also considering our waste and water use. These are relatively low and have reduced with increased homeworking.

TABLE 14: WASTE AND WATER TARGETS

	Target 2025	Progress
Water	25% reduction in water use by end of 2025.	It is unfortunately not possible to install water AMR in our long-term leased and owned offices, however, we will continue to ensure we are using water-efficient technology.
Waste	Replace or remove single-use plastic by end of 2025. Reduce paper usage by 50% by end of 2025.	DocuSign is used to reduce printing of documents.
	Recycle 90% of paper by end of 2025.	100% of paper is recycled at our Kirkham head office.

Social

Our success as a Group depends on our ability to keep pace with the rapidly evolving market. As a technology-enabled service provider in a specialist marketplace, our employees are fundamental to the quality and provision of our services.

We believe in providing a collaborative, safe working environment that empowers our employees and attracts the best talent. We are committed to protecting the rights of our employees, our supply chain, and the communities we operate in. We aim to be beneficial stakeholders by holding ourselves accountable to being a Real Living Wage Employer and using local suppliers where possible.

Target 2027	Progress against target 2024	Next steps in 2025
Review learnings from the Covid-19 pandemic and work collegiately with employees to implement "flexible working practices".	Flexible and remote working is now fully embedded within the company. We have reviewed the working-from-home policy and updated our employee handbook to reflect our development of flexible working practices. We ensure employees have suitable at-home workstations aligned to Display Screen Equipment (DSE) requirements. We survey our employees monthly to assess their suitability to work from home.	This target has been met and a revised target will be set in 2025.
Continued investment in IT infrastructure to ensure the capacity to support business growth and performance.	We review our IT infrastructure periodically throughout the year to consider where improvements can be made.	
Implement the UN Sustainable Development Goals within the business culture.	We have an internally-developed SDGme app which we have offered to employees and clients for several years.	In 2025, we will review this target and consider how best to further embed the goals into the business culture we envisage.
Develop a STEM Scholarship programme.	STEM policy and implementation draft submitted to Executive Directors for review.	Launch in 2025.
Develop a training/apprenticeship programme to support individuals from low-income households develop the required technical skills to work in a low-carbon economy.	Drafted our apprenticeship programme to upskill employees in the business to create career pathways and to create apprenticeships for entry-level roles.	Launch in 2025.
Launch the Inspired Foundation that will receive donations for products that we share with clients.	Started the investigations to scope the Inspired Foundation Project.	Aim to present first draft to Executive team for review.
Create a programme to scale charitable contributions from the organisation in proportion to business growth.	Started the investigations to scope how Inspired will scale charitable contributions from the organisation.	Aim to present first draft to Executive team for review.
Increase supplier engagement on ESG topics, including reviewing Supplier Code of Conduct, taking into consideration the Ethical Trading Initiative and ILO conventions.	Started to review our supplier engagement policies and targets.	Aim to present first draft to Executive team for review.

Our people

Our people are fundamental to the delivery of our strategy. We support our employees in their professional development and health and wellbeing through internal training and providing access to external support resources. We also aim to attract the best new talent and have an internal talent acquisition team of industry experts who develop a talent pool of high-quality candidates. In 2024, we created and filled 66 additional roles. In the long-term (5-25 years), we aim to maintain an equitable distribution of benefits between all stakeholders in proportion to the performance of the business.

Learning and development

Providing good training is essential for future success and employee satisfaction. We offer a range of courses internally, covering professional and technical skills as well as industry – and company-specific knowledge and processes. We also have a number of core modules, which are taken each year by staff, and include Equality and Diversity, Health and Safety and Cyber Security.

Employee Handbook

This year we released an updated Employee Handbook which provides employees with a single, centralised document giving clear information on benefits, policies, expectations, expenses and more.

ADDITIONAL ROLES CREATED IN 2024

66

PROFESSIONAL SKILLS COURSES

27

SYSTEMS TRAINING COURSES

57

INSPIRED EMPLOYEES JOINED OUR ELECTRIC CAR SCHEME THIS YEAR

37

INSPIRED EMPLOYEES RECEIVED ENHANCED MATERNITY COVER THIS YEAR

15

Benefits

We offer both full-time and part-time employees the same benefits packages.

When we acquire a new company, we aim to harmonise its best practice with the Group within two years of ownership. We do not provide additional benefits to temporary workers and currently do not have specific programs to manage employment endings due to redundancy or retirement.

We have launched a benefits platform that offers a comprehensive range of voluntary benefits which employees can take advantage of, with the opportunity to make savings, via a salary sacrifice arrangement. The platform also gives access to a range of discounts and cashback. Employees can make personal selections from categories such as Health & Wellbeing; Finance & Protection; Fitness; Beauty and Lifestyle and Environmental & Charity. Benefits include holiday trading, private medical insurance, cycle to work, charitable giving and tree planting.

Flexible working

Employees can apply for flexible working hours according to the statutory provisions. This can take the form of part-time hours, job sharing or adjusted working hours. We also offer most employees, where their role allows, the choice of working fully remotely, fully in-office or a combination of both, depending on their needs and preferences.

Bonuses

We want to ensure people are rewarded for their hard work and dedication. All staff have a structured quarterly bonus, providing a high-precision tool for aligning rewards to behaviours. A quarter of the bonus is retained for 12 months and is lost if the individual leaves the company. The reward system is frequently reviewed to ensure it is competitive.

Group Pension Scheme

All qualifying employees can join our Group Pension Scheme which is line with all legal requirements. We have also chosen a pension provider which reflects our commitment to ESG and responsible investment whilst also having a cost-effective management fee for employees which is competitive with current market pricing. It offers a market-leading ESG default fund.

Share schemes

We have a Share Option Scheme, under which senior staff members are granted options. All senior managers are incentivised with share options with a 12 to 24-month forward horizon. We reward loyalty by offering a Sharesave scheme to employees that have been with the Group for over six months.

Family-friendly policies

We have an enhanced maternity leave policy which goes beyond the legal minimum to give employees 16 weeks of full pay. Mat leave was taken by 15 people in 2024.

Additionally, our Employee Handbook clearly explains employees rights and our policies regarding paternity leave and pay, shared parental leave, parental bereavement leave, adoption leave and more.

Time off and Special leave

We operate with an accommodating approach, and our Employee Handbook provides information on compassionate leave and jury service as well as our policies on sick leave, stress and mental health. All employees have the right to sick leave and maternity or paternity leave and pay, in line with legal requirements.

Electric car scheme

We have an electric cars salary sacrifice scheme for all employees who have passed their probationary period. This will lower our Scope 3 emissions from business travel and employee commuting (Categories 6 and 7) and was taken up by 37 people in 2024.

PLANTED

137

trees through the new HR benefits platform for 2024

Health and safety

Creating and maintaining a safe and healthy working environment for our people is of utmost importance to us.

Although the potential for work-related injuries is relatively low in our business as a primarily office-based service provider, we take health and safety very seriously. We provide some onsite services through employees and contractors and all risks are managed through a BS ISO 45001:2018 certified system. Furthermore, we are registered with the Achilles Utilities Vendor Database (UVDB) scheme, which aims to manage and mitigate risks in the supply chain.

In 2024, there were no fatalities (2023: no fatalities) and no HSE-reportable injuries (2023: none). There were ten accidents and thirty-five near-misses relating to staff and contractors. This is a decrease on 2023 (eleven accidents and fifty-five near-misses). All events are logged and discussed in the monthly Health and Safety Committee meeting that are tasked with identifying trends and improvements to procedures.

HEALTH AND SAFETY EVENTS

	2024	2023	2022	2021	2020	2019
Near hits/misses	**35**	55	9	3	13	40
Accidents/incidents	**10**	11	6	2	1	5
RIDDOR	**0**	0	1	0	0	1

"Creating and maintaining a safe and healthy working environment for our people is of utmost importance to us."

Employee well-being

We continue to engage with our employees to improve their health and well-being.

We know that wellness and well-being are very personal and can be different for each individual. This includes a Group Life Assurance Benefit with Zurich which gives employees access to a number of enhanced services, including virtual GP appointments, and Employee Assistance Programme (EAP) and up to 8 counselling sessions across a year.

Employee Assistance Programme

The Employee Assistance Programme offers support for various issues, including health problems, finances and personal or work life concerns.

Unmind app

Unmind is an app which is confidential and free to use for all employees. It provides various expert tools based on neuroscience, cognitive behaviour therapy, mindfulness, and positive psychology. This year, 135 (2023: 280) Inspired employees were registered with Unmind.

Office Environment

Whilst many of our employees work fully or partially remotely, we believe it is important that we also come together in person to collaborate. We want to create a welcoming office environment and have started a number of initiatives with this in mind in 2024.

At our head office, Calder House, we offer a complimentary healthy breakfast selection and free fruit throughout the day. Our Office Services Team organises regular 'Free Lunch' days to encourage staff to come into the office and use their lunch break to sit down with their colleagues. Where possible, we use local companies, for example, all milk is delivered from a farm in Wrea Green and catering for office events is provided by Freckleton-based Tasteful Catering. We also have standing desks available and a private room which can be used for breastfeeding, prayer, or quiet reflection at any time.

In September, we ran a photography competition asking for photos on themes of 'Closer to Nature', 'Water: Save Blue – Live Green' and 'Winds of Change'. We had 149 entries, showcasing a fantastic variety of macro-photography and landscape scenery. The winners were awarded a small monetary prize and a selection of the best photos will be used to decorate our head office at Calder House.

Gym Membership

We recognise the impact physical health can have on our employees' overall wellbeing. For employees using our Kirkham office, we have a monthly allocation of 300 day passes which can be used at either the Kirkham or Lytham YourGym locations.

Equal opportunities

We are an equal opportunity employer fostering a work environment free from discrimination and harassment committed to treating all employees equally.

We are a Disability Confident Employer, in alignment with the Disability Confident Employer government scheme. In 2024, our Group gender diversity was 51%, an increase from 50% last year. Our Board diversity was 28.6%. Consistent with our policy of non-discrimination the Board will continue to seek to expand the Board to achieve its target of 37.5% minimum representation of the minority gender as and when it is appropriate to do so.

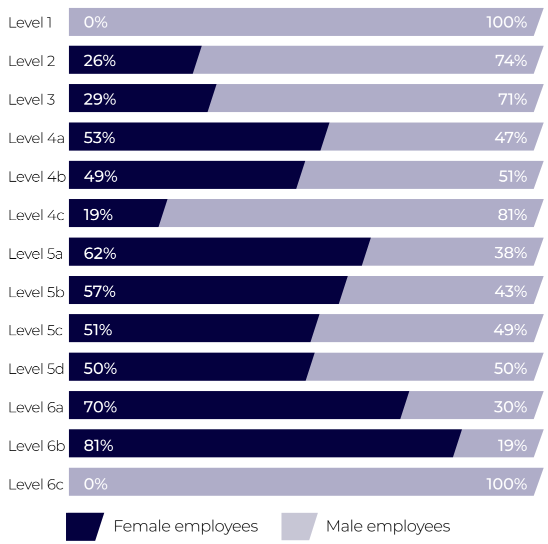
Equal pay

We believe in equal pay for equal experience and performance to support this diversity. At each level of the organisation, men and women are paid the same under these conditions. Overall, there is a 23% Group gender pay gap due to the low level of diversity in senior leadership positions. This is a reduction from last year's 25% and we aim to continue improving it, the ratio of the basic pay of our most senior Executive is 6.1 times that of average UK employees.

Website accessibility

Inspired's website adheres to the World Wide Web Consortium's (W3C) Web Content Accessibility Guidelines 2.1 (WCAG 2.1) at the AA level. We also make use of the Accessible plugin which powers an accessibility widget on site entry. Users can tailor their view of the website to their own individual needs, making UI, content and design-related adjustments at the click of a button. It is also updated and reviewed monthly to improve content readability, update the system and plugins, correct colour contrast issues and add alt text to media files.

FIGURE 1: GENDER RATIO PER LEVEL



Local communities

The communities around us are a vital source of inspiration for how we operate, and over 80% of our senior managers are hired from the local community.

We take great care to positively influence the communities in which we operate. The Employee Engagement Committee is primarily responsible for directing our interaction with the local community. It consists of employees from across the business and our offices. In 2024, the committee organised several initiatives to raise funds for local and national charities, donate food to local food banks and promote biodiversity. The highlights are outlined below.

Beach clean-up

In September and October 2024, 20 employees from across the Inspired Group along with their families came together to participate in an organised Beach Clean. The volunteers collected 34.27kg of rubbish from Blackpool beach with the support of The Sealife Centre.

Team-led charitable giving

Inspired supported various charitable initiatives, including collecting 60 bras for Against Breast Cancer's textile recovery project, raising £3,108 for Movember through fundraising efforts, and contributing over £400 to Save the Children via Christmas Jumper Day.

Additionally, we gathered donations for Fylde Foodbank, Cork Penny Dinners, and Good Shepherd Cork, while also donating 100 shoeboxes to TEAM HOPE in Dublin to support those in need.

Data privacy & compliance

We deal with sensitive client information and are, therefore, always updating our IT systems to ensure they comply with the highest cyber security standards. Our systems are ISO27001 and Cyber Essentials Plus certified. The security professionals monitor system events that are collected and correlated using Microsoft security products. Workflow automation and playbooks respond promptly in the event that a threat is detected, including the automatic isolation of a laptop in the event of ransomware being detected.

Our Employee Handbook includes information on data protection, as well as our social media and internal, email and computer policies. It also explains what is expected from our clear desk policy, especially given the hotdesking nature of our offices post-pandemic.

WE INSPIRED...

Peat Bog restoration initiative

Intact peat bogs are excellent carbon sinks, storing twice as much carbon as the world's forests. There are peat bogs right across the UK, covering approximately 12% of the UK's total land area. However, over 80% of peat bogs are degraded and not able to store carbon as effectively as they should. As part of our carbon reduction and ESG efforts, we want to take action to support peat bog restoration near each of our offices.

In November 2024, a group of seven senior members of the Inspired team headed to Darwen Moor, armed with bags of Sphagnum Moss, and a determination to make an impact. With the support of Wildlife Trust for Lancashire, Manchester and North Merseyside (LWT), we planted 7,200 moss bundles over one day, and those plants will still be there hundreds of years from now, helping to lock away more carbon.

> "A very enjoyable and well organised day, helped no end by the great weather and stunning views. It felt good to be initiating something that help in the battle against climate change that will still be around long, long after we have gone."

David Cockshott,
Chief Commercial Officer, Inspired PLC

Policies and code of conduct

Our policies and codes of conduct are published on our website. The purpose of each policy and our performance against it are set out below.

Policy	Summary	Performance during 2024
Anti-bribery and corruption	Sets out the Group's zero tolerance approach to such practices and the obligations of employees and third parties.	There have been no complaints or reported incidents with respect to anti-bribery and corruption.
Anti-discrimination	Sets out the Group's zero tolerance with respect to discriminatory practices.	There have been no complaints or reported incidents with respect to discriminatory practices.
Board gender diversity	Sets out the Group's policy with respect to diversity at Board level.	During 2024, the PLC Board had a gender diversity of 28.6% (28.6%% 2023), which is short of our target to remain at 37.5%. Consistent with its policy of non-discrimination the Board will continue to seek to expand the Board to achieve its target as and when it is appropriate to do so.
Climate change and the environment	Outlines the Group's policy with respect to climate change and the environment.	The Group achieved carbon neutrality during 2024 and has targets to reach net-zero in Scope 1 and 2 (90% absolute reduction) on a market-basis by 2030, and net-zero in Scope 3 (90% absolute reduction) by 2050.
Complaints handling	Sets out the policies for managing complaints from third parties.	One complaint was raised under this policy in 2024, and was resolved in favour of the Group.
Employee gender diversity and equal pay	Sets out our policies on gender diversity and equal pay.	In 2024, at Group level we had a 51% gender split. However, we have low diversity at our top three levels in the business, at 27% (27% 2023). Therefore, representation of the minority gender still drives the majority of our gender pay gap, which is 23% due to skewed diversity at the leadership level.
Equal opportunities and diversity	Sets out our policy on recruitment, discrimination, bullying and other items with respect to equal opportunities.	There have been no complaints or reported incidents with respect to equal opportunities and diversity.
Health and safety and accident prevention	Sets out our health and safety policies for our organisation.	There have been 10 accidents reported during 2024, none of which were RIDDOR and no work-related fatalities. There were four referrals during 2024 to occupational health for a work-related issue.
Human rights	Sets out our policy with respect to the Group's commitment to human rights.	There have been no complaints or reported incidents with respect to human rights.
Modern slavery and human trafficking	Sets our zero tolerance approach to modern slavery or human trafficking.	There have been no complaints or reported incidents with respect to modern slavery or human trafficking.
Privacy notice	Sets out our policies on data protection and retention with respect to third parties.	There have been no complaints or reported incidents with respect to our privacy policy, data protection or data retention.
Recognition of ILO Conventions	Recognises our commitment to operate in accordance with the ILO Conventions.	There have been no complaints or reported incidents with respect to failure to comply with the ILO Conventions.
Supplier code of conduct	Sets out our expectations with respect to the conduct of our supply chain.	There have been no reported breaches of our supplier code of conduct during 2024.
Whistleblower protection	Sets out our policy with respect to the treatment of whistleblowers.	There have been no incidents of whistleblowing or matters of significant concern raised during 2024.

The Strategic Report has been approved by the Board and signed off by Richard Logan.

Richard Logan
Chairman,
28 March 2025

Dogger Bank Wind Farm, Coast of England

Corporate Governance

Our committees

The Board has established several committees, each with distinct responsibilities. Each committee operates according to specific terms of reference, which outline the delegated responsibilities in detail.

Read more about our Board activities in 2024 on page 93

1.7bn

TONNES OF CO_2 IS STORED IN SCOTTISH PEATLANDS (THE EQUIVALENT TO 140 YEARS' OF SCOTLAND'S GHG EMISSIONS).

An introduction from our Chairman

> "An efficient and dynamic governance structure is essential to achieving long-term value in the future net-zero economy."

Richard Logan
Chairman,
28 March 2025

I am pleased to present this corporate governance report for the year ending on 31 December 2024 on behalf of the Board. The report highlights the effective and appropriate corporate governance framework implemented by the Board, Committees, Directors, and senior management. The Board recognises its duty to achieve growth and long-term value for shareholders in the future net-zero economy. It considers an efficient and dynamic governance structure to be essential in achieving this objective. The Directors have adopted the 2018 Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') to encourage best practices in corporate governance for the Group. During the year, the Directors also began reviewing the updated 2023 QCA Code in preparation for compliance with the Code by 2025.

The Board and its Committees play a fundamental role in overseeing the Group's governance. They provide an impartial and external perspective on issues that are significant to Inspired's stakeholders. Additionally, they ensure that effective internal controls and risk management measures are in place. The roles and functions of the Committees are outlined in pages 96 to 98.

As a market leader in the ESG sector, Inspired strives to lead by example. This is reflected in our governance processes within our ESG Performance Committee and reporting in our ESG disclosures over the last several years.

During the year, there were no changes to our Board of Directors. Biographies of the Directors can be found on pages 89 to 91. As the Chairman, it is my responsibility to lead the Board and ensure that the governance of our Group is effective. I collaborate with the Board to continuously improve our governance practices, which will help ensure the long-term success of our Group.

On behalf of the Board and shareholders, I would like to express my gratitude to all our employees for their hard work and dedication that has contributed to our growth and success. We value feedback from our shareholders and encourage them to participate in our Annual General Meeting (AGM).

Richard Logan
Chairman,
28 March 2025

Corporate governance compliance statement

Our company is committed to upholding the Quoted Companies Alliance (QCA) Corporate Governance Code and all its principles as required by AIM Rule 26. Further information on the company's compliance with the QCA Code and AIM Rule 26 can be found on the Group's website at **inspiredplc.co.uk/AIM-Rule-26**.

With the growing importance of Environmental, Social, and Governance (ESG) factors in the investment industry and among corporates, our company aims to play a leading role in providing ESG solutions to investment firms and businesses.

In 2024, the Executive Directors reviewed the revised QCA Corporate Governance Code to ensure compliance by the financial year's end in 2025.

Inspired's approach

Delivering growth

Principle 1:	Business strategy to promote long-term value for shareholders	Corporate governance page 92 Strategic report page 19
Principle 2:	Understanding shareholder needs and expectations	Corporate governance page 92
Principle 3:	Considering all stakeholders for long-term success	Corporate governance page 92 Strategic report page 19
Principle 4:	Effective risk management	Corporate governance page 92 Audit & Risk Committee page 97

Maintaining a dynamic management framework

Principle 5:	Maintain a well-functioning Board	Corporate governance page 93 Board of Directors page 89
Principle 6:	Directors' skills and capabilities	Corporate governance page 93
Principle 7:	Evaluate Board performance	Corporate governance page 95
Principle 8:	Culture	Strategic report page 17 Corporate governance page 95

Building Trust

Principle 9:	Governance structures for good decision-making by the Board	Corporate governance page 88
Principle 10:	Stakeholder communication	Corporate governance page 92

Governance structure

Below is a summary of the Group's governance structure.

Board of Directors

Our Board is responsible for setting the overall strategy and direction of the Group. Our Directors are committed to maintaining high corporate governance standards, ensuring that decisions are in the best interest of stakeholders.

"

The Board fosters a culture of strong governance across the Group, ensuring openness, transparency, accountability, and responsibility at every level."

Committee membership key

- (A) Audit & Risk Committee
- (N) Nominations Committee
- (R) Remuneration Committee
- (E) ESG Performance Committee
- ● Chair of Committee

Richard Logan

Non-Executive Chairman
Appointed: 24 March 2017

SKILLS AND EXPERIENCE:
Richard is a chartered accountant with nearly 40 years' experience of working in industry.

Having qualified with Ernst & Young in 1984, he has held senior roles with Ben Line Group, a shipping and oil company, and Kingston SCL Limited, a provider of mobile phone billing software, where he was involved in a private equity-backed management buyout and subsequent trade sale. Richard was Finance Director of cloud computing company iomart Group plc (AIM: IOM) from 2006 until his retirement in December 2018.

Richard holds a BA in Accountancy from the University of Stirling and in 2013 was Smaller Quoted FD of the Year at the FD Excellence Awards.

EXTERNAL APPOINTMENTS:
Richard is a Non-Executive Senior Independent Director and Chairman of the Audit Committee of Pebble Beach Systems Group plc, an AIM listed company (PEB) providing software solutions to the broadcasting industry.

