

PAYPOINT
Annual Report and
Accounts
CRIV: 03581541

Strengthened platform for future growth



Company number: 03581541

P | PayPoint Group
Annual Report 2026

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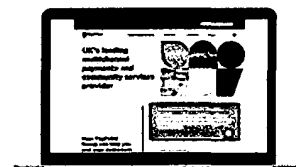
Record profits delivered and reorganisation to deliver future growth

Read more on page 08

We are reporting a year of record profits and shareholder returns delivered against the background of a generally weak economy, low consumer confidence and some specific business headwinds faced through the course of the year.

The business has continued to operate with strong operational, cost control and capital allocation discipline, resulting in tight control of costs throughout the business and a total return of over £90 million to shareholders from a combination of share buybacks, ordinary and special dividends.

As announced on 30 March 2026, the Board has taken the decision to establish a strengthened foundation to our next stage of growth through simplifying the business into four business units: Network Services, Digital Payments and Open Banking, Love2shop and Merchant Services.



For more information go to
paypointbusiness.com/corporate

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Financial highlights

Revenue

£337.0m

+8.5%
(FY25: £310.7m⁶)

Net revenue¹

£190.8m

+1.7%
(FY25: £187.7m)

Underlying EBITDA²

£92.0m

+2.2%
(FY25: £90.0m)

Underlying profit before tax³

£69.0m

+1.5%
(FY25: £68.0m)

Net corporate debt⁴

£132.5m

+36.0%
(FY25: £97.4m)

Profit before tax

£55.5m

+ 111.0%
(FY25: £26.3m)

Diluted underlying earnings per share⁵

73.6p

+6.5%
(FY25: 69.1p)

Diluted earnings per share

58.4p

+122.1%
(FY25: 26.3p)

1 Net revenue is an alternative performance measure. Refer to note 4 to the financial statements for a reconciliation to underlying revenue.

2 Underlying EBITDA (EBITDA before exceptional items and net movement in convertible loan notes and other investments) is an alternative performance measure. Refer to the Financial review for a reconciliation to profit before tax.

3 Underlying profit before tax (profit before tax excluding adjusting items) is an alternative performance measure. Refer to the Financial review for a reconciliation to profit before tax.

4 Net corporate debt (excluding IFRS 16 liabilities) is an alternative performance measure. Refer to note 1 to the financial statements for a reconciliation to cash and cash equivalents.

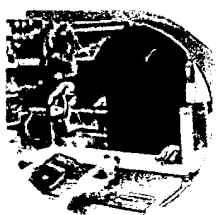
5 Diluted underlying earnings per share is an alternative performance measure. Refer to note 1 and 11 to the financial statements.

6 Prior year statutory revenue is reported net of a £14.2 million exceptional deduction related to a claim settlement.



Performance overview

Historical divisional performance

 Shopping Net revenue £66.3m +1.7% (FY25: £65.2m) 	 E-commerce Net revenue £15.6m -4.9% (FY25: £16.4m) 	 Payments and Banking Net revenue £55.4m +1.8% (FY25: £54.4m) 	 Love2shop Net revenue £53.5m +3.5% (FY25: £51.7m) 
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Divisional highlights



Shopping

- **Service Fee** – service fee net revenue increased by 8.7% to £23.7m, driven by a slight increase in the number of revenue-generating PayPoint One/Mini sites and the annual RPI service fee increase
- **PayPoint BankLocal** – successful launch for cash deposits with Lloyds and Nationwide, with over £47m in deposits processed and c.£3m weekly run rate achieved by end of FY26
- **Cards** – net revenue decreased by 2.5% overall to £31.6 million; enhancements to merchant proposition over the year, including Tap to Pay, delivery of real-time data insights; strong progress in Merchant Rentals, with launch of FreedomPay partnership; £33m of funding via Business Finance, +39% YOY
- **FMCG** – 40 brand campaigns delivered in the year for major consumer brands, with over 1.1m vouchers issued and over £80k paid out to retailers through our Retailer Rewards Programme
- **ATMs** – net revenue decreased by 2.6% to £7.6 million. Visa, Mastercard and International Card acceptance has now been enabled for rollout in FY27



E-commerce

- **Net Revenue** – decreased by 4.9% to £15.6 million, with continued strong momentum from Royal Mail balanced by the impact of the InPost/Yodel commercial reset early in the year
- **Royal Mail strategic partnership** – 8,500 sites now live with Royal Mail services and the Royal Mail Shop brand, including 3,000 live for over the counter services enabling consumers to buy postage in store as well as collect, send and return parcels.
- **Carrier Partnerships** – detailed individual carrier planning and network development, including expansion of store network underway for Amazon from 7k to 9k locations enabling increased volumes and OOH demand
- **Collect+ Network and Volumes** – consolidation of network at 14,076 sites and investment to enhance performance, compliance and consumer experience; Collect+ parcel transactions grew by 1.5% to 135.4 million
- **InPost/Yodel** – new 3-year agreement signed in H1 FY26, resetting commercial relationship with c.4,000 sites live for PUDO services



Payments and Banking

- **MultiPay** – continued growth through platform with net revenue increasing by 17.9% to £7.9m
- **Housing** – strong market position established in the sector, with new contract wins with Peabody and Flagship Housing and Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing
- **Open Banking** – positive growth within PayPoint business, including wins secured with the Department for Work and Pensions, AccessPay, Gousto and the Insolvency Service for Confirmation of Payee and Pay by Bank
- **obconnect** – improved performance in H2 FY26 vs. first half of the year and contributing £4.4m net revenue. The Group has also completed the buyout of the obconnect founders, with the business becoming a wholly owned subsidiary of PayPoint
- **Cash through to digital** – positive growth in eMoneyproposition, with net revenue increased by 4.4% to £7.1m and strong growth in neobank cash deposits to over £720m



Love2shop

- **Love2shop** – strong performance with net revenue increased by 3.5% to £53.5 million and billings increased by 5.0% to £385.8 million
- **Love2shop Business** – positive performance, with billings increased by 4.9% at £182m, driven by strong growth and retention in core client accounts and a focus on high-margin Love2shop proprietary products
- **In-store** – strong growth in billings via partnership with InComm Payments to £13.5m with expanded distribution and product innovation. Love2shop physical gift cards are now on sale in over 8,000 locations and first to market delivered in the year with the launch of a digital Mastercard in-store
- **Prepayment** – Park Christmas Savings delivered a solid performance for the 2025 season with billings at £164.4 million. Good progress delivered in year on enhancing our offer, including multiple campaigns and actions to strengthen our Agent proposition
- **E-commerce** – migration completed to new e-commerce platform, phasing out highstreetvouchers.com and harmonising Love2shop brand leading to the benefits of a single brand domain, increased brand presence and greater consumer awareness in both B2B and B2C channels
- **New redemption partners** – new partners onboarded in the year, including Moonpig, Body Shop and Moss

PayPoint Group at a glance

PayPoint Group is a leading UK listed technology, payments and services business, operating critical national infrastructure that supports millions of consumer and business transactions every day. Organised around four scaled business units, the Group delivers community services, digital payments, rewards, gifting and merchant payment solutions that make millions of people's lives a little easier.

Our purpose

Why we exist

We deliver innovative technology, payments and services that make millions of people's lives a little easier every day

Our values

How we bring our vision to life



Ambitious



Results focused



Accountable



Collaborative



Can do



Good colleague

Our vision

What we aim to achieve



First-time delivery of outstanding technology, payments and services to our customers.



Creating a dynamic place to work for our people.



Delivering positive outcomes for all our stakeholders.

ESG

Creating long-term value for all our stakeholders

We are committed to delivering sustainable, essential services that have a positive impact on our customers, UK communities and the world we live in.

[Read more on page 28](#)

Our business units

Following our reorganisation, PayPoint now operates through four clearly defined business units, each with dedicated leadership, operating models and growth priorities.

Network Services

Delivering essential community services through a fully integrated retailer network of over 30,000 convenience stores including banking services for consumers and SMEs, parcel services, government services and bill payments alongside digital and consumer engagement solutions.

What we do

- Banking services (Consumer & SME)
- Parcels
- Government services & bill payments
- Digital and engagement platform

Who we work with



[Read more on page 12](#)

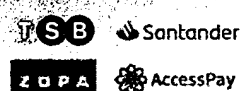
Digital Payments & Open Banking

A high-growth, technology led platform combining digital payments, Open Banking and real time data services, enabling secure payment, funds disbursement and data sharing solutions for organisations across housing, government, utilities and financial services.

What we do

- Multichannel payments (A2A, Cards, Direct Debit, Cash)
- Funds disbursement (FPS, Direct Credit, Cash)
- Corporate Confirmation of Payee
- Open Banking Infrastructure
- Data Sharing Ecosystems

Who we work with



[Read more on page 14](#)

Love2shop

The UK's leading rewards, gifting and prepaid savings platform, providing employee reward and recognition, customer engagement, consumer gifting and savings solutions through both digital and physical channels.

What we do

- Love2shop Business – rewards and engagement
- Prepaid savings – Christmas and other events
- In-store gift card distribution
- Gift card platforms and e-code distribution

Who we work with



[Read more on page 16](#)

Merchant Services

Delivering merchant payment solutions, terminal rentals and business finance to thousands of businesses across the UK, with a strategic focus on supporting sustainable, profitable growth for SMBs and mid-market merchants.

What we do

- Point of Sale and online card acquiring
- Terminal rentals
- Business Finance via YouLend

Who we work with



[Read more on page 18](#)

PayPoint Group in numbers

PayPoint sites

30,872

Collect+ sites

14,076

Parcel transactions

135.4m

Neobank cash deposit processed value

£720m

Retailer partner and SMB locations

65,488

PayPoint Trustpilot score

4.6/5

PayPoint Group in action

Making people's lives a little easier with our technology, services and products



Business Finance

Over £33m of funding provided to SMB merchants via our partnership with YouLend in FY26

[Merchant Services page 18](#)



Consumer Gifting In-Store

Love2shop physical gift cards are now sold in over 8,000 locations across major retailers in the UK

[Love2shop page 16](#)



Parcel Services

8,500 sites live with Royal Mail services, enabling consumers to collect, send and return parcels, as well as buy postage in store

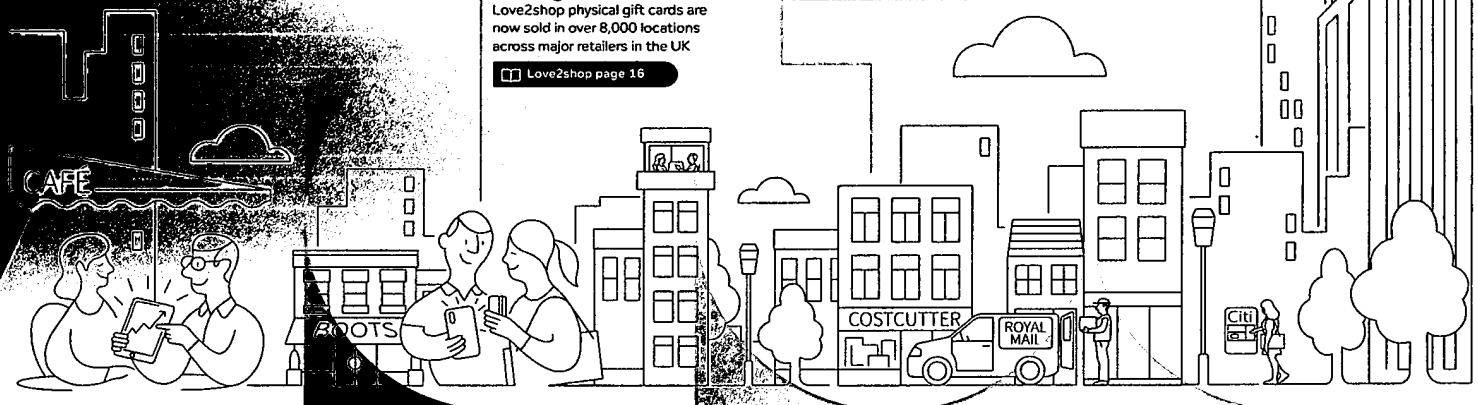
[Network Services page 12](#)



Corporate Rewards and Recognition

Love2shop serves thousands of corporates with employee reward and recognition programmes

[Love2shop page 16](#)



 Network Services
  Digital Payments and Open Banking
  Love2shop
  Merchant Services



Open Banking Infrastructure

We provide a secure, resilient SaaS data-sharing platform for national operators, regulated firms and corporates

 Digital Payments & Open Banking page 14



Local Banking

Convenient consumer cash deposits for major High St Banks in over 30,000 PayPoint locations

 Network Services page 13



Confirmation of Payee (CoP)

We enable CoP services for major organisations like AccessPay, Gousto and DWP

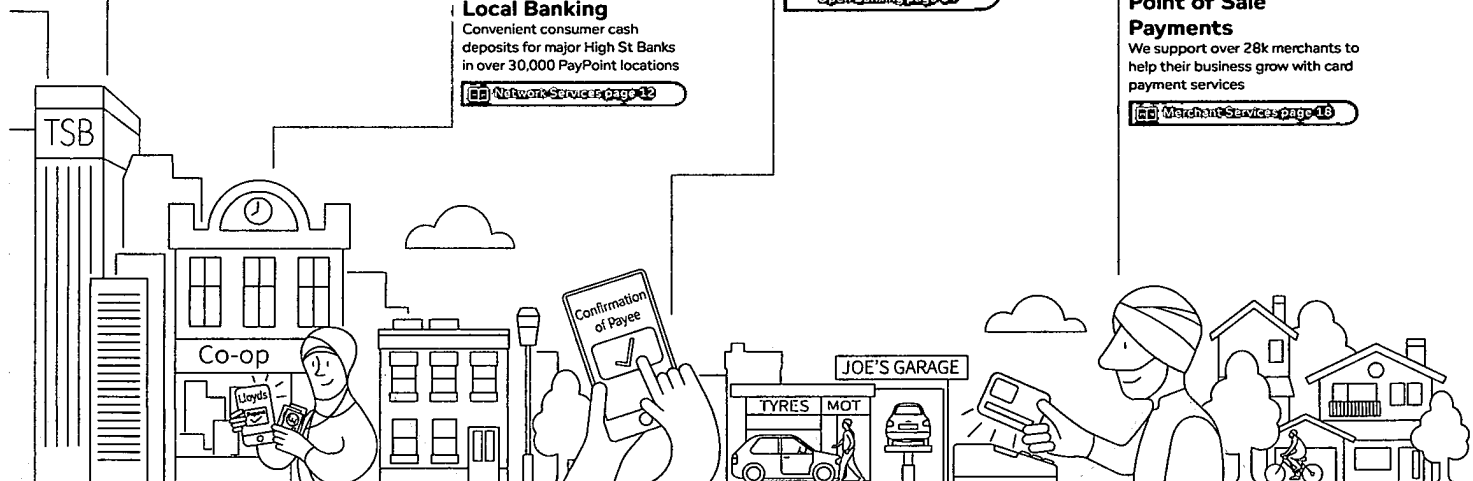
 Digital Payments & Open Banking page 14



Point of Sale Payments

We support over 28k merchants to help their business grow with card payment services

 Merchant Services page 15



Chief Executive's review

Delivering growth and strong shareholder returns

Record profits delivered and strong progress on delivery of key growth projects.



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We are reporting a year of record profits and shareholder returns delivered against the background of a generally weak economy, low consumer confidence and some specific business headwinds faced through the course of the year."

Nick Wiles
Chief Executive

These results have been achieved through a combination of a resilient performance from the underlying business, encouraging new business growth in a number of key areas, including Open Banking and digital payments, FMCG, business lending, key wins in the housing association sector, and strong progress in the delivery of our three growth projects: the launch of PayPoint BankLocal, our strategic partnership with Royal Mail and the acceleration of our Love2shop partnership with InComm Payments.

The business has continued to operate with strong operational, cost and capital allocation discipline, resulting in robust control of costs throughout the business and a total return of over £90 million to shareholders from a combination of share buybacks, ordinary and special dividends.

Strong progress on key growth projects

Over the year, the Group has delivered the successful launch of multiple projects that enhance our consumer proposition in several areas of our business, establish important partnerships and strengthen the long-term prospects of the business. Each of these projects has required detailed planning and collaboration with our partners and a business wide effort to deliver.

1.

Launch of PayPoint BankLocal with the Lloyds Banking Group



On 26 August 2025, we launched our BankLocal service enabling consumer cash deposits via app for customers of Lloyds, Halifax and Bank of Scotland across our extensive network of over 30,000 locations. This successful launch was supported by a business-wide effort to prepare and train our retailer partners to deliver this vital new service, with over 240,000 direct communications delivered, over 4,000 store visits completed and a Trustpilot score of 4.9/5 achieved from retailer feedback. The service has been adopted rapidly by customers, with over £47 million of deposits processed since launch, with the weekly cash deposit run rate growing to c.£3 million by the end of FY26. Further proactive consumer marketing activity is now underway by our partner banks to drive greater awareness of the service.

On 30 September 2025, we enhanced this service further with over 3,000 sites launched for consumer cash deposits via card, particularly targeted at customers who are not digitally enabled. With over 40% of transactions taking place before 9am and after 5pm, and c.25% of transactions happening at weekends, this service has reinforced the vital role that our leading retail network plays in providing a vast range of essential services at the heart of communities across the UK, for everything from banking, utility, parcel, cash and government services.

In April 2026, Nationwide went live for the BankLocal service, enabling cash deposits via card at over 3,000 sites. Plans are underway to enable more High St banks for the service over the course of the next 6 months, with an expansion of card deposit sites to 10,000 locations planned during FY27 and an SME deposit solution also in development for launch in FY28.

2.

Launch of Royal Mail Shop and strategic investment in Collect+ by Royal Mail



As announced on 30 September 2025, International Distribution Services (IDS), owner of Royal Mail, completed a strategic investment in Collect+ to take a 49% ownership share, with an investment of £43.9 million, valuing the Collect+ business at £90 million.

The Collect+ business has seen strong growth over the past 5 years as we have established it as the leading open Out of Home (OOH) store network in the UK. Currently, Collect+ has a network of over 14,000 OOH locations in the UK, of which c. 8,500 offer Royal Mail collect, send and return parcel services today. As part of this partnership, these sites have now been upgraded with Royal Mail Shop branding and over 3,000 have the ability to deliver Royal Mail over the counter services, enabling customers to buy postage in store. Over the next 12 months the intention is to expand the rollout of Royal Mail over the counter services through the network, including the launch of self-service kiosks.

Establishing this partnership is important to the next stage of growth for Collect+ and its positioning as the leading OOH store network in the UK. As an open network, Collect+ will continue to work closely with the carrier partners with whom it has well-established relationships to support the increasing consumer adoption of OOH services across the UK and to invest in the technology and training required to deliver an outstanding consumer experience.

3.

Love2shop partnership with InComm Payments

LOVE2SHOP

A key focus for Love2shop has been the expansion of in-store distribution of Love2shop physical gift cards across the UK, through the PayPoint network and our partnership with InComm Payments establishing a strong new sales channel into major grocers and High St brands. The partnership has delivered a strong year on year performance, with sales of Love2shop physical gift card billings growing by 313%. We have also delivered further progress developing our retailer channels for Love2shop gift cards, which has included an expansion to The Range ahead of the key peak trading period. New Love2shop gift cards are also now being rolled out to further PayPoint retailer network locations, leveraging the strength of the Love2shop brand and reinforcing our expanded multichannel strategy for Love2shop gift card sales across digital and physical channels

This channel was further enhanced in early 2026 with the launch of the Love2shop digital Mastercard, a market first enabling spend in store via digital wallet and online.

Chief Executive's review continued

Review by Division

Shopping Division



Net revenue
£66.3m
+1.7%
 (FY25: £65.2m)

In Retail Services, it has been an intensive period where we have focused our efforts on supporting our retailer partners to deliver more revenue from PayPoint services and a business-wide effort to deliver the major launches of PayPoint BankLocal and Royal Mail Shops in the first half.

Our new Store Growth Specialist team, launched at the beginning of the financial year, had a positive impact with retailers, driven by targeted data and support. The learnings from the success of this team have been directly factored into our 'growing retailer value' strategy focused on increasing revenue per store, improving compliance, widening product penetration and strengthening retailer capability, supported by increasingly sophisticated data analytics.

Key focus areas in the year have been merchandising new Love2shop physical gift card units in over 2,000 sites ahead of the key peak trading period and completing an extensive training and merchandising programme for our BankLocal and Royal Mail Shop rollouts. Over 4,000 site visits were completed in total, with positive retailer partner feedback and successful launches delivered for both services. In our FMCG consumer engagement proposition, PayPoint Engage, 40 campaigns have been delivered for major consumer brands, leveraging our PayPoint One platform, advertising screens and voucher capability, with over 1.1 million vouchers issued and over £80k paid out to retailers through our Retailer Rewards

programme. In ATMs, against the background of continued declining market volumes, we are making progress in optimising the performance of the ATM estate through better operational management and a greater focus on fewer, higher quality sites, with support from our NoteMachine partnership. In addition, we have now enabled Visa, Mastercard and International Card acceptance for rollout in FY27 as an important addition to our ATM capabilities.

In Cards, there was an increasing recognition through the year of the need to refocus strategy and resources, and to move the business away from the onboarding of low value merchants to a focus on revenue rather than absolute merchant estate growth. This will deliver a better performance from the retention of the existing merchant estate, growing higher value merchants, and developing a strong mid-market proposition with a dedicated team and leveraging our USP of broader payment capabilities. Throughout the year, we have made significant enhancements to our merchant proposition, including an updated terminal application enabling split bill and digital receipt functionality and real-time transaction data and Tap to Pay now live in our merchant mobile app. In October 2025, we launched our new e-comm product, in partnership with Global Payments, including Pay By Link functionality in the app and integration with major shopping carts. In Merchant Rentals, the leading provider of flexible financing and rental options for payment terminals, we are targeting further growth driven by major partnerships with FreedomPay and Lloyds Bank. In particular, the new agreement with FreedomPay, signed in December 2025, underscores Merchant Rentals' commitment to supporting introducers and their clients with innovative financing solutions. The partnership is already yielding early positive results, delivering an additional 1,000 live terminals. This relationship represents significant growth for Merchant Rentals and reinforces its position as a trusted provider of flexible payment technology solutions. In Business Finance, delivered in partnership with YouLend, we continue to deliver strong results with over £33 million in funding provided to

businesses over the past year and strong growth demonstrated across the PayPoint and HandePay estates. Plans are well underway to continue this momentum and grow further in FY27.

E-commerce Division



Net revenue
£15.6m
-4.9%
 (FY25: £16.4m)

In E-commerce, Collect+ parcel transactions grew by 1.5% to 135.4 million (FY25: 133.4 million), with continued strong momentum from Royal Mail balanced by the impact of the InPost/Yodel commercial reset early in the year.

Overall, the second half of the year has proved to be a consolidation period for the business, following the commercial reset of our relationship with InPost/Yodel and the ramp up of volumes with Royal Mail. Collect+ today is well-established as the leading Out of Home (OOH) store network in the UK and, as an open network, we will continue to work closely with our carrier partners to support the increasing consumer adoption of OOH services across the UK and identify new opportunities for growth in the business.

As announced on 30 September 2025, Royal Mail has taken a strategic investment in Collect+. Over 8,500 sites offer Royal Mail collect, send and return parcel services today. As part of this partnership, these sites have now been upgraded with Royal Mail Shop branding and over 3,000 have the ability to deliver Royal Mail over the counter services, enabling customers to buy postage in store. Plans are underway to pilot Royal Mail self-serve kiosks in selected locations in H1. This partnership is important to the next stage of growth for Collect+ and its

positioning as the leading OOH store network in the UK, again enhancing our retailer and consumer propositions delivering vital services at the heart of communities across the UK.

In H1 FY26, we also signed a new 3-year agreement with InPost/Yodel, resetting our commercial relationship with c. 4,000 sites live for Pick Up Drop Off (PUDO) services. With Amazon, an expansion of the store network is underway, growing from 7,000 to 9,000 locations to enable increased volumes and consumer OOH demand. We also continue to engage with our wider carrier partner portfolio, focusing on volume growth and driving further consumer adoption of OOH.

Payments and Banking Division



Net revenue
£55.4m
+1.8%
 (FY25: £54.4m)

In Payments & Banking, our integrated digital payments platform, MultiPay, continues to establish itself as a comprehensive payment solution for clients across card processing, Open Banking, direct debit and cash, with net revenue growth of 17.9% year on year.

We have now established a strong market position in the Housing sector, securing further wins in the year with Peabody and Flagship Housing and Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing. There has been a strong focus in the year on increasing opportunities to cross-sell payments services within our existing client base, leveraging our wider multichannel payments platform and Open Banking capabilities. Our Open Banking solutions are unlocking further pipeline opportunities, supporting major clients with cheque replacement solutions via our PayPoint OpenPay service.

In Open Banking, we have made further progress in executing our strategy and leveraging our extensive capabilities. In PayPoint, we are focused on winning business with both new and existing clients delivering Open Banking services and payments channels, all enabled by obconnect and Aperia, with 26 new client services live in the year, including the Department for Work and Pensions, AccessPay, Gousto and the Insolvency Service for Confirmation of Payee. A recently announced partnership with Raidiam and the Retail Energy Code Company (RECCo) will see the business providing a consent framework for the UK energy industry to securely share smart meter data controlled by the consent of end-customers. In addition, as a founding member of the UK Payments Initiative, PayPoint is closely involved in the rollout of account-to-account (A2A) payments in the UK, including exploring how these services can be made available in-store to support inclusive access for all customers.

The obconnect business delivered an improved performance in H2 FY26 vs. the first half of the year, contributing £4.4 million net revenue for the year. The business successfully launched Verification of Payee (VoP) in France, Germany, Belgium, Spain, and Ireland with international bank SMBC and global payments companies PaySafe and PagoNXT – part of Grupo Santander and delivered new wins to provide ASPSP services for both the UK and EU (Berlin Group) for SMBC. We have also developed a new Corporate API proposition based on our experience of operating trust frameworks. This service is expected to be useful to any organisation needing to manage secure connectivity to a large number of 3rd parties and is currently being implemented for SMBC. In addition, the business won an Open Banking payments contract with TSB to enable customers to pay off credit card balances, and in New Zealand, we have supported Get Verified with the launch of a portal and API to allow fintechs to perform Confirmation of Payee requests, as well as continuing to onboard new banks as participants to the New Zealand scheme. The Group has also completed the buyout of the obconnect founders, with the business becoming a wholly owned subsidiary of PayPoint.

In our cash through to digital category, we rolled out new display units to a further 2,000 sites ahead of the key peak trading period, combining our leading portfolio of consumer brands, including Amazon, Netflix, Deliveroo and Uber, with physical Love2shop gift cards in store. We intend to expand further the number of stores offering Love2shop physical gift cards and our digital Pin on Receipt brands over the course of FY27, as well as working with our partners to drive further consumer awareness of our digital voucher range across the network. Plans are underway in the current year to further increase retailer adoption and consumer awareness of these services to capture the significant opportunity in this area. In addition, our existing neobank cash deposit service processed over £720 million of deposits in the year, complementing our new PayPoint BankLocal service for High St banks.

In Cash, legacy energy bill payments net revenue decreased by 12.0% for the year consistent with our expectations. Over the year, the energy price cap, updated by Ofgem on a quarterly basis, was set for pre-pay customers at £1,803 for April to June 2025, £1,672 for July to September 2025, £1,707 for October to December 2025, and £1,711 for January to March 2026.

Love2shop Division



Net revenue
£53.5m
+3.5%
(FY25: £51.7m)

Love2shop has delivered a positive performance in FY26, with a strong focus on growing billings, expanding distribution channels and optimising profitability with a focus on high-margin Love2shop proprietary products.

As highlighted in H1 FY26, the strong performance in the second half of the year has reflected the anticipated benefit of the timing of revenue recognition. This is expected to normalise in FY27 with a more balanced contribution between the two halves.

We have delivered a continued strong performance in the expansion of our physical gift card distribution channels, with growth in billings to £13.5 million (FY25: £3.8 million). Our partnership with Incomm Payments continues to deliver strong growth with expanded distribution and product innovation. New Love2shop gift cards are also now being rolled out to further PayPoint retailer network locations, leveraging the strength of the Love2shop brand and reinforcing our expanded multichannel strategy for Love2shop gift card sales across digital and physical channels. Love2shop physical gift cards are now sold in over 8,000 locations and a first to market was delivered in the year with the launch of a digital Mastercard in-store. Plans are already underway to increase our High St footprint, to support in-year and seasonal promotions, along with further rollout of Love2shop gift cards to PayPoint retailer network locations. In Love2shop Business, we delivered a positive performance with billings increased by 4.9% at £182.0 million (FY25: £173.5 million), driven by strong growth and retention in core client accounts and a focus on high-margin Love2shop proprietary products. We are also leveraging AI across the business to better drive and target marketing engagement and new campaigns, with positive early results contributing to new business pipelines.

In Prepayments, Park Christmas Savings delivered a solid performance for the 2025 season with billings at £164.4 million (FY25: £163.0 million). Good progress was delivered in year on enhancing our offer, including multiple campaigns and actions to strengthen our Agent proposition, the launch of Agent Perks and a new Agent App with over 17,000 downloads, improved average order value for returning direct savers, and a more premium fulfilment experience and packaging for customers receiving orders. The platform has now been established to support proposition expansion into new savings occasions, launching in H1 FY27.

In our E-commerce business, the migration was completed to a new e-commerce platform, phasing out highstreetvouchers.com and harmonising the Love2shop brand leading to the benefits of a single brand domain, increased brand presence and greater consumer awareness in both B2B and B2C channels.

In gift card platforms, we have signed a new agreement with Vanquis Bank to provide an eGift card mall which can be exclusively accessed through their new app supporting their customer loyalty and acquisition strategy.



Business reorganisation

As announced on 30 March 2026, the Board has taken the decision to establish a strengthened foundation to our next stage of growth through simplifying the business into four business units: **Network Services, Digital Payments and Open Banking, Love2shop and Merchant Services**. The internal organisational steps to enable these changes are already well underway and will result in a number of these businesses operating in a fundamentally different way, enabling greater performance ownership, a better harnessing of the Group's collective capabilities, strengthened execution and the unlocking of cost savings to support reallocation of investment into key growth areas. Together, these actions will enable a more accountable operating culture with a greater focus on maximising the growth opportunities in the business.

The reorganisation establishes the platform to deliver 5-8% net revenue growth per annum and the foundation for continued strong shareholder returns:

Chief Executive's review continued

Network Services

Delivering a comprehensive

community services proposition through a fully integrated retailer network.

Network Services will move to a unified operating model organised across four regions, enabling better support to our UK wide network of over 30,000 convenience stores, and underpinning a 'growing retailer value' strategy focused on increasing revenue per store, improving compliance, widening product penetration and strengthening retailer capability, supported by increasingly sophisticated data analytics.

Having established the highest quality and most comprehensive network in the UK, our future strategy will be to drive network performance through better store compliance and service delivery, driving higher consumer footfall and adoption of the full range of PayPoint services across our retailer estate. This will reduce the emphasis on estate growth and place a greater focus on network performance and services adoption. The key services for this business unit are banking services (consumer and SME), parcels, government services and bill payments, and our digital & engagement platform (FMCG and digital vouchers).

The business will be organised into Field Services and a Retail Service Hub, operating in a truly integrated structure across four geographical regions. This will deliver clearer ownership, improved coordination between field and hub, and a more efficient operating model.





The key priorities for FY27 are:

1.

Launch new 'growing retailer value' strategy and operating model

Deliver successful launch of unified operating model organised across four regions, enabling better support to our UK wide network of over 30,000 convenience stores. Focus on increasing revenue per store, improving compliance, widening product penetration and strengthening retailer capability, supported by increasingly sophisticated data analytics.

2.

Drive growth and expansion of PayPoint BankLocal and Parcels

Build on growth delivered in FY26 for PayPoint BankLocal, with over £47 million of deposits processed since launch, enabling more High St banks for the service over the course of the next 6 months, with an expansion of card deposit sites to 10,000 locations planned during FY27 and an SME deposit solution also in development for launch in FY28. In Parcels, continue to build on strong momentum established with Royal Mail, maximise our opportunities with each of our carrier partners, and develop new relationships with a focus on volume growth and driving further consumer adoption of OOH.

3.

Grow digital and engagement category

Drive adoption and grow net revenue in digital vouchers, leveraging our leading portfolio of consumer brands, including Amazon, Netflix, Deliveroo and Uber, combined with physical Love2shop gift cards in store. Deliver new business wins and expansion of our FMCG brand campaign solutions, leveraging our in-store technology platform, advertising screens and vouchering capability.



Launch of unified operating model organised across four regions, enabling better support to our UK wide network of over 30,000 convenience stores.

Chief Executive's review continued

Digital Payments and Open Banking

A technology platform

combining digital payments, Open Banking and real-time credit scoring delivering high rates of revenue growth.



In bringing together our digital payments, Open Banking and real-time credit bureau capabilities under a single management and operating structure, we will bring the necessary focus to accelerate new business growth, maximise the value of this unique technology platform and support closer integration across the Group.

The Digital Payments and Open Banking business is a technology-led suite of complementary services consisting of:

- **Digital payments platform** – enabling secure payment and funds disbursement journeys for major organisations across housing, government, utilities and financial services with multiple payment methods (Open Banking, cards, direct debit and cash) and with multiple channels (web, app, voice, messaging and embedded/API).
- **SaaS data-sharing platform** – providing a secure and resilient network for national operators, regulated firms and corporates for Open Banking, Confirmation of Payee and other open data sharing initiatives. This technology powers GetVerified's CoP ecosystem in New Zealand and has enabled over 50 organisations to participate in Open Banking, CoP and VoP in the UK, Europe and New Zealand.
- **Real-time credit reference and transaction analytics** – powered by Open Banking and AI, to deliver instant high-quality credit, lending and vulnerability assessments for regulated firms.

This unified business structure will better enable the future development of these products and an acceleration of new business growth through cross-selling into the existing PayPoint client base, leveraging frameworks such as the Crown Commercial Service and both scaling and integrating eConnect into the PayPoint business while retaining and deepening relationships with our extensive payment services client portfolio.



The key priorities for FY27 are:

1.

Deliver further product innovation and new business wins in obconnect

Focus on growing our ASPSP business, targeting organisations who have not joined, but would now benefit, such as building societies, as well as existing ASPSPs who are experiencing challenges with existing solutions. Develop A2A payments offering and expanding jurisdictions wishing to replicate success in New Zealand with Get Verified. Continue to win CoP and VoP business as these markets mature and participants look to the market for more cost-effective and reliable software.

2.

Accelerate new business growth and upsell opportunities to existing clients in PayPoint

Build on positive momentum in Housing and Open Banking, packaging obconnect's services with other relevant PayPoint payment capabilities to create richer solutions for key markets. Leverage our wider digital payments and Open Banking capabilities to drive further sales growth within PayPoint's extensive existing client base, building on wins delivered over the past 12 months.

3.

Develop key technology partnerships and collaborations

Focus on developing key technology partnerships and collaborations to selectively distribute our payments, Open Banking and transaction analytics capabilities through partners in new market sectors, including our recent partnership with Raidiam and the Retail Energy Code Company (RECCo) to provide a consent framework for the UK energy industry to securely share smart meter data controlled by the consent of end-customers.



This unified business structure will better enable the future development of these products and an acceleration of new business growth.

Chief Executive's review continued

Love2shop

Growing
both new and repeat business
and improving customer
retention across core business
and consumer customers.



In Love2shop, our focus remains on upgrading and enhancing our technology platform and product capabilities, broadening our distribution channels and maximising the lifetime value of billings in each channel. In growing the topline billings across each distribution channel, the focus is increasingly on the necessary commercial and financial disciplines to ensure the product mix as a whole is proactively managed to maximise billings, revenue and margin. Applying these disciplines is essential to delivering sustained growth in product lifetime value and quality of earnings. There will be a continued focus on new business growth and leveraging AI to improve marketing insight, strengthening our go-to-market strategy in Love2shop Business, along with the expansion of our prepaid savings proposition. There also remain significant opportunities to integrate Love2shop more efficiently across the wider PayPoint Group and client base.

Love2shop is now the UK-leading rewards, engagement and prepaid savings platform, serving corporates, public sector organisations and consumers with the widest range of multi-retailer gift cards and vouchers in both digital and physical formats. Its services support employee reward and recognition, customer acquisition and government support programs, as well as direct-to-consumer gifting and savings solutions. Love2shop offers consumers and corporates the widest choice of both digital and physical gift card products and the largest range of redemption partners.



The key priorities for FY27 are:

1.

Grow new and repeat business

Focus on increasing new, repeat, and sustainable business by improving customer retention across core business and consumer customers. Prioritise quality of revenue over volume growth, and maximise the capability of a developing and enhanced digital marketing ecosystem.

2.

Maximise the new Love2shop digital platform

Build on a single Love2shop brand and website to improve customer experience and journeys, while delivering improved marketing and conversion metrics. The launch of our new digital unified front-end in April 2026, alongside our earlier release of an Apple/Google wallet-enabled digital gift card, has materially elevated the digital footprint of the business, delivering the benefits of a single brand domain, increased brand presence and greater consumer awareness in both B2B and B2C channels.

3.

Grow physical distribution on the high street

Make it easier for customers to buy across both digital and in-store channels. Love2shop is now available in over 8,000 stores across major retail brands and the PayPoint network, significantly increasing Love2shop's physical reach. Together with our digital platform enhancement, this demonstrates how Love2shop has successfully evolved into a more integrated, multi-channel gift card business.



In Love2shop, our focus remains on upgrading and enhancing our technology platform and product capabilities, broadening our distribution channels and maximising the lifetime value of billings in each channel.

Chief Executive's review continued

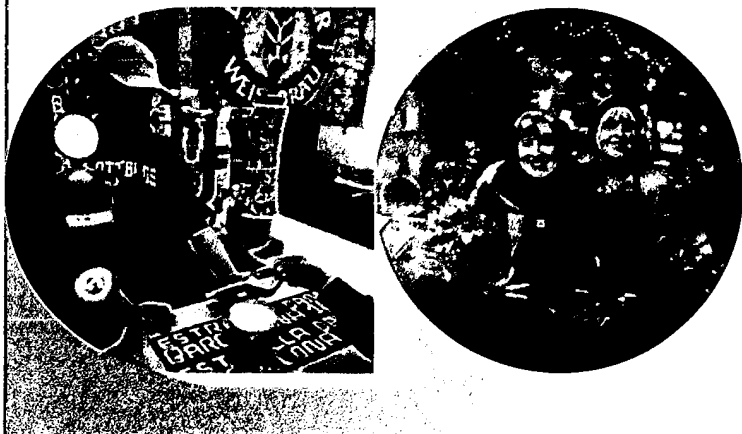
Merchant Services

Managing for value in SMB and refocus

on midmarket growth in the card acquiring business, combined with partnership growth strategy in Merchant Rentals and Business Finance.

The reset of our strategy in Merchant Services reflects the need to adapt and respond to the changes in a highly competitive card processing market, with a focus on net revenue, improved profitability and a merchant estate managed for value rather than a focus on estate growth. We will also refocus our future sales resource at growing in the mid-market segment where we believe our product and broader range of payment capabilities better positions the business for longer term profitable growth. These changes will complement the growth opportunities in both Merchant Rentals and our Business Finance activities.

In the merchant card acquiring business, we have a strong merchant network, supporting around 10,000 retailers within the PayPoint network and a further 20,000 through HandePay. A fundamental action in the business reset will be to make the investment required to deliver better merchant support and significantly improve merchant retention. Plans are already underway to bring retention and estate management activities for the entire estate into a single management structure. This will enable further leverage and utilisation of our data analytics capability to better anticipate merchant behaviours and support retention conversations.



In addition, we are planning a significant shift in our merchant acquiring new business go-to-market strategy. In the PayPoint estate, we will continue to target growth, with greater emphasis on supporting the onboarding and in life management of the network, to ensure new PayPoint merchants become high transacting and profitable additions to the estate. In HandePay, we will refocus our future sales resource at growing in the higher value segment where we believe our product and broader range of payment capabilities better positions the business for longer term profitable growth.

In Merchant Rentals, we are targeting further growth driven by major partnerships with FreedomPay and Lloyds Bank. In particular, the new agreement with FreedomPay, signed in December 2025, is already yielding early positive results delivering an additional 1,000 live terminals. This relationship represents significant growth for Merchant Rentals and reinforces its position as a trusted provider of flexible payment technology solutions. In Business Finance, delivered in partnership with YouLend, we continue to deliver strong results with over £33 million in funding provided to businesses over the past year and strong growth demonstrated across the PayPoint and HandePay estates. Plans are well underway to continue this momentum and grow further in FY27.



The key priorities for FY27 are:

1.

Launch new go-to-market strategy

Reset of strategy to focus on growing in the mid-market segment, delivering improved net revenue and profitability with a merchant estate managed for value rather than a focus on estate growth. Deliver better merchant support and merchant retention, leveraging enhanced data analytics capabilities.

2.

Build on positive momentum in Merchant Rentals

Deliver growth through major partnerships with FreedomPay and Lloyds Bank, growing number of live terminals and reinforcing position as leading provider of flexible financing and rental options for payment terminals.

3.

Grow Business Finance revenue

Drive continued momentum in Business Finance, delivered in partnership with YouLend, growing funding value to merchants and net revenue.



The reset of our strategy in Merchant Services reflects the need to adapt and respond to the changes in a highly competitive card processing market, with a focus on net revenue, improved profitability and a merchant estate managed for value rather than a focus on estate growth.

Chief Executive's review continued

Update on claims against PayPoint

On 7 May 2026, the Competition Appeal Tribunal ('CAT') handed down its judgment concerning the claim brought by Global-365 plc and Global Prepaid Solutions Limited ('G365') against PayPoint Plc and a number of its subsidiary companies, PayPoint Collections Limited, PayPoint Network Limited and PayPoint Retail Solutions Limited ('PayPoint').

The CAT found PayPoint liable for an historical infringement of competition law, which ceased in 2018, concerning certain contracts under which it provided energy OTC prepayment services and awarded damages of £169,334 plus interest to G365 in respect of its "loss of a chance" to win contracts with a limited number of small energy suppliers.

Importantly, the CAT's findings confirm that PayPoint's past contracts with energy suppliers were not a significant factor in G365's lack of success.

PayPoint remains committed to ensuring its commercial practices meet all regulatory requirements.

Outlook and Dividend

In FY27 is a year of evolution for the business with the reorganisation now underway driving significant change throughout the Group and strengthening the platform required to deliver a net revenue target growth rate of 5-8% per annum.

Our priorities in the first quarter have been to: implement the announced organisational changes; ensure minimal disruption to the trading momentum in the business; and establish a strong foundation to trading early in the year. Early indications are that we have had a positive start to the year with resilient underlying trading and some encouraging new business wins.

In terms of profit balance for the current year, we expect a greater weighting towards the second half, reflecting both an accelerating contribution from new business and the positive impact of several of our seasonal businesses.

Overall, The Board remains confident in delivering further progress, exceeding the underlying profits achieved in FY26 and achieving results in line with market expectations.