COMMITTEE MEMBERSHIP:
A N R E

Mark Dickinson

Chief Executive Officer
Appointed: 29 September 2016

SKILLS AND EXPERIENCE:
Mark joined the Board during 2016 as a Non-Executive Director and became CEO in October 2017. Mark is an energy consultancy specialist with over 25 years' experience of developing and advising companies in the sector.

Mark was CEO of M&C Energy Group, where he led the buy and build strategy, completing four acquisitions before selling the company to Schneider Electric in 2013. He brings significant industry knowledge coupled with experience in executing acquisitions and has a Master's in Finance from the London Business School, where he was voted Accomplished Entrepreneur of the Year in 2012.

EXTERNAL APPOINTMENTS:
None.

COMMITTEE MEMBERSHIP:
N/A

Paul Connor

Chief Financial Officer

Appointed: 9 December 2014

SKILLS AND EXPERIENCE:
Paul was appointed Chief Financial Officer in December 2014, having joined the company as Head of Finance in September 2013. Paul has been responsible for facilitating and delivering the acquisitions of 18 businesses. Paul qualified as a chartered accountant in 2009.

EXTERNAL APPOINTMENTS:
None.

COMMITTEE MEMBERSHIP:
N/A

David Cockshott

Chief Commercial Officer

Appointed: 1 April 2022

SKILLS AND EXPERIENCE:
David joined the Group in 2020 and became Chief Commercial Officer in March 2022, bringing over 30 years' experience in the energy sector. He has held Board positions at Marubeni-owned Smartest Energy Limited and at Inenco Group, as well as having Executive responsibility for I&C and, latterly, domestic markets for energy supplier Npower.

EXTERNAL APPOINTMENTS:
None.

COMMITTEE MEMBERSHIP:
N/A

Sangita Shah

Non-Executive Director

Appointed: 30 June 2021

SKILLS AND EXPERIENCE:
Sangita is the Senior Independent Non-Executive and has extensive experience in corporate finance, journalism and senior consultancy. She has held a number of senior roles within blue chip organisations, including Unilever, Mars, Ernst & Young and KPMG, and was a former Board Director of Swindon Town FC and a past President of the Chartered Institute of Journalists. She has consulted to a number of organisations including HM Cabinet Office and HSBC.

Sangita is a qualified accountant and a frequent keynote Chairman and speaker in forums for the Windsor Leadership Trust and, in the past, the European Parliament.

EXTERNAL APPOINTMENTS:
Sangita is currently Chairman of AIM quoted companies Kinovo Plc, a lead Board Director of NASDAQ listed Forward Industries Inc. On a policy level she is a board member of the Quoted Companies Alliance, and as an investor presides over several private companies.

COMMITTEE MEMBERSHIP:
A N R E

Diane Walker

Non-Executive Director
Appointed: 4 August 2021

SKILLS AND EXPERIENCE:
Dianne is an experienced, award-winning Non-Executive Director with a strong background in finance, risk and governance. Prior to holding Non-Executive and Board advisory roles, Dianne was a member of the senior management team at PwC overseeing audit and transaction support professional services. Dianne is a Fellow of the Institute of Chartered Accountants in England and Wales.

EXTERNAL APPOINTMENTS:
Dianne holds the position of Non-Executive Director and Chair of the Remuneration Committee of Victoria Plumbing plc and Non-Executive Director of Development Bank of Wales Plc. Dianne is also Non-Executive Chair and minority shareholder of a small private limited company, J&L Elevator Components (EOT) Ltd.

COMMITTEE MEMBERSHIP:
A N R

Peter Tracey

Non-Executive Director
Appointed: 1 March 2023

SKILLS AND EXPERIENCE:
Peter is Managing Director of Blackdown Partners Limited, an independent investment bank. Peter has over 25 years' capital markets experience across cash equities and investment banking in London, Frankfurt and New York.

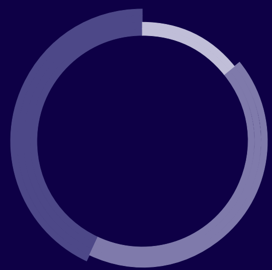
EXTERNAL APPOINTMENTS:
Peter is a Non-Executive Chairman of Portmeirion Group PLC and is Chairman of Hurtwood Capital Limited, a private family office with interests in capital markets, real estate and venture capital.

COMMITTEE MEMBERSHIP:
N E

SCHEDULED BOARD MEETINGS

10

BOARD COMPOSITION 2024



Non-Executive Chairman	1
Executive Directors	3
Non-Executive Directors	3

Corporate governance statement

Delivering growth

"We create value by enabling our clients to navigate the transition to a net-zero economy while integrating these principles into our own operations."

183

Number of £50,000 revenue clients supported by more than one division

£277,840

Average client lifetime value per client (CLV) – CLV assessed over a 10-year period

Our goals

Our primary objective is to create value for our shareholders. We firmly believe that we can achieve this by considering the needs of all our stakeholders, both present and future. We aim to do this by enabling our clients to manage and benefit from the global transition to a net-zero economy while simultaneously integrating these principles into our organisation.

Vision and strategy

We are dedicated to enhancing shareholder value by expanding the delivery of our four business units: Assurance Services, Optimisation Services, ESG Services, and Software Services. We are confident that our focus on these areas will lead to continued success and growth.

- For our approach to strategy and the benefits of our strategic priorities, please see our strategy on page 21 of this annual report.
- For details of our business model, please see page 14.
- For key challenges and how they will be addressed, please see principal risks on page 44 of this annual report.

Our shareholders

We are committed to transparency and communication with shareholders and provide regular updates through reports, announcements, and meetings with investors and analysts. All Directors attend AGMs, and private investors can ask questions. Institutional shareholders and analysts can also discuss issues and provide feedback. The company engages with retail investors to ensure clarity on its strategy, business model, and performance, and shareholders can contact the Company Secretary with questions or concerns.

Our stakeholders

We believe that achieving long-term success involves considering the interests and social responsibilities of all stakeholders. Our commitment extends beyond our shareholders to embrace our employees, clients, lenders, suppliers, the environment, and society. Our Board is dedicated to creating ESG policies that are second to none in the industry. To achieve this goal, we have implemented several measures. Our policies on stakeholder engagement are outlined in this report on page 53. We recognise that communication is essential to engaging stakeholders, and we employ various channels, including formal announcements, individual meetings, and negotiations. We value feedback and make every effort to incorporate it into our decision-making.

Aside from this annual report, we have published numerous ESG disclosures on our website at **inspiredplc.co.uk/esg**. We are enthusiastic about our progress and remain committed to achieving the highest standards of social responsibility and accountability.

Opportunities and risks

We take a balanced approach to risk management, recognising both the potential opportunities and challenges that come with each decision. Our Board and Audit & Risk Committee have developed a thorough risk management process, which we outline in detail on pages 97. Our management team consistently evaluates potential risks and reports back to the Board quarterly. Each division has its own management Board to assess the unique opportunities and risks within its area of responsibility. We've integrated the TCFD and GRI principles into our Executive risk management process, starting in 2020. For additional information, please look at the principal risks section on page 44. We remain committed to managing risk effectively while keeping a positive outlook on the potential benefits that every decision can bring.

Maintaining a dynamic management framework

> "The Board is committed to maintaining high standards of corporate governance, ensuring effective oversight, strategic growth, and risk management."

Board role and responsibilities

Inspired has a well-functioning and balanced Board, under the leadership of Non-Executive Chairman Richard Logan. The Chair plays a crucial role in ensuring that the Board upholds the highest standards of corporate governance. Biographies of the Board members are available on pages 89 to 91. As of 2024, the Board is comprised of three Executive Directors: Mark Dickinson, Paul Connor, and David Cockshott, alongside four independent Non-Executive Directors: Richard Logan, Sangita Shah, Dianne Walker, and Peter Tracey. The Board firmly asserts that there are no issues jeopardising the independence of the Non-Executive Directors. All Non-Executive Directors are deemed independent in both character and judgment, free from any business or other relationships that could materially interfere with their decision-making abilities.

The Board's principal responsibilities are to:

- agree strategy, performance and financial objectives of the business;
- regularly review performance against agreed objectives and exposure to risk;
- identify and approve investment and acquisition opportunities as part of the Group's longer-term growth plans;
- monitor exposure to key business risks; and
- consider employee issues and key business appointments.

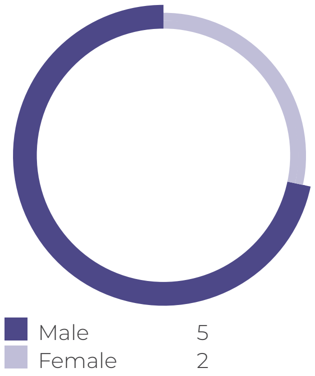
The Board recognises its duty to efficiently manage and adequately steward the Group while implementing corporate governance practices that align with the Group's size and nature and the interests of its shareholders. The Board has adopted the QCA Corporate Governance Code to ensure that Inspired adheres to the best practices in corporate governance, see page 88. The Board and its Committees play a crucial role in the Group's governance by providing an external and independent perspective on matters of importance to Inspired's stakeholders and ensuring that effective internal controls and risk management measures are in place, see page 44.

The Executive Directors are responsible for executing the Board's strategy and possess the requisite skills and experience to perform their duties effectively, both as members of Board Committees and in other roles. Non-Executive Directors must devote at least one day a month to their Group duties. Directors have access to the Company Secretary's services and advice, and they are free to seek independent professional advice if needed.

Shareholders exercise oversight of the composition of the Board of Directors through a reappointment policy and processes that are subject to resolution at the AGM and through engagement with the Group at the AGM.

Board representation

Board representation at 31 December 2024



Conflicts of interest

As per their service agreements and their fiduciary duties, the Non-Executive and Executive Directors are obligated to report any conflict of interest immediately. Additionally, every year, each Board member provides a declaration of their external appointments. This information is set out under the biography of each Board member, which is available on pages 89 to 91.

Board activities

The Board assesses its structures, policies, and processes annually to ensure they are fit for purpose. The Board conducts its responsibilities through an annual timetable of meetings, meeting at least six times a year. In 2024, the Board met ten times, with five virtual meetings and five in-person meetings. Details of attendance at the scheduled meetings can be found on page 94. The Chair and Company Secretary set the agenda for each meeting. The Board receives monthly electronic reports on the Group's financial and operational performance, allowing ample time for review before meetings. Minutes are taken, and action items are followed up on after meetings. Directors have access to the Company Secretary's services and advice, and they are free to seek independent professional advice if needed.

The Board has established several committees, each with distinct responsibilities. These include the Nominations Committee, Audit & Risk Committee, ESG Performance Committee, and Remuneration Committee. Each committee operates according to specific terms of reference, which outline the delegated responsibilities in detail. More information about each committee's terms of reference on pages 96 to 103.

The Board had 10 scheduled meetings during the year, with additional discussions held when necessary.

Meeting timeline

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Board of Directors	■	■	■		■	■	■	■	■	■	■	
Board Two-Day Strategy Meetings							■					■
Nominations Committee												
Audit & Risk Committee			■								■	
ESG Performance Committee		■			■			■				
Remuneration Committee			■								■	
Board Capacity Building Sessions							■					

Board & Committee meeting attendance at scheduled meetings during the year

Director	Board (10)	Nominations (0)	Audit & Risk (2)	ESG (3)	Remuneration (2)	Capacity Building (1)
Richard Logan	■■■■■■■■■■		■■	■■■	■■	
Mark Dickinson	■■■■■■■■■■			■■■		■
Paul Connor	■■■■■■■■■■		■■			■
David Cockshott	■■■■■■■■■■					■
Sangita Shah	■■■■■■■■■		■■	■■■	■■	
Diane Walker	■■■■■■■■■■		■■		■■	
Peter Tracey	■■■■■■■■■			■■■		

Key	
Attended Board	■
Attended committee	■
Chair	■

Director reappointment

Appointments to the Board are the responsibility of the Board as a whole. The Group will include a special resolution at the Annual General Meeting (AGM) in June 2025, to amend the Group's articles of association to include, all Directors appointed by the Board must retire and offer themselves for re-election at each AGM following their appointment. Before proposing a Director for re-election, their past performance is considered to ensure that they continue to be effective, add value and remain independent in their roles. At the AGM, shareholders have the opportunity to approve or reject a Director's Board membership as a collective body. The Board is of the opinion that each Director who is standing for election and re-election is independent in character and judgement. Therefore, the Board suggests that both the company and its shareholders should support the re-election of all these Directors. The biographical details of each Director who is standing for election and re-election are on pages 89 to 91.

The Board acknowledges the importance of having a diverse Board that comprises individuals from different genders, ethnicities, backgrounds, skills, experiences, ages, and other protected characteristics. This diversity helps the Board better understand, challenge, and address opportunities, issues, and risks, leading to more informed and effective decision-making. Our company's female representation on the Board has decreased from 42.9% to 28.6% in 2023, which is below our target of 37.5% for minority gender representation. This reduction was due to the resignation of Sarah Flannigan on 1 March 2023, and the appointment of Peter Tracey on the same day. As per our non-discrimination policy, the Board is committed to expanding Board representation and achieving its target as and when it is appropriate to do so. You can find a summary of our Board gender diversity policy on page 85 and on our website: **inspiredplc.co.uk/esg/corporate-governance**.

Board performance evaluation

The Board's performance plays a crucial role in guiding the company towards achieving its strategic objectives. It is essential to ensure that all Directors collectively possess the necessary and up-to-date experience, skills, and capabilities. The Board conducts regular assessments of its members to ensure that they possess the requisite skills and knowledge required for their positions. When Directors are appointed, they undergo an induction process to ensure they have a comprehensive understanding of the Group's operations. To maintain the Directors' skills, individual training needs are identified as a part of the annual Board evaluation process. It is the responsibility of each Director to undertake appropriate continuing development. The Company Secretary is responsible for keeping the Board informed of any legal changes, including those that relate to their duties as Directors. The Board takes succession planning seriously.

Twice a year, the auditor attends a meeting with the Audit and Risk Committee. During these meetings, they discuss the financial statements of the Group and provide feedback on the Group's systems, procedures, and management effectiveness. The nominated advisor has access to the Chair and meets with Non-Executives on an as-needed basis. All Directors' performance is continually evaluated, and annual re-election gives shareholders the opportunity to approve or reject their Board membership. The Remuneration Committee also assesses the performance of Executive Directors. To aid in this process, members of the Board are provided with press comments and market feedback on the business, as well as market share data and peer group analysis. The Chair reviews the performance of the CEO, CFO, and CCO throughout the year, with a formal discussion at the mid-year, and receives feedback on his own performance from fellow Directors.

Annual review

The Chairman commissions an annual Board effectiveness review where Directors evaluate Board performance via a survey. The Board discusses the survey results and agrees on measures to enhance Board effectiveness.

During 2024 the Board made progress with respect to the matters raised in the 2023 Board evaluation by:

1. With consideration of Board and committee composition, from 1 January 2024, Peter Tracey was appointed to the ESG Performance Committee, and Dianne Walker resigned.
2. The frequency of meetings of Independent Non-Executive Directors without the Executive Directors present increased during the year
3. Reverted to more face-to-face Board meetings and improved the timeliness of information flow to and from the Board.

The Board conducted its annual ESG capacity-building session to enhance their knowledge, which led to the Board revising the Group's targets, this can be found on pages 58-84.

As a result of the Board evaluation for the 2024/5 period, the Board will seek to improve effectiveness by focusing on:

- Continue to give consideration to Board and Committee Composition.
- Monitoring of leadership and development within the Group, noting no material progress to note in 2024.
- Board to continue to develop an effective succession plan for the Executive Directors.

Culture

The Board expects all members and management across the Group to maintain the highest ethical standards. To ensure this, the Board monitors and promotes a healthy corporate culture. The Group has documented procedures in place to address ethical behaviour, including bribery, corruption, modern slavery, Board gender diversity, employee gender diversity, equal pay, workplace accident prevention, whistle-blower protection, human rights, supplier code of conduct, grievance and complaints handling, anti-discrimination, recognition of ILO Conventions, climate change, and the environment. Our ethical policies and performance are summarised on page 47 of this annual report and can also be found in full on our website: **inspiredplc.co.uk/policies**.

The Board closely monitors how our ethical values and policies are translated into the company's culture through the ESG Performance Committee, which oversees the employee led ESG Action Committee and Employee Engagement Committee. The Board takes its responsibilities towards the sustainability of its operations and the impact on the environment very seriously, and this is a key strategic intent.

Building trust

Communicating with investors

The company utilises the London Stock Exchange Regulatory News Service (RNS) to keep shareholders and other interested parties informed about its performance and significant matters. All RNS announcements can be accessed on the company's website, which can be reached at **inspiredplc.co.uk/news**.

Brokers are also regularly updated with notes from the company. The Annual General Meeting (AGM) is an important event for the company to communicate with shareholders who attend. The Directors of the company are present at the AGM to listen to formal and informal opinions expressed by shareholders. The outcomes of the resolutions presented at the AGM, including whether they were successfully passed or not, are published and can be accessed on the company's website.

Publication of statements and disclosures

Inspired has published its performance results against its policies and practices in accordance with requirements set out for key annual disclosures, including:

1. Green Economy Mark Revenue Disclosure
2. Streamlined Energy and Carbon Reporting (SECR)
3. Task Force on Climate-Related Financial Disclosures (TCFD)
4. ESG Report aligned to the Global Reporting Initiative (GRI)
5. Task Force on Nature-Related Financial Disclosures (TNFD)
6. Corporate Sustainable Reporting Directive (CSRD)

The results are published in full on the Inspired PLC website, **inspiredplc.co.uk/esg**.

> "We are committed to transparent communication, keeping investors updated and informed."

Nomination Committee Report

As Chair of the Nomination Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 31 December 2024.

Role of the Committee

The Committee's roles and responsibilities are governed by its terms of reference. The principal role of the Committee is:

- to oversee the process of identifying candidates;
- to make recommendations based on objective criteria and an assessment of the expected benefits to be brought to the Board and the Group;
- to consider the training and development needs of the Directors;
- to consider succession planning to ensure business continuity if a change of an Executive Director occurs or is required;
- to appoint Board members to the relevant committees with due consideration of the required skills and relevant experience;
- to consider the adequacy of the size of the Board based on maintaining more Non-Executive Directors than Executive Directors and;
- maintain a Board size appropriate for the current and future size and scale of the Group.

Committee membership

The Committee is chaired by Richard Logan and consists of Sangita Shah, Dianne Walker, and Peter Tracey.

No formal activity during the year.

Richard Logan
Chair of the Nomination Committee,
28 March 2025

"Our Nominations Committee identifies outstanding candidates for our Board, applying objective criteria to ensure the best possible outcomes for our Group."

Richard Logan
Chair of the Nomination Committee,
28 March 2025

Audit & Risk Committee Report

As Chair of the Audit & Risk Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 31 December 2024.

The Committee continues to fulfil its crucial role in the Group's governance framework, providing independent challenge and oversight of accounting, internal control processes.

Role of the Committee

The Committee's roles and responsibilities are governed by its terms of reference, which are available on request. The Committee's principal responsibilities include reviewing and monitoring:

- interim and annual reports, including consideration of the appropriateness of accounting policies;
- material assumptions, judgements and estimates adopted by management;
- developments in accounting and reporting requirements;
- external auditor's plans for the year-end audit of the Group, the company and its subsidiaries;
- the effectiveness of the Committee;
- the performance and independence of the external auditor concluding in a recommendation to the Board on the reappointment of the auditor by shareholders at the Annual General Meeting;
- non-audit fees charged by the external auditor; and
- the formal engagement terms entered into with the external auditor.

Responsibilities of the Committee also include oversight of the Group's risk management processes and reviews of the scope and effectiveness of the Group's internal controls, including financial, operational and compliance controls (systems established by management to identify, assess, manage and monitor key risks).

Under its terms of reference, the Committee is responsible for monitoring the independence, objectivity, and performance of the external auditor and for making a recommendation to the Board regarding the annual appointment of external auditor. The auditor have confirmed to the Committee that concerning their services to the company, they comply with UK regulatory and professional requirements, including Ethical Standards issued by the Auditing Practices Board, and that their objectivity is not compromised. The auditor are required each year to confirm in writing that they have complied with the independence rules of their profession and regulations governing independence. Before RSM UK Audit LLP takes on any engagement for other services from the company, careful consideration is given as to whether the project could conflict with their role as auditor or impair their independence.

Committee membership

The Committee is chaired by Dianne Walker and consists of Richard Logan and Sangita Shah. Dianne has recent and relevant experience and is authorised by the Board to conduct any activity within its terms of reference and to seek any information it requires from any employee. At the invitation of the Committee, meetings may be attended by the Chief Executive Officer, Chief Financial Officer and the Chief Commercial Officer. Representatives of the external auditor, RSM UK Audit LLP, also attend certain meetings during the year. The Chair of the Committee also meets separately with the external auditor.

Activity during the year

The Committee met twice in 2024, and the External Auditor attended both meetings. The attendance details can be found on page 94.

Dianne Walker
Chair of the Audit & Risk Committee,
28 March 2025

"A strong risk governance culture is integrated throughout the Group."

Dianne Walker
Chair of the Audit & Risk Committee,
28 March 2025

ESG Performance Committee Report

As the Chair of the ESG Performance Committee, it is my great pleasure to present the Committee's annual report for the year ending 31 December 2024.

Our committee plays a vital role in the governance framework of our Group, overseeing our ESG performance, annual ESG disclosure reporting, and ensuring that our Executive Directors are held accountable for meeting our targets. At our core, we are committed to being a market leader in the ESG industry, which is why we have linked our Executive Directors' bonuses to our business' ESG performance, as outlined on pages 100.

To ensure that ESG is integrated across our entire organisation, we have two employee-led committees: the ESG Action Committee and the Employee Engagement Committee. Our ESG Action Committee is responsible for monitoring and managing the day-to-day actions required to achieve our ESG targets and ambitions. This committee is composed of representatives from each business area and reports directly to our ESG Performance Committee.

Our Employee Engagement Committee serves as a communication channel between our employees, Senior Management Team, and Executive Leadership. This committee plays a pivotal role in championing strategic initiatives aimed at improving our workplace environment. It is our firm belief that by working together, we can achieve our ESG goals. Our first Integrated ESG Report 2024 incorporates the Taskforce on Climate-Related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI), the Taskforce for Nature-Related Financial Disclosures (TNFD), and the Corporate Sustainability Reporting Directive (CSRD), and will be published on our website.