Nick Wiles

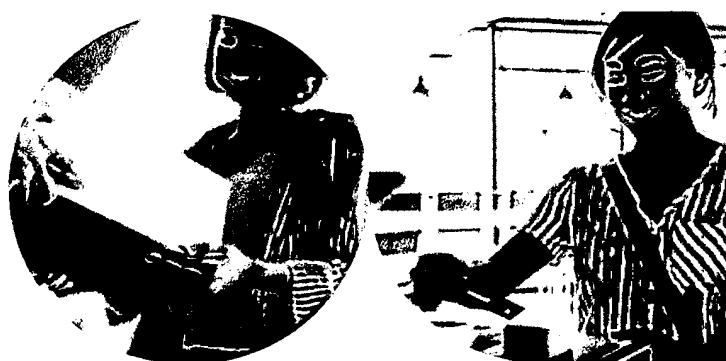
Chief Executive
10 June 2026

Nick Wiles





The business reorganisation will drive significant change in the Group during FY27 and strengthens the platform to deliver a net revenue target growth rate of 5-8% per annum.



Our investment case

Strengthened platform targeting 5-8% net revenue growth pa

1.

Simplified, focused Group positioned for sustainable growth

The reorganisation into four scaled business units strengthens accountability, execution and capital allocation, creating a clearer operating model and a stronger platform to pursue higher return growth opportunities

2.

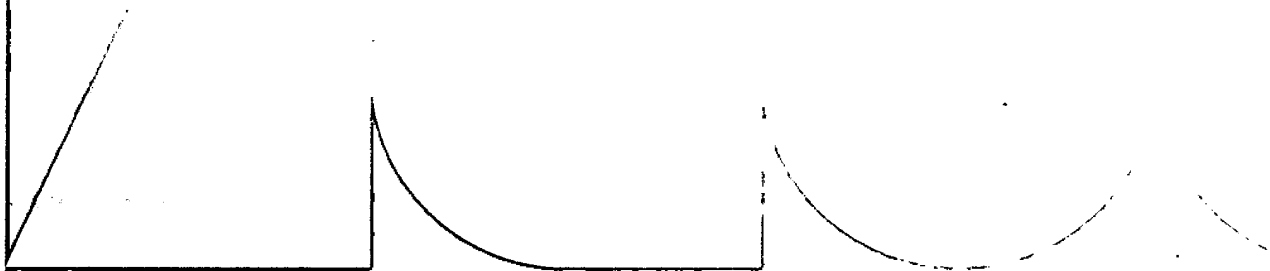
Resilient, cash generative business supporting strong shareholder returns

Strong underlying cash flows from a diversified earnings base underpin consistent dividends and share buybacks, with disciplined capital allocation delivering meaningful returns to shareholders

3.

Multiple growth drivers complemented by a unique UK network advantage

Growth opportunities across four business units are supported by an unrivalled UK convenience network and deep, trusted relationships with retailers, SMBs, banks and corporates



Market overview

Key market insights

Key market insights across our four business units.

Network Services

- The UK convenience sector generated over £48.8 billion in sales over the last year, and is forecast to grow to over £53.7 billion by 2028. There are 50,486 convenience stores in the UK, an increase year on year of 99 stores¹.
- Latest available data from Ofcom showed total UK parcel volumes increased by 7.1% in 2024-25² to 4.2bn.
- According to the ONS, internet sales as a percentage of total retail sales grew year on year in 2025 to 27.5%, up from 27.2% in 2024.

Total UK convenience stores

50,486

Digital Payments & Open Banking

- Open Banking payments in the UK grew 57% year on year to 351m payments in 2025⁴, with over 16 million active users.
- According to the UK Finance Payments Market Summary 2025⁵, there were 4.9 billion payments made by Direct Debit, with an overall value of £1.486 million.
- By 2034, total payment volumes in the UK are forecast to grow to 54.8bn, up from 48.8bn in 2024.

UK Open Banking payments

351m

Love2shop

- Over £5.12bn⁶ worth of gift cards were sold in the UK in 2025, with 52% for B2B and 40% for B2C.
- Sales of digital gift cards grew by 26%, with multi-redemption gift cards up 45% year on year.
- Channel growth through gift card malls in stores continued to build considerably, reporting a 47% increase year on year.

Total UK Gift Card sales

£5.12bn

Merchant Services

- According to the UK Finance Payments Market Summary 2025⁵, 64% of all payments in the UK were made using cards. This represented 31.1 billion payments in total.
- The number of contactless payments made in the UK increased to 18.9 billion payments, representing 34% of all card payments.
- By 2034, card payments are forecast to be 67% of total payments in the UK.

Total UK Card payments

31.1bn

1 ACS Local Shop Report 2025.

2 Ofcom Post Monitoring Report 2024-25.

3 <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>.

4 <https://www.openbanking.org.uk>.

5 UK Finance - UK Payments Market Summary 2025.

6 KPMG GCVA Market Reports - H1 and H2 2025.

Our business model

How we deliver innovative technology, payments and services

Our purpose is to deliver innovative technology, payments and services that make millions of people's lives a little easier every day.

How we create value

Our four business divisions driving growth in the UK.

Network Services

Delivering vital community services for millions of consumers

We deliver essential community services through our leading network of over 80,000 convenience stores, helping consumers deposit cash into their bank account, pick up and send parcels, pay bills and access a wide portfolio of digital brands.

[Read more on page 12](#)

Digital Payments & Open Banking

Enabling digital payments innovation for major organisations

We deliver a technology platform combining digital payments, Open Banking and real-time credit scoring, enabling major service organisations across a diverse range of sectors to give their customers payment choice.

[Read more on page 14](#)

Love2shop

Providing gifting and rewards for the moments that matter

We provide gifting, employee engagement, consumer incentive and prepaid savings solutions to thousands of consumers and businesses.

[Read more on page 16](#)

Merchant Services

Delivering payment solutions for SMBs across the UK

We provide Point of Sale and online merchant payment solutions, terminal rentals and business finance that support UK businesses to grow.

[Read more on page 18](#)



What makes our model work

Unparalleled network of retailer partners and SMBs

- PayPoint operates an unrivalled nationwide network of over 30,000 convenience stores and supports more than 65,000 retailer partner and SME locations across multiple sectors, including food services, convenience retail, garages and hospitality.
- This unique combination of physical reach and local presence enables the delivery of essential services directly into communities across the UK at scale.

Leading digital payments and Open Banking platform

- Our platform combines digital payments, Open Banking and API-led services, giving clients and their customers choice in how to make and receive payments quickly, securely and conveniently.

Broad and diversified client relationships

- We work with a diverse range of organisations, including banks, corporates, fintechs, government bodies, retailers and consumer brands, delivering services across multiple sectors. Through our four business units:
- Network Services delivers essential community services including banking, parcels, bill payments and digital engagement
- Digital Payments & Open Banking provides technology-led payment and data services across sectors such as housing, utilities and financial services
- Love2shop delivers rewards, gifting and prepaid savings solutions for businesses and consumers
- Merchant Services supports SMEs with card acquiring, terminal rentals and business finance
- This breadth of relationships underpins resilient revenues and supports cross-selling opportunities across the Group.

Cutting-edge technology and innovation

- We deliver innovative, scalable technology across the Group, from in-store technology that supports retailer partners, to Open Banking, data-sharing and payments infrastructure for enterprise clients. Our platform enables new payment methods, digital experiences and trusted services to be deployed rapidly and at scale, bridging digital and physical channels.

Talented and committed people

- Our success is underpinned by a skilled, diverse and highly engaged workforce, combining deep operational expertise with strong digital and technology capabilities across the Group, range of industries.

The
value
we create

Delivered to our stakeholders

Consumers

We serve millions of consumers every day, online and in-store, helping them make payments and send/pick up parcels through our digital payments platforms and extensive retailer partner network.

Transactions
per year

657m

Retailers and SMBs

We deliver vital community services that enhance the retailer proposition and consumer experience, driving footfall, and new commission opportunities for thousands of SMBs and retailers across the UK.

Retailer and
SMB locations

65,488

Employees

We create a dynamic and innovative place to work for our employees across the PayPoint Group.

No. of employees

945

Investors

We aim to deliver a sustainable and rewarding business model and superior returns for our investors.

Final dividend
declared

20.0p

Local communities

We provide vital services to hundreds of communities across the UK, at over 30,000 locations, with 99.5% of the population living within one mile of a PayPoint location in urban areas.

Population within
one mile

99.5%

Read more on page 28

Key performance indicators

The PayPoint Group has identified the following KPIs to measure progress of business performance:

- ☒ Overall performance
- ☐ Non-financial
- ☐ Shareholder returns

Net revenue
(£ million)

£190.8m
+1.7%

FY26	190.8
FY25	187.7
FY24	181.0

Description, purpose and reference: Revenue from continuing operations less commissions paid to retailers and Park Christmas savings agents and costs where the Group is principal for SIM cards and single retailer vouchers. This reflects the benefit attributable to the Group's performance eliminating pass-through costs and is an important measure of the overall success of our strategy.

[See Financial Review – page 64](#)

Underlying profit before tax
(profit before tax excluding adjusting items) (£ million)

£69.0m
+1.5%

FY26	69.0
FY25	68.0
FY24	61.7

Description, purpose and reference: Underlying profit before tax (profit before tax excluding adjusting items), provides a measure of the operational performance of the Group. This reflects the rebalancing of the business towards growth opportunities, the shift away from our legacy cash payments business and is an important measure of the overall success of our strategy.

[See Financial Review – page 64](#)

Underlying EBITDA
(£ million)

£92.0m
+2.2%

FY26	92.0
FY25	90.0
FY24	81.3

Description, purpose and reference: This measures our earnings before interest, tax, depreciation and amortisation, net movements in convertible loan notes, and exceptional items. Underlying EBITDA is an important measure as it is widely used by investors, analysts and other interested parties to evaluate profitability of companies.

[See Financial Review – page 64](#)

Net corporate debt
(£ million)

£132.5m
+36.0%

FY26	132.5
FY25	97.4
FY24	67.5

Description, purpose and reference: Net corporate debt represents cash and cash equivalents excluding cash recognised as clients' funds, retailer partners' deposits, and card and voucher deposits, less amounts borrowed under financing facilities (excluding IFRS 16 liabilities). This shows how the Group is utilising its finance facilities to invest in growth, and is an important measure of how the Group maintains a target leverage ratio of around 1.2 to 1.5 times net debt/EBITDA.

[See Financial Review – 'Group statement of financial position' on page 68](#)

GHG emissions per employee
(Tonnes CO₂e)

7.5
-27.9%



Description, purpose and reference: Measures the green house gas (GHG) emission for scope 1, 2 and 3 per employee. This is recorded in accordance with the Companies Act 2006 (Strategic Report and Directors Report Regulations 2013).

See page 33 in the Strategic Report

Diluted underlying earnings per share
(pence)

73.6p
+6.5%



Description, purpose and reference: Diluted underlying earnings per share (earnings from continuing operations excluding adjusting items) divided by the weighted average number of ordinary shares in issue during the year (including potentially dilutive ordinary shares). Earnings per share is a measure of the profit attributable to each share.

See note 11 to the financial information on page 147

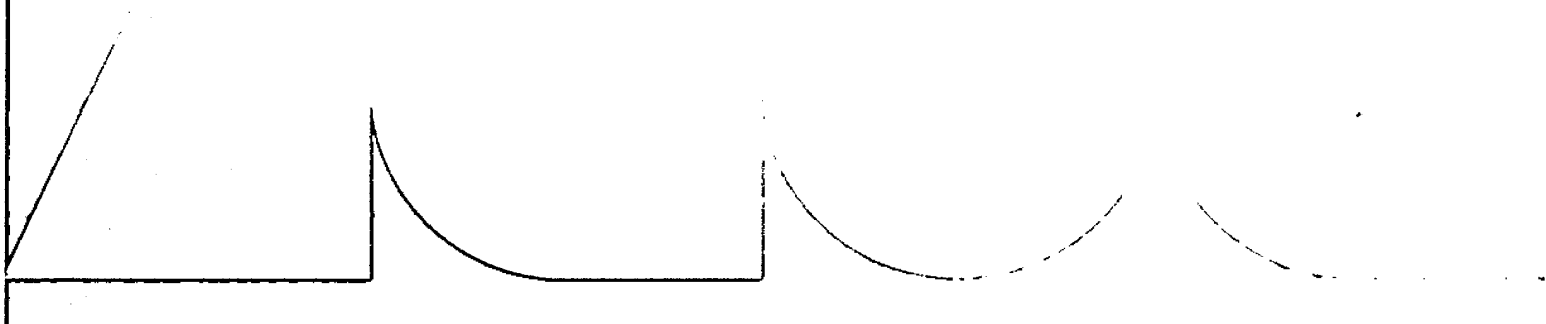
Responsible business

How we operate efficiently and responsibly

We hold ourselves accountable for delivering positive outcomes for all of our stakeholders through the implementation of a meaningful ESG strategy and measures.

The PayPoint Group has always had ESG at its core, particularly given the diverse range of stakeholders and customers that we serve, as well as the important role that we play at the heart of communities across the UK. Central to this is our purpose of 'making people's lives a little easier' and how we deliver innovative, sustainable services and value for all our stakeholders.

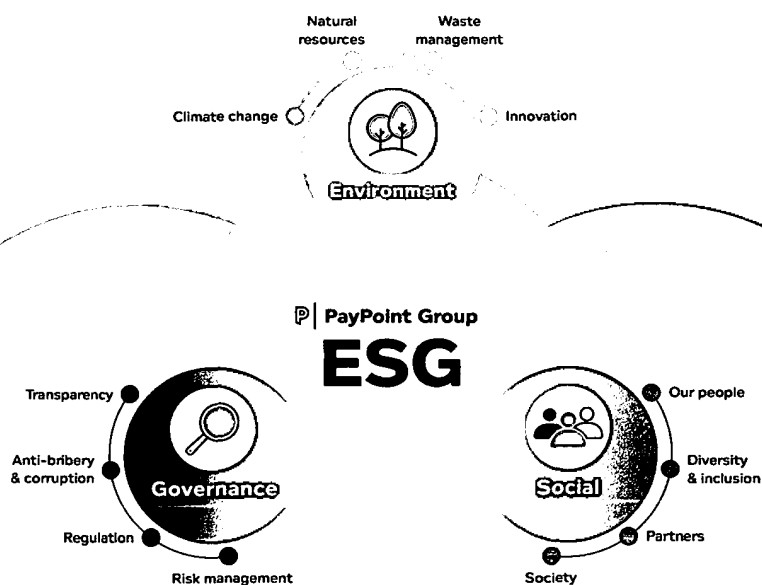
During the year we continued to make progress towards our targets of delivering net-zero in our own operations by 2030 and net-zero across our entire value chain by 2040. We were pleased to achieve groupwide ISO14001 certification, have maintained green energy supply across all our office locations, and continue to make small improvements to further reduce energy consumption.



Emissions have reduced by 28% year on year, primarily as a result of reduced purchasing, and we continue to demonstrate progress with a continued reduction in emissions on a per terminal basis as PayPoint Mini continues to roll out to the PayPoint estate, and we have seen a continued transition from board cards to digital in Love2shop. We have continued to support our employee interest groups covering disability, neuro-inclusion, multi-faith, women and LGBTQIA+ and have expanded our employability support to include support to residents of a new housing client. Further information regarding our progress along with targets for the current financial year can be found on pages 34 and 35.

The ESG Working Group continues to meet regularly to review progress, consider policies and approaches across the Group, analyse cross-industry best practice, seek feedback from external stakeholders and investors, and recommend workstreams and targets for the business to prioritise for the coming year.

All of our environmental commitments remain aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") framework.



Responsible business continued

We commit to:

The PayPoint Group is a low-impact, low-carbon-intensive business. We remain committed to improving what we do, including achieving net-zero in our own operations by 2030 and net-zero across our entire value chain by 2040.¹

We are pleased to report continued progress in terms of implementing actions required to achieve net-zero.

1.

Achieve net-zero in our own operations (Scope 1 and 2 emissions) by 2030. For us, this means reducing CO₂ emissions as much as possible, and then ensuring that any ongoing emissions are balanced by removals.

By

- Moving to carbon-neutral gas and electricity contracts at contract renewal.
- Retiring diesel company cars, and ordering electric vehicles only once we are satisfied that the required charging infrastructure is in place.
- Assessing options to reduce company car mileage.

Delivered in year

- Green energy contracts maintained across all sites
- Actions taken to further reduce energy consumption including thermal imaging checks and air conditioning set point review.
- Biodiversity planters and wall climbers installed at our Haydock site.
- Company car fleet remained 100% hybrid with continued use of Salesforce Maps and territory optimisation dashboard to plan routes efficiently.
- Group-wide ISO 14001 certification achieved.

26/27 priorities & targets

- Maintain green energy contracts across all sites.
- Continue to ensure that energy usage is monitored and controlled with action taken to further reduce usage where possible.
- Continue to review company car fleet, offering fully electric cars where operationally feasible.

¹ Our goal of achieving net-zero in our own operations by 2030, and across our entire value chain by 2040, will be achieved by eliminating, where possible, GHG emissions as calculated under GHG Protocol emission factors, and offsetting residual GHG emissions that cannot be eliminated.

2.

Achieve a 30% reduction in emissions generated by use of sold products by 2030, compared to 2022.

By

- Replacing PayPoint One devices with alternatives that are more energy efficient.
- Considering energy consumption in product design.
- Encouraging retailer partners to use renewable energy and minimise consumption.

Delivered in year

- Continued roll out of PayPoint Mini with 4,879 terminals now live in the estate, comprising 15.8% of the PayPoint retailer terminal estate.
- 1% year-on-year reduction in average emissions per retailer network terminal.

26/27 priorities and targets

- Continue to deliver year-on-year reductions in average emissions per retailer network terminal.

3.

Achieve net-zero across our entire value chain by 2040.

By

- Identifying additional actions to reduce emissions as our strategy evolves and we benefit from advancements in technology and the transition to renewable energy more generally.

Delivered in year

- Growth in digital product mix in Love2shop Business from 28% in FY25 to 29% in FY26.
- Overall CO₂ equivalent emissions decreased by 28% from 9,451 tonnes in FY25 to 6,847 tonnes in FY26, driven primarily by a reduction in the purchase of goods and services.
- Continued to promote green modes of transport and offer electric/hybrid car leasing scheme and Cycle to work scheme.
- All employees received ESG training in January 2026.

26/27 priorities and targets

- Demonstrate further progress in transition from board to digital cards in Love2shop.
- Continue to provide training and communication on ESG matters via the Green Team and staff briefings.
- Successfully retain ISO 14001 certification across the Group and implement agreed action plan.

4.

Continue to develop an inclusive culture.

By

- Embedding of 'Welcoming Everyone' approach to inclusion (see pages 38 and 39).

Delivered in year

- Employee interest groups covering disability, neuro-inclusion, multi-faith, women and LGBTQIA+ group continued to meet regularly and organise events.
- Sessions held to recognise International Men's Day, Pride, and Neurodiversity Awareness.
- Continued membership of Women in Tech Forum participants from a variety of departments including IT, Client and Legal. Membership gives access to monthly events and masterclasses as well as a leadership podcast series.

26/27 priorities and targets

- Continue to support employee groups to achieve their objectives.
- Continue to recognise key events such as Pride, International Women's Day, Carers Week and Stress Awareness Month.

5.

Grow the support given to members of the community, including some of the most vulnerable in society.

By

- Working with central and local government, housing associations and charities to deliver essential services and providing support to local schools and the wider community.

Delivered in year

- Charity Committee relaunched with fundraising events run across all sites.
- Continued to provide employability support to local schools and extended this during the year to include residents of a housing client.
- BankLocal implemented across the PayPoint Network, supporting the FCA's Access to Cash initiative.
- Secured a number of new housing and central and local government clients, providing support to vulnerable members of the community by delivering essential services.

26/27 priorities and targets

- Launch quarterly community champions programme, providing retailers with access to a Community Project Sponsorship Fund.
- Continue to provide employability support to local schools and partner organisations e.g. housing associations.
- Continue to provide support to vulnerable members of the community by working with central and local government departments, housing associations and charities to deliver essential services.

Responsible business continued

Environment

PayPoint is a low-impact, low-carbon-intensive business that aims to reduce its environmental impact by reducing carbon emissions, waste and considering environmental and sustainability issues.

Climate change

The PayPoint Group is a low-impact, low-carbon-intensive business. We remain committed to improving our environmental impact as demonstrated by the commitments and actions outlined on pages 34 and 35.

Our GHG emissions

In this section we report on all required GHG emissions in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Streamlined Energy and Carbon Reporting ('SECR') regulations came into effect on 1 April 2019 and we follow the guidelines to comply with these regulations.

We report using a financial-control approach to define our organisational boundary. A range of approaches can be taken to determine the boundaries of an organisation for the purposes of GHG reporting, including financial control, operational control or equity share.

Total Scope 1, 2 and 3 emissions per employee have reduced year on year from 10.06 tonnes CO₂e to 7.5 tonnes CO₂e, demonstrating further significant progress towards our target of achieving net-zero across our entire value chain by 2040.



All gas and electricity contracts across the Group continue to supply carbon neutral/renewable energy and all company cars are hybrid. We have installed electric charging points at our offices in Welwyn Garden City and Haydock, and have an electric/hybrid car leasing scheme for employees across the Group. We continue to promote sustainable travel options including cycle to work, car sharing and the use of public transport where viable. Our Salesforce platform optimises the journeys of our field team and we continue to seek options to reduce their CO₂ emissions even further.

Energy consumed for the year ended March 2026 under Scope 1 and 2 was 1,145k kWh, down from 1,353k kWh for the year ended March 2025

Scope 3 emissions reduced by 28% during the year driven primarily by a reduction in purchasing. We can demonstrate continued progress in the year with a 1% reduction in average energy usage per retailer network terminal following the introduction of PayPoint Mini and we expect to continue to see further reductions in future years as the roll out continues.

We remain confident that we are making the progress necessary to achieve our overall objectives of achieving net-zero in our own operations by 2030 and net-zero across our entire value chain by 2040.

Natural resources

Water

We use water for domestic purposes such as washroom facilities. Our current measures to reduce usage include time-controlled taps and dishwashers, and reduced-flush toilets.

Waste management

We recycle wherever possible, including paper, cans, plastic, cardboard, computer equipment and PayPoint terminals.

Redundant equipment is recycled by ISO 27001 accredited firms which are certified by the Asset Disposal and Information Security Alliance ('ADISA'). ADISA recycles as much of the equipment as possible. Any parts which are not recyclable are disposed of in line with the Waste Electric and Electronic Equipment Regulations 2013 ('WEEE'). ATMs which have reached the end of their life are disposed of via Note Machine. All surrounding materials are segregated into four key material types: metal; circuitry boards; wires; and WEEE. Note Machine operates an internal recycling process for all of these materials with the exception of WEEE waste, which is collected by their licensed waste carrier.

Innovation

Our innovative digital solutions support a reduction in our environmental impact. Recent examples include:

- continued growth in our pioneering Counter Cash Service, a 'cashback without purchase' solution that enables cash withdrawals without the need for ATMs. This service is now enabled in over 3,500 sites;
- working closely with our carrier partners to support the increasing consumer adoption of out of home parcel services, which enable carriers to reduce their journeys by delivering multiple parcels to a single store for collection. Over 8,500 sites are now live with Royal Mail; and
- continued growth in digital gift card products in Love2shop, replacing paper vouchers and board cards.

Our Green Team of volunteers works with us to identify opportunities and implement sustainability initiatives in our offices. They promote sustainable practice throughout the office including recycling.

GHG emissions	Units	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
Scope 1 (fuel combustion)	tonnes CO ₂ e	40	40	67	101	151
Scope 2 (purchased electricity)	tonnes CO ₂ e	–	–	13	71	293
Total Scope 1 & 2	tonnes CO ₂ e	40	40	80	172	444
No. of employees for 31 March 2026		913	939	968	714	670
Total Scope 1 & 2 per employee	tonnes CO ₂ e	0.04	0.04	0.08	0.24	0.66
Scope 3 ¹	tonnes CO ₂ e	6,807	9,410	8,966	6,957	9,104
Total Scope 1,2 & 3 per employee	tonnes CO ₂ e	7.50	10.06	9.35	10.00	14.25

1. Scope 3 emissions includes purchased goods and services, waste generated in operations, business travel, employee commuting and use of sold products.



Responsible business continued

Social

We hold ourselves accountable for delivering positive and inclusive outcomes for society, including our people, retailer and client partners, consumers and the wider community.



Our people

We aim to create a dynamic environment for our people where we deliver for our customers by collaborating and being good colleagues to each other, creating a positive and inclusive environment where everyone can learn, grow and shine. We employed 945 people across the Group on 31 March 2026.

Engagement

Our employee forum is a key mechanism for engaging with people across the Group. The purpose of the employee forum is to give feedback to the Board and Executive Board about how it feels to work in the business, what is working well and ideas for change, to ensure that the employee voice is considered in decision making. The forum continues to meet monthly to discuss general engagement, feedback from employees around the business and consider key topics. During the year these included the approach to annual appraisals and performance ratings, ESG, wellbeing and Gender Pay Gap.

The forum is chaired by our Chief People Officer, and members of the Plc Board have an open invitation to attend each meeting, enabling different members of the Board to engage with the forum.



We run annual engagement surveys and our September 2025 survey ran with a 77% response rate. We were pleased with the overall engagement score of 7.1. Results were shared and discussed with the employee forum who contributed to the development of actions which are being implemented to further strengthen communication and collaboration, celebration and execution. This is in addition to local action plans that have been agreed at a team/location level.

Monthly staff briefings are held as a means of updating all employees of the Group on business performance and priorities, and 'Natter with Nick' sessions run to enable smaller groups to engage with, and meet, the CEO.

We continue to operate a discretionary all employee bonus scheme in order to engage all of our people in delivering our objectives for the year. In recognition of the hard work and commitment of all of our people in delivering our performance during the period all eligible employees will receive a bonus of £500.

Promoting mental health and wellbeing

Wellbeing at the PayPoint Group provides resources and opportunities to support our people across four key pillars of wellbeing – social, physical, mental and emotional, and financial – enabling them to be their best self and in turn, deliver brilliant results.

We update people regularly with useful resources and awareness events, and recognised a number of national events during the year including World Mental Health Day, UK Savings Week, National Day for Staff Networks and Stress Awareness Month.

Our Employee Assistance Programme is available to all employees across the Group, offering support in all areas of wellbeing. We also continue to operate 'My pay my way' with Stream, offering further financial wellbeing support to our people.

Developing our people

We continue to be committed to supporting the development of our people through a combination of online courses, apprenticeships, further education and in-house and external courses based on business and individual need. We currently have apprentices studying for a variety of qualifications including Project Management, Artificial Intelligence, Cyber Security and Team Leading. We continue to be members of the Women in Tech Forum, providing a number of women from across the organisation with access to monthly virtual events, monthly masterclasses with dedicated tracks in Engineering and Sales, a leadership podcast series and in-person networking events.

Supporting human rights

PayPoint supports fundamental human rights, such as the right to privacy, safety and to be treated fairly, with dignity and respect. Our employment standard sets out our commitment to good employment practices and the principles to govern the practices adopted in each of our businesses. All employees have a right to safe working conditions, consideration of their welfare, fair terms of employment, reward and treatment, clarity and openness about what is expected. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all of our business dealings and relationships. PayPoint's statement on modern slavery can be found on our website¹.

¹ <https://www.paypoint.com/modern-slavery-act>.

Diversity and inclusion

At PayPoint we are committed to building a diverse and inclusive business where all of our people are treated fairly and with respect, and where the contributions of everyone are recognised and valued. This commitment is captured in our vision to create a dynamic place to work, with a positive and inclusive environment where everyone can learn, grow and shine.

Everyone who works at the PayPoint Group should feel respected and able to give their best, and we embrace people with different backgrounds and identities, valuing their contribution to achieving our strategic priorities. At the PayPoint Group, we call this 'Welcoming Everyone'.



People and culture

Gender balance as at 31 March 2026

Board



Executive Board



All employees



Female 405/43%
Male 537/57%

Responsible business continued

Social continued

We aim to achieve our vision by taking three clear actions:

1. Ensuring that all of our people understand what we mean by diversity, equity and inclusion, are supported with training to develop inclusive behaviours and feel confident to challenge any behaviours that they see in the workplace that are not in alignment with this.
2. Supporting the creation and development of forums for people from under-represented communities, enabling them to discuss shared challenges, help educate and raise awareness in the business of issues relevant to the community and implement appropriate actions to increase equity, inclusion and allyship around the business.
3. Building inclusion into our every day by ensuring that we listen to diverse voices and consider diversity, equity and inclusion with regards to our policies and practises, both internally and externally, including the employee lifecycle, product and service design and marketing.

We continue to support our employee interest groups for people from underrepresented communities. Disability, neuro-inclusion, multi-faith, women's groups and LGBTQIA+. The groups are being led by volunteers within the business, supported by the People Team, and their purpose is to discuss shared challenges, help educate people across the business, raise awareness in the business of issues relevant to the community and implement appropriate actions to increase equity, inclusion and allyship around the business.

During the year, the groups delivered a number of well attended sessions open to the wider business, including an online fireside chat with Dame Kelly Holmes during Pride month, neurodiversity awareness sessions for managers and employees, and a gender-based violence awareness session. The business also continues to support key awareness events including International Women's Day and International Men's Day and works with local schools to support the development of aspirations in young people (socio-economic diversity).

Feedback from the September 2025 engagement survey demonstrates the positive impact of these activities with diversity identified as a key strength of the Group. The question "regardless of background, everyone who works here has an equal opportunity to succeed" received a score of 81.

The overall gender balance across all employees within the business on 31 March 2026 was 43% female and 57% male. We recently published our latest gender pay gap report, which can be found on our website.¹ We were pleased to see small improvements compared to 2024 with an increase in the proportion of women in the top quartile and the proportion receiving a bonus, as well as a decrease in the median pay gap. However, a pay gap persists within the organisation driven by the fact that we have more men than women in higher paid roles such as roles in IT, sales and senior management positions. We have continued with the implementation of initiatives including working with the Women in Tech forum and engaging with our women's group to help drive more diversity and support women within the business to achieve their full potential. We were pleased to be recognised by the FTSE Women Leaders Review report published in February 2026 for achieving the highest representation of women in leadership for the Industrial Goods and Services sector at 44.7%.

PayPoint is committed to treating applicants with disabilities equally and supporting people who become disabled during their career with the Company. This includes making reasonable adjustments both to the recruitment process for applicants and to the working environment, including offering appropriate training, in order that disabled employees can achieve their full potential.

Principles

Our success is built on a reputation for high standards in all areas of business, which we achieve by working in accordance with our ethical principles. These principles apply throughout the PayPoint Group and are used to define the standards and working practices that we adopt.

They guide our day-to-day actions and give our people clarity on acceptable behaviour. Our statements on ethical principles² and modern slavery can be found on our website.³ Our 2026 modern slavery statement will be available on our website in September 2026.

We operate an anti-bribery and corruption policy which was put in place in response to the UK Bribery Act 2010. Further information regarding this can be found on page 93 in the Audit Committee Report.

1 <https://www.paypointbusiness.com/media/csqgtj1/gender-pay-report-2025-final.pdf>

2 <https://www.paypointbusiness.com/media/0fnf4bl/ethical-principles-2020.pdf>

3 <https://www.paypointbusiness.com/modern-slavery-act>

A strong and supportive proposition for all stakeholders

We provide a broad range of innovative services and technology, connecting millions of consumers with over 65,000 retailer partner and SME locations across multiple sectors.

We provide a leading and differentiated set of technology, payments and services, operating critical national infrastructure that supports millions of consumer and business transactions every day.

PayPoint works with corporates, financial institutions, government bodies, fintechs, retailers and consumer brands, delivering secure, resilient and regulated services at scale. Our digital capabilities span multichannel payments, Open Banking, Confirmation of Payee and API-led platforms, underpinned by an unrivalled national retail network of over 30,000 convenience stores and more than 65,000 retailer partner and SME locations.

Across the Group, PayPoint is focused on delivering sustainable growth, operational excellence and long-term value for customers, partners, communities and shareholders.

The creation of the new Network Services business unit will lead to a unified operating model organised across four regions, enabling better support to our UK-wide network of over 30,000 convenience stores, and underpinning a 'growing retailer value' strategy focused on increasing revenue per store, improving compliance, widening product penetration and strengthening retailer capability, supported by increasingly sophisticated data analytics.

The new Love2shop digital platform will improve customer experience and journeys, and combined with physical distribution on the high street, makes it easier for customers to buy across both digital and in-store channels.

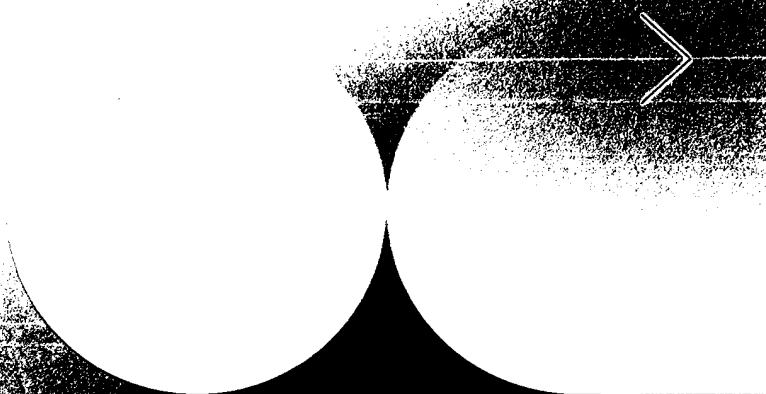
In bringing together our digital payments, Open Banking and real-time credit bureau capabilities under a single management and operating structure, we will bring the necessary focus to maximise the value of this unique technology platform for customers, enabling secure payment and funds disbursement journeys for major organisations across housing, government, utilities and financial services, and instant high-quality credit, lending and vulnerability assessments for regulated firms.

In Merchant Services, we continue to deliver merchant payment solutions, terminal rentals and business finance to thousands of businesses across the UK, with a focus on supporting sustainable, profitable growth for SMBs and mid-market merchants.

Enabling clients to provide vital services in the community

We partner with over 500 payments and banking clients in the UK, providing omnichannel payment solutions that enable them to seamlessly and effectively serve their customers. Our contracts with clients contain clear obligations with respect to the services being provided, underpinned by measurable service levels, which are set to ensure a high standard of delivery across key elements, including system and service availability, file delivery and funds settlement.

We enable the delivery of best-in-class customer journeys for e-commerce brands over the first and last mile in over 14,000 locations through our Collect+ brand, helping consumers pick up and drop off online shopping or send parcels across the UK. Royal Mail is now live in 8,500 sites and over 3,000 have the ability to deliver Royal Mail over the counter services, enabling customers to buy postage in store.



Responsible business continued

During the reporting period, we delivered further expansion of our client relationships. We have grown our relationships in the Housing sector, and are now working with Peabody and Flagship Housing with Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing. A total of 26 new client services went live with Open Banking during the year including the Department for Work and Pensions, AccessPay and the Insolvency Service. We continue to have a strong community impact through our work with Citizens Advice, enabling them to support clients in financial distress and we continue to operate the Payment Exception Service, delivered for the Department for Work and Pensions, to serve some of the most vulnerable people in the UK, and the DVLA contract for International Driving Permits, another key central government service that is provided in the community via our extensive retailer partner network.

We continue to have a dedicated Client Management team, enhancing our engagement with clients to ensure we are able to align our strategy and roadmaps to the needs of the clients we partner with.

Enabling consumers, including some of the most vulnerable in society, to access the services they need

Open early until late seven days a week, we serve millions of consumers every day, providing a vast range of essential services at the heart of communities for everything from banking, utility, parcel, cash and government services.

Our UK retail network of more than 30,000 stores is bigger than all banks, supermarkets and post offices together, putting us at the heart of communities nation-wide. Our cash bill payment solutions enable less privileged people to access services that may otherwise be unavailable to them and our CashOut service enables the rapid dispersal of funds through secure digital channels and is actively used by local authorities and charities to distribute emergency funds.

The Payment Exception Service, run for the Department for Work and Pensions further underlines the continuing importance of delivering cash payments to those without access to a standard bank account, and our work with Citizens Advice is having an important impact on the work they do supporting clients in financial distress.

Our Community Cash Access and Banking Network enables access to cash both over the counter and via ATM. During the year we launched our new BankLocal service enabling consumer cash deposits for customers of Lloyds, Halifax and Bank of Scotland across our network. Nationwide went live with the BankLocal service in April 2026 and plans are underway to enable more high-street banks for the service, reinforcing the vital role that our leading retail network plays in providing a vast range of essential services at the heart of communities across the UK.

Park Christmas Savings is the UK's biggest Christmas savings club, helping over 350,000 families manage the cost of Christmas, by offering a huge range of gift cards and vouchers from some of the biggest high-street names.

Our MultiPay platform is designed to provide a simpler and more convenient way for consumers to pay essential bills such as gas, electricity and rent. We are uniquely placed to be able to provide consumers with complete flexibility to choose to pay using whichever method is most convenient for them.

Over 80% of our ATM network is 'voice guidance enabled', enabling people with visual impairments to withdraw cash independently. Voice activated transactions were enabled on our Saturn card payments terminal in August 2024 and have now been enabled for half of the PayPoint Mini estate, with the roll out expected to complete this year.

As more critical services continue to withdraw from communities and high-streets across the UK, we are more focused than ever on working closely with our retailer and industry partners to evolve our service provision and ensure we can leverage our extensive network to provide vital infrastructure and accessibility to individuals close to where they live.

Supporting the communities where we live and work

We support the communities where our people live and work by providing them with financial support to serve their causes. The Charity Committee was relaunched in October 2025 with representatives from different locations working together to make a difference with a focus on creating local impact, supporting charities that matter to our people. The committee organise events internally and support employees with their own fundraising initiatives. Charities supported during the year include Isabel Hospice, Breast Cancer Now and Home Start St Helens. In total, over £9,000 was donated to charity during the year in addition to the donation of Christmas toys and food collected by our people.

We also continue to offer our network to collect for the BBC's Children in Need telethon free of charge.

Championing employability

Externally, we continue to support young people in our community with a commitment to local schools and the continued development of young talent. PayPoint has been working as an enterprise adviser to a local secondary school for over ten years, supporting students with the transition from school to the workplace. Our support has since expanded to other schools in the community and our people volunteer in various activities such as mock interviews, careers fairs and careers workshops. We also host an annual Work Experience Week for students from local schools.

During the last year we have expanded our support to include residents of one of our housing clients, Peabody, with employability and job-seeking support for returning mums.

Purpose, vision and values

In delivering our purpose, we hold ourselves accountable for delivering positive outcomes for all our stakeholders through the implementation of a meaningful ESG strategy and measures.

We actively engage with our people to bring our values to life in the work that we do. Our values are incorporated into our recruitment and induction processes, and demonstration of the values forms a key element of our performance reviews. People who role model our values are recognised via our values award programme.



**Value award winner:
Brenda Mills**

Brenda leads Service and Customer Experience at Love2shop. She was instrumental in delivering a more premium fulfilment experience and packaging for customers of Park Christmas Savings, demonstrating multiple values including collaborative, results focus and can do, to ensure the project was successfully delivered.



**Value award winner:
Bailey Krise**

Bailey is a Senior Technical Advisor in Network Services. He demonstrated the collaborative, can do and good colleague values by providing excellent support to colleagues during the PayPoint BankLocal roll out, ensuring that queries and issues were resolved quickly and efficiently in real-time.

Responsible business continued

Governance

The Executive Board, as PayPoint's team with responsibility for the day-to-day operational management of the Group, is accountable for the ESG strategy to help drive change and a more sustainable future for PayPoint.

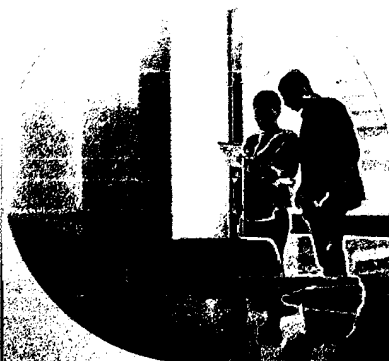
The framework through which PayPoint provides transparency on how it operates its business, which is in line with current regulations, is set out in the Corporate Governance Report on pages 70 to 117 and in the Risk Management Report, on pages 54 to 63. In addition, our anti-bribery and corruption policy is set out in the Audit Committee Report on page 93. The ESG Working Group provides regular updates on progress to the Board. A summary of progress over the past year can be found on pages 34 to 35. Compliance with current mandatory disclosures for our greenhouse gas emissions are detailed on page 37.

PayPoint recognises that driving better corporate behaviours provides improved returns over the longer-term and ESG is therefore a key focus of our Board. We have agreed ESG commitments and metrics which can be found on pages 34 to 35.

Updated disclosures in accordance with TCFD can be found on pages 46 to 53.

Our payment practices are reported on a six-monthly basis and details can be found at www.gov.uk/check-when-businesses-pay-invoices. The Group aims to pay suppliers in less than 30 days (on average) and also pays over 95% of invoices on time.

Finally, the following section sets out our Group Non-Financial and Sustainability Information statement. A description of our business model and strategy, as well as the non-financial KPIs relevant to our business, can be found on pages 24 to 27.



Non-financial and sustainability information statement

The tables below outline where the key content requirements of the non-financial and sustainability information statement can be found within this document (as required by sections 414CA and 414CB of the Companies Act 2006).

Reporting requirement	Where to find further information	Page	Relevant policies if applicable
Environmental matters	Responsible business	32	Environmental
Employees	Responsible business	35	Diversity
	Principal risks	56	Recruitment and Selection
	Audit Committee Report	86	Health and Safety
			Whistleblowing Code of Ethics
Society and communities	Responsible business	38	Charitable donations
Respect for human rights	Responsible business and https://www.paypointbusiness.com/modern-slavery-act	35	Modern Slavery Statement Human Rights
Anti-bribery and corruption	Audit Committee Report	86	Anti-bribery and Corruption

Companies Act (2006) climate-related financial disclosures

Companies Act climate-related financial disclosure	Location of disclosure	Page
a) a description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities;	TCFD – Governance	46
b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities;	TCFD – Governance	46
c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process;	TCFD – Governance and Strategy	47
d) a description of: a. the principal climate-related risks and opportunities arising in connection with the company's operations; and b. the time periods by reference to which those risks and opportunities are assessed;	TCFD – Risk Management	48
e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy;	TCFD – Strategy TCFD – Risk Management	47 and 48
f) an analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios;	TCFD – Strategy	47 and 48
g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and	TCFD – Metrics and Targets	49
h) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.	TCFD – Metrics and Targets	49

Stakeholder engagement

Section 172(1) statement

Board decision making

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties, we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decisions being made. Those factors, for example, include the interest and views of our clients; our retailer partners; regulatory bodies; and our relationship with our lenders.

By considering the Company's purpose, vision and values, together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and appropriate in all circumstances.

We delegate authority for day-to-day management of the Company to the Executive Board and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically, at which the Directors consider the Company's activities and make decisions. For example, each year we make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties, assess key investment decisions (e.g. Royal Mail) and make decisions about the payment of dividends. For the year ended 31 March 2026, we are recommending a final dividend of 20.0 pence per share.

How we consider our stakeholders

Engaging regularly with our stakeholders is fundamental to the way we do business, enabling us to consider their needs, concerns and the potential impact on stakeholders when making decisions in the boardroom.