Role of the Committee

The Committee's roles and responsibilities are governed by its terms of reference. The principal role of the Committee is to ensure that:

- ESG policies and practices are designed to support strategy and promote long-term sustainable success;
- ESG performance is aligned to the company's purpose and values and is clearly linked to the successful delivery of the company's long-term strategy;
- oversight is exercised over the design, setting and delivery of the company's Environmental, Social and Governance targets; and
- reviews for the annual Integrated ESG Report.

Committee membership

Sangita Shah chairs the Committee, which also includes Richard Logan and Peter Tracey. The Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, and other senior managers within the Group may attend meetings at the committee's invitation.

Activity during the year

The Committee met three times in 2024. The attendance details can be found on page 94. During the year, the Group reviewed progress against targets. The Group also re-submitted its near-term 2030 and net-zero targets to the Science-Based Targets Initiative (SBTi) for validation. For more information, please refer to page 68.

Sangita Shah
Chair of the ESG Performance Committee,
28 March 2025

"Ensuring the Directors are held accountable for addressing climate change risks and other environmental, social, and governance matters."

Sangita Shah
Chair of the ESG Performance Committee, 28 March 2025

Directors’ Remuneration Report

“The Remuneration Committee evaluates the performance of Executive Directors, ensuring that remuneration aligns closely with our business strategy.”

Sangita Shah
Chair of the Remuneration Committee,
28 March 2025

Statement from the Chair of the Remuneration Committee

I am pleased to present the Directors’ Remuneration Report for the year ended 31 December 2024, which outlines the Group’s approach to remuneration for the Executive and Non-Executive Directors. This report also provides information on the intended approach to remuneration for the year ending 31 December 2025.

As the Group’s shares are registered on the AIM market of the London Stock Exchange, the company must comply with the remuneration disclosure requirements of the AIM Rules for Companies. Although the Group is not required to prepare a Directors’ Remuneration Report under the Companies Act 2006 regulations, this report seeks to address some of these areas in the interests of transparency and good governance.

The Committee is cognisant of the expectations of the new QCA Corporate Governance Code, which include holding a separate vote on the remuneration report and remuneration policy. However, the Committee does not feel that a separate vote on the remuneration policy is proportionate or appropriate for a company of our size, and there intends to hold a single advisory vote on this remuneration report (inclusive of the remuneration policy) at the 2025 AGM. The Committee will keep this approach under review in future years.

Summary of Executive Remuneration Outcomes for 2024

For 2024, the company again operated a single incentive plan for Executive Directors, the Inspired Incentive Plan (IIP), which is a combined short and long-term incentive with a maximum opportunity of 250% of salary. Performance was measured against targets set at the beginning of the financial year for the following measures: adjusted EPS (40% weighting), combined adjusted EBITDA and cash conversion (40% weighting), and ESG (20% weighting). Although all of the ESG objectives were achieved, the financial measures did not meet the threshold performance level, and therefore the Committee determined that no award would be paid.

Remuneration arrangements for 2025

Executive Directors – Base salary

The Committee determined that the base salaries of the Executive Directors would remain unchanged for 2025. For reference, the average wider workforce salary increase for 2025 is 4%.

Executive Directors – Variable remuneration

The Committee is currently consulting with shareholders on the approach to variable remuneration for 2025. The current intention is to operate the Inspired Incentive Plan with a maximum opportunity of 250% of salary, but with some changes to the performance measures, in particular to:

- Assess EPS and EBITDA on a statutory (unadjusted) basis in order to provide greater transparency to shareholders;
- Introduce a net debt metric to reflect the strategic focus in this area; and
- Introduce a performance underpin on the deferred element linked to net debt targets.

The proposed performance measures for 2025 are therefore as follows:

- Unadjusted fully diluted EPS
- Unadjusted EBITDA and cash conversion
- Net debt
- ESG

It is intended that 40% of any awards will be paid in cash. The remaining 60% will be deferred in Inspired PLC ordinary shares (using options over Inspired PLC ordinary shares), which vest after three years and are subject to continued employment and net debt underpins. No share price multipliers will apply.

As noted above, engagement with our major shareholders on these proposals is ongoing and therefore the final approach will be outlined in next year's report.

Non-Executive Director fees

The fees for the Chair and Non-Executive Directors are unchanged for 2025.

Remuneration policy for Executive Directors

The Committee's objective is to ensure that the total compensation for the Executive Directors is competitive with the market and aligned with the interests of shareholders. No Director is involved in decisions regarding their personal compensation. In order to design a balanced package for the Executive Directors and senior management, the Committee considers each individual's experience, as well as the nature and complexity of their work. They aim to pay a salary that is competitive and both attracts and retains the highest quality of management while avoiding overcompensating directors. The Committee also considers the relationship between an individual's remuneration package and the Group's long-term performance goals.

Basic salary

Base salaries are set on appointment with reference to a range of factors, including relevant benchmarking data and the individual's experience. Base salaries are then reviewed on an annual basis, with any increase determined by the Remuneration Committee taking into account the salary increases applicable to the wider workforce and other factors as it determines are relevant.

Benefits

The Executive Directors may receive such benefits as the Remuneration Committee determines from time to time, having due regard to typical market practice where relevant. Other ad hoc benefits such as relocation may be offered, depending on personal circumstances.

Pension

The Executive Directors are eligible to participate in a pension scheme and receive employer contributions on the same basis with the wider workforce (currently in line with UK statutory requirements) or receive cash in lieu of such contributions.

Inspired Incentive Plan (IIP)

The maximum opportunity for the Executive Directors under the IIP is 250% of salary. Performance is measured over consecutive one-year periods, with 40% of any award paid in cash following the end of the performance period and the remaining 60% deferred in Inspired PLC ordinary shares which vest after three years subject to continued employment. The deferred element may also be subject to a performance ratchet whereby the number of shares that vest can be increased subject to certain share price hurdles during the deferral period.

The Remuneration Committee determines appropriate financial and strategic measures at the start of each performance year. The plan is subject to standard malus and clawback provisions and good/bad leaver terms.

Shareholding requirement

The Executive Directors are subject to a minimum shareholding requirement, equal to 150% and 100% of the salary of the Chief Executive Officer and other Executive Directors respectively. Executive Directors have five years from 1 January 2022 (or the date of appointment to the Board if later) to achieve this shareholding requirement. Unvested share awards subject to performance conditions are not taken into account for the purpose of assessing the shareholding level, but unvested awards subject to continued employment only or vested but unexercised awards are included (on a net of tax basis). All awards vesting from the company's variable remuneration schemes must be retained until the shareholding requirement is met.

Service contracts

Each Executive Director has a service contract with the Group, which contains details regarding remuneration, restrictions and disciplinary matters. Executive Directors are appointed by the Group on service contracts terminable on no more than twelve months' notice.

Remuneration policy for Non-Executive Directors

Non-Executive Directors are paid a basic annual fee and additional fees may be paid for additional responsibilities, such as the Senior Independent Director and chairing or being a member of a Board Committee. A single fee is paid to the Chair.

The Chair and Non-Executive Directors are not involved in any discussions or decisions concerning their own remuneration.

There is no right to any further benefits in kind (other than travel expenses for business purposes, including any tax associated with such expenses).

Remuneration for 2024 financial year

The table below sets out the Directors' emoluments for the year ended 31 December 2024. A comparison for the financial year ended 31 December 2023 is also provided.

	2024				2023			
	Salary/fees £000	**Bonus [1] £000**	**Pension £000**	**Total £000**	Salary/fees £000	Bonus £000	Pension £000	Total £000
Executive								
Mark Dickinson	**320**	**–**	**1**	**321**	304	568	1	873
Paul Connor	**232**	**–**	**1**	**233**	221	412	1	634
David Cockshott	**221**	**–**	**1**	**222**	210	392	1	603
Sub-total	***773***	**–**	***3***	***776***	*735*	*1,372*	*3*	*2,110*
Non-Executive								
Richard Logan	**89**	**–**	**–**	**89**	85	–	–	85
Sangita Shah	**65**	**–**	**1**	**66**	57	–	1	58
Dianne Walker	**58**	**–**	**1**	**59**	50	–	1	51
Peter Tracey[2]	**47**	**–**	**1**	**48**	38	–	1	39
Sarah Flannigan[3]	**–**	**–**	**–**	**–**	19	–	–	19
Sub-total	**259**	**–**	**3**	**262**	249	–	3	252
Total	**1,032**	**–**	**6**	**1,038**	**984**	**1,372**	**6**	**2,362**

(1) Bonus figures for 2023 and 2024 include the cash and deferred elements of the IIP.
(2) Peter Tracey was appointed to the Board on 1 March 2023.
(3) Sarah Flannigan stepped down from the Board on 1 March 2023.

2024 base salary

The base salaries of the Executive Directors with effect from 1 January 2024 were:

- Mark Dickinson (Chief Executive Officer): £319,725;
- Paul Connor (Chief Financial Officer): £231,525; and
- David Cockshott (Chief Commercial Officer): £220,500.

2024 Non-Executive Director fees

The annual fee levels for the 2024 financial year were:

- Chair: £89,250
- Non-Executive Directors: £47,250

Additional fees are paid for the following roles:

- Senior Independent Director: £5,000
- Chair of the Audit & Risk Committee: £10,000
- Chair of the Remuneration Committee: £10,000
- Chair of the ESG Performance Committee: £2,500

2024 IIP outcome

The table below sets out the performance measures, weightings and outcomes for the 2024 IIP:

	Weighting	Performance
Adjusted EBITDA and cash conversion	40%	Adjusted EBITDA: £23.0m Cash conversion underpin
Adjusted EPS	40%	8.46p
ESG	20%	See below*
Total	**100%**	**100%**

* ESG outcomes included 10 objectives, such as signing off the SBTi targets, identifying energy saving opportunities across the Inspired estate, biodiversity assessments on the Inspired estate and engagement with suppliers.

Although all of the ESG objectives were met, the financial measures did not meet the threshold performance level, and therefore the Committee determined that no award would be paid in respect of 2024.

Grant of share awards in relation to 2023 IIP

Due to share dealing restrictions, it was not possible to grant the deferred share awards in respect of the 2023 IIP outcome to Executive Directors during 2024. The Committee intends to grant the awards as soon as possible following the publication of the 2024 results.

The Committee has determined the number of shares over which awards will be granted, representing 60% of the value of the 2023 IIP awards based on a share price of 62.5p (being the share price on 25 March 2024, immediately prior to the publication of the 2023 results and intended grant date on 26 March 2024). The awards will vest on 26 March 2027 subject to continued employment (i.e. 3 years after the originally intended grant date of the awards). No share price multipliers apply to the awards.

	Face value at grant	Number of shares
Mark Dickinson	£341,058	545,693
Paul Connor	£246,973	395,157
David Cockshott	£235,213	376,340

Directors' shareholdings and share interests

The table below shows the ordinary shareholdings in company shares of the directors' interests as at 31 December 2024.

	As at 31 December 2024		As at 8 January 2025[1]	
	Number of shares	% of ISC	Number of shares	% of ISC
Executive Directors				
Mark Dickinson	831,428	0.79%	1,226,288	0.77%
Paul Connor	332,500	0.32%	470,000	0.29%
David Cockshott	162,000	0.15%	237,000	0.15%
Non-Executive Directors				
Richard Logan	74,802	0.07%	110,327	0.07%
Sangita Shah	41,597	0.04%	291,597	0.18%
Dianne Walker	9,097	0.01%	13,412	0.01%
Peter Tracey	–	–	125,000	0.08%

(1) Shareholding as at 8 January 2025 represents each Directors' shareholding following the completion of the equity capital raise.

In addition to the ordinary shareholdings on page 102, the Executive Directors hold further share interests under the company's share schemes as follows as at 31 December 2024:

	Vested but unexercised options		Unvested options[1]	
	Number of shares	Exercise price	Number of shares	Exercise price
Mark Dickinson	–	–	194,293	Nil
Paul Connor	200,000	133.75p	140,695	Nil
	175,000	125.00p		
	44,000	112.50p		
David Cockshott	150,000	Nil	133,995	Nil

(1) Unvested options figures do not include the share awards in relation to the 2023 IIP, as these awards have not yet been granted due to share dealing restrictions in 2024.

Composition & role of the Remuneration Committee

The Remuneration Committee is chaired by Sangita Shah and consists of Richard Logan and Dianne Walker. The Committee held 2 formal meetings during 2025 and had several additional ad hoc discussions throughout the year. Attendance details can be found on page 94.

The Committee is responsible for determining an appropriate remuneration policy for the Executive Directors on behalf of the Board, carefully considering the link between an individual's remuneration package and the Group's long-term performance goals. The Committee also monitors remuneration practices among other senior Executives and the wider workforce and determines the Chair's fee level. The fees for the other Non-Executive Directors are determined by the Chair and the Executive Directors.

Approach to remuneration for 2025

Executive Directors

Base salary

The Committee determined that the base salaries of the Executive Directors would remain unchanged for 2025:

- Mark Dickinson (Chief Executive Officer): £319,725;
- Paul Connor (Chief Financial Officer): £231,525; and
- David Cockshott (Chief Commercial Officer): £220,500.

For reference, the average wider workforce salary increase for 2025 is 4%.

Variable remuneration

The Committee is currently consulting with shareholders on the approach to variable remuneration for 2025. Nevertheless, the current intention is to operate the Inspired Incentive Plan with a maximum opportunity of 250% of salary and subject to the following performance measures:

- Unadjusted fully diluted EPS
- Unadjusted EBITDA and cash conversion
- Net debt
- ESG

It is intended that 40% of any awards will be paid in cash. The remaining 60% will be deferred in Inspired PLC ordinary shares (using options over Inspired PLC ordinary shares), which vest after three years and are subject to continued employment and net debt underpins. No share price multipliers will apply.

Non-Executive Directors

The fees for the Chair and Non-Executive Directors are unchanged for 2025.

This report has been approved by the Board and has been signed on behalf of the Board by:

Sangita Shah
Chair of the Remuneration Committee,
28 March 2025

Group Directors' Report

Statutory and other information

The annual report for Inspired PLC for the year ending 31 December 2024 is presented by the Directors along with the audited financial statements. As per section 414C(11) of the Companies Act 2006, we have decided to include important strategic matters of the Group in the strategic report, which would otherwise be required to be disclosed in this Directors' Report. The links to the strategic report are provided below for your reference.

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

Principal activities

Inspired is focused on creating shareholder value through a leading technology-enabled service enabling businesses to manage and benefit from the global transition to a net-zero economy.

Legal form

The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange.

Review of business and future developments

The Board has continued the commercial development of the business and is pleased with the progress made, as noted in further detail in the Chief Executive Officer's statement and the rest of the strategic report on pages 7 to 85. The strategic report on pages 7 to 85 includes the review of business and commentary on future developments.

Directors & reappointment

Details of Directors who served during 2024 and their biographies can be found on pages 89 to 91. Details of the Director's remuneration, share options and interests in the company's shares are provided in the Director's remuneration report on pages 99 to 103. No Director has a material interest in any contract to which the company or any of its subsidiaries is a party. Details of the appointments and reappointments of Directors are included in the corporate governance report on pages 92 to 95.

Directors' liability insurance

The Group maintains liability insurance for the Directors and officers of all Group companies. The Directors and officers have also been granted a qualifying third provision under section 236 of the Companies Act 2006. Neither the Group's indemnity nor insurance providers cover in the event that a Director or officer is proven to have acted fraudulently or dishonestly.

Corporate governance statement

Inspired PLC has adopted the QCA Code and is compliant with all of its principles and those of AIM rule 26. Disclosures required by the QCA Code have been made both in this annual report and on our website. Further information on the Compliance with the QCA Code can be found on the Group's website at **inspiredplc.co.uk/esg/corporate-governance**.

Share Capital

At 14 February 2025 the issued share capital of the company was £1,995,563 divided into 159,645,070 ordinary shares of 1.25p each. Details of our share capital and movements in our issued share capital are in note 23 to the financial statements on page 145.

Group results & dividends

The Group's results for 2024 are set out in the consolidated income statement on page 114. The Board is delighted to propose a final dividend of 1.0 pence per share subject to approval at the Group's Annual General Meeting. Following the payment of an interim dividend of 1.45 pence per share, the total dividend payable for the year ended 31 December 2024 is 2.45 pence per share (2023: 2.9 pence per share). The dividend will be payable on 25 July 2025 to all shareholders on the register on 20 June 2025 and the shares will go ex-dividend on 19 June 2025.

Going concern

For the purposes of assessing the appropriateness of preparing the Group's accounts on a going concern basis, the Directors have considered the current cash position, available banking facility and the Group's base case financial forecast through to 31 December 2025, including the ability to adhere to banking covenants.

At 31 December 2024, the Group's net debt was £59.2 million, increasing from £48.7 million at 31 December 2023. In addition to cash and cash equivalents of £5.3 million on hand as at 31 December 2024 (2023: £8.8 million). In May 2024, the Group agreed an increase in the Revolving Credit Facility to £65.0m until 30 April 2025 to provide additional liquidity in the period in which the Group pays the final outstanding contingent consideration payments. The Group's £65.0m Revolving Credit Facility was fully drawn at 31 December 2024.

The facility is subject to two covenants, which are tested quarterly: adjusted leverage to Adjusted EBITDA (Adjusted Leverage Covenant) and Adjusted EBITDA to net finance charges (Interest Cover). Under the refinanced facility, the Group reset the Adjusted Leverage Covenant, with an increase in headroom to 2.75:1.00 through to June 2024, tapering to 2.50:1.00 from June 2024 to June 2025, and then tapering to 2.00:1.00 across the remainder of the facility. Interest Cover is not to be less that 4.00:1.00 across the term of the facility.

Subsequently, the Group agreed with its banking partners in November 2024 a resetting of the adjusted leverage and interest cover covenant for quarter ending 31 December 2024 to 3.00x and 3.50x respectively, increasing the headroom available to the Group from a covenant perspective. From 31 March 2025 covenant levels revert to those mentioned above.

In January 2025, the Group raised £21.66m in aggregate (before fees and expenses) through a placing of 54,150,535 Placing Shares at the Issue Price of 40.0p per Placing Share. In addition, the Company issued Convertible Loan Notes with an aggregate principal amount of £5 million to GHAM and Regent Gas, which can be converted into new Ordinary Shares in part or full at any time during the term of the Convertible Loan Notes at a conversion price of 80.0p per Ordinary Share. The redemption date for the Convertible Loan Notes is expected to be the second anniversary of the date of the Convertible Loan Note Instrument, with a total term of 24 months.

The Group intends to utilise the proceeds of the Placing and the Convertible Loan Notes to strengthen the Group's balance sheet, helping Inspired pursue and achieve a consolidated net debt/EBITDA ratio towards 1:1 (on a LTM basis) by the end of FY25.

The Directors believe that subsequent to the fundraising, the Group has a strong balance sheet position with its existing banking facilities running through to October 2026.

The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and scenarios, taking account of reasonably possible changes in trading performances in the next twelve months and considering the available liquidity, including the banking facility, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months following the date of approval of these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant shareholdings

At 14 February 2025, notification had been received of the following interests which exceed a 3% interest in the issued share capital of the Group, in addition to those of the Directors referred to on page 101.

	Number of shares	%
Gresham House Asset Management	47,467,403	29.73
Regent Gas Holdings Limited	46,500,710	29.13
Slater Investments Ltd	11,996,251	7.51
Fidelity International	10,497,745	6.58
Otus Capital Management	8,830,387	5.53

Approach to risk

Risk is an accepted part of doing business. The real challenge for any business is identifying the principal risks and developing and monitoring appropriate controls. A successful risk management process balances risk and reward and relies on a sound judgement of their likelihood and consequence. The Board of Directors and the Audit & Risk Committee reviewed the principal risks identified by the Executive management.

Financial risk management

The Group uses various financial instruments, which include loans, cash and other items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks. These include liquidity risk, interest rate risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs, by the use of bank facilities and loans, and to invest cash assets safely and profitably.

Credit risk

The Group's trade receivables relate to amounts owed by UK and ROI corporate businesses, public sector organisations and energy suppliers. Given the size and stability of the core receivables, the Directors do not believe that credit risk to the Group is significant. However, the Directors monitor any default risk on an ongoing basis.

Interest rate risk

The Group's debt facility is subject to interest rate risk, as the borrowings are at a variable rate of interest. The Directors monitor interest rates on an ongoing basis, and have reduced the exposure to interest rate changes relatively following recapitalisation of the Group's balance sheet in January 2025.

Post-balance sheet event

In January 2025, the company raised £21.66m in aggregate (before fees and expenses) through a placing of 54,150,535 Placing Shares at the Issue Price of 40.0p per Placing Share. The Company has also agreed to issue 53,125,000 Warrants to institutional and Board participants in the Fundraise on a 1 for 1 basis with the relevant Placing Shares. The Warrants have an exercise price of 80.0p per Ordinary Share, and are exercisable at any time up to the second anniversary of the date of the Warrant Instrument, at which time they will lapse.

In addition, the Company issued Convertible Loan Notes with an aggregate principal amount of £5 million to GHAM and Regent Gas, which can be converted into new Ordinary Shares in part or full at any time during the term of the Convertible Loan Notes at a conversion price of 80.0p per Ordinary Share. The redemption date for the Convertible Loan Notes is expected to be the second anniversary of the date of the Convertible Loan Note Instrument, with a total term of 24 months.

The Company intends to utilise the proceeds of the Placing and the Convertible Loan Notes to strengthen the Company's balance sheet, helping Inspired pursue and achieve a consolidated net debt/EBITDA ratio towards 1:1 (on a LTM basis) by the end of FY25.

External Auditor

RSM UK Audit LLP, having expressed their willingness to continue in office, will be proposed for reappointment for the next financial year at the AGM in accordance with section 489 of the Companies Act 2006.

Disclosure of information to the External Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the company's External Auditor is unaware; and
2. the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to ensure that the company's External Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

The Annual General Meeting (the 'AGM') of Inspired PLC (the 'company') will be held at of Inspired PLC will be held at 10 a.m. on 27 June 2025 at Ship Canal House, 98 King Street, Manchester M2 4WU. We recommend that shareholders vote on all resolutions by completing an online proxy appointment form in advance of the meeting, appointing the chair of the meeting as your proxy. Shareholders can ask the company Secretary questions at **investors@inspiredenergy.co.uk**.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and company financial statements for each financial year. The Directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period.

In preparing each of the Group and company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state for the Group financial statements whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the company financial statements whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Inspired PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Mark Dickinson
Chief Executive Officer,
28 March 2025

Financial Statements

REVENUE

£93.8m

2023: £98.8m

ADJUSTED EBITDA[1]

£23.0m

2023: £25.2m

Farmland, Wales

Independent auditor's report
To the members of Inspired PLC

Opinion
We have audited the financial statements of Inspired PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group statement of comprehensive income, group statement of financial position, group statement of changes in equity, group statement of cash flows, company statement of financial position, company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:
- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition and accrued income. No key audit matters are identified with respect to the parent company.
Materiality	**Group** • Overall materiality: £1,040,000 (2023: £1,120,000) • Performance materiality: £787,000 (2023: £840,000) **Parent Company** • Overall materiality: £590,000 (2023: £650,000) • Performance materiality: £442,000 (2023: £487,000)
Scope	Our audit procedures covered 99% of revenue, 99% of total assets and 98% of adjusted EBITDA.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition and accrued income

Key audit matter description	(Refer to note 2.3 for details of the group's revenue recognition policies and note 2.1iv for details of the value and measurement of accrued income at the year-end). The group earns revenues from a range of customers and contractual arrangements and there are inherent complexities in the application of IFRS 15 Revenue from contracts with customers as a result. Due to the nature of the billing patterns in the business the value of accrued income at the year-end is significant. There is a risk that management's estimation of the amount of accrued income earned in the period is incorrect.
How the matter was addressed in the audit	The group's revenue recognition policies were reviewed and compared to the requirements of IFRS 15 Revenue from contracts with customers to consider whether they were appropriate based on the nature of contractual arrangements in the group. The measurement of revenue based on these policies was tested through a combination of data analytics and substantive tests of detail. Management were challenged on whether the revenue recognition policies applied by the Group remained appropriate. The cut-off of revenue recognised in the year was considered by selecting a sample of sales transactions pre and post year-end and obtaining evidence for when the service was performed, so as to compare this to the period in which the revenue was recognised, to confirm this was in accordance with the revenue recognition policy of the group. Each contract within the pre and post year end sample was traced through to the accrued income listing to determine whether it had been included or excluded as appropriate. In respect of accrued income balances, our testing included substantive tests of detail performed on a sample basis. Depending on the revenue source, customer contracts or iAuditor reports were obtained, and scrutinised, to determine whether the year-end balance was measured appropriately. Where revenue recognition is subject to estimation, we consider the outcomes of previous estimates made. A sample of post year end invoices and cash receipts were scrutinised to evidence the completeness of accrued income.

Our application of materiality

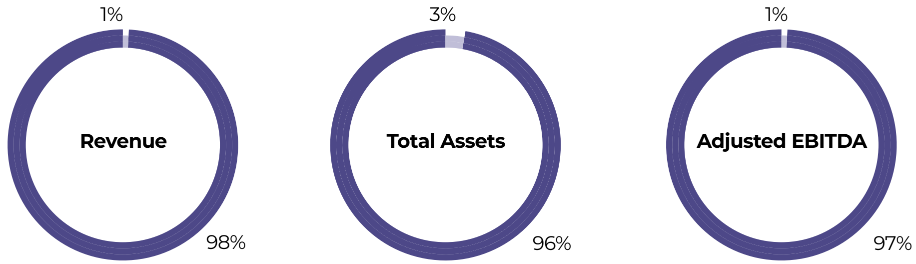
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,040,000 (2023: £1,120,000)	£590,000 (2023: £650,000)
Basis for determining overall materiality	4.5% of Adjusted EBITDA	0.3% of total assets
Rationale for benchmark applied	Adjusted EBITDA is considered the key metric for the group as it is indicative of the underlying profitability and growth of the business.	Total assets are considered the key metric as this is a non-trading holding company with investments in its trading subsidiaries.
Performance materiality	£787,000 (2023: £840,000)	£442,000 (2023: £487,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £52,400 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £29,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 32 components, 30 of which are based in the UK. The other 2 components are located in the Republic of Ireland and India.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 6 components, with 1 component subject to specific audit procedures.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Consideration of management's assessment of the entity's ability to continue as a going concern for at least 12 months after the date of approval of the financial statements;
- Assessment of the available financing facilities including nature of facilities and forecast and historic compliance with covenants;
- Consideration of available headroom provided by existing funding facilities and the Group's ability to comply with financial covenants;
- Review of the mathematical integrity and accuracy and appropriateness of the model used to prepare the assessment;
- Assessment and challenge of the assumptions used in the forecasts;
- Assessment of the historical accuracy of forecasts prepared by management;
- Consideration of management's sensitivity analysis; and
- Assessment of the disclosures made within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 107, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur, including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/ Regulation	Additional audit procedures performed by the audit engagement team included:
IFRS, FRS101 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax legislation	Review of the tax computations and reconciliation of the figures included to the financial statements; Involvement of a tax specialist regarding compliance with a number of complex legislative requirements.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Refer to key audit matter section above.
Management override of controls	Testing the appropriateness of journal entries and other adjustments. Assessing whether the judgements made in making accounting estimates are indicative of a potential bias. Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **http://www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair John Richard Nuttall (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

28 March 2025

Group statement of comprehensive income
For the year ended 31 December 2024

	Note	2024 £000	2023 £000
Revenue	6	**93,791**	98,757
Cost of sales		**(24,085)**	(31,460)
Gross profit		**69,706**	67,297
Administrative expenses		**(52,169)**	(69,000)
Analysed as:			
Adjusted EBITDA		**22,992**	25,212
Exceptional costs	4	**(2,571)**	(3,620)
Change in fair value of contingent consideration	4	**4,870**	(14,621)
Depreciation, impairment and loss on disposal on property, plant and equipment	11/12	**(1,378)**	(1,920)
Amortisation of acquired intangible assets	13	**(1,475)**	(2,272)
Amortisation and impairment of internally generated intangible assets	13	**(4,008)**	(3,295)
Share-based payment cost	24	**(893)**	(1,187)
Operating profit/(loss)		**17,537**	(1,703)
Finance expenditure	5	**(5,768)**	(4,483)
Other financial items		**–**	17
Profit/(loss) before income tax	4	**11,769**	(6,169)
Income tax charge	9	**(2,140)**	(993)
Profit/(loss) for the year		**9,629**	(7,162)
Attributable to:			
Equity owners of the company		**9,629**	(7,162)
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(148)**	(32)
Total other comprehensive expense for the year		**(148)**	(32)
Total comprehensive income/(expense) for the year		**9,481**	(7,194)
Attributable to:			
Equity owners of the company		**9,481**	(7,194)
Basic earnings/(loss) per share attributable to the equity holders of the company (pence)	10	**9.25**	(7.20)
Diluted earnings/(loss) per share attributable to the equity holders of the company (pence)	10	**8.72**	(7.20)

The notes on pages 119 to 148 form part of these financial statements. All items relate to continuing operations.

Group statement of financial position
At 31 December 2024

	Note	2024 £000	2023 £000
ASSETS			
Non-current assets			
Investments	14	**2,030**	1,930
Goodwill	13	**76,814**	76,913
Other intangible assets	13	**18,111**	17,792
Property, plant and equipment	11	**2,859**	2,804
Right of use assets	12	**2,330**	2,291
Trade and other receivables	17	**10,475**	4,082
Non-current assets		**112,619**	105,812
Current assets			
Trade and other receivables	17	**41,165**	41,837
Deferred contingent consideration	17	**101**	615
Inventories	16	**489**	633
Cash and cash equivalents	15	**5,186**	8,782
Current assets		**46,941**	51,867
Total assets		**159,560**	157,679
LIABILITIES			
Current liabilities			
Trade and other payables	18	**23,133**	19,946
Lease liabilities	19	**583**	604
Contingent consideration	22	**–**	13,200
Current tax liability		**3,694**	3,488
Current liabilities		**27,410**	**37,238**
Non-current liabilities			
Bank borrowings	21	**64,369**	57,541
Lease liabilities	19	**1,825**	1,649
Contingent consideration	22	**–**	5,458
Deferred tax liability	20	**1,129**	910
Non-current liabilities		**67,323**	**65,558**
Total liabilities		**94,733**	**102,796**
Net assets		**64,827**	54,883

	Note	2024 £000	2023 £000
EQUITY			
Share capital	23	**1,319**	1,260
Share premium account	23	**60,930**	60,930
Merger relief reserve	23	**26,111**	23,563
Share-based payment reserve		**10,191**	9,298
Retained earnings		**(21,774)**	(28,363)
Investment in own shares		**(25)**	(28)
Translation reserve		**(542)**	(394)
Reverse acquisition reserve		**(11,383)**	(11,383)
Total equity		**64,827**	54,883

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2025 and were signed on its behalf by:

Mark Dickinson
Chief Executive Officer

Paul Connor
Chief Financial Officer

Company registration number: 07639760.

The notes on pages 119 to 148 form part of these financial statements.

Group statement of changes in equity
For the year ended 31 December 2024

	Share capital £000	Share premium account £000	Merger relief reserve £000	Share–based payment reserve £000	Retained earnings £000	Investment in own shares £000	Translation reserve £000	Reverse acquisition reserve £000	Total shareholders' equity £000
Balance at 1 January 2023	1,220	60,930	20,995	8,111	(18,447)	(36)	(362)	(11,383)	61,028
Loss for the year	–	–	–	–	(7,162)	–	–	–	(7,162)
Other comprehensive expense for the year	–	–	–	–	–	–	(32)	–	(32)
Total comprehensive expense for the year	–	–	–	–	(7,162)	–	(32)	–	(7,194)
Share–based payment cost	–	–	–	1,187	–	–	–	–	1,187
Shares issued (5 May 2023)	3	–	–	–	–	–	–	–	3
Shares issued (25 May 2023)	32	–	2,568	–	–	–	–	–	2,600
Shares issued (21 June 2023)	1	–	–	–	–	–	–	–	1
Shares issued (5 October 2023)	3	–	–	–	–	–	–	–	3
Shares issued (17 November 2023)	1	–	–	–	–	–	–	–	1
Shares issued (21 December 2023)	–	–	–	–	–	–	–	–	–
Shares transferred	–	–	–	–	–	8	–	–	8
Dividends paid	–	–	–	–	(2,754)	–	–	–	(2,754)
Total transactions with owners	40	–	2,568	1,187	(9,916)	8	(32)	–	(6,145)
Balance at 31 December 2023	1,260	60,930	23,563	9,298	(28,363)	(28)	(394)	(11,383)	54,883
Profit for the year	**–**	**–**	**–**	**–**	**9,629**	**–**	**–**	**–**	**9,629**
Other comprehensive expense for the year	–	–	–	–	–	–	(148)	–	(148)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**9,629**	**–**	**(148)**	**–**	**9,481**
Share–based payment cost	**–**	**–**	**–**	**893**	**–**	**–**	**–**	**–**	**893**
Shares issued (22 January 2024)	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Shares issued (28 March 2024)	**52**	**–**	**2,548**	**–**	**–**	**–**	**–**	**–**	**2,600**
Shares issued (22 May 2024)	**3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3**
Shares issued (24 June 2024)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Shares issued (19 November 2024)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Shares issued (20 December 2024)	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**
Shares issued (22 December 2024)	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Shares transferred	**–**	**–**	**–**	**–**	**–**	**3**	**–**	**–**	**3**
Dividends paid	**–**	**–**	**–**	**–**	**(3,040)**	**–**	**–**	**–**	**(3,040)**
Total transactions with owners	**59**	**–**	**2,548**	**893**	**6,589**	**3**	**(148)**	**–**	**9,944**
Balance at 31 December 2024	**1,319**	**60,930**	**26,111**	**10,191**	**(21,774)**	**(25)**	**(542)**	**(11,383)**	**64,827**

Merger relief reserve
The merger relief reserve represents the premium arising on shares issued as part or full consideration for acquisitions, where advantage has been taken of the provisions of section 612 of the Companies Act 2006.

Reverse acquisition reserve
The reverse acquisition reserve relates to the reverse acquisition between Inspired Energy Solutions Limited and Inspired PLC on 28 November 2011 and arises on consolidation.

Translation reserve
The translation reserve comprises translation differences arising from the translation of the financial statements of the Group's foreign entities into GBP (£).

Share–based payment reserve
The share–based payment reserve is a reserve to recognise those amounts in equity in respect of share–based payments.

Investment in own shares equates to 1,974,750 (2023: 2,204,750) shares.

The notes on pages 119 to 148 form part of these financial statements.

Group statement of cash flows
For the year ended 31 December 2024

	2024 £000	2023 £000
Cash flows from operating activities		
Profit/(loss) before income tax	**11,769**	(6,169)
Adjustments		
Depreciation and impairment	**1,378**	1,920
Amortisation and impairment	**5,483**	5,567
Share-based payment cost	**893**	1,187
Finance expenditure	**5,823**	4,483
Exchange rate variances	**(85)**	222
Change in fair value of contingent consideration	**(4,870)**	14,621
Cash flows before changes in working capital	**20,391**	21,831
Movement in working capital		
Decrease/(increase) in inventories	**144**	(422)
Increase in trade and other receivables	**(5,349)**	(8,328)
Increase in trade and other payables	**2,988**	2,867
Cash generated from operations	**18,174**	15,948
Income taxes paid	**(1,705)**	(774)
Net cash flows from operating activities	**16,469**	15,174
Cash flows from investing activities		
Contingent consideration paid	**(10,845)**	(12,102)
Acquisition of subsidiaries and investments, net of cash acquired	**(100)**	(193)
Repayment of working capital facility to discontinued operation	**–**	375
Payments to acquire property, plant and equipment	**(848)**	(930)
Payments to acquire intangible assets	**(5,809)**	(5,644)
Net cash outflows from investing activities	**(17,602)**	(18,494)
Cash flows from financing activities		
New bank loans	**6,575**	7,850
Proceeds from issue of new shares	**10**	16
Interest paid on financing activities	**(5,495)**	(4,254)
Repayment of lease liabilities	**(498)**	(1,013)
Dividends paid	**(3,040)**	(2,754)
Net cash outflows from financing activities	**(2,448)**	(155)
Net decrease in cash and cash equivalents	**(3,581)**	(3,475)
Cash and cash equivalents brought forward	**8,782**	12,270
Exchange differences on cash and cash equivalents	**(15)**	(13)
Cash and cash equivalents carried forward	**5,186**	8,782

The notes on pages 119 to 148 form part of these financial statements.

Notes to the Group financial statements

1. General information

Inspired PLC (the "company") and its subsidiaries (together, the "Group" or "Inspired") provide energy consultancy services to corporate business energy users. Through optimising energy procurement strategies, Inspired enables clients to achieve greater certainty and cost efficiency in respect of their energy costs. Inspired PLC is limited by shares. The address of its registered office and principal place of business is Calder House, St Georges Park, Kirkham, Lancashire PR4 2DZ.

Inspired PLC is a company registered and domiciled in England and Wales.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group financial statements are set out below.

2.1 Basis of preparation

The Group financial statements have been prepared in accordance with the Companies Act 2006 and UK adopted International Accounting Standards. They have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments measured at fair value.

The Group has taken advantage of the audit exemption for 18 of its subsidiaries: Independent Utilities Limited (company number 05658810), LSI Independent Utility Brokers Limited (04072919), Energy Team (UK) Limited (06285279), Energy Team (Midlands) Ltd (02913371), Ensco 2025 Limited (formerly Waterwatch UK Limited) (08854844), Inspired Energy EBT Limited (10807501), Energy Broker Solutions Limited (07355726), Flexible Energy Management Limited (10264309), Inspired 4U Limited (08895906), Squareone Enterprises Limited (05261796), Energy Cost Management Limited (03377082), STC Energy Management Limited (03094427), Professional Cost Management Group Limited (06511368), Energy and Carbon Management Limited (05498141), Inprova Energy Limited (04729586), General Energy Management Limited (07236859), I-Prophets Compliance Limited (04194486) and Digital Energy Limited (07369818) by virtue of s479A of the Companies Act 2006. The Group has provided parent guarantees to these 18 subsidiaries which have taken advantage of the exemption from audit.

Going concern

For the purposes of assessing the appropriateness of preparing the Group's accounts on a going concern basis, the Directors have considered the current cash position, available banking facility and the Group's base case financial forecast through to 31 December 2026, including the ability to adhere to banking covenants.

At 31 December 2024, the Group's net debt was £59.2 million, increasing from £48.7 million at 31 December 2023. In addition to cash and cash equivalents of £5.3 million on hand as at 31 December 2024 (2023: £8.8 million). In May 2024, the Group agreed an increase in the Revolving Credit Facility to £65.0m until 30 April 2025 to provide additional liquidity in the period in which the Group pays the final outstanding contingent consideration payments. The Group's £65.0m Revolving Credit Facility was fully drawn at 31 December 2024.

The facility is subject to two covenants, which are tested quarterly: adjusted leverage to Adjusted EBITDA (Adjusted Leverage Covenant) and Adjusted EBITDA to net finance charges (Interest Cover). Under the refinanced facility, the Group reset the Adjusted Leverage Covenant, with an increase in headroom to 2.75:1.00 through to June 2024, tapering to 2.50:1.00 from June 2024 to June 2025, and then tapering to 2.00:1.00 across the remainder of the facility. Interest Cover is not to be less that 4.00:1.00 across the term of the facility.

Subsequently, the Group agreed with its banking partners in November 2024 a resetting of the adjusted leverage and interest cover covenant for quarter ending 31 December 2024 (only) to 3.00x and 3.50x respectively, increasing the headroom available to the Group from a covenant perspective. From 31 March 2025 covenant levels revert to those mentioned above.

In January 2025, the Group raised £21.66m in aggregate (before fees and expenses) through a placing of 54,150,535 Placing Shares at the Issue Price of 40.0p per Placing Share. In addition, the Company issued Convertible Loan Notes with an aggregate principal amount of £5 million to GHAM and Regent Gas, which can be converted into new Ordinary Shares in part or full at any time during the term of the Convertible Loan Notes at a conversion price of 80.0p per Ordinary Share. The redemption date for the Convertible Loan Notes is expected to be the second anniversary of the date of the Convertible Loan Note Instrument, with a total term of 24 months.

The Group intends to utilise the proceeds of the Placing and the Convertible Loan Notes to strengthen the Group's balance sheet, helping Inspired pursue and achieve a consolidated net debt/adjusted EBITDA ratio towards 1:1 (on a LTM basis) by the end of FY25.

The Directors believe that subsequent to the fundraising, the Group has a strong balance sheet position with its existing banking facilities running through to October 2026.

The Directors believe that the Group is well placed to manage its business risks and, after making enquiries including a review of forecasts and scenarios, taking account of reasonably possible changes in trading performances in the next twelve months and considering the available liquidity, including the banking facility, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next twelve months following the date of approval of these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Key sources of estimation uncertainty

The following are the assumptions concerning the future, and other, sources of estimation uncertainty at the statement of financial position date, that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Item (iv) is considered a critical judgement:

i. Goodwill impairment

The Group assesses whether goodwill arising on acquisitions is impaired on at least an annual basis. This requires an estimation of the 'recoverable amount' – the higher of 'value in use' and fair value less costs to sell – of the six cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires the Directors to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows (see note 13). The actual cash flows may be different from the Directors' estimates, which could impact the carrying value of the goodwill and, therefore, operating results, negatively. However, stringently conservative estimates were applied to revenue growth along with a range of pre-tax discount rates, up to weighted average cost of capital (WACC) of 12%, and no impairment was noted at any level. The value of goodwill at 31 December 2024 is £76,814,000 (2023: £76,913,000).

ii. Share-based incentive arrangements

Share-based incentive arrangements are provided to management and certain employees. In addition to share options granted under the Inspired PLC Share Option Scheme 2011, the Group implemented a Long Term Incentive Plan (LTIP) in July 2017, with awards to date made in July 2017 and May and December 2018. The price to be paid for any awards under the scheme depends on the share price of the options available to the recipient.

Graded vesting is applicable for some options. Management has to exercise judgement over the likely exercise period, the expected number of individuals who will leave the company such that their incentives do not vest and the probability of the Group achieving earnings targets upon which otherwise the options would not vest. These items involve a large degree of estimation and actual results may differ. The charge recognised in the current year in respect of these arrangements is £893,000 (2023: £1,187,000).

iii. Intangible assets acquired

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. An external expert is engaged to assist with the identification of the intangible assets and their estimated useful lives. These assets include items such as brand names and customer lists, to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgements about the value and economic life of such items.

The economic lives for customer relationships, contracts, databases and computer software are estimated at between 2 and 7 years (2023: between 2 and 7 years). The economic life of trade names included within acquisition intangibles is estimated at 20 years (2023: 20 years). The value of intangible assets, excluding goodwill, at 31 December 2024 is £18,111,000 (2023: £17,792,000).

iv. Revenue recognition – Assurance Division

When assessing the measurement of progress towards complete satisfaction of the performance obligation of the corporate sector revenue within the Assurance Division, management deemed that the input method best depicted the transfer of the services to the customer.

Management performed a thorough assessment of the Group's costs-to-serve model, considering tendering costs and the costs, to obtain a contract, that do not contribute to the Group's progress in satisfying the performance and additional services provided over the life of a corporate sector contract. Management judged that recognition of 10% (2023: 10%) of the expected full contract value at the time the contract starts was suitable recognition of the proportion of time spent on the contract relative to the total expected inputs to the complete satisfaction of the performance obligation. If the initial recognition percentage changed by 1%, this would have an £90,000 impact on revenue. The timing of satisfaction of this performance obligation is considered a significant judgement by management.

v. Useful life of internally developed software

The Group reviews the useful life of internally developed software at each reporting date. Performing this review requires management to assess the existing use of the software, and make judgements surrounding future usage, taking into account expected competitor actions, technological innovations and industry developments. The useful life of an asset should reflect the period over which the Group expects to consume the benefits associated with the capitalised expenditure. A shorter useful life accelerates this consumption and leads to a greater charge through profit or loss over fewer accounting periods; conversely, a longer useful life spreads the amortisation expense over a larger number of accounting periods.