Employees are consulted via the Employee Forum and further information can be found on page 34. Further information about how the Company engages with all of its stakeholders can be found on pages 43 to 45 of this report.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

Nick Wiles
Chief Executive
10 June 2026

Nick Wiles

Engaging with our stakeholders

By understanding our stakeholders we can consider their needs, concerns and the potential impact on stakeholders when making decisions in the boardroom.

Our stakeholders	How we engage	Key topics discussed	How the Board engages/is kept informed	Key outcomes in 2026
People We have a talented, diverse and committed workforce with experience from a wide range of industries.	Our employee forum is a communication platform attended by employee representatives elected by their colleagues. In addition, we hold regular staff briefings, and functions hold their own team meetings and engagement forums (see page 45 for more information on how we engage with our people).	The employee forum discusses the issues raised by the engagement survey and any business-related issues. Key topics discussed included the employee survey, the approach to annual appraisals and performance ratings, ESG, wellbeing and Gender Pay Gap.	Board members have an open invitation to attend forum meetings. Rosie Shapland, Giles Kerr and Rakesh Sharma attended meetings during the year. The Chief People Officer updates the Board on results of engagement surveys and people matters throughout the year.	The forum provided input to help shape a revised approach to performance feedback and were also instrumental in determining the Company-wide employee survey actions including actions to improve recognition across the Group.
Shareholders We aim to deliver a sustainable and rewarding business model.	Through our investor relations programme, our Annual Report and Accounts and our Annual General Meeting, we ensure shareholder views are brought into our Boardroom and considered in our decision-making.	Financial performance, strategy and business model, dividend policy and ESG.	The Chief Executive updates the Board on any shareholder feedback received and on investor sentiment following each roadshow. The approach to ongoing shareholder engagement is agreed by the Board. All members of the Board are available for questions by the shareholders at the annual general meeting and Giles Kerr has held several investor meetings.	The business reorganisation strengthens the platform to deliver a net revenue target growth rate of 5-8% per annum and the foundation for continued strong returns for shareholders through a combination of growing earnings, strong cash generation, dividends and share buybacks. Through a combination of share buybacks, ordinary and special dividends, the Group has returned more than £90 million in value to shareholders in the year. A final dividend of 20.0 pence per share has been declared for approval by shareholders.

Stakeholder engagement continued

Engaging with our stakeholders continued

Our stakeholders	How we engage	Key topics discussed	How the Board engages/is kept informed	Key outcomes in 2026
Convenience retailer partners Our retailer partners offer their consumers one or more PayPoint services. Ranging from independent retailer partners with one store to large multiple retailer partners.	An Account Management team develops our relationships with multiple retailer partners, while our Retail Services Hub and Retail Relationship Management team supports independent retailer partners. In addition, we actively engage with trade bodies including the Association of Convenience Stores ('ACS'), Scottish Grocers Federation ('SGF') and National Federation of Retail Newsagents ('The Fed').	Performance reviews, market trends and insights, sharing best practice, new clients and product development.	The Executive Board keeps the Board informed of our relationships with convenience retailer partners throughout the year.	Business reorganisation to underpin a 'growing retailer value' strategy will enable better support for retailers in delivering key essential community services and enable stronger performance through better compliance, improved service delivery and adoption of the full range of PayPoint services.
Merchants We provide in-store and online card acquiring, terminal rental and business finance solutions to more than 30,000 merchants across various sectors.	Our field and support teams are always available to support and engage with business owners across all the sectors we serve. We use a range of channels and methods to communicate with, and seek feedback from, new and existing customers including social media, customer referrals and case studies.	Performance, support, pricing and service enhancements.	Updates on enhancements to current and future services are provided to the Board by the Executive Board.	Significant enhancements to our merchant proposition delivered in the year including an updated terminal application enabling split bill and digital receipt functionality, and real-time transaction data and Tap to Pay now live in our merchant mobile app New agreement with FreedomPay signed in December 2025 underscores commitment to supporting introducers and their clients with innovative financing solutions. Business reorganisation underway to deliver better merchant support.
Consumers We serve millions of consumers every day, helping them to make payments and collect parcels conveniently through our retailer partner network and omnichannel payments solutions.	Our communication platforms provide the environment for us to engage with consumers. Through our Retail Services Hub we inform, update and quickly resolve issues with consumers at first-point-of-contact where possible. Feedback, queries and data gathered from surveys are all collated to improve the consumer experience.	Services and partnerships, performance, network expansions, product portfolio, systems and support on customer complaints.	The Executive Board provides updates to the Board on the levels of transactions, performance and overall services provided to our consumers.	Continued evolution of retailer proposition in response to consumer needs with the roll out of BankLocal and Royal Mail services during the year. Our Open Banking services are being used to support consumers in financial distress. Business reorganisation will enable better support to retailers in delivering key essential community services.

Our stakeholders	How we engage	Key topics discussed	How the Board engages/is kept informed	Key outcomes in 2026
Clients Our client base operates across a broad and diverse range of sectors including commercial, not-for-profit and the public sector. They are critical to our business. Understanding their needs and requirements is essential to retention and development.	Dedicated Account Managers have client review meetings throughout the year to discuss performance and future innovations. We also have daily operational contact where required to resolve business as usual queries. For the larger strategic accounts, we hold a mixture of operational, tactical, and strategic meetings throughout the year.	Service and performance versus key performance indicators, business challenges where we may be able to provide support, short and long-term strategic goals to drive alignment, and PayPoint service evolution to enhance our clients' own service performance to their end users.	The Executive Board provides updates to the Board when required.	Our integrated digital payments platform, MultiPay, continues to provide a comprehensive payment solution for clients across card processing, Open Banking, direct debit and cash. Further wins secured in year in the housing and charity sectors. A total of 26 new PayPoint client services went live in the year with Open Banking including the Department for Work and Pensions.
Local communities Our network and activities place us at the heart of local communities.	We support fundraising events by providing financial support to causes that are important to employees. We act as an enterprise adviser to a local secondary school, supporting the transition between school and the workplace.	Our Charity Committee agrees which charities we should support.	The Chief People Officer updates the Board.	Page 38 details our charitable work and support provided for young people in the community.
Regulators	We maintain open channels of communication with our regulators, including discharging our reporting and notification requirements under the relevant legislation and regulations that apply to the Group businesses. In addition, we actively support the regulators by providing responses to consultations and surveys.	We have engaged with the Financial Conduct Authority ('FCA') on several occasions over the year in relation to variation of permissions for our businesses. In addition, we correspond with the FCA, Payment Systems Regulator ('PSR') and other entities designated by the PSR, such as Pay.UK, in relation to operational and regulatory matters. We frequently respond to BAU requests from the FCA and the ICO.	The Board and its Committees receive updates on any engagement activities with the Group's regulators such as the FCA and the PSR. For more information see page 88 of the Audit Committee report.	All regulatory reporting requirements were met during the year, and we have maintained our channels of communication with our regulators during the year. We will continue to engage with regulatory consultations as appropriate to our business.

Responsible business continued

TCFD

For our TCFD disclosures, we are reporting in line with the FCA listing rule for premium listed companies LR 9.8.6(8), which requires us to report on a 'comply or explain' basis against the TCFD Recommended Disclosures for the year ended 31 March 2026.

We consider our climate-related financial disclosures to be consistent with the TCFD Recommendations and Recommended Disclosures and are, therefore, consistent with the requirements of Listing Rule 9.8.6(8).

In preparing our disclosures, we have made several judgements, and while we are satisfied that they are consistent with the Recommendations and Recommended Disclosures, we will continue to evaluate our options for future TCFD disclosures.

In addition to developing and embedding our broader ESG strategy across the business, we have complied with the TCFD Recommendations and Recommended Disclosures.

Our disclosures have all been made within the 'Responsible business' section of this Annual Report, and locations are detailed in the table that follows. We have considered all relevant material in the TCFD guidance, including Section C of the Annex (Guidance for all Sectors).

PayPoint supports the TCFD recommendations and is committed to implementing them, providing stakeholders with information on our exposure to climate-related risks and opportunities thus helping them make informed decisions.

The TCFD framework is as below:

Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board sets the Group's overall strategy and risk appetite, which includes our approach to sustainability, the environment and carbon emissions. The Executive Board proposes and details the actions required to achieve the strategic objectives as set by the Board. This ensures ESG considerations are embedded into our day-to-day strategic decision making. The ESG Working Group, which includes representatives of the Executive Board, oversees PayPoint's management of environment, climate and TCFD related matters. The Group also provides formal updates of progress of agreed initiatives, priority actions and targets to the Board at least twice a year, thus enabling the Board to provide appropriate oversight and strategic guidance in ensuring our agreed approach is embedded into our operational activities. The Corporate Governance framework on page 79 provides more details.

Governance continued

Describe management's role in assessing and managing climate-related risks and opportunities

The CEO and the Executive Board have overall responsibility for PayPoint's sustainability, environment and carbon-emission strategy. The ESG Working Group, which includes representatives from functional business areas as well as senior management and the Executive Board, meet regularly throughout the year to review progress made against the priorities and actions as agreed and set by the Executive Board. The ESG working group will also discuss and debate potential new initiatives as developed and defined by ESG members. The Group's members are informed about climate-related issues through reviews of emerging regulations and trends. Please refer to the Corporate Governance framework chart on page 79 for more details.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term

We continually review our business activities and have identified our climate-related risks and opportunities to support the development of a short-term to long-term plan for the Group. We have defined the short-term to be 0–5 years, the medium-term 5–15 years and the long-term 15–30 years. The risks identified all arise from our business operations within the United Kingdom.

A minority of the bonus award made to Executive Board members, including Executive Directors, may be based on strategic/personal/ESG targets. The ESG target was renewed for the financial year ended March 2026 to reward progress made in the delivery of ESG commitments including climate-related commitments.

When risks and opportunities are identified, we assess the impact on our carbon emissions and how these impact our net-zero target by 2040 as well as the potential financial impacts, see table on pages 51 to 53.

Strategy continued

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Our business remains a low-carbon-intensive business, which is evidenced by our absolute carbon emissions and our intensity measure per employee, which are relatively low. Physical climate-related risk is also assessed as low. Therefore, our assessment of business activities did not identify significant climate-related risks but did identify potential risks and opportunities as the UK moves towards a net-zero target by 2050. Accordingly, climate risk remains classified as an emerging risk rather than a principal risk as detailed on page 61 of the risk management section. Climate and carbon emissions form part of our financial and strategic planning and decision-making process as follows.

- During 2025, we obtained the ISO 14001 standard for our offices in Welwyn Garden City and Haydock to add to the certification previously obtained for our Chapel Street Offices.
- We continue to review and improve our own energy usage and all energy supplied to offices in Welwyn Garden City, Haydock and Valley Road, where we can control and measure our usage, is now green. Our offices in Liverpool are serviced offices. During the year, we also have completed thermal imaging at our offices in Welwyn Garden City to identify potential heat loss sources.
- Pollinator friendly planters have been established in our offices with garden facilities during the year.
- We continue to consider climate impact from our working practices and as a result have now completed transition of our fleet to 100% hybrid vehicles, operate car charging points where possible and we have reviewed our hybrid office and field sales working arrangements.
- Previously launched climate friendly work schemes, such as the cycle to work scheme and the electric/hybrid car leasing scheme remain available and are promoted to our staff. We have also incorporated a number of initiatives into our business travel policy to encourage a climate friendly approach to business travel.
- Following our launch of the PayPoint Mini, which now represents 15.8% of the estate, we continue to see the resultant reduction in the carbon emission footprint of our retailer network.
- Our diversification programme recognises that income from our energy payments businesses fluctuate with the weather and we have, over the last few years, expanded our business operations to reduce reliance on this sector.



Responsible business continued

Strategy continued

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

As a low-carbon-intensive business, we consider our organisation to be resilient and have assessed two climate-related scenarios in the financial year.

A rise of up to of up to 2°C, which would create some risks and uncertainties for our business, for example we have a number of clients in the energy sector who may be impacted with potential knock-on impacts for PayPoint. However, we continue to consider the risk as low as there would be sufficient time to evolve our business model and activities to mitigate the risks.

The 'BAU' scenario as described in the Representative Concentration Pathway 8.5, which would see global mean temperature to rise by 2.6 to 4.8°C and the global mean sea level to rise by 0.45 to 0.82 metres by the late-21st century, was considered. This scenario is now thought to be unlikely but has been modelled as an extreme eventuality. It could impact an estimated 748 (out of 31,934 assessed sites) of our retailers in areas of potential flood risk. This would have a small impact on our revenue from terminals. As with the first scenario, some of our clients may be impacted, with knock on impacts for the volume and value of our energy transactions. However, the likelihood is considered low, and we actively monitor changes in this area and include mitigating strategies in our business. Key inputs used to model this scenario were an analysis of the geographical location of our retailer partners, overlaid with details of postcodes at risk from flooding and rivers as published by the Environmental Agency.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

In accordance with our current assessment, we still consider climate change as an emerging risk to our business rather than an immediate principal risk. Risk management is an integral part of our governance and as part of our governance framework, we identify, assess and seek to mitigate business risks, including climate risks. We identify and assess climate-related risks and opportunities as part of our financial planning processes, business cases and as part of our overall risk identification and management framework. Key inputs into this process are data on our Scope 1–3 emissions, and analyses of new services and products, consumer trends and market changes. These are reviewed by the ESG Working Group.

Describe the organisation's processes for managing climate-related risks

We have an established risk management framework in place to help us identify, document, manage and assess risks facing our business and the Audit Committee oversees the effectiveness of risk management throughout the organisation. The Board are updated on climate risks and set targets to reduce carbon emissions in alignment with stated strategic goals. We have modelled the potential impact on our revenue if climate-related risks were to crystallise and so that we can amend our strategy as necessary. Climate change could also impact our costs, especially our energy usage and the potential cost of offsetting in order to meet targets. We have implemented several measures to reduce our CO₂ emissions as much as possible. The ESG Working Group continues to monitor this closely and will seek to implement further measures as necessary.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Risks presented by climate change have been embedded into our risk management framework and material business cases including an assessment of climate-related risks and opportunities. Our annual financial planning and strategic review processes include assessments of the impact climate transition and physical risks are expected to have on costs and revenue, and Scope 1, 2 and 3 carbon emission reduction targets are set by the Board. The ESG Working Group continue to seek ways to ensure that climate friendly initiatives are considered and embedded in the organisation's cultural framework.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

The primary metric we have used to assess climate-related risks and opportunities across our value chain is tonnes of CO₂ emitted, in line with the GHG emissions disclosures. We use third-party sustainability software to accurately calculate carbon emissions based on input metrics collected from across the Group. In addition to carbon emission metrics, we also use monetary metrics in our financial and strategic planning where climate risk and opportunities across our revenue, costs and balance sheet are attributed with a £ figure.

We have a stated target to achieve a 30% reduction in emissions generated by use of sold products by 2030, when compared to 2022 emissions and we remain confident that this target will be achieved.

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks

Scope 1, 2 and 3 carbon emissions are detailed in the table on page 33. The largest Scope 3 areas are Purchased Goods and Services covering terminal and IT purchases and Use of Sold Products covering electricity used by our terminals, while at retailers and merchants.

During the financial year, our carbon emissions have reduced by 28% in comparison to the previous year, the reduction achieved being primarily driven by the reduction in purchasing during the year.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

PayPoint has set two primary targets. Firstly, to achieve net-zero in our own operations by 2030 and secondly to achieve net-zero across our entire value chain by 2040. We have set out a number of commitments that demonstrate how we plan to achieve these targets and specific actions and targets as agreed each year. Further information can be found on pages 30 and 31. The ESG Working Group monitors performance against targets throughout the year and reports performance to the Executive Board and the Board.

Responsible business continued

Strategy

We consider climate-related risks and opportunities across our organisation and embed these into the strategic objectives set by the Board.

We identify risks and opportunities over short-term (0–5 years), medium-term (5–15 years) and long-term (15+ years) horizons and incorporate these into our strategy to ensure we operate responsibly and recognise our commitment to building sustainable growth.

These timeframes were selected as they align with our business strategy planning timelines. These timelines differ from those considered in our viability assessment because these are not the most material risks to our viability. Our responsible business strategy is supported by several policies including our Environmental and Sustainability Policy.

Medium-term (5–15 years)

Over the medium term, we are focused on identifying and further managing financial risks associated with climate change as well as monitoring opportunities. We continually assess market trends and investment opportunities to ensure our business model is sustainable into the future.

Key risks and opportunities over this time horizon include:

- Increased manufacturing costs.
- Lost business opportunities if unable to meet customer and partner climate requirements.
- Changes to markets and consumer trends.

Short-term (0–5 years)

In the short term, we will maintain our proactive approach in our contribution to climate change and maximising opportunities.

Key risks and opportunities over this time horizon include:

- Increase in climate-related regulations and emissions reporting obligations.
- Increased energy prices as we switch to carbon-neutral energy contracts for our offices.
- Substitution of existing products and services with lower-emissions options.

Long-term (over 15 years)

For the long term, we consider various scenarios across physical climate conditions, market trends and government policy to ensure we provide a resilient and sustainable investment choice for the future.

Key risks and opportunities over this time horizon include:

- Shift in market trends and customer behaviour.
- Changes in precipitation patterns and extreme variability in weather patterns.
- Increased concern from shareholders and other stakeholders.
- Rising temperatures.

Risk Management

We have conducted a comprehensive assessment of climate-related risks and opportunities, including any potential financial impact. The table below lists our most important risks and opportunities. These do not currently have a material financial impact. However, they are closely monitored by our ESG Working Group and mitigations are implemented as described below.

Risks

Transition risks

Governance and regulatory	
Risk: Non-compliance with increased emissions regulations and reporting obligations	
Potential impact	Mitigation strategy
Potential impact on costs arising from non-compliance with regulations. Revenue may be impacted by changes in customer demand driven by changes in regulations, and business operations may need to be amended to make them more energy efficient. Staff or consultancy costs may increase as reporting obligations increase.	- Annual review of legislative landscape. - Integration of legislative compliance costs into business plans. - Implementation of reporting structures and procedures to manage compliance risk. - Review of energy and emissions data. - Review of energy contracts with a view of obtaining an improved but cost-effective greener service.
Technology	
Risk: Substitution of existing products and services with lower-emissions option	
Potential impact	Mitigation strategy
Costs to adopt and implement new products and processes.	Careful management of the roll out of more energy efficient terminals.

Market	
Risk: Changes to markets and consumer trends	
Potential impact	Mitigation strategy
Some of PayPoint's retailer partners are large forecourt operators and the transition to electric cars may impact these retailers and PayPoint's revenue. Potential impact on energy clients due to increase in costs and resultant spending behaviours.	- Ongoing review of our retailer network with new retailers contracted outside the forecourt sector. - Continuation of client diversification programme.
Risk: Increased manufacturing costs	
Potential impact	Mitigation strategy
Increased cost of purchasing terminals and other physical assets.	- Ongoing review of terminal and physical asset requirements. - Transition to smaller terminals with reduced manufacturing requirements.
Risk: Increased energy prices	
Potential impact	Mitigation strategy
Increased operating costs from our own energy usage, and potentially lower demand for our energy-related products.	- We keep the amount of office space utilised under close review and close sections of the office where feasible, to reduce heating and cooling requirements. - Thermal imaging to identify areas of potential heat loss. - Ongoing assessment of office gas and electricity usage to identify reduction opportunities and business travel requirements to minimise car journeys and identify reduction opportunities.
Reputation	
Risk: Lost business opportunities if unable to meet customer and partner climate requirements	
Potential impact	Mitigation strategy
Reduction in revenue.	Environmental policy continually assessed and updated to ensure PayPoint meets customer and partner climate requirements.
Risk: Increased concern from shareholders and other stakeholders	
Potential impact	Mitigation strategy
Reduction in capital availability.	Transparency through our annual TCFD disclosures in the annual report.

Responsible business continued

Risk Management continued

Physical risks	
Weather	
Risk: Changes in precipitation patterns and extreme variability in weather patterns	
Potential impact	Mitigation strategy
Increased costs from damage to buildings.	Ongoing improvement and maintenance programme for our facilities.
Risk: Rising temperatures	
Potential impact	Mitigation strategy
Increased cooling costs.	- Assessing air conditioning requirements for our offices. - Review of energy contracts at renewal stage.

Opportunities

The table below details the main climate-related opportunities and their potential impact on our business, along with the current status.

Resource efficiency	
Opportunity: Recycling	
Potential impact	Status
Reduced construction costs.	We engage with our electrical waste suppliers to ensure there is a high component of reuse and recycling of our retired terminal and IT equipment.
Opportunity: Office space kept under review	
Potential impact	Status
Reduced office costs.	We keep the amount of office space utilised under close review and close sections of the office where feasible to reduce heating and cooling requirements.
Opportunity: Reduced water consumption	
Potential impact	Status
Reduced office costs.	We keep the amount of water used at our offices under close review and have fitted timed flow taps to ensure taps are not left running.
Opportunity: Terminal economic life	
Potential impact	Status
Reduced manufacture, logistics and disposal costs.	- Our terminals have a long economic life and are used for many years, some for over ten years, which reduced manufacturing requirements, transport and disposal costs. - We refurbish all our terminal models to ensure their economic life is maximised.

Data storage	Opportunity: Reduced electricity consumption	Potential Impact	Status
We have reviewed the amount, type, and storage method of our electronic data. By deleting duplicative or obsolete data in line with our approved data retention policies, we have significantly reduced our stored electronic data.			
Reduced operating costs.			

Risk Management

Controlled approach to risk management

Strategy

Our risk management process continues to allow the Group to operate within an appropriate risk framework that supports business operations, strategic objectives and the identification of new opportunities whilst providing the Board with effective oversight.

Risks management practises are fully integrated with our established and enhanced risk management and internal control framework, which is designed to identify, assess and manage risk. Accountability is embedded within our operating model, with each Executive Board member taking a leadership role in the mitigation of the risks. This is supported by the Group Risk team, who work closely with the business and risk owners to ensure consistent and effective risk management practises.

The Board is responsible for overseeing risk management and approves levels of acceptable risk. The Board is also responsible for maintaining an appropriate internal control environment to manage risk effectively. The Audit Committee supports the Board in reviewing the effectiveness of risk management and internal controls and performs an annual assessment. The results of this year's assessment are detailed on page 87 of the Audit Committee report.

During the year, to address the requirements of provision 29 of the UK Corporate Governance Code 2024 ('the Code'), further enhancements have been made to our risk management framework ensuring that the Group is fully prepared to meet the requirements of the Code for the coming financial year.

Risk appetite

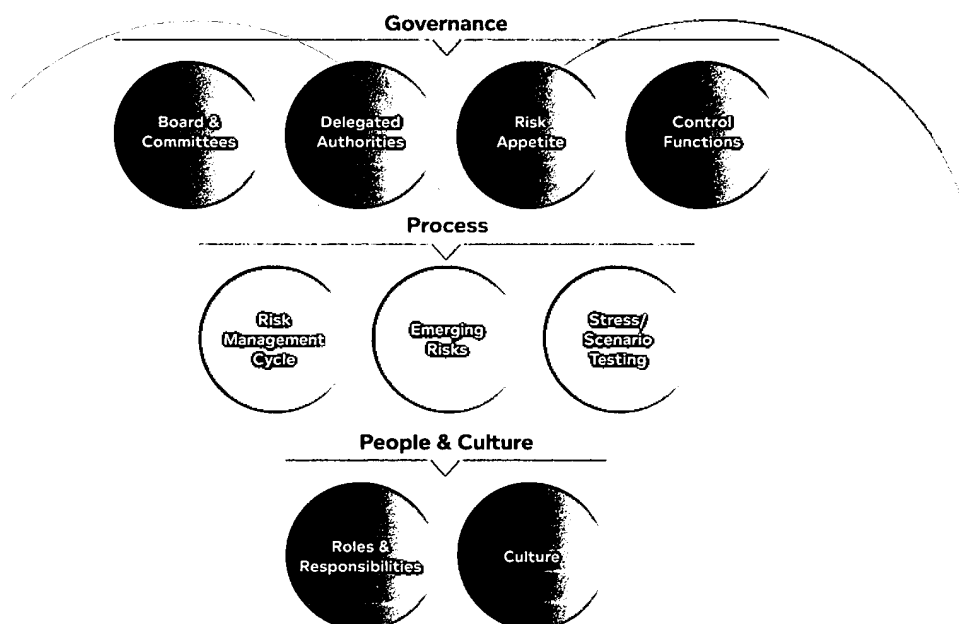
PayPoint's risk appetite is determined by the Board and aligns the level of risk considered acceptable in achieving our strategic objectives, increasing financial returns while adhering to statutory requirements. The Board and the Executive Board have key roles in ensuring the internal control framework maintains risk within the appetite set. Internal controls are embedded across the Group's core processes including policies and procedures, delegated authorities, PayPoint values and supporting culture as well as our training programmes.

Risk identification and management

The risk management process assesses the market, strategic, business and operational risk across all areas of the business. PayPoint's risk framework includes a bottom-up risk assessment managed through risk and control registers, and a top-down risk assessment, along with a horizon scanning process to identify emerging risks. Risk control registers, at both entity and Group level, are maintained and form an important component of our governance framework. Risks and controls are determined by Senior Management, the Head of Risk, Compliance, and Internal Audit and Executive Board members with both the principal and emerging risks presented to the Audit Committee for review and assessment. Risk and control registers contain risk descriptions, assessment of materiality and inherent risk, material and non-material mitigating controls, residual risk and risk owners.

At least annually, risks identified through the top-down and bottom-up risk assessment process are reviewed and agreed with Executive Board members to determine principal and emerging risks. The Audit Committee receives and reviews information on the risk framework and principal and emerging risks, and advises the Board on risks.

Risk Framework



1. Risk identification
Identifying risks which may impede achieving objectives.

2. Inherent risk assessment
Assessing the level of inherent risk.

3. Control assessment
Assessing the existence and strength of controls to mitigate risks.

4. Residual risk assessment
Assessing the level of residual risk after mitigation from controls.

5. Risk reporting
Reporting the status of the most significant risks to the Executive Board and Audit Committee.

6. Monitoring and review
Monitoring of risks and controls by the Executive Board and Audit Committee who advise the Board.

Principal risks and uncertainties

Mitigating risk effectively

Like all organisations, we are subject to a range of risks and uncertainties. Effective management of current and emerging risks is essential to achieving our strategic objectives and sustaining long-term success. Accordingly, risk management is a core component of PayPoints' Corporate Governance framework.

Changes to principal risks

New risks and disclosures

In line with our risk framework and policies, risks are identified and assessed on a Group-wide basis.

Our risk appetite is considered appropriate for the Group and its operations, and as such, remains the same as last year. It is defined as:

Risk appetite	Impact on profit before tax
Low	Under £2 million
Medium	Under £5 million
High	Over £5 million

Changing risks

The risk profile of the Group has remained similar to last year, although the risk descriptions have been updated to reflect current developments. Trends, as previously reported in our Annual Accounts for FY25, such as changes in consumer behaviours coupled with economic pressures on both consumers and businesses, remain while technological developments continue at a pace.

Receding risks

There were no receding risks. The latest outlook for all the risks has been reassessed, as shown in the table on the following pages.

Emerging risks

Developing and evolving risks remains an area of ongoing focus for the Group's Board and management. The Group continues to monitor the markets in which it operates, developments in technology and evolving business and consumer requirements.

ESG and climate risk remains an emerging risk. While we acknowledge the impact climate change is having globally, we continue to be a low-carbon producing company and, as such, these risks do not pose an immediate risk to our operations. We have embedded a strategy of reducing our carbon emissions, with a goal of becoming fully net-zero by 2040 (2030 for our own operations). Details of how we plan to achieve this are set out on page 30.

Having implemented the requirements of the Task Force on Climate-related Financial Disclosures ('TCFD'), we continue to remain compliant with the recommended disclosures. Our approach to the management of risks resulting from climate change have been embedded into our enterprise risk management framework.

Our principal risks and uncertainties have been assessed in accordance with the requirements of our risk framework and are listed in the following table. This table provides details of the potential impact; mitigation strategies; status of each risk; risk appetite; and exposure trend. They do not comprise all risks faced by the Group and are not set out in order of priority.

Principal risks

Market				
PayPoint risks	Group risks	Mitigation strategies	Status	Change
1. Competition and markets	Market conditions remain challenging for the Group and our competitors alike as cost management becomes an increasing challenge, while the anticipated decline in our legacy business continues. In response, the business has continued with its programme of business diversification, with the development of new and innovative services. The current economic conditions, of lower consumer spending and overall slow market growth, have also continued from the previous fiscal year.	The Executive Board closely monitors the markets in which we operate, competitor activity as well as consumer spending behaviour, regularly re-assessing our existing and potential future markets. Such assessments also include identification of opportunities to further de-risk the legacy business through development of our service offerings and strategic acquisitions or investments, where appropriate. The business will remain agile by looking to adapt to changes in consumer needs and behaviours.	Risk is increasing as cost-of-living pressures have continued to affect consumer activities, particularly in spending behaviours. Economic pressures due to heightened geopolitical tensions, weaker outlook for growth in the UK and increased uncertainties over inflation and interest rates continue to impact costs faced by our consumers, as well as by the business and our competitors alike.	Trend =  Appetite = High
2. Emerging technology	Failure to keep up with new and emerging technologies and services remains a risk to the Group while some emerging technologies also present an opportunity for potential service advancement through such developments. Pressures on suitable resources to deliver technological solutions to support new and emerging services remains.	We continually review technological developments, including the evolution of AI, to understand how new technologies can be used to support our service offerings and to keep our products relevant and up to date with technological advances. We also develop and implement our own innovative technology, where appropriate. The Executive Board closely monitors the markets in which we operate enabling early identification of potential acquisition targets.	Risk is stable as Group acquisitions, investments and partnerships have helped to mitigate risks associated with emerging technologies. The continuing programme of re-platforming our digital proposition will facilitate the further expansion of our presence in digital payment markets.	Trend =  Appetite = Medium
Strategic				
PayPoint risks	Group risks	Mitigation strategies	Status	Change
3. IT Transformation	The Group continues with the delivery of IT transformation projects as specified in our road map with delivery of these projects recognised as key to delivering our business strategy, enhancing platform resilience as well as supporting key growth in our business as identified in the three-year plan. Such projects also serve to satisfy increased regulatory requirements in this area.	Delivery plans are in place with appropriate governance structure identified. The Executive Board is accountable for the management and delivery of these projects, with oversight provided by the Group Board to ensure the effective delivery of innovative, robust, and efficient project management of these major programmes.	Risk is stable due to delivery of significant projects within the road map such as the e-commerce platform in Love2shop. We have a number of significant projects, which are currently in the process of being delivered by the Group and significant progress has been delivered over the last year.	Trend =  Appetite = Medium

Change in status and trend

 Increased  Stable  Decreased

Principal risks and uncertainties continued

Business				
PayPoint risks	Group risks	Mitigation strategies	Status	Change
4. Client Services	Clients service expectations are high, as they continue to expect services to provide complex solutions in support of their specific requirements. Clients requirements are increasingly more sophisticated in terms of compliance needs. Client retention and the exposure to clients developing in-house solutions as an alternative to our services remains an ongoing risk.	The Group builds and carefully manages strategic relationships with key clients, retailers, redemption partners and suppliers. We continually seek to improve and diversify services through new initiatives, products and technology and our involvement in new and technology driven markets.	Risk is stable. On 30 March 2026, the Group announced a business reorganisation into four business units, which will enable strong performance ownership, a better harnessing of the Group's collective capabilities, strengthened execution and a more accountable operating culture. We continue to renew contracts and onboard new retailers, clients, merchants, and redemption partners in line with expectations. Collaborating with our clients to continue to understand their requirements and how best we can meet our clients' needs remains a priority and we continue to identify opportunities for our clients to diversify and use more than one of our service provisions.	Trend =  Appetite = Medium
PayPoint risks	Group risks	Mitigation strategies	Status	Change
5. Legal and regulatory	Increased levels of legal and regulatory requirements coupled with significant changes to current legal and regulatory frameworks as well as the continued addition of new service offerings all mean that the legal and regulatory environment in which we operate has become increasingly more complex. Should a number of significant changes be required to the current regulatory framework, this could impact our current cost and operational model.	Our Legal and Compliance teams work closely with the business on all legal and regulatory matters and enable the business to adopt strategies to ensure PayPoint is appropriately protected and complies with all applicable legal and regulatory requirements. Emerging regulations are incorporated into strategic and operational planning, and we engage with regulators to ensure our frameworks are appropriate to support new products and initiatives.	Risk is stable due to the Group's demonstrated ability to adapt quickly to regulatory changes, with the controls and policies put in place to manage such change. We continue to manage legal and regulatory exposures through our risk management framework, which includes key components such as assurance and monitoring reviews, mandatory training programmes and customer engagement. As noted in the Annual Accounts for the year ended 31 March 2025, a number of companies in the PayPoint Group, including PayPoint Plc, received a claim from Global-365 Plc and Global Prepaid Solutions Limited ('G365') on 18 July 2023 concerning PayPoint's prepayment energy business. The Competition Appeal Tribunal handed down its judgment on this claim on 7 May 2026: - it found PayPoint liable for an historical infringement of competition law, which ceased in 2018, concerning certain contracts under which it provided energy OTC prepayment services; - it awarded damages of £169,334 plus interest to G365 in respect of its 'loss of a chance' to win contracts with a limited number of small energy suppliers. The CAT's findings confirm that PayPoint's past contracts with energy suppliers were not a significant factor in G365's lack of success. PayPoint remains committed to ensuring its commercial practices meet all regulatory requirements.	Trend =  Appetite = Low

Change in status and trend

 Increased
  Stable
  Decreased

Business			
PayPoint risks		Group risks	
People		Mitigation strategies	
6.		Status	
People		Change	
People remain a key component in ensuring we continue to deliver our strategy. We have a strong focus on recruiting, training, retaining and developing those individuals who are instrumental in driving up the growth, along with individuals who are responsible for the success of our business. Key areas of focus for our continued success are: Key person dependencies, at both Executive and senior management levels, have been noted as an important component of this risk.		The Executive Board continues to monitor this risk, with a focus on succession planning and the development of the right people in our strategy and PayPoint's purpose, vision, and values. We have a strong focus on recruiting, training, retaining and developing those individuals who are instrumental in driving up the growth, along with individuals who are responsible for the success of our business. Key areas of focus for our continued success are: Key person dependencies, at both Executive and senior management levels, have been noted as an important component of this risk.	

Operational			
PayPoint risks		Group risks	
Cyber Security		Mitigation strategies	
7.		Status	
Cyber Security		Change	
Cyber security risk continues to grow due to the growing volume and complexity of threats. The Group has a strong focus on recruiting, training, retaining and developing those individuals who are instrumental in driving up the growth, along with individuals who are responsible for the success of our business. Key areas of focus for our continued success are: Key person dependencies, at both Executive and senior management levels, have been noted as an important component of this risk.		The Executive Board regularly reviews the Group's cyber security risk, with a focus on succession planning and the development of the right people in our strategy and PayPoint's purpose, vision, and values. We have a strong focus on recruiting, training, retaining and developing those individuals who are instrumental in driving up the growth, along with individuals who are responsible for the success of our business. Key areas of focus for our continued success are: Key person dependencies, at both Executive and senior management levels, have been noted as an important component of this risk.	

Change in status and trend

Increased  Decreased  Stable 

Principal risks and uncertainties continued

Business				
PayPoint risks	Group risks	Mitigation strategies	Status	Change
8. Business interruption	Failure to provide a stable infrastructure environment or to promptly recover failed services following an incident can lead to loss of service provision and financial, regulatory, and reputational loss. Interruptions may be caused by system failures, cyber-attack, failure by a third party or failure of an internal process. Recovery of the service can be hampered by lack of appropriate resilience levels.	Our comprehensive and robust business continuity framework is reviewed on a regular basis by the Executive Board, and the Cyber Security and IT sub-Committee of the Audit Committee maintains oversight of the framework and its implementation. Business continuity, disaster recovery and major incident response plans are maintained and tested with failover capabilities across third-party data centres and the cloud. Risk from supplier failure is managed through contractual arrangements, alternative supplier arrangements and business continuity plans.	Risk is stable. System disruption is an inherent business risk, however, we recognise that recent acquisitions, our IT transformation projects and our expansion into different products contribute to increasing complexity of our operations. Better staff training and retention has enhanced our ability to detect and recover from service issues.	Trend =  Appetite = Low
PayPoint risks	Group risks	Mitigation strategies	Status	Change
9. Credit and Liquidity/ Treasury Management Incorporating Counterparty Risk Management	The Group has significant exposures to large clients/retailers, redemption partners and other counterparties. Credit control remains a priority for the Group with risks to payment of retailer debt increasing over the last year as the Group has continued its expansion into certain markets as well as prevailing economic pressures. Counterparty management remains a risk to the Group, although the level of such risk has decreased over the last year. The Group also operates a number of debt/banking covenants, which must be carefully managed. Like most organisations, cash flow management is a key process in the Group's operations.	The Group has effective credit and operational processes and controls. Ongoing credit reviews, and effective debt management processes are implemented across the Group. A number of mitigating controls are in place to effectively manage counterparty risk including increased engagement and active monitoring of our significant counter parties. We have effective governance to manage cash flows through our Treasury Oversight Committee and have implemented detailed and effective cash management control processes to support our operations.	Risk is increasing due to a number of factors. Cost-of-living pressures may impact our client and retail estate. However, we have robust monitoring in place to reduce default rates and impacts. We have enhanced and increased our risk controls to ensure effective counterparty risk management. And these remain under constant review. The Group has robust financing arrangements in place, and our cash generation remains strong as do our cash management processes.	Trend =  Appetite = Medium

Change in status and trend

 Increased
  Stable
  Decreased

Emerging risks

PayPoint risks	Group risks	Mitigation strategies	Status	Change
10. Operational delivery	Planning, forecasting and successful execution of all business functions is key to ensuring operational delivery for the Group. Delivery of key initiatives and strategic objectives, including sales and service delivery growth, remains key to achieving the desired success levels anticipated for the Group. Supply chain management is also a key factor in delivering our operational targets. Failure to manage this risk would hamper our business performance, impact our stakeholders, and may lead to regulatory or legal sanctions.	The Executive Board has implemented a robust and effective reporting suite to ensure management of BAU is supported by timely and accurate business reporting and performance analysis. We continue to develop our Business Intelligence and Management Information reporting capabilities to enhance, support and develop our BAU management functions. Our existing processes are continuously reviewed to make sure they are efficient and well controlled, and our supply chain is monitored and assessed to ensure continuity of service is maintained.	Risk is stable. We continue to focus on effective integration of recent acquisitions into our business and to develop new services and enhance existing capabilities.	Trend = Appetite = Low
11. ESG and climate	We continue to be a low-carbon producing company and as such, climate remains as an emerging risk to the Group as the risk does not pose any immediate threat. We continue to monitor and assess potential risks to our operations, including our retail network from potential impacts of climate change such as flooding. As a Group, we recognise the importance of ESG matters and acknowledge that our business needs to be environmentally and socially responsible to create shared value for all stakeholders.	The CEO and the Executive Board have overall accountability for PayPoint's climate and social responsibility agendas, and they recommend strategy to the Board. We have embedded a strategy of reducing our carbon emissions, with a goal of becoming fully net-zero by 2040 (2030 for our own operations). We have multiple policies and processes governing our social responsibility strategy and continually assess and evolve our strategy and working practices to ensure the best outcomes for stakeholders and the environment.	Our ESG working group has implemented various measures as we continue to embed low-carbon strategies into our working practices and business strategy. The continued roll out of the PayPoint Mini, supports reduction of our carbon footprint through production of lower emissions. We run an employee forum to encourage open communication channels with our employees and continue to engage with our employees on socially responsible initiatives, such as volunteering, work in the community and school mentoring programmes.	Trend = Appetite = Medium

Change in status and trend

Increased
 Stable
 Decreased

Viability statement

In accordance with the 2024 UK Corporate Governance Code, The Directors have assessed the viability of the Group over a three-year period, taking account of the Group's current financial and trading position, the principal risks and uncertainties (as set out on pages 57 to 61) and the strategic plans that are reviewed at least annually by the Board.

Assessment period

The Directors have determined that the Group's strategic planning period of three years remains an appropriate timeframe over which to assess viability. This broadly aligns to average client renewal terms, new client prospecting and onboarding cycles and the development-through-to-maturity evolution of new products and service lines. The current financing facilities are in place until 2029 broadly in line with this period.

Assessment of prospects

The Directors assess the Group's prospects through the annual strategy day in September 2025 and review of the Group's three-year Plan in March and June 2026. The planning process forecasts the Group's financial performance that include cash flows which allow the Directors to assess both the Group's liquidity and adequacy of funding. In its assessment of the Group's prospects, the Directors have considered the following:

The Group's strategy and how it addresses changing economic environments in context of our clients, parcel partnerships, merchants and retailer requirements.

Following the business reorganisation announced in March 2026, the Group has simplified into four business units to create clearer accountability, stronger execution, better use of shared capabilities and a more efficient operating model. This restructure supports the Group's response to a changing economic environment by

sharpening focus on higher-value, more resilient revenue streams and aligning propositions more closely to the evolving needs of clients, partners, merchants and retailers. Specific initiatives include the rollout of the 'growing retailer value' strategy, the expansion of PayPoint BankLocal, including the partnership with Nalio, the rollout of Royal Mail services across the network, growth in Open Banking and digital payments capabilities, including account-to-account and data-sharing solutions, the continued expansion of Love2shop's digital and physical distribution, and the repositioning of Merchant Services towards higher-value merchants, improved retention and partnership-led growth. Together, these actions enhance the relevance of the Group's services, support customer and partner requirements, and strengthen resilience, cash generation and longer-term growth prospects.

The Group's inherent resilience to risk.

The Group's resilience is supported by its diversified portfolio of essential services across multiple sectors and customer groups. This diversification, together with strong cash generation, supports continued investment in key growth areas, enables the Group to remain relevant to retailers, merchants, clients and partners, and strengthens its ability to absorb downside risk over the assessment period.

Expectations of the future economic environment.

The economic environment is expected to remain uncertain, with inflationary pressures, the cost of borrowing and changing consumer behaviour continuing to influence demand across the Group's markets. The Directors believe the

Group is well positioned to respond through its diversified portfolio of essential services, strong retailer and client relationships, strategic partnerships and increased focus on higher-value, more resilient revenue streams. This supports the Group's ability to adapt to changing customer and partner requirements while maintaining resilience and cash generation over the assessment period.

The Group's financial position.

At the end of May 2026, the Group had £129.9 million of net debt, split £1.7 million cash and overdrafts and £131.6 million utilised facilities. Compared to the total committed facilities of £165 million, this means the Group has substantial headroom of £33.4 million. This level of liquidity is sufficient for all viability scenarios. Furthermore, the Group has proven, robust performance and cash generation in previous economic downturns.

Assessment of viability

To assess our viability, we modelled different scenarios identified by considering the potential impact of the principal risks (as shown in the table on pages 57 to 61). Our development of scenarios included reviewing the risks of PayPoint Group, and where appropriate we have made adjustments. Risks are broadly unchanged, the additional investments required to realise our integration and plan targets are included in the plan financial projections. We have reassessed the group's scenarios to reflect the progress made in delivering our strategy. All ten principal risks were used in our modelling. They were chosen because they combine to represent plausible scenarios covering a range of different operational and financial impacts on the business.