The Group's internally developed proprietary software underpins the delivery of Assurance, Optimisation and ESG services of the Group, in addition to generating a SaaS revenue through making this software available to third parties.

vi. Estimation of the expected credit losses on trade and intercompany receivables
In assessing the expected credit losses, in respect of the trade and intercompany receivables under IFRS 9, the Group considers the past performance of the receivables book along with future factors that may affect the creditworthiness of the receivables. Estimations have therefore been made within these assumptions which could affect the carrying value of the trade and intercompany receivables.

2.2 Basis of consolidation and business combinations

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2024. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the Group statement of comprehensive income after or up to the date that control passes, respectively.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the non-controlling interests based on their respective ownership interest.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date about facts or circumstances existing at the acquisition date.

Changes in contingent consideration arising from additional information, obtained within one year of the acquisition date, about facts or circumstances that existed at the acquisition date, are recognised as an adjustment to goodwill.

All intra-group transactions and balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Revenue recognition/cost of sales

Revenue

Revenue comprises fees received from customers or commissions received from energy suppliers, net of value-added tax.

To the extent that invoices are raised to a different pattern than the revenue recognition described below, appropriate adjustments are made through deferred and accrued revenue to account for revenue when performance obligations have been met.

Revenue is analysed across the Group's four operating segments:

i. Assurance revenue
The Assurance Division's core services are the review, analysis and negotiation of gas and electricity contracts and bill validation on behalf of UK and Irish clients (Assurance revenue).

Assurance revenue is generated by way of fees received directly from customers or commissions received from energy suppliers, largely based upon the energy usage of the customer.

Where the Group receives revenue via fees received directly from customers, this revenue is recognised on a straight-line basis over the life of the contract.

Where the Group receives revenue via commissions received from energy suppliers, the Group is considered to be the agent and the consideration received is variable as it is dependent on the energy consumption of the customer across the life of the contract.

The Group subcategorises the Assurance Division into the following sectors, and given the differing service offerings provided by each, the measurement and recognition of procurement revenue should be assessed individually:
1. Industrial and commercial clients.
2. Public sector clients.
3. Mid-market clients.

Industrial and commercial and public sector clients

Within these sectors, there are a number of commitments ('promises') made within a contract, including, but not limited to, development of a risk management strategy, budgeting and forecasting, bill validation, ongoing market intelligence and ongoing account management. The various promises made within each contract are not distinct and each of them are inputs into the combined output that each customer has contracted for, being a cost-effective energy management solution. Thus, there is considered to be one combined performance obligation within each contract.

Industrial and commercial and public sector clients are provided with an outsourcing arrangement that requires significant input over the life of a contract. The customer receives the benefits of the services provided as Inspired performs, and revenue is recognised evenly over time.

Mid-market clients

Mid-market clients require less input from Inspired over the life of the contract than the outsourcing arrangements provided to industrial and commercial and public sector clients. Mid-market clients are provided with energy reviews, bill validation and account management, which are implied services, over the life of a contract. These promises are not distinct from the promise to provide procurement and therefore are combined into a single performance obligation.

The profile of revenue recognition, using a cost-based input method, should reflect the performance of the company, with the more labour-intensive contract negotiation being recognised up front.

After assessment of the costs to serve a mid-market customer, we judged that an element of revenue proportional to the progress towards complete satisfaction of the performance obligation should be recognised upon contract live date.

The revenue recognised is constrained by the proportion of the revenue that is expected to reverse over the life of the contract, due to consumption variances and contract attrition. This amount is calculated by comparing total amount realised versus total amount expected across all completed contracts within the portfolio.

The expected value of the contract recognised on the go-live date is 10% of the total contract value, as explained in 2.1 (iv) above. The remaining 90% is recognised evenly over the life of the contract.

ii. Optimisation revenue

Optimisation revenue encompasses separate works carried out for customers, including, but not limited to, infrastructure and metering services, share of savings, provision of environmental certificates and project work. Each assignment is a separate engagement, and each engagement is a separate performance obligation.

Project revenue

Project revenue is generated by way of fees received directly from customers. The contract consideration is the cost of goods transferred plus a mark-up for installation and consultancy services provided, as well as consideration for benefits to be realised by the customer. Revenue is recognised on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services promised under the contract. Progress is measured via surveys of work completed. Where expected revenue is in excess of billed revenue in respect of a given contract, an adjustment is made to recognise additional revenue and the difference between expected and billed revenue is recognised as accrued revenue within current assets. Similarly, where expected revenue is less than billed revenue in respect of a given contract, an adjustment is made to reduce revenue and the difference between expected and billed revenue is recognised as deferred revenue within current liabilities.

Share of savings revenue

The Group provides a number of services to customers for which we are remunerated based on a percentage of the customer saving realised, both in identifying retrospective and future customer savings. The Group's performance obligation is fulfilled following the confirmation that a saving has been identified and the work required to secure the future economic value for the customer, and in turn the Group, has been completed. Revenue is recognised at this point, and the amount recognised is based on the Group share of savings percentage multiplied by the estimated total customer saving, be that retrospective or future. The Group are paid by the customer as the customer realises the cash saving and, therefore the Group recognises accrued income or amounts uncollected. Where amounts recognised within accrued revenue are due to be collected greater than twelve months after the balance sheet date, they are recognised within non-current assets.

Environmental certificates revenue

Environmental certificates revenue arises from the sale of such certificates to customers with revenue being recognised at the point the certificate is delivered to the customer.

Other Optimisation revenue
All other Optimisation revenue is generated by way of fees received directly from customers and recognised as the service is provided. Each engagement requires significant input over the life of a contract. The customer receives the benefits of the services provided as Inspired performs, and revenue is recognised evenly over time.

iii. Software revenue
Software revenue comprises the provision of energy management software to third parties.

Revenue is generated by way of fees received directly from customers and recognised as the service is provided.

iv. ESG revenue
ESG revenue comprises the provision of mandatory ESG disclosures such as Streamlined Energy and Carbon Reporting (SECR) and Task-Force on Climate-related Financial Disclosure (TCFD) reporting.

Revenue is generated by way of fees received directly from customers and recognised as the service is provided.

Cost of sales
Cost of sales represents commissions paid and project cost of sales and is recognised as follows:

Commissions
Commissions paid are expensed evenly over the life of the contact. The value of capitalised commissions as at 31 December 2024 is £3,821,000 (2023: £3,375,000).

Project cost of sales
Cost of sales represents costs of goods transferred, installation and consultancy costs. At contract inception, expected total project costs are calculated and, in conjunction with the output method above, these costs are recognised over the life of the project.

2.4 Exceptional costs/(items)
Exceptional costs represent those costs/(items) that are considered by the Directors to be either material in nature or non-recurring and that require separate identification to give a true and fair view of the Group's profit/(loss) for the year.

2.5 Investments
Investments in equities are measured at fair value through profit or loss. Convertible loans are measured at amortised cost subject to any impairment in accordance with IFRS 9. The Group holds these investments with the objective of collecting contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.6 Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition.

Upon the acquisition of subsidiaries, goodwill is separately recognised after recognising the fair value of the separately identifiable assets and liabilities acquired.

Goodwill is recognised as an asset and reviewed for impairment at least annually unless an indicator of impairment triggers a review of impairment; any impairment is recognised immediately in the Group statement of comprehensive income and is not subsequently reversed. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated. This is calculated as the higher of the value in use and the fair value less cost to sell. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal, along with the net book value of assets disposed and costs incurred in the disposal process.

2.7 Property, plant and equipment
Property, plant and equipment is stated at historical cost less depreciation and any provision for impairment. Depreciation of assets is calculated using either the straight-line or reducing balance method to allocate their cost over their estimated useful lives as follows:

Fixtures and fittings:	15–25% reducing balance
Motor vehicles:	25% reducing balance
Computer equipment:	25% reducing balance
Leasehold improvements:	10 years straight line
Office equipment:	25% reducing balance

Material residual value estimates are updated as required but are reviewed at least annually. Gains and losses on disposal are determined by comparing net proceeds with the carrying amount and are included in the Group statement of comprehensive income.

2.8 Impairment of non-financial assets
The carrying values of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Where an indicator exists, an impairment test is performed and the recoverable amount of the asset or cash-generating units (CGUs) is calculated.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit discounted at the WACC.

An impairment loss represents the difference between the recoverable amount and the carrying value and is recognised in the Group statement of comprehensive income whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

2.9 Other intangible assets
Customer relationships, customer contract and databases, computer software and trade names acquired as part of a business combination are initially measured at fair value and are amortised over their expected lives. Customer relationships and customer contracts have both been valued using the excess earnings approach, which calculates the value as the sum of the present value of projected cash flow in excess of returns on contributory assets. The valuation of technology-based intangible assets is based on a cost approach, whilst trade names have been valued on a cost approach and by means of the royalty savings (relief-from-royalty) method of income approach. Separate values are not attributed to internally generated customer and supplier relationships.

Internally developed computer software costs are recognised as intangible assets, during the development phase, provided that they meet the following criteria:
- development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and
- software will generate probable future economic benefits.

Development costs not meeting these criteria are expensed as incurred. Directly attributable costs include employee (other than Directors) costs incurred on software development along with an appropriate portion of relevant overheads.

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Customer contracts:	2 to 5 years straight line
Computer software:	up to 7 years straight line
Customer databases:	2 years straight line
Trade name:	20 years straight line
Customer relationships:	4 to 7 years straight line

2.10 Current tax
The tax currently payable is based on the taxable profit/(loss) for the period. Taxable profit/(loss) differs from profit/(loss) as reported in the Group statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

2.11 Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is not recognised on temporary differences associated with shares in subsidiaries. In addition, tax losses available to be carried forward are assessed for recognition based on their recoverability.

Deferred tax liabilities that are recognised are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Group statement of comprehensive income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

2.12 Share-based payments

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values using a Black-Scholes model. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date.

Share options were valued by an external expert.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and where appropriate share premium account.

2.13 Leases

Initial and subsequent measurement of the right of use asset

A right of use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs obtaining the lease and any lease payments made at or before the lease asset is available for use by the Group. The right of use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policy adopted is as follows:

Leased property:	On a straight-line basis over the shorter of the lease term and the useful life (years)
Fixtures and fittings:	On a straight-line basis over the shorter of the lease term and the useful life of 3 to 5 years
Motor vehicles:	On a straight-line basis over the shorter of the lease term and the useful life of 3 to 5 years

Leases – Group as lessee

When the Group enters a contract giving them the right to use an asset for a period of time in exchange for consideration, a right of use asset and corresponding lease liability are recognised unless the lease qualifies as:

- short-term leases – where the lease term is 12 months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term; or
- leases of low-value assets – for leases where the underlying asset is low value, lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial and subsequent measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease or the incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined.

The incremental borrowing rate of 3% (2023: 3%) is the rate of interest the Group would have to pay to borrow over a similar term to fund the asset.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise.

Interest on the lease liability is recognised in the Group statement of comprehensive income.

The lease liability is adjusted for changes that alter the lease term of the lease payments. The changes in amounts payable are recognised when the changes take effect and are discounted at the original discount rate. The property leases held by the Group do not contain any variable consideration.

2.14 Recently issued accounting pronouncements

The following new accounting standards, interpretations and amendments to existing standards have been published and are mandatory for the accounting period beginning on 1 January 2024 or later.

- Amendments to IAS 7: Statement of Cashflows
- Amendments to IAS 1: Presentation of Financial Statements
- Amendments to IFRS 16: Leases

The following new accounting standards, interpretations and amendments to existing standards have been published but are not mandatory for the accounting period beginning on 1 January 2024.

- Amendments to IAS 21: Lack of Exchangeability
- IFRS 18: Presentation and Disclosure in Financial Statements
- IFRS 19: Subsidiaries without Public Accountability: Disclosures

2.15 Newly applicable accounting standards

The implementation of the above new and amended standards and interpretations for the first time by the Group in the year ended 31 December 2024 has not had a material impact on the financial performance or position of the Group.

There are no new standards and interpretations that are not yet effective that are expected to have a material effect on the financial statements of the Group. The full impact of IFRS 18 on the financial statements is in the process of being reviewed by the directors and the impact on the financial statements remains uncertain.

2.16 Financial assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

After initial recognition, the Group's cash and cash equivalents, trade and most other receivables are measured at amortised cost using the effective interest method, less provision for impairment. Deferred contingent consideration receivables are measured at fair value through the profit or loss as described in note 22. Discounting is omitted where the effect of discounting is immaterial.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Short-term deposits are defined as deposits with an initial maturity of three months or less.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all value of raw materials and consumables purchased. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

2.19 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments. The Group's financial liabilities comprise bank loans, an interest rate swap, contingent consideration, trade and other payables and lease liabilities.

Financial liabilities categorised as at fair value through profit or loss are remeasured at each reporting date at fair value, with changes in fair value being recognised in the Group statement of comprehensive income. Items within this category relate to derivative financial instruments (interest rate swaps) and contingent consideration. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the Group statement of comprehensive income. Amortised cost liabilities are also initially recognised at fair value.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

2.20 Foreign currency

Functional currency and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in round thousand GBP (£000).

Transactions and balances
In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the date of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Translation of Group companies
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to GBP (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of Group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

Goodwill and fair value adjustments on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefit Trust
The assets and liabilities of the Employee Benefit Trust (EBT) have been included in the Group financial statements. Any assets held by the EBT cease to be recognised on the Group balance sheet when the assets vest unconditionally in identified beneficiaries.

The costs of purchasing own shares held by the EBT are shown as a deduction within shareholders' equity. The proceeds from the sale of own shares are recognised in shareholders' equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the income statement.

2.22 Business combinations
Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. Any contingent consideration payable is recognised at fair value at the acquisition date. Implied interest cost of deferred consideration is accounted as finance cost. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3. Segmental information
Revenue and segmental reporting
The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Directors. Operating segments for the year to 31 December 2024 were determined on the basis of the reporting presented at regular Board meetings of the Group. The segments comprise:

Assurance Division
Key services provided are the review, analysis and negotiation of gas and electricity contracts on behalf of clients in the UK and ROI. To access this market we have a professional bid response team, direct field sales team, and partnership channel.

Optimisation Division
This division focuses on the optimisation of a client's energy consumption. Services provided include forensic audits, energy efficiency projects and water solutions.

Software Division
This division comprises the provision of energy management software to third parties.

ESG Division
Within this division the Group manages the data collection and validation of consumption data to provide the resources for the creation of mandatory ESG disclosures, such as Streamlined Energy and Carbon Reporting (SECR) and Task Force on Climate-related Financial Disclosures (TCFD) reporting.

PLC costs
This comprises the costs of running the PLC, incorporating the cost of the Board, listing costs and other professional service costs, such as audit, tax, legal and Group insurance.

Any charges between segments are made in line with the Group's transfer pricing policy. These amounts have been removed, via consolidation, for the purposes of the information shown below.

	2024					
	Assurance £000	Optimisation £000	Software £000	ESG £000	PLC £000	Total £000
Revenue	36,604	47,252	3,530	6,405	–	93,791
Cost of sales	(3.412)	(19,557)	(155)	(961)	–	(24,085)
Gross profit	33,192	27,695	3,375	5,444	–	69,706
Administrative expenses	(19,537)	(14,793)	(1,179)	(4,128)	(5,671)	(45,308)
EBITDA	13,655	12,902	2,196	1,316	(5,671)	24,398
Analysed as:						
Adjusted EBITDA	14,827	13,030	2,196	1,382	(8,443)	22,992
Share-based payment cost	–	–	–	–	(893)	(893)
Exceptional costs	(1,172)	(128)	–	(66)	(1,205)	(2,571)
Change in fair value of contingent consideration	–	–	–	–	4,870	4,870
	13,655	12,902	2,196	1,316	(5,671)	24,398
Depreciation, impairment and loss on disposal						(1,378)
Amortisation and impairment						(5,483)
Finance expenditure						(5,768)
Other financial items						–
Profit before income tax						11,769

	2023					
	Assurance £000	Optimisation £000	Software £000	ESG £000	PLC £000	Total £000
Revenue	36,313	53,989	2,979	5,476	–	98,757
Cost of sales	(3,456)	(27,005)	(85)	(914)	–	(31,460)
Gross profit	32,857	26,984	2,894	4,562	–	67,297
Administrative expenses	(20,255)	(12,509)	(1,149)	(3,080)	(24,520)	(61,513)
EBITDA	12,602	14,475	1,745	1,482	(24,520)	5,784
Analysed as:						
Adjusted EBITDA	14,956	15,169	1,757	1,493	(8,163)	25,212
Share-based payment cost	–	–	–	–	(1,187)	(1,187)
Exceptional costs	(2,354)	(694)	(12)	(11)	(549)	(3,620)
Change in fair value of contingent consideration	–	–	–	–	(14,621)	(14,621)
	12,602	14,475	1,745	1,482	(24,520)	5,784
Depreciation and impairment						(1,920)
Amortisation and impairment						(5,567)
Finance expenditure						(4,483)
Other financial items						17
Loss before income tax						(6,169)

Segmental assets and liabilities are not reviewed separately by operating segment.

4. Profit/(loss) before income tax

Profit/(loss) before income tax is attributable to the principal activity of the Group, which is carried out entirely in the United Kingdom and Republic of Ireland.

	2024 £000	2023 £000
Profit/(loss) before income tax is stated after charging:		
Amortisation and impairment of intangible assets	**5,483**	5,567
Depreciation, impairment and loss on disposal:		
– owned	**771**	934
– right of use assets	**607**	986
Interest rate swap credit	**–**	(17)
Auditor's remuneration:		
– fees payable for the audit of the company's annual accounts	**10**	10
– fees payable in respect of the audit of the company's subsidiaries, pursuant to legislation	**365**	390
– other non-audit services	**–**	–
Exceptional costs/(items):		
– fees associated with acquisitions	**–**	8
– restructuring costs	**2,571**	3,612
– finance expenditure	**–**	482
– change in fair value of contingent consideration	**(4,870)**	14,621
	(2,299)	18,723

Exceptional costs

These include costs of £2,571,000 (2023: £3,612,000) which include £0.6 million for the performance fees in relation to FY24 performance payable to the vendors of the Ignite business (as detailed below), £0.4 million in relation to the restructuring of the Group's Irish subsidiary Horizon Energy Group Limited, £0.4 million settlement claim and associated professional fees, £0.4 million in relation to acquisition activity, £0.2 million of onerous lease costs resulting from the Group's consolidation of its office portfolio and £0.6 million in relation to restructuring costs, including restructuring programmes associated with the integration of businesses acquired prior to 2022. These costs are considered by the Directors to be either material in nature or non-recurring and therefore require separate identification to give a true and fair view of the Group's result for the year.

The change in fair value of contingent consideration includes £(5,014,000) (2023: £14,605,000) relating to contingent consideration payable and £144,000 (2023: £16,000) relating to deferred contingent consideration receivable. Further information is available in the Chief Financial Officer's statement.

Of the £4,870,000 profit, £5,213,000 relates to the decrease in the liability for contingent consideration payable in respect of Ignite Energy LTD as a result of changes in the fair value of contingent consideration which was treated as exceptional. The gain was primarily driven by the Group accelerating the integration of Ignite and terminating its Deed of Variation (Deed of Termination) in relation to Ignite Energy LTD, and as a result has no outstanding contingent consideration payment obligations in relation to the Ignite Energy LTD transaction.

5. Finance expenditure

	2024 £000	2023 £000
Interest payable on bank borrowings	**5,294**	4,214
Interest payable on lease liabilities	**60**	90
Foreign exchange variance	**12**	(239)
Other interest	**40**	80
Loan facility fees	**39**	80
Amortisation of debt issue costs	**323**	258
	5,768	4,483

6. Revenue

	2024 £000	2023 £000
UK	**91,622**	96,342
ROI	**2,169**	2,415
Rendering of services	**93,791**	98,757

The Group has earned revenue from no customers (2023: no customers) which represented more than 10% of the Group's revenues in the current year.

7. Directors' remuneration

	2024 £000	2023 £000
Remuneration	**1,030**	2,355
Pension contributions	**8**	8
	1,038	2,363
Share-based payment	**188**	167
	1,226	2,530
The emoluments of Directors disclosed above include the following:		
In respect of the highest paid Director:		
– Directors' remuneration	**320**	872
– Employer's pension contributions	**1**	1
	321	873
– Share-based payments	**54**	37

In the financial year, 6 Directors (2023: 6 Directors) were accruing benefits under a defined contribution pension scheme.

Mark Dickinson, Paul Connor and David Cockshott (2023: Mark Dickinson, Paul Connor and David Cockshott) are the only Directors to have an interest in the share options of the company. No Directors have interests in the LTIP (2023: Paul Connor and Mark Dickinson did have interests but were exercised in 2024).

The emoluments of the individual Directors can be found on page 101.

8. Employee benefit expense

	2024 £000	2023 £000
Wages and salaries	**37,554**	36,485
Social security costs	**4,020**	3,947
Pension contributions	**904**	711
	42,478	41,143

Included within the above figures are costs associated with capitalised employees of £3,284,000 (2023: £2,804,000).

	No.	No.
Average number of persons (including Executive Directors) employed:		
Management	**50**	44
Energy procurement services	**566**	578
Administration and finance	**118**	80
	734	702

The key management personnel disclosure is contained within note 26.

9. Income tax charge

The income tax charge is based on the profit/(loss) for the year and comprises:

	2024 £000	2023 £000
Current tax		
Current tax expense	**1,922**	2,056
Adjustments in respect of prior years	**–**	(777)
	1,922	1,279
Deferred tax		
Origination and reversal of temporary differences	**218**	(372)
Adjustment in respect of prior years	**–**	86
	218	(286)
Total income tax charge	**2,140**	993
Reconciliation of tax charge to accounting profit/(loss):		
Profit/(loss) on ordinary activities before taxation	**11,769**	(6,169)
Tax at UK income tax rate of 25% (2023: 23.5%)	**2,942**	(1,450)
Disallowable expenses	**(436)**	4,191
Exchange rate difference	**(101)**	(204)
Share options	**192**	(191)
Tax R&D credits	**(931)**	(276)
Effects of current year events on prior year balances	**–**	(690)
Movement in deferred tax asset not recognised	**–**	(229)
Movement in deferred tax in respect of business combinations	**–**	(568)
Excess of taxation allowances over depreciation on all non–current assets	**–**	263
Non–eligible intangible assets	**474**	147
Total income tax charge	**2,140**	993

The UK income tax rate of 23.5% in the prior year is a blended rate based on 3 months at 19.0% and 9 months at 25.0%, based on the increase in the main rate of Corporation Tax which came into effect on 1 April 2023.