In total, three severe but plausible individual scenarios have been modelled, with a fourth reverse stress test scenario. These scenarios and the assumptions within are detailed in the table below. Theoretically all these scenarios, with differing causes could occur together, with varying levels of impact, in such a scenario the Group remains viable and within covenants.

None of the separate scenarios modelled was found to impact the long-term viability of the Group over the assessment period. In assessing each of the scenarios, we have taken account of the mitigating actions available to us, including, but not limited to reducing discretionary operating spend, reducing non-committed capital expenditure, repricing our products and services, freezing recruitment, reducing variable incentives and temporary suspension of dividend payments.

Conclusion

Having considered the Group's current financial position, prospects and principal risks, together with the results of the severe but plausible scenario testing, combined downside scenario and reverse stress testing described above, the Directors have a reasonable expectation that the Group will be able to continue in operation, remain solvent and meet its liabilities as they fall due over the three-year assessment period.

Scenario modelled	Linked to principal risks	Assumptions
A A sharp economic decline in the economy and our markets causes material divergence on planned product growth rates or accelerated declines	Risk (1) Competition and markets, Risk (2) Emerging technology, Risk (4) Operating model Risk (10) Operational delivery	Transactions/merchants/estate Areas of growth have been reduced or held flat and in areas of decline have been assumed to continue or accelerate those declines. Margins, revenue rates per transaction/merchants or estate Margins and rates have been held in line with planned levels. Costs No cost savings assumed however bonus would not be paid until FY29. All the above are assumed to impact for FY27 with a slow recovery in FY28 back to planned levels in FY29. Dividends and Share Buy-Back Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained.
B Our transformation and integration projects do not deliver the planned growth	Risk (3) Transformation Risk (6) People Risk (10) Operational delivery	Revenue Growth Planned transformational revenue growth rates are assumed to halve in FY27 partly recovering to 25% of plan by FY29. Costs Costs, linked to transformational revenue growth are assumed to increase by 2% p.a. above planned levels to achieve transformational execution and cover retention issues or unforeseen skills gaps. Dividends and Share Buy-Back Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained.
C A one-off event, such as a legal, regulatory, cyber security or a significant credit loss event	Risk (5) Regulatory and legal (grouping all the one-off hits together) Risk (7) Cyber security, Risk (8) Business interruption Risk (9) Credit and liquidity/ Treasury Management	Revenue No impact is assumed as PayPoint would adjust to change or correct any breach so that level of business could continue. Costs It is assumed that an average of all possible fines, £27.3m, is incurred but no other associated costs together with a credit risk of £3m (equivalent to our largest debtor) totalling £30.8m. Given the potential scale of impact and lead time of this impact appropriate cost savings would be identified. For cash flow purposes, however, the model assumes a final cash impact of 50% of this amount in FY29, reflecting the likelihood that any fines would be subject to negotiation and/or partial suspension before settlement. Dividends and Share Buy-Back Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained.
D Reverse stress test of a one-off impact to breach covenants or exceed funding availability	N/A	Test D1 Adopting the principles of Scenarios A and B a continuously monthly impact has been modelled to understand when our funding limits would be breached. Test D2 Similarly to Scenario C (a one-off loss event) – assessing the size of this to breach covenant/ funding limits. For test D1, no dividends are proposed across the 3 years, other than the final dividend in respect of FY26. However, the share-buyback is assumed to continue. For test D2, in this reverse stress test, it is assumed no dividends are paid following the final FY26 dividend until FY29 and therefore from a cash perspective, we save c£33.9m in FY28. For both tests, the share buyback is assumed and therefore remains a management 'lever'.

Financial review



We have delivered record profits of £69.0 million in FY26 with over £90 million of shareholder returns.”

Rob Harding
Chief Financial Officer

10 June 2026

Overview

£m	Year ended 31 March 2026	Year ended 31 March 2025	Change %
PayPoint segment	178.8	163.6	9.3%
Love2shop segment	158.2	147.1	7.5%
Total revenue	337.0	310.7	8.5%
PayPoint segment	137.3	136.0	1.0%
Love2shop segment	53.5	51.7	3.5%
Total net revenue¹	190.8	187.7	1.7%
PayPoint segment	(86.2)	(82.6)	4.4%
Love2shop segment	(35.6)	(37.1)	(4.0)%
Total costs (excluding adjusting items)	(121.8)	(119.7)	1.8%
PayPoint segment	51.1	53.4	(4.3)%
Love2shop segment	17.9	14.6	22.6%
Underlying profit before tax²	69.0	68.0	1.5%
Adjusting items:			
Amortisation of intangible assets arising on acquisition	(5.2)	(8.7)	(40.2)%
Net movement in investments	(1.2)	(9.6)	(87.5)%
Exceptional items	(7.1)	(23.4)	(69.7)%
Profit before tax	55.5	26.3	111.0%
Underlying EBITDA ³	92.0	90.0	2.2%
Net corporate debt ⁴	(132.5)	(97.4)	36.0%

Total revenue increased by £26.3 million (8.5%) to £337.0 million (2025: £310.7 million). The prior year statutory revenue included an exceptional deduction of £14.2 million related to a claim settlement. Underlying revenue excluding this deduction increased by £12.1 million (3.7%). Net revenue increased by £3.1 million (1.7%) to £190.8 million (2025: £187.7 million, which excludes the £14.2 million claim settlement). obconnect contributed a full year's revenue in the current year, compared with only five months' in the prior year. Love2shop's net revenue increased by £1.8 million, driven by non-redemption income and single-retailer redemption products. These impacts were partially offset by the cash payments decline in Payments & Banking.

¹ Net revenue is an alternative performance measure. Refer to note 4 to the financial statements for a reconciliation to revenue.

² Underlying profit before tax is an alternative performance measure. Refer to note 1 to the financial statements for an explanation.

³ Underlying EBITDA is an alternative performance measure. Refer to note 1 to the financial statements for an explanation.

⁴ Net corporate debt (excluding IFRS 16 liabilities) is an alternative performance measure. Refer to note 1 to the financial statements for a reconciliation to cash and cash equivalents.

Total costs increased by £2.1 million to £121.8 million (2025: £119.7 million). The increase includes £2.1 million additional costs from a full year's obconnect trading. Increased cost of sales reflects the increase in revenue, and the increase in finance costs is due to the Group's increased borrowing. These increases were offset by cost efficiencies.

Exceptional items were £7.1 million. These represent one-off, non-recurring costs, which do not reflect current operational performance. They comprise legal fees incurred by the Group in its defence of claims served against it, reorganisation provisions, costs associated with the organisational framework to deliver greater automation and agility and the impairment of a non-trading receivable balance. The prior year exceptional costs comprised settlement and legal fees in defence of the same claims, costs associated with the early exit of a property lease in Love2shop and accelerated amortisation on certain modules of L2s ERP systems.

The underlying profit before tax for the Group increased by £1.0 million (1.5%) to £69.0 million (2025: £68.0 million).

Profit before tax of £55.5 million (2025: £26.3 million) increased by £29.2 million (111.0%). The increase is mainly due to the prior year exceptional items referred to above and the prior year movement in investment valuations.

EBITDA / Underlying EBITDA (£m)		31 March 2026	31 March 2025	Change %
Profit before tax		55.5	26.3	111.0%
Add back:				
Net interest expense		7.9	7.1	11.3%
Depreciation and amortisation including amortisation of intangible assets arising on acquisition		20.3	23.6	(14.0)%
EBITDA (£m)		83.7	57.0	46.8%
Exceptional items and net movement in investments		8.3	33.0	(74.8)%
Underlying EBITDA (£m)		92.0	90.0	2.2%

Underlying EBITDA increased by £2.0 million to £92.0 million (2025: £90.0 million). It comprises £23.4 million (2025: £21.0 million) for the L2s segment and £68.6 million (2025: £69.0 million) for the PayPoint segment.

Cash generation increased by £1.4 million to £70.4 million (2025: £69.0 million), delivered from profit before tax of £55.5 million (2025: £26.3 million). There was a net working capital outflow of £8.4 million (2025: £10.3 million) driven by the timing of supplier payments around the end of the period.

Net corporate debt increased by £35.1 million to £132.5 million (2025: £97.4 million). Cash generation of £70.4 million was offset by tax, dividend payments, share buy-backs and capital expenditure. At 31 March 2026, loans and borrowings were £130.8 million (2025: £102.3 million), excluding a £7.9 million overdraft balance.

PayPoint Segment

£m	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Revenue	178.8	163.6	9.3%
Shopping	66.3	65.2	1.7%
E-commerce	15.6	16.4	(4.9)%
Payments & Banking	55.4	54.4	1.8%
Net revenue	137.3	136.0	1.0%
Total costs	(86.2)	(82.6)	4.4%
Underlying profit before tax (excluding adjusting items)	51.1	53.4	(4.3)%

Shopping net revenue increased by £1.1 million (1.7%) to £66.3 million (2025: £65.2 million). Service fees net revenue increased by £1.9 million (8.7%), driven by the annual RPI increase and additional PayPoint sites. Cards net revenue decreased by £0.8 million (2.5%), with a reduction in acquiring sites and subdued consumer confidence impacting the total value processed through the network, which is down 6.2%. ATM and Counter Cash net revenue decreased by £0.2 million (2.6%), reflecting a reduction in transactions resulting from the continuing trend of reduced demand for cash across the economy.

E-commerce net revenue decreased by £0.8 million (4.9%) to £15.6 million (2025: £16.4 million). The continued increase in total parcels transactions, by 1.5% to £23.3 million (2025: £25.9 million) including £4.1 million net revenue from obconnect, acquired by the Group in October 2024. Excluding the impact of obconnect, net revenue decreased by £1.3 million compared with the prior period. Cash bill payments and top ups revenue decreased by £2.6 million (10.0%) to £23.3 million (2025: £25.9 million) driven by a 15.0% decrease in transactions arising from reduced usage of cash and the continued switch to digital payments. Digital net revenue, excluding obconnect, increased by £1.7 million (12.4%) to £15.4 million (2025: £13.7 million).

Total costs (excluding adjusting items) increased by £3.6 million (4.4%) to £86.2 million (2025: £82.6 million) including a £1.2 million increase in finance costs due principally to the share buy-back programme. £2.1 million additional obconnect costs following acquisition in October 2024 and £0.3 million additional depreciation on cards devices. Total costs were impacted by inflationary cost pressures and higher cost of revenue, offset by cost efficiencies.

Financial review continued

Sector Analysis

Shopping

Shopping consists of services PayPoint provides to retailer partners, which form part of PayPoint's network, and SME partners. Services include providing the PayPoint One platform (which has a basic till application), EPoS, card payments, terminal leasing, ATMs, Counter Cash and FMCG vouchering.

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Net revenue (£m)			
Service fees	23.7	21.8	8.7%
Card payments	31.6	32.4	(2.5)%
ATMs and Counter Cash	7.6	7.8	(2.6)%
Other shopping	3.4	3.2	6.2%
Total net revenue (£m)	66.3	65.2	1.7%

Net revenue increased by £1.1 million (1.7%) to £66.3 million (2025: £65.2 million) primarily due to the growth in service fees. The net revenue of each of our key products is addressed separately below.

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Service fees from terminals			
Net Revenue (£m)	23.7	21.8	8.7%
PayPoint terminal sites (No.)			
PayPoint One Terminals	15,416	17,397	(11.4)%
PayPoint Mini	4,879	2,878	69.5%
Total PayPoint One/Mini	20,295	20,275	0.1%
PPoS	9,807	9,763	0.5%
PayPoint One – non-revenue generating	711	674	5.5%
Total terminal sites in PayPoint network	30,813	30,712	0.3%
PayPoint One average weekly service fee per site (£)	21.6	19.9	8.5%

As at 31 March 2026, PayPoint had a live terminal in 30,813 UK sites, an increase of 0.3% primarily as a result of new PayPoint Mini sales.

Service fees: This is a core growth area and consists of service fees from PayPoint One and PayPoint Mini. Service fee net revenue increased by £1.9 million (8.7%) to £23.7 million, driven by an increase in RPI.

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Card Services			
Net Revenue (£m)			
Acquiring	19.7	21.0	(6.2)%
Rentals	10.6	10.6	–
Business finance and other	1.3	0.8	62.5%
Total net revenue	31.6	32.4	(2.5)%
Services in Live sites (No.)			
Acquiring – Handeapay SME partners	18,847	21,435	(12.1)%
Acquiring – PayPoint retailer partners	10,193	10,552	(3.4)%
Rentals – Handeapay SME terminals	50,427	50,012	0.8%
Transaction value (£m)			
Handeapay SME partners	4,360	4,569	(4.6)%
PayPoint retailer partners	2,079	2,299	(9.6)%
Transaction value total	6,439	6,868	(6.2)%

Card Services: Card payments acquiring services generated £19.7 million net revenue in the year, a reduction of £1.3 million from prior year (2025: £21.0 million), reflecting the decrease in the number of SME and retailer partners, partially offset by the average value processed per merchant. Card payments lending and other net revenue increased by £0.5 million to £1.3 million. Transaction values overall decreased by 6.2% to £6,439 million (2025: £6,868 million).

Card payment terminal rentals remained at £10.6 million, with a slight increase in the number of terminals.

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
ATMs and Counter Cash			
Net Revenue (£m)	7.6	7.8	(2.6)%
Services in Live sites (No.)	6,706	6,365	5.4%
Transactions (Millions)	22.1	24.5	(9.8)%

Net revenue reduced by £0.2 million (2.6%) to £7.6 million (2025: £7.8 million) as transactions reduced by 9.8% to 22.1 million. This reflects a continuation of the reduced demand for cash across the economy, although net revenue from Counter Cash was flat. ATM and Counter Cash live sites increased 5.4% to 6,706.

Other: Other shopping services, which includes FMCG campaigns, increased by £0.2 million (6.2%) to £3.4 million (2025: £3.2 million).

E-Commerce

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Parcels			
Net Revenue (£m)	15.6	16.4	(4.9)%
Services in Live sites (No.)	14,076	14,213	(1.0)%
Transactions (Millions)	135.4	133.4	1.5%

E-commerce net revenue decreased by £0.8 million (4.9%) to £15.6 million (2025: £16.4 million). The continued increase in total parcels transactions, by 1.5% to 135.4 million, was offset by the impact of the terms of the new commercial deal with Yodel/InPost. Parcel sites decreased by 1.0% to 14,076.

Payments & Banking

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Net revenue (£m)			
Cash – bill payments & top ups	23.3	25.9	(10.0)%
Digital – MultiPay and direct debits	15.4	13.7	12.4%
Digital – obconnect	4.1	1.8	127.8%
Cash through to digital	7.1	6.8	4.4%
Other payments and banking	5.5	6.2	(11.3)%
Total net revenue (£m)	55.4	54.4	1.8%

Payments & Banking divisional net revenue increased by 1.8% to £55.4 million (2025: £54.4 million), benefitting from an additional £2.3 million contribution from obconnect and 31.7 million from MultiPay and direct debits, partially offset by the impact of fewer cash bill payments and top up transactions.

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Cash – bill payments and top-ups			
Net revenue (£m)	23.3	25.9	(10.0)%
Transactions (millions)	100.1	117.8	(15.0)%
Transaction value (£m)	3,097.4	3,448.3	(10.2)%
Average transaction value (£)	30.9	29.3	5.5%
Net revenue per transaction (pence)	23.3	22.0	5.9%

Cash – bill payments and top-ups net revenue decreased by £2.6 million (10.0%) to £23.3 million (2025: £25.9 million).

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Digital – MultiPay and direct debits			
Net revenue (£m)	15.4	13.7	12.4%
Transactions (millions)	49.3	45.0	9.6%
Transaction value (£m)	1,143.7	999.0	14.5%
Average transaction value (£)	23.2	22.2	4.5%
Net revenue per transaction (pence)	31.3	34.5	(9.3)%

Digital (MultiPay, Direct Debits, Cash Out and PayPoint Open Banking) net revenue increased by £1.7 million (12.4%) to £15.4 million (2025: £13.7 million) and transactions increased by 4.3 million (9.6%) to 49.3 million (2025: 45.0 million). MultiPay net revenue increased by £1.2 million (17.9%) to £7.9 million (2025: £6.7 million). Cashout net revenue remained in line with the previous year at £6.2 million. Open Banking net revenue, excluding obconnect, increased by £0.5 million (62.5%) to £1.3 million (2025: £0.8 million).

	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Cash through to digital			
Net revenue (£m)	7.1	6.8	4.4%
Transactions (millions)	9.1	7.9	15.2%
Transaction value (£m)	807.9	568.0	42.2%
Average transaction value (£)	88.6	72.3	22.5%
Net revenue per transaction (pence)	78.3	86.6	(9.6)%

Cash through to digital (eMoney) net revenue increased by £0.3 million (4.4%) to £7.1 million (2025: £6.8 million) and transactions increased by 1.2 million (15.2%) to 9.1 million (2025: 7.9 million). eMoney transactions derive a substantially higher fee per transaction than traditional top-up transactions as they are more complex to process.

Other payments & banking net revenue includes SIM sales, interest generated by investing cash received on client funds and other ad-hoc items, which contributed £5.5 million (2025: £6.2 million) net revenue.

Financial review continued

Love2shop Segment

£m	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Love2shop billings	221.4	204.5	8.3%
Prepaid Christmas Savings billings	164.4	163.0	0.9%
Total billings	385.8	367.5	5.0%
Revenue	158.2	147.1	7.5%
Net revenue	53.5	51.7	3.5%
Total costs	(35.6)	(37.1)	(4.0)%
Underlying profit before tax (excluding adjusting items)	17.9	14.6	22.6%

Love2shop ('L2s') generated £385.8 million total billings in the period, an increase of 5.0% on prior year. Billings represent the total value of gift cards sold across all formats, including physical cards, digital eCodes and paper vouchers. The £11.1 million (7.5%) increase in revenue is largely attributable to single-retailer cards and vouchers. Net revenue for the year was £53.5 million, an increase of £1.8 million (3.5%) on prior year this reflects the first full year of revenue from gift cards sold in-store and improved lifecycle management of gift cards, including non-redemption income.

Profit Before Tax and Taxation

The income tax charge of £14.3 million (2025: £7.0 million) on profit before tax of £55.5 million (2025: £26.3 million) represents an effective tax rate of 25.8% (2025: 26.6%). This is higher than the UK statutory rate of 25% due to impact of adjustments in respect of disallowable expenses, share-based payments and prior period adjustments.

Group Statement of Financial Position

Net assets of £75.8 million (2025: £97.3 million) decreased by £21.5 million, reflecting the continuation of the share buy-back programme and dividends, partially offset by profit for the period and a gain on the part-disposal of Collect+. Current assets decreased by £7.5 million to £263.1 million (2025: £270.6 million), mainly due to a decrease in trade receivables and the corporation tax asset. Non-current assets of £240.7 million (2025: £237.8 million) increased by £2.9 million due to the continued investment in software intangible assets and a one-off contribution of £1.5 million to the defined benefit pension scheme.

Current liabilities decreased by £10.4 million to £274.2 million (2025: £284.6 million), including an £8.3 million decrease in provisions, principally due to settlement of the Utilita claim in the year. Phase two of the share buy-back programme commenced in July 2025 and was for £30 million of committed share purchases, compared with £20 million for phase one. Non-current liabilities of £153.7 million (2025: £126.4 million) increased by £27.3 million, mainly due to a £28.5 million increase in loans and borrowings.

At 31 March 2026, net corporate debt was £132.5 million, an increase of £35.1 million from the prior year amount of £97.4 million. This reflects funding requirements for the continuation of the share buy-back programme, the exceptional Utilita settlement, tax, capex and dividend requirements, partially offset by positive cash generation. The net proceeds from the part-disposal of Collect+ were distributed as a special dividend. Total loans and borrowings of £130.8 million (2025: £102.3 million), increased by £28.5 million from 31 March 2025. They comprise a £75.0 million non-amortising term loan, £56.5 million drawdown of the £90.0 million revolving credit facility, £0.3 million accrued interest less £1.0 million arrangement fees (2025: £45.0 million non-amortising term loan, £58.0 million drawdown from the revolving credit facility, £0.3 million accrued interest less £1.0 million arrangement fees).

Group Cash Flow and Liquidity

The following table summarises the cash flow and net debt movements during the year.

£m	Year ended 31 March 2026	Year ended 31 March 2025	Change %
Profit before tax	55.5	26.3	111.0%
Non-cash exceptional items	1.7	25.0	(93.2)%
Depreciation and amortisation	20.3	25.3	(19.8)%
Share-based payments and other items	1.3	2.7	(55.6)%
Working capital changes (corporate)	(8.4)	(10.3)	(19.4)%
Cash generation	70.4	69.0	2.0%
Taxation payments	(17.1)	(11.4)	50.0%
Capital expenditure	(21.6)	(18.8)	14.9%
Exceptional settlement payment	(10.4)	–	–
Pension contribution	(1.5)	–	–
Part-disposal of subsidiary, net of costs	43.4	–	–
Acquisition of subsidiary, net of cash acquired	–	(8.9)	–
Purchase of convertible loan notes	–	(16.2)	–
Acquisition of non-controlling interest	(6.4)	–	–
Payment of leases	(1.0)	(0.9)	11.1%
Share buyback	(30.1)	(14.9)	102.0%
Dividends paid	(60.8)	(27.8)	118.7%
Increase in net debt	(35.1)	(29.9)	
Net corporate debt at the beginning of the year	(97.4)	(67.5)	
Net corporate debt at the end of the year	(132.5)	(97.4)	
Comprising:			
Corporate cash	6.2	4.9	
Overdraft	(7.9)	–	
Loans and borrowings	(130.8)	(102.3)	

Cash generation increased £1.4 million to £70.4 million (2025: £69.0 million) delivered from profit before tax of £55.5 million (2025: £26.3 million). There was a net working capital outflow of £8.4 million (2025: £10.3 million).