10. Earnings per share

The basic earnings per share is based on the net profit/(loss) attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the year.

	2024 £000	2023 £000
Profit/(loss) attributable to equity holders of the Group	**9,629**	(7,162)
Fees associated with acquisition	**–**	8
Restructuring costs	**2,571**	3,612
Exceptional finance expenditure	**–**	482
Changes in fair value of contingent consideration	**(4,870)**	14,621
Amortisation of acquired intangible assets	**1,475**	2,272
Foreign exchange variance	**12**	(257)
Deferred tax in respect of amortisation of intangible assets	**(369)**	(568)
Share–based payment cost	**893**	1,187
Adjusted profit attributable to owners of the Group	**9,341**	14,195
Weighted average number of ordinary shares in issue (000)	**104,048**	99,422
Dilutive effect of share options (000)	**6,317**	6,698
Diluted weighted average number of ordinary shares in issue (000)	**110,365**	106,120
Basic earnings/(loss) per share (pence)	**9.25**	(7.20)
Diluted earnings/(loss) per share (pence)	**8.72**	(7.20)
Adjusted basic earnings per share (pence)	**8.98**	14.28
Adjusted diluted earnings per share (pence)	**8.46**	13.38

The weighted average number of shares in issue for the adjusted diluted earnings per share includes the dilutive effect of the share options in issue to senior staff of the Group.

Adjusted earnings per share represents the earnings per share, as adjusted to remove the effect of fees associated with acquisitions, restructuring costs, the amortisation of intangible assets (excluding internally generated amortisation related to computer software and customer databases), deferred tax in respect of amortisation of intangible assets, exceptional items and share-based payment costs which have been expensed to the Group statement of comprehensive income in the year, the unwinding of contingent consideration and foreign exchange variances. The adjustments to earnings per share have been disclosed to give a clear understanding of the Group's underlying trading performance.

Adjusted profit before tax on continuing operations is calculated as follows:

	2024 £000	2023 £000
Profit/(loss) before income tax	**11,769**	(6,169)
Share-based payment cost	**893**	1,187
Amortisation of acquired intangible assets	**1,475**	2,272
Foreign exchange variance	**12**	(257)
Exceptional costs:		
– fees associated with acquisition	**–**	8
– restructuring costs	**2,571**	3,612
– finance expenditure	**–**	482
– change in fair value of contingent consideration	**(4,870)**	14,621
Adjusted profit before tax on continuing operations	**11,850**	15,756

Acquisition activity, non-recurring items and material items can significantly distort underlying financial performance from IFRS measures and therefore the Board deems it appropriate to report adjusted metrics as well as IFRS measures for the benefit of primary users of the Group financial statements.

11. Property, plant and equipment

	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Leasehold improvements £000	Office equipment £000	Total £000
Cost						
At 1 January 2023	335	115	4,134	1,192	418	6,194
Foreign exchange variances	(2)	(2)	(3)	–	(2)	(9)
Additions	153	–	697	79	1	930
Disposals	(58)	(41)	–	(977)	(323)	(1,399)
At 31 December 2023	428	72	4,828	294	94	5,716
Foreign exchange variances	(7)	(2)	(3)	–	(5)	(17)
Additions	99	–	510	239	–	848
Disposals	(65)	(70)	(17)	–	–	(152)
At 31 December 2024	**455**	**–**	**5,318**	**533**	**89**	**6,395**
Depreciation						
At 1 January 2023	224	95	1,763	605	291	2,978
Charge for the year	77	6	660	119	72	934
Foreign exchange variances	(1)	(2)	(2)	–	–	(5)
Disposals	(26)	(29)	(12)	(611)	(317)	(995)
At 31 December 2023	274	70	2,409	113	46	2,912
Charge for the year	64	1	648	50	8	771
Foreign exchange variances	(6)	(2)	(4)	–	–	(12)
Disposals	(52)	(69)	(14)	–	–	(135)
At 31 December 2024	**280**	**–**	**3,039**	**163**	**54**	**3,536**
Net book value						
At 31 December 2024	**175**	**–**	**2,279**	**370**	**35**	**2,859**
At 31 December 2023	154	2	2,419	181	48	2,804
At 31 December 2022	111	20	2,371	587	127	3,216

12. Right of use assets

	Fixtures and fittings £000	Motor vehicles £000	Property £000	Intangibles £000	Total £000
Cost					
At 1 January 2023	255	421	3,334	301	4,311
Foreign exchange variances	–	–	18	–	18
Additions	116	47	1,683	–	1,846
Disposals	–	(283)	(2,329)	–	(2,612)
At 31 December 2023	371	185	2,706	301	3,563
Foreign exchange variances	–	3	(17)	–	(14)
Additions	199	187	210	57	653
Disposals	(255)	(120)	(159)	–	(534)
At 31 December 2024	**315**	**255**	**2,740**	**358**	**3,668**
Depreciation					
At 1 January 2023	158	310	2,252	50	2,770
Charge for the year	103	87	696	100	986
Foreign exchange variances	–	–	3	–	3
Disposals	–	(271)	(2,329)	–	(2,600)
At 31 December 2023	261	126	622	150	1,159
Charge for the year	74	66	348	119	607
Foreign exchange variances	–	–	(6)	–	(6)
Disposals	(255)	(121)	(159)	–	(535)
At 31 December 2024	**80**	**71**	**805**	**269**	**1,225**
Impairment					
At 1 January 2024	–	–	113	–	113
Impairment for the year	–	–	–	–	–
At 31 December 2024	**–**	**–**	**113**	**–**	**113**
Net book value					
At 31 December 2024	**235**	**184**	**1,822**	**89**	**2,330**
At 31 December 2023	110	59	1,971	151	2,291

13. Intangible assets and goodwill

	Computer software – internally generated £000	Computer software – external £000	Trade name £000	Customer contracts £000	Customer relationships £000	Total other intangibles £000	Goodwill £000	Total £000
Cost								
At 1 January 2023	21,146	4,822	160	21,575	7,511	55,214	76,960	132,174
Additions	3,242	2,402	–	–	–	5,644	–	5,644
Foreign exchange variances	–	–	–	(255)	–	(255)	(47)	(302)
At 31 December 2023	24,388	7,224	160	21,320	7,511	60,603	76,913	137,516
Additions	4,340	1,421	48	–	–	5,809	–	5,809
Foreign exchange variances	–	(8)	–	–	–	(8)	(99)	(107)
At 31 December 2024	**28,728**	**8,637**	**208**	**21,320**	**7,511**	**66,404**	**76,814**	**143,218**
Amortisation								
At 1 January 2023	12,668	1,651	45	18,327	4,807	37,498	–	37,498
Charge for the year	2,562	814	8	1,429	754	5,567	–	5,567
Foreign exchange variances	–	–	–	(254)	–	(254)	–	(254)
At 31 December 2023	15,230	2,465	53	19,502	5,561	42,811	–	42,811
Charge for the year	2,769	1,237	8	716	753	5,483	–	5,483
Foreign exchange variances	–	(1)	–	–	–	(1)	–	(1)
At 31 December 2024	**17,999**	**3,701**	**61**	**20,218**	**6,314**	**48,293**	**–**	**48,293**
Net book value								
At 31 December 2024	**10,729**	**4,936**	**147**	**1,102**	**1,197**	**18,111**	**76,814**	**94,925**
At 31 December 2023	9,158	4,759	107	1,818	1,950	17,792	76,913	94,705
At 31 December 2022	8,478	3,171	115	3,248	2,704	17,716	76,960	94,676

Amortisation is charged to administrative expenses for both financial years.

The Group's internally developed proprietary software underpins the delivery of Assurance, Optimisation and ESG services of the Group, in addition to generating a SaaS revenue through making this software available to third parties.

Annual test for impairment

The Group has 6 Cash Generating Units (CGUs), being the Assurance Division, the Optimisation Division, the Software Division, Horizon Energy Group Limited, Ignite Energy LTD and Businesswise Solutions Ltd.

The goodwill resulting from the acquisitions of Flexible Energy Management Limited, Bluebell Energy Supply Limited, Squareone Enterprises Limited, LSI Independent Utility Brokers Limited and General Energy Management Limited has been wholly allocated to the Assurance Division CGU.

The goodwill resulting from the acquisitions of Professional Cost Management Group Limited, Ensco 2025 Limited (formerly Waterwatch UK Limited) and Independent Utilities Limited has been wholly allocated to the Optimisation Division CGU.

The goodwill resulting from the acquisitions of SystemsLink 2000 Limited and Energy Broker Solutions Limited has been wholly allocated to the Software Division CGU.

The goodwill resulting from the acquisitions of STC Energy and Carbon Holdings Limited, Energy Cost Management Limited and Inprova Finance Limited has been split between the Assurance Division CGU and the Optimisation Division CGU.

The goodwill resulting from the acquisitions of Digital Energy Limited and I–Prophets Compliance Limited has been split between the Assurance Division CGU and the Software Division.

The goodwill resulting from the acquisitions of Horizon Energy Group Limited, Ignite Energy LTD and Businesswise Solutions Ltd has not been allocated as the CGU performance is monitored separately.

For the purpose of annual impairment testing, goodwill is allocated to the CGUs expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

	2024 £000
Assurance Division	**25,839**
Optimisation Division	**17,488**
Software Division	**2,851**
Horizon Energy Group Limited	**5,434**
Ignite Energy LTD	**14,481**
Businesswise Solutions Ltd	**10,721**
	76,814

	2023 £000
Assurance Division	25,839
Optimisation Division	17,488
Software Division	2,851
Horizon Energy Group Limited	5,533
Ignite Energy LTD	14,481
Businesswise Solutions Ltd	10,721
	76,913

The Group tests goodwill annually for impairment in accordance with IAS 36 Impairment of Assets, or more frequently if there is indication that the goodwill might be impaired.

The recoverable amounts of the CGUs have been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering the next five–year period. The key assumptions in the value in use calculation are those regarding the discount rate, growth rate and expected changes to the selling prices, volumes and direct costs.

Discount rates

The discount rate has been calculated using the WACC of 12% for all CGUs, which takes into account the required rate of return of the asset and market risk as well as the expected return of the market.

Cash flow assumptions

Cash flows for the five–year period to 2030 have been extrapolated assuming no further growth. The Group considers that this is a conservative growth rate based upon current rates of inflation, the Group's targeted growth rates and the rate of growth that the Directors believe to be achievable from the market. Despite adopting a conservative approach there is no indication of impairment.

14. Investments

	Cost £000	Fair value £000	Total £000
Cost/fair value			
At 1 January 2023	897	840	1,737
Additions	100	93	193
At 31 December 2023	997	933	1,930
Additions	100	–	100
At 31 December 2024	**1,097**	**933**	**2,030**

The Group had an interest in the following entities as at 31 December 2024:

Name of undertaking	Country of registration	Description of investment held
Information Prophets Limited	United Kingdom	Convertible loan
Switchd Ltd	United Kingdom	Shareholding (4.8%)
Industrial and Commercial Operations Network Ltd	United Kingdom	Convertible loan
Deer Technology Ltd	United Kingdom	Convertible loan
DuckDuck Ltd	United Kingdom	Shareholding (2.1%)

The Group holds a convertible loan to acquire 25% equity value in Information Prophets Limited. The balance of the outstanding loan at 31 December 2024 was £600,000 (2023: £600,000). Furthermore, the Group holds an exclusive call option to acquire the entire share capital of Information Prophets Limited on a fair value measure at an agreed multiple of adjusted EBITDA. The call option period commences in January 2022 and ends on 31 December 2025. As the option period is three years from completion of the initial investment, the Group is deemed not to have substantive control over the investee prior to the option period commencing.

The Group holds a shareholding in Switchd Ltd of 97,794 ordinary shares of £0.000001 within the company for an aggregate subscription price of £933,000 providing a 4.8% shareholding.

The Group holds a convertible loan to acquire 25% equity value in Industrial and Commercial Operations Network Ltd. The balance of the outstanding loan at 31 December 2024 was £48,000 (2023: £48,000). Furthermore, the Group holds an exclusive call option to acquire the entire share capital of Industrial and Commercial Operations Network Ltd on a fair value measure at an agreed multiple of adjusted EBITDA. As the option period is three years from completion of the initial investment, the Group is deemed not to have substantive control over the investee prior to the option period commencing.

The Group holds a convertible loan to acquire 8% equity value in Deer Technology Ltd. The balance of the outstanding loan at 31 December 2024 was £350,000 (2023: £250,000). The convertible loan note will convert into preferred ordinary shares with a 30% discount on the lower of the agreed price per share at the time or capped at the proposed £4.7 million current pre–money valuation; either at maturity, in the event of a qualifying financing event or any other event at the holder's discretion.

The Group holds a shareholding in DuckDuck Ltd of 50,000 preference shares of £2.00 within the company for an aggregate subscription price of £100,000 providing a 2.1% shareholding.

15. Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank and in hand	**5,186**	8,782
	5,186	8,782

16. Inventories

Inventories consist of the following:

	2024 £000	2023 £000
Raw materials and consumables	**489**	633
	489	633

17. Trade and other receivables

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Trade receivables	**12,850**	17,550	**17**	–
Intercompany receivables	**–**	–	**4,147**	4,775
Other receivables	**708**	861	**207**	244
Deferred contingent consideration	**101**	615	**101**	615
Prepayments	**7,711**	7,596	**350**	516
Accrued income	**30,371**	19,912	**–**	–
	51,741	46,534	**4,822**	6,150

Trade and other receivables increased 11% in the period to £51,741,000 (2023: £46,534,000), with invoiced trade receivables decreasing 27% to £12,850,000 (2023: £17,550,000) as a result of lower project activity levels within the Optimisation Division in the final quarter of 2024 in comparison to higher project activity levels in the final quarter of 2023. Accrued income increased in the period by 53% to £30,371,000 (2023: £19,912,000) driven by strong performance of share of savings revenue lines within Optimisation Services during 2024.

Included within accrued income is an amount of £10,475,000 (2023: £4,082,000) which is recoverable after more than one year.

Deferred contingent consideration relates to the collection and run–off of the SME Division's accrued income balance at disposal.

Contract assets within prepayments and accrued income total £4,905,000 (2023: £1,620,000). The increase in contract assets is due to the timing of completion of project work in 2024 and the subsequent timing of invoicing of these projects being completed in 2025.

The Group does not hold any collateral as security (2023: none). Group debtor days were 42 days (2023: 44 days).

The ageing of trade receivables was as follows (£000):

	0–30 days	31–60 days	61–90 days	Older	Total
31 December 2024	**6,641**	**2,613**	**1,005**	**2,591**	**12,850**
31 December 2023	11,467	4,012	804	1,267	17,550

As at 31 December 2024, £3,596,000 (2023: £2,071,000) of the trade receivables had gone beyond their terms of 60 days.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables and accrued income as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables and accrued income have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected credit loss is considered immaterial in the current year; therefore, no impairment loss has been recognised (2023: £nil). The trade and other receivables are stated at amortised cost which approximates to fair value. Deferred contingent consideration receivable is measured at fair value through profit or loss.

18. Trade and other payables

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Current				
Trade payables	**3,937**	6,261	**350**	460
Social security and other taxes	**5,445**	6,393	**627**	655
Accruals	**5,339**	4,595	**1,933**	1,539
Deferred income	**7,862**	2,095	**–**	–
Other payables	**550**	602	**152**	191
	23,133	19,946	**3,062**	2,845

Trade payables are paid under normal commercial terms.

The trade and other payables are stated at amortised cost which approximates to fair value.

Contract liabilities within accruals and deferred income total £3,199,000 (2023: £2,230,000).

Revenue of £2,095,000 (2023: £1,861,000) relating to amounts included in deferred income at the beginning of the period has been recognised in the financial year.

Deferred income of £7,862,000 (2023: £2,095,000) is split between £6,425,000 (2023: £1,089,000) relating to Assurance revenue and £1,437,000 (2023: £1,006,000) relating to Optimisation revenue.

Amounts in deferred income relate to performance obligations not satisfied at year end. The performance obligations will be satisfied within the next twelve months.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Current		Non–current	Total
	Within 6 months £000	6–12 months £000	1–5 years £000	£000
31 December 2024				
Trade payables	**3,937**	**–**	**–**	**3,937**
Other payables	**550**	**–**	**–**	**550**
Accruals	**5,339**	**–**	**–**	**5,339**
Bank borrowings	**7,600**	**2,400**	**63,600**	**73,600**
Lease liabilities	**413**	**273**	**2,048**	**2,734**
Contingent consideration	**–**	**–**	**–**	**–**
	17,839	**2,673**	**65,648**	**86,160**
31 December 2023				
Trade payables	6,261	–	–	6,261
Other payables	602	–	–	602
Accruals	4,595	–	–	4,595
Bank borrowings	1,863	1,863	66,195	69,921
Lease liabilities	338	306	1,974	2,618
Contingent consideration	13,200	–	5,458	18,658
	26,859	2,169	73,627	102,655

19. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Non–current liabilities				
Lease liability – motor vehicles	**100**	32	**52**	32
Lease liability – property	**1,555**	1,567	**–**	3
Lease liability – fixtures and fittings	**159**	–	**–**	–
Lease liability – intangibles	**11**	50	**–**	50
	1,825	1,649	**52**	85
Current liabilities				
Lease liability – motor vehicles	**71**	28	**46**	28
Lease liability – property	**364**	382	**–**	2
Lease liability – fixtures and fittings	**79**	94	**38**	94
Lease liability – intangibles	**69**	100	**50**	100
	583	604	**134**	224

The lease liabilities are secured by the related underlying assets.

The lease liability for motor vehicles covers 10 vehicles at 31 December 2024 and leases are typically 3 years, when they will then terminate.

Total cash outflows from lease arrangements are £580,000 (2023: £1,013,000).

The undiscounted lease liability figure at 31 December 2024 is £2,734,000 (2023: £2,618,000).

The total expense relating to short term and low value leases is £257,000 (2023: £281,000).

20. Deferred tax liability

Deferred taxation is calculated at a tax rate of 25% (2023: 25%) and is set out below:

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Liability brought forward	**910**	1,282	**–**	–
Debited/(credited) to income for the year	**219**	(372)	**–**	–
Liability carried forward	**1,129**	910	**–**	–

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Excess of taxation allowances over depreciation on all non–current assets	**919**	610	**–**	–
Share options	**(380)**	(659)	**–**	–
Temporary differences on intangible assets	**590**	959	**–**	–
	1,129	910	**–**	–

Corporation tax for the year ended 31 December 2024 was calculated at 25% (2023: 23.5%) of taxable profits for the year.

Deferred taxation at the period end is analysed as follows:

	2024 £000	2023 £000
Deferred tax liability	**1,129**	910
	1,129	910

There are losses within a Group entity totalling £4,528,000 (2023: £4,695,000) for which no deferred tax assets has been recognised.

21. Bank borrowings

Bank borrowings are repayable as follows:

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Within one year	**(329)**	(310)	**(329)**	(310)
One to two years	**64,698**	(310)	**64,698**	(310)
Two to five years	**–**	58,161	**–**	58,161
	64,369	57,541	**64,369**	57,541

The figures above include debt issue costs being amortised over the life of the borrowings. In the current year, borrowings total £65,000,000 with total debt issue costs being £631,000

The above facility is for the principal sum of £65,000,000 (2023: £60,000,000).

As at 31 December 2024, the Group had a cash balance of £5.2 million and outstanding balances on its senior term debt facility of £64.4 million.

On refinancing its banking facilities in November 2023, the Group entered a £60.0m Revolving Credit Facility with an initial term to October 2026, with the Group having two one–year options, facilitating the extension of the term to October 2028, with an additional £25.0m Accordion options available to the Group, subject to covenant compliance. In May 2024, the Group agreed an increase in the Revolving Credit Facility to £65.0m until 30 April 2025 to provide additional liquidity in the period in which the Group was originally due to pay the final contingent consideration payments. The Group's £65.0m Revolving Credit Facility was fully drawn at 31 December 2024.

The facility has an interest rate ranging from 2.25% to 3.75% over SONIA, with the applicable interest rate dependent on the adjusted net leverage of the facility in the prior quarter.

The covenants attached to the facility are Interest Cover, which is not to be less than 4.00:1.00 during the term of the Facility, and Adjusted Net Leverage of the Group, which on entering the facility is limited to not exceed 2.75:1.00 and then tapers to 2.00:1.00 across the term of the facility. Subsequently, the Group agreed with its banking partners in November 2024 a resetting of the adjusted leverage and interest cover covenant for quarter ending 31 December 2024 (only) to 3.00x and 3.50x respectively, increasing the headroom available to the Group from a covenant perspective.

Covenants are assessed quarterly and the directors have not identified any reasonably possible circumstances which may result on future non–compliance.

As at 31 December 2024, reported net debt, being bank debt less cash and cash equivalents, stood at £59.2 million, which is an increase of £10.5 million in comparison to 31 December 2023.

The increase in net debt reflects a year in which the cash generation of the Group was offset by the payment of £13.4 million of contingent consideration cash and shares to the vendors of Ignite and BWS. As at 31 December 2024, the Group has no further contingent consideration payments due.

	Long–term borrowings £000	Lease liabilities £000	Total £000
At 1 January 2023	49,479	1,420	50,899
Cash flows			
Drawdown	7,850	–	7,850
Interest paid	(3,668)	(90)	(3,758)
Repayment	–	(1,013)	(1,013)
Non–cash			
Additions to right of use assets	–	1,846	1,846
Interest rate swap revaluation	(17)	–	(17)
Interest charge	3,668	90	3,758
Debt issue costs releases	229	–	229
At 31 December 2023	57,541	2,253	59,794
Cash flows			
Drawdown	6,575	–	6,575
Interest paid	(5,250)	(60)	(5,310)
Repayment	–	(498)	(498)
Non–cash			
Additions to right of use assets	–	653	653
Interest charge	5,250	60	5,310
Debt issue costs releases	253	–	253
At 31 December 2024	**64,369**	**2,408**	**66,777**

22. Financial instruments

The Group holds or issues financial instruments in order to achieve two main objectives, being:

(a) to finance its operations; and
(b) to manage its exposure to interest risk arising from its operations and from its sources of finance.

Transactions in financial instruments result in the Group assuming or transferring to another party one or more of the financial risks described.

Credit risk

The Group monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers and energy suppliers, including outstanding receivables and committed transactions. For banks, only independently rated parties with a minimum rating of AA are accepted. Credit assessments are carried out when accepting new customers. Amounts shown in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The Group monitors its available cash resources and aims to keep credit funds available for operational strategic goals.

Currency risk

The Group monitors any foreign exchange rate risks through regular Euro trades as and when deemed necessary.

Fair values of financial assets and liabilities

The book value of financial instruments held or issued to finance the Group's operations is not materially different from the fair value of those instruments.

22.1 Capital risk management

The Group's main objective when managing capital is to generate returns to shareholders by investing in line with its approved investment strategy whilst safeguarding the Group's ability to continue as a going concern. The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may in the future issue new shares, raise additional debt finance, sell assets to reduce debt, adjust the amount of dividends paid to shareholders or return capital to shareholders.

Capital is managed by maximising retained profits. Working capital is managed in order to generate maximum conversion of these profits into cash and cash equivalents.

Capital includes share capital, share premium, merger relief reserve and retained earnings. There were no changes to the Group's approach to capital management during the year.

22.2 Categories of financial instrument

Financial assets

	Fair value through profit or loss £000	**Amortised cost £000**	**Non–financial assets £000**	**Total £000**
31 December 2024				
Investments	**933**	**1,097**	**–**	**2,030**
Inventories	**–**	**–**	**489**	**489**
Trade receivables	**–**	**12,850**	**–**	**12,850**
Other receivables	**–**	**708**	**–**	**708**
Deferred contingent consideration	**101**	**–**	**–**	**101**
Prepayments	**–**	**–**	**7,711**	**7,711**
Accrued income	**–**	**30,371**	**–**	**30,371**
Cash and cash equivalents – Sterling	**–**	**4,616**	**–**	**4,616**
Cash and cash equivalents – Euros	**–**	**570**	**–**	**570**
	1,034	**50,212**	**8,200**	**59,446**

	Fair value through profit or loss £000	Amortised cost £000	Non–financial assets £000	Total £000
31 December 2023				
Investments	933	997	–	1,930
Inventories	–	–	633	633
Trade receivables	–	17,550	–	17,550
Other receivables	–	861	–	861
Deferred contingent consideration	615	–	–	615
Prepayments	–	–	7,596	7,596
Accrued income	–	19,912	–	19,912
Cash and cash equivalents – Sterling	–	8,267	–	8,267
Cash and cash equivalents – Euros	–	515	–	515
	1,548	48,102	8,229	57,879

Financial liabilities

	Other liabilities (amortised cost) £000	Fair value through profit or loss £000	Liabilities not within scope of IFRS 9 £000	Total £000
31 December 2024				
Trade payables	**3,937**	**–**	**–**	**3,937**
Social security and other taxes	**–**	**–**	**5,445**	**5,445**
Accruals	**5,339**	**–**	**–**	**5,339**
Deferred income	**–**	**–**	**7,862**	**7,862**
Other payables	**550**	**–**	**–**	**550**
Lease liabilities	**2,408**	**–**	**–**	**2,408**
Bank borrowings – Sterling	**64,369**	**–**	**–**	**64,369**
Current tax liability	**–**	**–**	**3,694**	**3,694**
Deferred tax	**–**	**–**	**1,129**	**1,129**
	76,603	**–**	**18,130**	**94,733**

	Other liabilities (amortised cost) £000	Fair value through profit or loss £000	Liabilities not within scope of IFRS 9 £000	Total £000
31 December 2023				
Trade payables	6,261	–	–	6,261
Social security and other taxes	–	–	6,393	6,393
Accruals	4,595	–	–	4,595
Deferred income	–	–	2,095	2,095
Other payables	602	–	–	602
Lease liabilities	2,253	–	–	2,253
Bank borrowings – Sterling	57,541	–	–	57,541
Current tax liability	–	–	3,488	3,488
Deferred tax	–	–	910	910
Contingent consideration	–	18,658	–	18,658
	71,252	18,658	12,886	102,796

22.3 Interest rate sensitivity

The following table illustrates the sensitivity of the profit for the period and equity to a reasonably possible change in interest rates of 3% (2023: 3%) with effect from the beginning of the period. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group's borrowings and the Group's cash and cash equivalents held at the statement of financial position date. All other variables are held constant.

	Year ended 31 December 2024		Year ended 31 December 2023	
	+3%	**–3%**	+3%	–3%
Profit/(loss) for the year	**289**	**(289)**	215	(215)
Equity	**289**	**(289)**	215	(215)

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 December 2024 and 31 December 2023:

31 December 2024	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial assets				
Investments	**–**	**–**	**933**	**933**
Deferred contingent consideration	**–**	**–**	**101**	**101**
Total assets	**–**	**–**	**1,034**	**1,034**

31 December 2023	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Investments	–	–	933	933
Deferred contingent consideration	–	–	615	615
Total assets	–	–	1,548	1,548

The following table shows the levels within the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 December 2024 and 31 December 2023:

31 December 2024	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Financial liabilities				
Contingent consideration	–	–	–	–
Total liabilities	–	–	–	–

31 December 2023	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial liabilities				
Contingent consideration	–	–	18,658	18,658
Total liabilities	–	–	18,658	18,658

There were no transfers between Level 1 and Level 2 in 2024 or 2023.

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market–based information.

The valuation techniques used for instruments categorised in Level 3 are described below:

Contingent consideration (Level 3)

The fair value of contingent considerations at 31 December 2024 is £nil.

The contingent event for Ignite Energy LTD comprised of four earn out tranches as follows. The First Earn Out Consideration of £3,400,000 was paid in January 2022. As part of the Deed of Variation entered in May 2023 with the vendors of Ignite Energy LTD, the Second Earn Out Consideration of up to £5,200,000 was deemed to have lapsed, with no payment due.

The Third Earn Out Consideration of up to £5,200,000 was paid in full during 2023, 50% cash and 50% ordinary shares of Inspired PLC, and the Fourth Earn Out Consideration of up to £5,200,000 was paid in full during 2024, 50% cash and 50% ordinary shares of Inspired PLC.
In May 2023, the Group entered a Deed of Variation with the Ignite Energy LTD vendors in which the deed provided the opportunity for the vendors to secure a further £9,250,000 of additional contingent consideration, subject to Ignite Energy LTD delivering year on year EBITDA (before deduction of central overheads) growth each year from 2024 to H1 2027.

Noting that the Deed contains an acknowledgement between the parties that no Original Earn Out Consideration is due in relation to FY21 (Second Earn Out Consideration of up to £5,200,000), which was in part due to the Specific Optimisation Customer being an aged debtor, the Company agreed a separate incentivisation with the Vendors in relation to this customer. The Deed gave the Vendors the opportunity to earn £5,500,000 of the earn out consideration foregone in relation to cash collected and generated (rather than profit generation) from the Specific Optimisation Customer from FY23 to FY26. The vendors earned £1,988,000 from cash collections made in 2023. Of the contingent consideration earned by Ignite Energy LTD in 2023, £1,500,000 was used to pay a claim from a former Ignite Energy LTD customer, which the Group was protected from through the Share Purchase Agreement for acquisition of Ignite Energy LTD. The remaining was settled, £244,000 in October 2023 and £244,000 in January 2024

On 28 March 2024, the Company entered into a Deed of Settlement with the vendors of Ignite Energy LTD pursuant to which its outstanding obligations under the Ignite SPA (as varied by the Deed of Variation referred above) were settled in full.

The contingent event for Businesswise Solutions Ltd (BWS) comprised several tranches as follows. Of the aggregate £23,000,000, contingent consideration could become payable in cash, subject to the achievement of challenging EBITDA and order book growth targets for the years ending 31 December 2021, 2022 and 2023. The Group paid £5,200,000 of a maximum possible £8,500,000 in relation to FY21 performance in April 2022. The Group paid £4,546,000 of a maximum possible £6,000,000 in relation to FY22 performance in March 2023. The Group paid £8,000,000 of a maximum possible £8,000,000 in relation to FY23 performance during 2024.

The contingent consideration liability is included within the Inspired PLC single entity and Group accounts.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Contingent consideration	
	2024 £000	2023 £000
Balance as at 1 January	**18,658**	18,755
Consideration paid	**(10,845)**	(12,102)
Shares issued	**(2,600)**	(2,600)
Change in fair value of contingent consideration (included within administrative expenses)	**14,605**	(5,213)
Balance at 31 December	**–**	18,658
Analysed as:		
– Current liability	**–**	13,200
– Non–current liability	**–**	5,458

Investments (Level 3)

Investments in equities are measured at fair value through profit or loss. The fair value is measured by reference to the most recent share issue.

Deferred contingent consideration (Level 3)

The deferred contingent consideration is receivable in respect of the disposal of the SME segment of the business and is measured at fair value through the profit or loss. The consideration is contingent upon collection of accrued income at the disposal date. The fair value is estimated using a present value technique. The £101,000 fair value is measured by reference to the future cash inflows. The cash inflows reflect management's best estimate of the amount receivable and are discounted at an appropriate rate.

23. Share capital and reserves

Group and company

	Number of shares	Share capital £000	Share premium £000	Merger relief reserve £000
Issued and fully paid Ordinary shares of *1.25p each as at 1 January 2023	97,625,677	1,220	60,930	20,995
Ordinary shares of *1.25p each as at 31 December 2023	100,769,780	1,260	60,930	23,563
Ordinary shares of 1.25p each as at 31 December 2024	**105,494,535**	**1,319**	**60,930**	**26,111**

On 22 January 2024, the company issued 115,000 new ordinary shares of 69.5 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

On 28 March 2024, the company issued 4,153,355 new ordinary shares of 62.6 pence. The shares were issued to part fund the earnout settlement of Ignite Energy LTD.

On 22 May 2024, the company issued 204,400 new ordinary shares of 75.5 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

On 24 June 2024, the company issued 25,000 new ordinary shares of 87.0 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

On 19 November 2024, the company issued 15,000 new ordinary shares of 38.5 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

On 20 December 2024, the company issued 162,000 new ordinary shares of 41.5 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

On 22 December 2024, the company issued 50,000 new ordinary shares of 41.5 pence. The shares were issued to satisfy the exercise of options granted under the Group's 2011 Share Option Scheme at 1.25 pence each.

24. Share–based payments

Share options

The company has granted equity–settled share options to selected employees. The exercise price is the market value of the shares at the date of grant. The vesting periods are between 18 months and 4 years. If the options remain unexercised after a period of 10 years from the date of grant the options expire.

Details of the share options outstanding during the year are as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price p**	Number of share options	Weighted average exercise price p
Outstanding at the beginning of the period	**7,265,020**	**29.07**	6,982,555	26.87
Granted during the period	**1,523,309**	**32.66**	1,947,642	35.77
Expired during the period	**(1,012,926)**	**62.42**	(1,085,177)	41.60
Exercised during the period	**(571,400)**	**1.25**	(580,000)	1.25
Outstanding at the end of the period	**7,204,003**	**34.95**	7,265,020	29.07
Exercisable at the end of the period	**2,716,930**	**41.49**	2,563,339	48.44

The options outstanding at 31 December 2024 had a weighted average exercise price of 34.95 pence (2023: 29.07 pence) and a weighted average remaining contractual life of 1 year (2023: 1 year).

The following summarises the approved share options:

Date of grant	Subscription price	Expiry date	Total number of shares for which rights are exercisable at the end of the period
Approved share options			
16 April 2015	112.5p	16 April 2025	112,500
31 July 2015	107.5p	31 July 2025	250,000
22 December 2015	133.8p	22 December 2025	300,000
7 April 2016	125.0p	7 April 2026	175,000
15 February 2018	198.5p	15 February 2028	15,000
Unapproved share options			
17 July 2017	1.25p	17 July 2027	48,500
1 January 2019	1.25p	1 January 2029	764,326
1 July 2019	1.25p	1 July 2029	499,000
15 August 2019	1.25p	15 August 2029	15,000
22 October 2019	1.25p	22 October 2029	10,000
31 December 2020	1.25p	31 December 2030	—
30 June 2021	1.25p	30 June 2031	1,497,500
30 September 2021	1.25p	30 September 2031	—
1 January 2022	1.25p	1 January 2032	903.125
25 May 2023	1.25p	25 May 2033	468,984
26 June 2023	1.25p	26 June 2033	90,000
12 April 2024	1.25p	12 April 2034	66,750
31 August 2024	1.25p	31 August 2034	119,000
Save as you earn share options			
29 October 2021	145.20p	31 May 2025	61,479
3 May 2023	78.00p	1 December 2026	220,971
31 October 2023	57.60p	1 June 2027	249,310
31 October 2024	37.20p	1 June 2028	1,337,558

The vesting requirements for both approved and unapproved share options are contingent on employment at the time of exercise.

The fair value of options granted under the scheme is measured by use of the Black–Scholes model. The inputs into the Black-Scholes model are as follows:

	2024	2023
Share price (pence)	**63 – 183**	97 – 121
Exercise price (pence)	**1.25**	1.25
Expected volatility (%)	**29.3 – 41.2**	33.6 – 40.7
Risk–free rate (%)	**0.16 – 5.16**	3.29 – 5.16
Dividend yield (%)	**1.5 – 4.7**	2.3 – 2.9

Expected volatility was based upon the historical volatility over the expected life of the schemes.

The Group recognised total expenses of £893,000 (2023: £1,187,000) in the statement of comprehensive income relating to equity–settled share–based payment transactions in the period in respect of the options disclosed in this note.

25. Contingent liabilities

The Group has been notified of one potential claim from a customer which could ultimately result in litigation. The Group intends to contest liability under the claim.

Given the nature of the potential claim and the Group's view of the validity, supported by legal advice and available contractual remedies, it is not possible to reliably estimate any possible liabilities at this time.

26. Related party transactions

The Directors consider that as there is no controlling shareholder there is no ultimate controlling party of the Group.

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Details of the transactions between the Group and other related parties are disclosed below:

Information Prophets Limited is a company in which the Group holds an investment as detailed in note 14. Wholly owned subsidiaries of Information Prophets Limited invoiced £2,279,000 (2023: £1,861,000) for services provided, and expenses incurred, to Inspired PLC. As at 31 December 2024, the balance outstanding was £72,000 (31 December 2023: £nil).

Deer Technology Ltd is a company in which the Group holds an investment as detailed in note 14. Deer Technology Ltd invoiced £504,000 (2023: £42,000) for services provided, and expenses incurred, to Inspired PLC. As at 31 December 2024, the balance outstanding was £21,000 (31 December 2023: £6,000). Also, the Group invoiced £146,000 (2023: £nil) for services provided and at 31 December 2024 a balance of £149,000 (2023: £2,000) was outstanding.

DuckDuck Limited is a company in which the Group holds an investment as detailed in note 14. DuckDuck Limited invoiced £7,000 (2023: £nil) for services provided, and expenses incurred, to Inspired PLC. As at 31 December 2024, the balance outstanding was £1,000 (31 December 2023: £nil).

Vervantis Inc is a company in which Mark Dickinson is a director and shareholder. Vervantis Inc invoiced £24,000 (2023: £nil) for services provided, and expenses incurred, to Inspired PLC. As at 31 December 2024, the balance outstanding was £5,000 (31 December 2023: £nil).

Core Energy Services Kft. is a company in which Mark Dickinson had previously provided loans to. Core Energy Services Kft., which rolls and accrues interest until an exit event, invoiced £563,000 (2023: £546,000) for services provided, and expenses incurred, to Inspired PLC. As at 31 December 2024, the balance outstanding was £nil (31 December 2023: £108,000).

The below shows the amounts of dividends paid to Directors (and spouse/children) or companies in which a Director has an interest:

	2024 £000	2023 £000
Mark Dickinson	**20**	19
Paul Connor	**8**	8
Richard Logan	**2**	2
Sangita Shah	**1**	1
	31	**30**

Key management personnel remuneration

The remuneration of the key management personnel, the executive Directors, in the year ended 31 December 2024 is set out below:

	2024 £000	2023 £000
Short–term employee benefits		
Employee emoluments	**772**	2,107
Social security costs	**89**	143
Post–employment benefits	**4**	4
Share–based payments	**188**	167
	1,053	2,421

The aggregate dividends paid to Directors in the year were £31,000 (2023: £30,000). The shareholdings of the Directors are disclosed within the Directors' remuneration report on pages 99 to 103.

Six Directors of the Group are accruing benefit in respect of the Group's defined contribution pension scheme.

27. Post balance sheet events

In January 2025, the Company raised £21.66m in aggregate (before fees and expenses) through a placing of 54,150,535 Placing Shares at the Issue Price of 40.0p per Placing Share. The Company has also agreed to issue 53,125,000 Warrants to institutional and Board participants in the Fundraise on a 1 for 1 basis with the relevant Placing Shares. The Warrants have an exercise price of 80.0p per Ordinary Share and are exercisable at any time up to the second anniversary of the date of the Warrant Instrument, at which time they will lapse.

In addition, the Company issued Convertible Loan Notes with an aggregate principal amount of £5 million to GHAM and Regent Gas, which can be converted into new Ordinary Shares in part or full at any time during the term of the Convertible Loan Notes at a conversion price of 80.0p per Ordinary Share. The redemption date for the Convertible Loan Notes is expected to be the second anniversary of the date of the Convertible Loan Note Instrument, with a total term of 24 months.

The Company intends to utilise the proceeds of the Placing and the Convertible Loan Notes to strengthen the Company's balance sheet, helping Inspired pursue and achieve a consolidated net debt/adjusted EBITDA ratio towards 1:1 (on a LTM basis) by the end of FY25.

Company statement of financial position
At 31 December 2024

	Note	2024 £000	2023 £000
Non-current assets			
Investments	29	**130,300**	129,307
Intangible assets	30	**85**	39
Right of use assets	31	**200**	325
Amounts owed from subsidiary undertakings		**46,680**	48,459
Non-current assets		**177,265**	178,130
Current assets			
Trade and other receivables	17	**4,721**	5,535
Deferred contingent consideration	17	**101**	615
Cash and cash equivalents		**1,835**	432
Current assets		**6,657**	6,582
Total assets		**183,922**	184,712
Current liabilities			
Trade and other payables	18	**3,062**	2,845
Lease liabilities	19	**134**	224
Amounts owed to subsidiary undertakings		**10,130**	5,408
Contingent consideration	22	**–**	13,200
Current tax liability		**2**	3
Current liabilities		**13,328**	21,680
Non-current liabilities			
Bank borrowings	21	**64,369**	57,541
Contingent consideration	22	**–**	5,458
Lease liabilities	19	**52**	85
Non-current liabilities		**64,421**	63,084
Total liabilities		**77,749**	84,764
Net assets		**106,173**	99,948
Share capital	23	**1,319**	1,260
Share premium account	23	**60,930**	60,930
Merger relief reserve	23	**26,111**	23,563
Share-based payment reserve		**9,963**	9,070
Retained profit		**7,850**	5,125
Equity attributable to shareholders		**106,173**	99,948

The company generated a profit of £5,765,000 during the financial year (2023: £1,668,000). As permitted by section 408 of the Companies Act 2006, the company has elected not to present its own statement of comprehensive income. Inspired PLC reported a profit for the financial year.

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2025 and were signed on its behalf by:

Mark Dickinson
Director

Paul Connor
Director

Company registration number: 07639760.

The notes on pages 151-154 form part of these company financial statements.

Company statement of changes in equity
For the year ended 31 December 2024

	Share capital £000	Share premium account £000	Merger relief reserve £000	Share-based payment reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023	1,220	60,930	20,995	7,883	6,211	97,239
Profit and total comprehensive income for the period	–	–	–	–	1,668	1,668
Share–based payment cost	–	–	–	1,187	–	1,187
Shares issued (5 May 2023)	3	–	–	–	–	3
Shares issued (25 May 2023)	32	–	2,568	–	–	2,600
Shares issued (21 June 2023)	1	–	–	–	–	1
Shares issued (5 October 2023)	3	–	–	–	–	3
Shares issued (17 November 2023)	1	–	–	–	–	1
Shares issued (21 December 2023)	–	–	–	–	–	–
Dividends paid	–	–	–	–	(2,754)	(2,754)
Total transactions with owners	40	–	2,568	1,187	(1,086)	2,709
Balance at 31 December 2023	1,260	60,930	23,563	9,070	5,125	99,948
Profit and total comprehensive income for the period	–	–	–	–	5,765	5,765
Share–based payment cost	–	–	–	893	–	893
Shares issued (22 January 2024)	1	–	–	–	–	1
Shares issued (28 March 2024)	52	–	2,548	–	–	2,600
Shares issued (22 May 2024)	3	–	–	–	–	3
Shares issued (24 June 2024)	–	–	–	–	–	–
Shares issued (19 November 2024)	–	–	–	–	–	–
Shares issued (20 December 2024)	2	–	–	–	–	2
Shares issued (23 December 2024)	1	–	–	–	–	1
Dividends paid	–	–	–	–	(3,040)	(3,040)
Total transactions with owners	59	–	2,548	893	2,725	6,225
Balance at 31 December 2024	**1,319**	**60,930**	**26,111**	**9,963**	**7,850**	**106,173**

Notes to the company financial statements

28. Accounting policies (parent company)

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The company's financial statements are presented in round thousand GBP (£000), which is the functional currency.

The principal accounting policies adopted by the company are set out below.

Accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

The company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
  (ii) paragraph 118(e) of IAS 38 Intangible Assets; and
  (iii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(b) the requirements of paragraphs 10(d) and 134–136 of IAS 1 Presentation of Financial Statements and the requirements of IAS 7 Statement of Cash Flows;
(c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
(f) the requirements of IFRS 7 to disclose financial instruments.

As permitted by section 408 of the Companies Act 2006, the company has elected not to present its own profit and loss account. Inspired PLC reported a profit for the financial period of £5,765,000 (2023: £1,668,000).

A summary of the material accounting policies is set out next.

Investments

Investments in equities are measured at fair value through profit or loss. Convertible loans are measured at amortised cost subject to any impairment in accordance with IFRS 9. The Group holds these investments with the objective of collecting contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Investments in subsidiaries are measured at amortised cost subject to any impairment in accordance with IFRS 9.

Intercompany balances

Amounts due from Group companies are initially recognised at fair value being the present value of future interest and capital receipts discounted at the market rate of interest for a similar financial asset. When the face value of the loan exceeds the fair value of the loan on initial recognition this difference is treated as follows:

- if the loan is to a parent company the difference is shown as a deduction from equity;
- if the loan is to a fellow subsidiary the difference is shown as a deduction from equity; and
- if the loan is due from a subsidiary the difference is added to the investment in that subsidiary.

The company assesses the expected credit loss in respect of Group receivables based on its ability to repay and recover the balance. In the absence of agreed terms this consideration is given over the expected period of repayment and any expected credit loss. The expected credit loss is considered immaterial in the current year; therefore, no impairment loss has been recognised (2023: £nil).

Intercompany balances are unsecured, interest free and repayable on demand.

The amounts due from group undertakings are repayable on demand, however, having reviewed the company's intentions with respect to the expected request for repayment of amounts due from subsidiary companies the company has determined they should be classified as due after more than one year.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Share-based payments
All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date.

Share options are valued at the date of grant using the Black-Scholes option pricing model. In accordance with IFRS 2 Share-based Payment, the resulting cost is charged to the profit and loss account over the vesting period of the plans.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium account.

Equity-settled share-based payments issued to employees of subsidiary undertakings are treated in the financial statements of the company as an increase in investment in subsidiary companies, together with a corresponding increase in equity, over the vesting period based on the Group's estimate of shares which will eventually vest.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

i. Investments
The company assesses whether investments are impaired on at least an annual basis. This requires an estimation of the 'recoverable amount' – the higher of 'value in use' and fair value less costs to sell – of the investment.

The value of investments in subsidiaries on 31 December 2024 is £128,270,000 (2023: £127,377,000).

Merger relief reserve
Merger relief reserve represents the premium arising on shares issued as part or full consideration for acquisitions.

29. Investments

	Cost £000	Fair value £000	Total £000
Cost and net book value			
At 31 December 2023	128,374	933	129,307
Additions	100	–	100
Share-based payments charge	893	–	893
At 31 December 2024	**129,367**	**933**	**130,300**

The principal investment comprises shares at cost in the following companies, all of which are registered in England and Wales, except where stated below. The registered address of the following companies is the same as the Group except where stated below. The principal activity of all companies is energy procurement and management.

	Percentage held	Nominal value	Number of shares
Inspired Group Holdings Limited*	100%	£1	484
Inspired Energy Solutions Limited**	100%	£1	142
Inspired 4U Limited*	100%	£1	2
STC Energy and Carbon Holdings Limited*	100%	£1	1,000
STC Energy Management Limited**	100%	£1	103
Flexible Energy Management Limited*	100%	£1	1
Bluebell Energy Supply Limited*	100%	£1	1
Horizon Energy Group Limited* (registered in Republic of Ireland)***	100%	€1	245
Inspired Energy EBT Limited*	100%	£1	1
SystemsLink 2000 Limited*	100%	£1	1,229
Energy Cost Management Limited*	100%	£1	2
Squareone Enterprises Limited*	100%	£1	100
Professional Cost Management Group Limited*	100%	£1	10,804,202
Inprova Finance Limited*	100%	£1	1,000
Energy and Carbon Management Holdings Limited**	100%	£0.23	637,640
Utility Management Holdings Limited**	100%	£1	636,364
Energy and Carbon Management Limited**	100%	£1	300,001
Energy Team (UK) Limited**	100%	£0.01	115,840
Energy Team (Midlands) Limited**	100%	£1	100
Inprova Energy Limited**	100%	£1	50,100
UES Energy Group Limited**	100%	£1	478,085
UES Holdings Limited**	100%	£0.01	38,240
Ensco 2025 Limited (formerly Waterwatch UK Limited)*	100%	£1	100
Amer Holdings (SW) Limited**	100%	£1	2
Amer (UK) Limited**	100%	£1	2
Independent Utilities Limited*	100%	£0.001	1,200,000
LSI Energy Holdings Limited*	100%	£1	4,790,833
LSI Independent Utility Brokers Limited**	100%	£1	101
Information Prophets Limited	Convertible loan (25%)	N/A	N/A
Switchd Ltd	4.8%	£0.000001	97,794
Industrial and Commercial Operations Network Ltd	Convertible loan (25%)	N/A	N/A
Energy Broker Solutions Limited*	100%	£1	100
Ignite Energy LTD*	100%	£1	760
BWS Holdco Ltd*	100%	£0.00001	208,800
Businesswise Solutions Limited**	100%	£0.00001	200,000
General Energy Management Limited*	100%	£1	1,002
I-Prophets Compliance Limited*	100%	£1	2
Digital Energy Limited*	100%	£1	2
Deer Technology Ltd	Convertible loan	N/A	N/A
DuckDuck Ltd	2.1%	£2	50,000

* Directly held subsidiary.
** Indirectly held subsidiary.
*** Horizon Energy Group Limited is registered in the Republic of Ireland and has a registered address of 4400 Airport Business Park, Cork, Republic of Ireland T12 N84F.

30. Intangible assets

	Trade name £000
Cost	
At 1 January 2024	45
Additions	48
At 31 December 2024	93
Amortisation	
At 1 January 2024	6
Charge for the year	2
At 31 December 2024	8
Net book value	
At 31 December 2024	85
At 31 December 2023	39

31. Right of use assets

	Motor vehicles £000	Fixtures and fittings £000	Property £000	Intangibles £000	Total £000
Cost					
At 1 January 2024	186	371	9	301	867
Additions	90	–	–	–	90
Disposals	(121)	(255)	–	–	(376)
At 31 December 2024	155	116	9	301	581
Depreciation					
At 1 January 2024	128	262	2	150	542
Charge for the year	44	67	3	101	215
Disposals	(121)	(255)	–	–	(376)
At 31 December 2024	51	74	5	251	381
Net book value					
At 31 December 2024	104	42	4	50	200
At 31 December 2023	58	109	7	151	325

32. Employee benefit expense

	2024 £000	2023 £000
Wages and salaries	5,610	4,876
Social security costs	616	523
	6,226	5,399

	No.	No.
Average number of persons employed:		
Management	3	3
Administration and finance	110	84
	113	87

33. Dividends paid

	2024 £000	2023 £000
Dividends paid on equity capital	3,040	2,754

During 2024, the Group paid dividends of £3,040,000 (2023: £2,754,000) to its equity shareholders.

This represents an interim dividend payment of 1.45 pence per share (2023: 1.40 pence per share), plus the final dividend in relation to 2023 of 1.50 pence per share (2022: 1.40 pence per share in relation to 2022).

Also, during 2024, the Directors proposed the payment of a final dividend of 1.0 pence per share (2023: 1.50 pence per share) which will become payable in July 2025. As the distribution of dividends by the Group requires approval at the shareholders' meeting, no liability in this respect is recognised in the 2024 consolidated financial statements.

34. Related party transactions

The company has taken advantage of the exemption in FRS 101 and has not disclosed transactions with wholly owned Group undertakings.

Refer to note 26 for details of other related party transactions entered into in the year.

NOTICE IS GIVEN that the annual general meeting (AGM) of Inspired PLC (the Company) will be held at 10:00 a.m. on 27 June 2025 at Ship Canal House, 98 King Street, Manchester M2 4WU, to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 13 (inclusive) will be proposed as ordinary resolutions and resolutions 14 to 17 (inclusive) will be proposed as special resolutions.

Ordinary resolutions

1. To receive the Company's annual report and accounts for the financial year ended 31 December 2024.
2. To declare a final dividend recommended by the directors of 1.0 pence per ordinary share for the financial year ended 31 December 2024 to be paid on 25 July 2025 to members whose names appear on the register at the close of business on 20 June 2025.
3. To re-elect Paul Connor, who retires by rotation under article 28.1.2.2 of the Company's articles of association and who, being eligible, offers himself for re-election as a director.
4. To re-elect Sangita Shah, who retires by rotation under article 28.1.2.2 of the Company's articles of association and who, being eligible, offers herself for re-election as a director.
5. To re-elect Dianne Walker, who retires by rotation under article 28.1.2.2 of the Company's articles of association and who, being eligible, offers herself for re-election as a director.
6. To re-elect Mark Dickinson, who retires by rotation and who, being eligible, offers himself for re-election as a director.
7. To re-elect David Cockshott, who retires by rotation and who, being eligible, offers himself for re-election as a director.
8. To re-elect Peter Tracey, who retires by rotation and who, being eligible, offers himself for re-election as a director.
9. To re-appoint RSM UK Audit LLP as auditors of the Company.
10. To authorise the directors to determine the remuneration of the auditors of the Company.
11. That 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 Companies Act 2006 (the "Act"):

    11.1 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 (those shares and rights being together referred to as Relevant Securities) up to an aggregate nominal value of £665,204 to those persons at the times and generally on the terms and conditions as the directors may determine (subject always to the articles of association of the Company); and further

    11.2 to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £1,330,408 (that amount to be reduced by the nominal value of any Relevant Securities allotted pursuant to the authority in paragraph 11.1 above) 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,

    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.
12. THAT, subject to the passing of the ordinary resolution numbered 11 above and the special resolution numbered 14 below, the directors of the Company be authorised, pursuant to article 32.11 of the Company's articles of association:

    12.1 to exercise the power contained in article 32.11 so that, to the extent and in the manner determined and announced by the directors, the holders of ordinary shares (excluding shareholders holding any ordinary shares as treasury shares) may be permitted to elect to receive new ordinary shares in the capital of the Company, credited as fully paid, instead of all or part of any interim or final dividends which shall be declared before the conclusion of the next annual general meeting of the Company after the passing of this resolution; and

    12.2 to capitalise the appropriate amount of new ordinary shares falling to be allotted pursuant to any elections made as aforesaid out of profits, or sums standing to the credit of any share premium account or capital reserves of the Company, to apply such sums in paying up such new ordinary shares and to allot such new ordinary shares to the members of the Company making such elections in accordance with their respective entitlements.
13. THAT the directors' remuneration report for the financial year ended 31 December 2024 be approved.

Special resolutions

14. THAT, if resolution 11 above is passed, the directors of the Company be authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution 11 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:
    - 14.1 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;
    - 14.2 the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 14.1 above) up to an aggregate nominal amount of £199,561, representing approximately 10% of the current share capital of the Company; and
    - 14.3 the allotment of equity securities or sale of treasury shares (otherwise than under paragraphs 14.1 or 14.2 above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph 14.2 above, such authority to be used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

    such authorities to expire at the end of the next annual general meeting of the Company but, in each case, 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.
15. THAT, if resolution 11 above is passed, and in addition to any authority granted under resolution 14 above, the directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution 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 of equity securities, such authority to be:
    - 15.1 limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £199,561 representing approximately 10% of the current share capital of the Company used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
    - 15.2 limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 15.1 above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph 15.1 above, such authority to be used only for the purposes of making a follow-on offer which the directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

    such authorities to expire at the end of the next annual general meeting of the Company but in each case, 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.
16. THAT the Company be authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of its ordinary shares provided that:
    - 16.1 the maximum number of ordinary shares authorised to be purchased is 15,964,907;
    - 16.2 the minimum price which may be paid for any such ordinary share is £0.0125;
    - 16.3 the maximum price which may be paid for an ordinary share shall be the higher of:
        - 16.3.1 an amount equal to 105% of the average middle market quotations for an ordinary share as taken from the London Stock Exchange Daily Official List for the five business days immediately before the day on which the ordinary share is contracted to be purchased;
        - 16.3.2 the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out; and
    - 16.4 this authority will expire at the end of the next annual general meeting of the Company, but the Company may enter into a contract for the purchase of ordinary shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

17. THAT the articles of association of the Company be and are hereby amended by replacing article 28.1 in its entirety with the following:

28.1 Rotation and retirement of Directors

28.1.1 At each annual general meeting of the Company, all Directors shall retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held and such retiring Directors may offer themselves for reappointment by the members.

28.1.2 If:

28.1.2.1 at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as Directors are put to the meeting and lost; and

28.1.2.2 at the end of that meeting the number of Directors is fewer than any minimum number of Directors required under article 21.1, all retiring Directors who stood for re-appointment at that meeting (Retiring Directors) shall be deemed to have been re-appointed as Directors and shall remain in office but the Retiring Directors may only act for the purpose of filling vacancies, convening general meetings of the Company and performing such duties as are essential to maintain the Company as a going concern, and not for any other purpose.

28.1.3 the Retiring Directors shall convene a general meeting as soon as reasonably practicable following the meeting referred to in article 28.1.2 and they shall retire from office at that meeting. If at the end of any meeting convened under this article the number of Directors is fewer than any minimum number of Directors required under article 21.1, the provisions of this article shall also apply to that meeting.

with effect from the passing of this resolution 17.

By order of the Board

Mark Dickinson
1 May 2025

Registered office:
Calder House
St Georges Park
Kirkham
Lancashire
PR4 2DZ

Explanatory notes

Resolution 1 – Receiving the annual report and accounts

The directors will present the audited financial statements of the Company for the period ended 31 December 2024 together with the directors' report and the auditors' report on those financial statements.

Resolution 2 – Declaration of dividend

The directors are recommending a final dividend of 1.0p per ordinary share in respect of the year ended 31 December 2024 which, if approved, will be payable on 25 July 2025 to the shareholders on the register of members on 20 June 2025.

Resolution 3 to 8 – Director retirement and re-election

Under the updated corporate governance code published by the Quoted Companies Alliance in November 2023 (the "2023 Code"), all directors should submit themselves for election or re-election on an annual basis. Whilst the changes contained in the 2023 Code apply to financial years beginning on or after 1 April 2024 (and therefore must be implemented no later than the Company's annual general meeting in 2026), the Board considers it prudent to effect these changes as soon as practicable. As a result, all directors are offering themselves for re-election as a director of the Company at the AGM, to take effect at the conclusion of the AGM. Paul Connor, Sangita Shah and Dianne Walker each offer themselves for re-appointment under article 28.1.2.2 of the Company's current articles of association. Whilst not expressly required under the current articles of association, as a matter of good corporate governance and in line with the 2023 Code, Mark Dickinson, David Cockshott and Peter Tracey also offer themselves for re-appointment at the AGM. The Company is also proposing a special resolution at the AGM to amend its articles of association to reflect the 2023 Code. See explanatory note to Resolution 17 for more information.

As announced on 14 April 2025, after more than eight years as a non-executive director, with the last four years as the non-executive chairman of the Company, Richard Logan has informed the Board that he intends to step down as chairman and as a director of the Company with effect from the conclusion of the AGM. Accordingly, Richard Logan will not be offering himself for re-election at the AGM.

Resolution 9 – Appointment of auditors

The auditors of a company must be re-appointed at each general meeting at which accounts are laid, to hold office until the conclusion of the next such meeting. It is proposed that RSM UK Audit LLP be re-appointed as auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next general meeting at which the accounts are laid.

Resolution 10 – Remuneration of auditors

This resolution authorises the directors to fix the auditors' remuneration.

Resolution 11 – Directors' power to allot Relevant Securities

Under section 551 of the Act, Relevant Securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £665,204, which is equal to one-third of the nominal value of the current ordinary share capital of the Company, and a further issue of shares up to an aggregate nominal value of £1,330,408, which is equal to a further two-thirds of the nominal value of the current share capital of the Company for the purposes of fully pre-emptive rights issues. Such authorities will expire at the conclusion of the next Annual General Meeting of the Company or the date which is six months after the next accounting reference date of the Company (whichever is the earlier).

Resolution 12 – Directors' power to offer new ordinary shares in lieu of cash dividends

The articles of association of the Company provide that the directors of the Company may, if authorised to do so by ordinary resolution of the members in general meeting, offer members the right to elect to receive new ordinary shares credited as fully paid in lieu of cash dividend entitlements. The shareholders are asked to approve this resolution which grants the directors that authority. The authority will be kept under review and the Company will only exercise this authority after careful consideration and when the Company is satisfied that to do so is in the best interests of the Company and its shareholders under the circumstances.

Resolution 13 – Approval of directors' remuneration report

Shareholders have an opportunity to cast an advisory vote to approve the directors' remuneration report for the year ended 31 December 2024. The report is set out in full in the annual report and accounts for the year ended 31 December 2024.

The Remuneration Committee (the Committee) noted in the directors' remuneration report that they were consulting with shareholders on the approach to variable remuneration for 2025, with the intention at that time being to operate the Inspired Incentive Plan with a maximum opportunity of 250% of salary but with some changes to the performance measures for the reasons outlined in the report.

The Committee has now concluded this process and confirmed that variable remuneration will operate broadly in accordance with this intention, subject to the following performance measures and weightings:

- Unadjusted fully diluted EPS – 30% weighting
- Unadjusted EBITDA and cash conversion – 30% weighting
- Net debt – 30% weighting
- ESG – 10% weighting

40% of any award will be delivered in cash. The remaining 60% will be deferred in Inspired PLC ordinary shares (using options over Inspired PLC ordinary shares), which vest after three years and are subject to continued employment and net debt underpins. No share price multipliers will apply.

The Committee believes that the use of statutory (unadjusted) EPS and EBITDA measures provide greater transparency to shareholders and the introduction of a net debt measure reflects the strategic focus in this area, with the relevant weightings intended to reflect a balanced approach across these areas, recognising a range of shareholder views.

The Committee intends to conduct a more wholesale review of the variable remuneration structure during 2025 and will consult with major shareholders on any changes later in the year

Notice of Annual General Meeting continued

Resolutions 14 and 15 – Disapplication of pre-emption rights on equity issues for cash

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. These resolutions exclude that statutory procedure as far as rights issues are concerned. These special resolutions are drawn up in accordance with the Pre-Emption Group's Statement of Principles, and enable the directors to allot shares up to:

(a) an aggregate nominal value of £199,561, which is equal to 10% of the nominal value of the current ordinary share capital of the Company, which could be used for any purpose; and

(b) an additional aggregate nominal value of £199,561 which is equal to 10% of the nominal value of the current ordinary share capital of the Company, which could only be used for an acquisition or specified capital investment,

subject in each case to resolution 11 being passed. The directors believe that the limited powers provided by these resolutions will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplication will expire on the conclusion of the next annual general meeting of the Company.

Resolution 16 – Authority to make market purchases of own shares

The shareholders are asked to approve this resolution which grants the Company the ability to purchase its own shares. The authority will be limited for the company to make market purchases of up to 15,964,907 ordinary shares, being 10% of the issued share capital as at 1 May 2025, being the latest practicable date before publication of this document. The authority will be kept under review and the Company will only exercise the power of purchase after careful consideration and when the company is satisfied that to do so is in the best interests of the Company and its shareholders under the circumstances. The authority granted by this resolution will expire at the conclusion of the next Annual General Meeting of the Company.

Resolution 17 – Amendment to the Company's articles of association

As explained in more detail in the explanatory notes to Resolutions 3 to 8, above, the 2023 Code requires all directors to submit themselves for election or re-election on an annual basis. The Company is proposing certain amendments to its articles of association to reflect these changes in line with the 2023 Code.

Notes

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint a proxy, who need not be a member to exercise all or any of the member's rights to attend, speak and vote at the meeting, if attendance is permitted. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Equiniti:
    - 1.1 by post at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
    - 1.2 by telephone +44 (0) 371 384 2030. Lines are open between 8:30 a.m. and 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales).
2. You can vote by proxy either:
    - 2.1 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;
    - 2.2 by post at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
    - 2.3 electronically. You may appoint a proxy (or proxies) electronically to exercise all or any of your rights to attend, to speak and to vote on your behalf at the meeting through the website of our registrar, EQ (Equiniti Limited) (the Registrar) at www.sharevote.co.uk. You will need your voting reference numbers (the voting ID, Task ID and Shareholder Reference Number shown overleaf). If you have registered for a Shareview portfolio, please log onto your portfolio using your usual user ID and password. Once logged in simply click 'View' on the 'My Investments' page, click on the link to vote, then follow the on-screen instructions. Please remember that, to be valid, the registrar must receive your appointment of a proxy no later than 10:00 a.m. on 25 June 2025.

To be valid, proxy votes must be received no later than 10:00 a.m. on 25 June 2025.

3. If you return more than one proxy appointment, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

Notice of Annual General Meeting continued

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/ EUI). CREST Personal Members or other CREST sponsored CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by 10:00 a.m. on 25 June 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
11. In either case, the revocation notice must be received by the Company no later than no later than 10:00 a.m. on 25 June 2025.
12. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.
13. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
14. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
15. As at 1 May 2025 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consisted of 159,649,070 ordinary shares of £0.0125 each and which each carry one vote. Therefore, the total voting rights in the Company as at 1 May 2025 are 159,649,070.

Notice of Annual General Meeting continued

16. Only those shareholders registered in the Company's register of members at the record date, being:
    - 16.1 close of business on 25 June 2025; or
    - 16.2 if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to attend, speak and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.
17. Except as provided above, members who have general queries about the Meeting should contact the Company Secretary (no other methods of communication will be accepted).
18. You may not use any electronic address provided either:
    - 18.1 in this notice of annual general meeting; or
    - 18.2 in any related documents (including an electronic or hard copy proxy form), to communicate with the Company for any purposes other than those expressly stated.
19. A copy of this notice, and other information required by Section 311A of the Act (including the Company's statement of incorporation and Articles of Association), can be found on the Company's website at www.inspiredplc.co.uk.
20. Copies of the service agreements of executive directors of the Company and letters of appointment of the non-executive directors of the Company will be available for inspection at the meeting.

Directors, Secretary and advisors to the Group

Directors
Richard Logan (Non-Executive Chairman)
Mark Dickinson (Chief Executive Officer)
Paul Connor (Chief Financial Officer)
David Cockshott (Chief Operating Officer)
Sangita Shah (Non-Executive Director)
Dianne Walker (Non-Executive Director)
Peter Tracey (Non-Executive Director)

Company Secretary
Gateley PLC

Registered office
Calder House
St Georges Park
Kirkham
Lancashire PR4 2DZ

Nominated advisor
Shore Capital and Corporate Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Joint broker
Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Joint broker
Panmure Liberum Limited
Ropemaker Place
Level 12
25 Ropemaker Street
London EC2Y 9LY

Auditor
RSM UK Audit LLP
Landmark
St Peters Square
1 Oxford Street
Manchester M1 4PB

Registrars
Equiniti
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Spencer Road
Lancing
West Sussex BN99 6DA

Company website
www.inspiredplc.co.uk

Financial PR
Alma Strategic Communications
71–73 Carter Lane
London EC4V 5EQ

Designed and produced by emperor
Visit us at emperor.works

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