The £10.4 million exceptional settlement payment relates to Utilita, as disclosed in the March 2025 financial statements. The £1.5 million pension contribution was to the defined benefit scheme. The £43.4 million inflow from the part-disposal of subsidiary relates to the investment by IDS in the Group's parcel division and is net of disposal costs.

The £30.1 million share buy-back outflow in the period exceeds the £14.9 million in the prior period, which included only nine months' share purchases of a £20 million annual committed amount. The current year outflow represents 12 months' purchases, of which three months were at the £20 million annual commitment and nine months were at £30 million p.a.

Capital expenditure of £21.6 million (2025: £18.8 million) was £2.8 million higher than the prior year, primarily the result of software development investment to modernise heritage systems and Love2shop's e-commerce project.

Dividends

We have declared a final dividend of 20.0 pence per share, an increase of 2% on the 2025 final dividend of 19.6 pence per share. The final dividend is payable in equal instalments of 10.0 pence per share (2025: 9.8 pence per share) on 3 August 2026 and 25 September 2026 to shareholders on the register on 3 July 2026 and 28 August 2026 respectively. The final dividend is subject to the approval of shareholders at the Annual General Meeting on 29 July 2026.

On 17 October 2025, the Group approved a special dividend of 50.0 pence per share, paid on 31 October 2025 to shareholders on the register on 17 October 2025, representing c.69 million eligible shares. Alongside this, the 12 for 13 share consolidation on 17 October 2025 reduced the number of shares in issue by c.5.3 million shares.

In aggregate, dividends of £60.8 million (2025: £27.8 million) have been paid to shareholders in the year. As at 31 March 2026, the Company had approximately £59.3 million (2025: £67.2 million) of distributable reserves.

Capital Allocation

The Board's immediate priority is to continue to preserve PayPoint's balance sheet strength. The Group maintains a capital structure appropriate for current and prospective trading over the medium term that allows a healthy mix of returns to shareholders and cash for investments. The Group's capital allocation priorities are as follows:

- Investment in the business through capital expenditure and innovation to drive future revenue streams and improve the resilience and efficiency of our operations;
- Progressive ordinary dividends, targeting a dividend cover of over 2.0 times by FY28;
- Continuation of the share buyback programme, which returned £20 million over the initial 12 months to 30 June 2025 and will return a further £30 million in each of years 2,3 and 4, depending on business performance, market conditions, cash generation and the overall capital needs of the business; and
- Targeting an appropriate leverage ratio of 1.2x to 1.5x net debt/EBITDA.

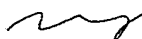
Going Concern

The financial statements have been prepared on a going concern basis having regard to the identified principal risks and uncertainties and the viability statement on page 62. Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Group including dividends.

Rob Harding

Chief Financial Officer

10 June 2026



Introduction to the Corporate Governance Report from the Chair



The Board continues to focus on growth and delivery of value to shareholders, with considerable capital returned to investors during the year via our share buyback programme and dividends. This year, our regular dividends were significantly boosted by the payment of an additional special distribution."

Gilles Kerr
Chair

Dear shareholders,

I am pleased to introduce the Governance section of this year's Annual Report, which sets out how the Board operates in practice as it steers and oversees management's delivery of the Group's ambitious strategic plans. Effective leadership is key to the achievement of our long-term objectives and the creation of value for shareholders and exciting opportunities for our colleagues in the business.

Corporate Governance Code

For the financial year ended 31 March 2026, we report on our compliance with the 2024 version of the UK Corporate Governance Code (the 'Code') and our statement of compliance can be found on page 75.

I am pleased to confirm that, during the year, the Company complied with all applicable principles and provisions of the Code. The Company also took steps to ensure readiness for compliance with Provision 29 of the Code, which requires us to conduct an annual review of the effectiveness of the Group's risk management and internal control framework, and to provide a declaration on the ongoing effectiveness of all material controls. The new requirements apply to the Company for financial years commencing 1 April 2026 onwards.

Board composition

The Board keeps Board composition and succession plans under review to ensure that we have the skills, experience and diversity around our board table needed for effective decision making. I am delighted to report that good progress has been made in the year to improve the gender balance of the Board, with the recruitment of Manasi Bhalerao also enhancing our collective digital expertise. The Board remains committed to maintaining strong governance, effective succession planning and a diverse composition.

Our approach to Board composition strikes a balance between continuity of leadership and appropriate refreshing of membership to reflect emerging priorities and to bring new perspectives to our discussions. As the business continues to progress its ambitious strategic goals,

the Board is well positioned to oversee their delivery for the benefit of shareholders.

The following Board changes took place during the year ended 31 March 2026:

- Lan Tu succeeded Rakesh Sharma as the Senior Independent Director. Rakesh remains an Independent Non-Executive Director and member of the Remuneration, Nomination and Audit Committees and the Cyber Security and Technology Information sub-Committee; and
- Manasi Bhalerao was appointed to the Board as an Independent Non-Executive Director and member of the Remuneration, Nomination and Audit Committees and the Cyber Security and Technology Information sub-Committee. Manasi brings numerous skills and experience to the Board, most notably her extensive expertise in digital, retail and financial products.

In line with our succession planning, Rakesh Sharma will be retiring from the Board at the conclusion of this year's Annual General Meeting. Rakesh has made a significant contribution to the Board, and in his previous role as Senior Independent Director, and we are grateful for his commitment and leadership.

The Board remains committed to improving diversity at all levels of the business to ensure we can continue to support and enhance our people culture. Further detail can be found in the Nomination Committee report on page 84.

Conflicts of interest

In accordance with the Companies Act 2006 and the Articles of Association, Directors are required to report actual or potential conflicts of interest to the Board for consideration and, if appropriate, authorisation. If such conflicts exist, Directors may need to recuse themselves from consideration of the relevant matter. Under the Articles of Association, the Board has authority to approve any conflicts or potential conflicts of interest that are declared by individual Directors prior to, and during, appointment. Conditions may be attached to such approvals and Directors will generally not be entitled to participate in discussions or vote on matters in which they have, or may have, a significant conflict of interest.

A register of interests is maintained by the Company Secretary. No material conflicts were reported by the Directors during the year. For further information see the Nomination Committee report on page 84.

Culture and values

The Board is responsible for setting and leading the Company's culture, values and behaviours through the way it works and the decisions it makes. The Board keeps these matters under review and monitors how well they are embedded across the business.

The Executive Board is responsible for implementing and advocating PayPoint's purpose, vision and values in practice, and for ensuring there is a continuous focus on culture, ethics and diversity. Our Code of Business Conduct defines the behaviours expected of colleagues and is supported by other Group policies and mandatory training.

The Board is proud to support a 'Welcoming Everyone' approach to inclusion and has celebrated various events during the year from Pride month to International Women's Day. The Board receives updates from the Non-Executive Directors following their attendance at employee forums, as well as regular feedback and reporting on key indicators on employee matters from the Chief People Officer and CEO.

Enhancing shareholder returns

In July 2025, the Company commenced its increased share buyback programme to return at least £30 million per annum to shareholders, extended until the end of March 2028. Our goal is to reduce our equity base by at least 20% over that period. This enhanced buyback programme reflects the strong cash generative nature of the business and the Board's confidence in delivering on our growth targets in the period to 31 March 2028, in line with our commitment to enhance shareholder returns. Through a combination of share buybacks, ordinary and special dividends, the Group has returned more than £90 million in value to shareholders in the year. Authority will be sought annually from shareholders to make market purchases of the Company's own shares to complete the share buyback programme.

complete the share buyback programme.

The Company also held a General Meeting in October 2025 to approve a special dividend and share consolidation. The resultant 63,710,952 new ordinary shares of 0.3611 pence each, in place of the previous issued shares, were admitted to trading thereafter. Under the share consolidation, shareholders received 12 new ordinary shares for every 13 existing ordinary shares held at the record date for the special dividend. The special dividend totalling £34,508,790 was paid to shareholders on 31 October 2025.

Our policy going forward will be to increase dividends further, supported by our continued financial performance, while growing our dividend cover from the current 1.5 to 2.0 times earnings to over 2.0 times earnings by FY28. This dividend policy, combined with the increased and extended buyback programme, will enhance shareholder returns and ensure the business continues to maintain an efficient capital structure, balancing an appropriate leverage ratio with the overall capital needs of the business.

The Board is proposing a final dividend to be approved by shareholders, of 20 pence per share payable in equal instalments to shareholders on 3 August 2026 and 25 September 2026 to shareholders on the register on 3 July 2026 and 28 August 2026 respectively.

2026 Annual General Meeting ('AGM')

The Company's AGM will be held at PayPoint's registered office on 29 July 2026 at 12 noon, where shareholders will have the opportunity to meet the Board. The matters to be approved by shareholders are set out in our Notice of Annual General Meeting, which will be posted to shareholders in June 2026. The AGM Notice is also available on our website.

Investors who hold their shares through a nominee should contact their nominee service provider if they would like to attend the Annual General Meeting in person.

The Board's own engagement with stakeholders

In its decision-making, the Board has regard to each Director's duty to promote the success of the Company, taking account of the interests of the Company's stakeholders. In particular, it seeks to foster strong relationships with colleagues, shareholders, convenience retailer partners, SMEs, consumers, clients and local communities and, therefore, has taken account of the likely effect of the principal decisions taken during the financial year on these stakeholders. Further details of our key stakeholders and key activities undertaken by the business during the year to engage with them and inform the Board of their views are set out on pages 43 to 45. Below, we are pleased to outline some specific stakeholder engagement activities directly undertaken by Directors.

During the year, a range of colleague engagement activities took place, which included employee and staff briefings along with informal meetings with the CEO. Following the retirement of the previous designated Non-Executive Director for employee engagement, it was agreed that an alternative approach would be adopted to provide opportunities for the Non-Executive Directors, in particular, to gain a deeper understanding of the views and perspectives of PayPoint colleagues. Non-Executive Directors are able to attend employee engagement forums to gain direct insight into colleague perspectives. These activities are viewed positively and have contributed to strengthening engagement across the wider business.

The Directors consider that the Annual Report and financial statements, together with other published information on the Company's financial results and outlook, play an important role in providing shareholders with an evaluation of the Company's position and prospects. The Board places great importance on clear reporting of the Group's financial performance and strategic priorities to all shareholders to aid their understanding and assessment of the business. The PayPoint investor centre website also provides comprehensive information for current

Corporate Governance statement

The Board recognises that effective governance is essential to achieving long-term sustainable success for the business and strives to ensure that good governance practices constantly underpin its decision making and oversight of the business and its risk management.

For the year ended 31 March 2026, the Board confirms that it has complied with all applicable principles and provisions of the UK Corporate Governance Code 2024 (the 'Code').

The Board is responsible for ensuring that the Group has appropriate arrangements in place to comply with the Code's requirements. This Governance report and the Strategic report set out how the Board has discharged its duty to robustly govern the business.

The Board keeps its approach to governance and application of the Code under review. In particular during the year, the Board oversaw a thorough process to prepare for application of Provision 29 of the Code, which first applies to PayPoint for the financial year ending 31 March 2027, to ensure readiness for its implementation.

Further information on the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

Principles of the Code	More Information
Board Leadership and Company Purpose	Page 80
Division of Responsibilities	Page 80
Composition, Succession and Evaluation	Page 83
Audit, Risk and Internal Control	Page 86
Remuneration	Page 94

and potential shareholders on its governance arrangements and strategic and financial matters, including copies of investor presentations.

The Board welcomes engagement from all investors and acknowledges the importance of an open dialogue with its retail shareholders as well. The Annual General Meeting, which is open to all shareholders, is a good forum for interaction between the Board and shareholders. The Board has proposed resolutions at the forthcoming Annual General Meeting that will enable it to offer opportunities for retail shareholders to participate in any future non-pre-emptive share placings.

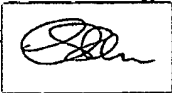
The Chair and Senior Independent Director are available to address any shareholder concerns that cannot be resolved using usual channels.

Conclusion

During the last year, Nick Wiles and his Executive team have managed the business with vision and skill, and their efforts are securing growth for the business and a bright future for PayPoint, its shareholders, colleagues and customers. I would like to express my thanks to the entire PayPoint team for their valuable contribution to our ongoing success.

If you wish to discuss any aspect of our governance arrangements, please contact me via our Company Secretary by email: CompanySecretary@paypoint.com.

Giles Kerr
Chair
10 June 2026



Board of Directors



Giles Kerr
Chair

Appointed to the Board in November 2015 as an Independent Non-Executive Director and Chair of the Audit Committee. Assumed the role of Senior Independent Director in May 2017 and became Chair of the Board in May 2020. Following a shareholder consultation in 2024, Giles' appointment as Chair has been extended beyond the usual nine-year term.

Board skills and experience
Giles brings extensive knowledge and experience in corporate finance, accounting and risk management.

Committee memberships
Chair of the Nomination Committee and member of the Remuneration Committee.

Career
Giles' former roles include chief financial officer at the University of Oxford, group finance director at Amersham plc and national partner at Arthur Andersen & Co. Former non-executive director roles include: BTG plc, Vectra plc, Elan Corporation Inc, Adaptimmune Therapeutics plc, Abcam plc and Arlx Bioscience plc.

External appointments
Non-executive director and member of the audit, remuneration and nomination committees of Halmia plc.



Nick Wiles
Chief Executive

Appointed to the Board in October 2009, becoming Chair in May 2015, Executive Chair in December 2019 and Chief Executive in May 2020.

Board skills and experience
Nick brings executive director experience in investment banking, corporate finance, equity markets, investor sentiment and relations.

Committee memberships
Chair of the Market Disclosure Committee.

Career
Nick retired from the City in 2012 after more than 25 years in fund management, corporate broking and investment banking. His career started as an analyst and fund manager at Mercury Asset Management before moving to Cazenove, where he spent the majority of his career. Nick was a partner prior to Cazenove's incorporation and a vice chairman of JP Morgan Cazenove. He was also previously a non-executive director of Strutt & Parker and Picton Property Income Limited and senior independent director at Primary Health Properties plc, prior to its merger with MedXplc.

External appointments
No external appointments.



Rob Harding
Chief Financial Officer

Appointed as Chief Financial Officer in August 2023 and appointed to the Board in September 2023.

Board skills and experience
Rob is a chartered accountant and brings extensive experience in professional and financial services, working with multinational companies on strategic change initiatives and efficiency programmes. Having served as a Chief Risk Officer, Rob also brings a deep understanding of risk management and working in a challenging regulatory environment.

Committee memberships
Member of the Market Disclosure Committee and Cyber Security and Information Technology sub-Committee.

Career
Rob is a qualified chartered accountant with more than 25 years' experience across financial services with Co-Op Insurance, Swinton Insurance and Aviva plc, professional services with Arthur Andersen and Ernst & Young and chief financial officer at De La Rue Plc.

External appointments
No external appointments.



Lan Tu
Senior Independent Director

Appointed to the Board in March 2024. Appointed as Senior Independent Director in August 2025.

Board skills and experience
Lan brings experience in business leadership at scale, and an executive background in the payments industry.

Committee memberships
Member of the Audit, Remuneration and Nomination Committees and the Cyber Security and Information Technology sub-Committee.

Career
Formerly, Lan served as a non-executive director at Arrow Global Group plc, and at WNS Holdings Ltd. She was also the vice chair at Kings College London. She was the chief executive of Virgin Money Investors, a joint venture between Virgin Money and Standard Life Aberdeen plc (now Aberdeen plc). Previously, Lan also served as chief strategy officer for Standard Life Aberdeen and held a number of senior executive roles in American Express. Prior to that, Lan worked at the management consultancy McKinsey & Co.

External appointments
Senior independent director at Shawbrook Group plc and a director of its subsidiary, Shawbrook Bank; Chair of Council of Queen Mary University of London.



Manasi Bhalerao
Independent Non-Executive Director

Appointed to the Board in March 2026.

Board skills and experience

Manasi brings extensive leadership experience and knowledge in digital, product, and technology strategy within global consumer businesses.

Committee memberships

Member of the Audit, Remuneration and Nomination Committees and the Cyber Security and Information Technology sub-Committee.

Career

Manasi is a group product and technology director for digital and e-commerce at Tesco and leads the end-to-end digital customer experience across key online products like grocery, marketplace, Whoosh rapid delivery and F&F fashion online. She manages global teams of product, technology and UX. Prior to this, Manasi held multiple senior roles at Just Eat, including global senior product director and chief product officer, where significant product innovations and a global restructuring of product teams were achieved. With a strong background at American Express spanning 15 years, Manasi led strategic product development across Latin America and Canada, implemented an Agile transformation and directed a \$250 million technology portfolio. Her experience also includes M&A at Orange Group and retail banking at HSBC.

External appointments

No external appointments.



Rosie Shapland
Independent Non-Executive Director

Appointed to the Board in October 2020.

Board skills and experience

Rosie brings strong financial skills and extensive knowledge of accounting, financial reporting, risk management and governance.

Committee memberships

Chair of the Audit Committee and member of the Remuneration and Nomination Committees.

Career

Rosie is an experienced audit committee chair. She is a chartered accountant and was a former audit partner at PwC, with over 30 years of audit experience across multiple sectors.

External appointments

Independent non-executive director, audit and risk committee chair and member of the nomination and remuneration committees at SThree plc. Senior independent director, audit committee chair and member of the nomination, remuneration and ESG committees of Foxtons Group plc and Workspace Group Plc. Rosie is stepping down as a director of Foxtons Group plc on 31 July 2026.



Rakesh Sharma OBE FREng CPhys
Independent Non-Executive Director

Appointed to the Board in May 2017. Resigned as Senior Independent Director in August 2025.

Board skills and experience

Rakesh brings executive management and cultural change experience to the Board. His long association in the global security sector brings skills in cyber security and information technology.

Committee memberships

Member of the Audit, Remuneration and Nomination Committees and the Cyber Security and Information Technology sub-Committee.

Career

Rakesh was chief executive of Ultra Electronics Holdings Plc, having held several senior positions and managed businesses and divisions across the company's wide portfolio, including in the B2B fintech sector.

External appointments

Chair of Kromek Group plc; chair of Horizon Technologies Consultants Limited; chair of remuneration committees at Mory Group plc; Lay member at The University of Nottingham; non-executive director of Moneysupermarket.com Group plc; director of the Sidney Stringer Multi Academy Trust; and partner of Sharma Capital Partners Ltd.



Ben Wishart
Independent Non-Executive Director

Appointed to the Board in November 2019.

Board skills and experience

Ben brings a deep understanding of technology to the Board. He has proven leadership and governance skills on technology matters within a global business.

Committee memberships

Chair of the Remuneration Committee and a member of the Audit and Nomination Committees. Chair of the Cyber Security and Information Technology sub-Committee.

Career

Ben has previously served as chief technology officer of Ahold Delhaize and chief information officer of Morrisons plc and Whitbread plc, and has held various senior information technology roles at Tesco plc.

External appointments

No external appointments.

Company Secretary

Indigo Governance Limited, is appointed as Company Secretary to the Board. Indigo is represented at all Board and Committee meetings by Bernadette Young, FCG, who is a Chartered Governance Professional with significant experience of supporting the governance of listed companies.

Executive Committee



Nick Wiles
Chief Executive



Rob Harding
Chief Financial Officer



Jo Toolan
Managing Director, Network Services



Simon Coles
Managing Director, Digital Payments
& Open Banking



Julian Coghlan
Managing Director, Love2shop



Mark Latham
Managing Director, Merchant Services



Katy Wilde
Chief People Officer



For the Executive Committee, please go to
<http://www.paypointbusiness.com/corporate/our-group/leadership.aspx>

Executive Board – includes all members of the Executive Committee



Sam Holden
Managing Director, Parcels & E-commerce



Ben Ford
Retailer Network and Operational Excellence Director



Chris Paul
Finance Director



Anthony Sappor
Banking & Digital Engagement Services Director



Steve O'Neill
Chief Marketing and Corporate Affairs Officer

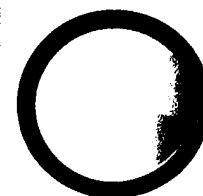


John Lynch
Director of Data Analytics

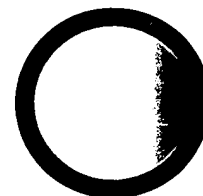


Tanya Murphy
General Counsel

Executive Board and Executive Committee diversity



Gender
● Female 28.5%
● Male 71.5%



Ethnicity
● Ethnic minority British 7%
● White British 93%

Corporate Governance Report

Our corporate governance report, together with the reports of our Committees, seeks to provide a clear explanation of PayPoint's governance arrangements.

Membership and attendance at scheduled Board meetings held during the year
The table below shows Directors' attendance at scheduled Board meetings held during the year.

Executive Directors



Nick Wiles Chief Executive
Appointed: 22 October 2009

6/6



Rob Harding Chief Financial Officer
Appointed: 7 September 2023

6/6

Non-Executive Directors



Giles Kerr (Chair)
Appointed: 20 November 2015, becoming Chair in May 2020

6/6



Lan Tu (Senior Independent Director)
Appointed: 15 March 2024

6/6



Rosie Shapland
Appointed: 2 October 2020

6/6



Manasi Bhalerao
Appointed: 25 March 2026

1/1*



Ben Wishart
Appointed: 14 November 2019

6/6



Rakesh Sharma
Appointed: 12 May 2017

5/6**

* Manasi Bhalerao was appointed to the Board on 25 March 2026.

** Rakesh was not able to attend one meeting due to a pre-existing personal commitment

Tenure of Board (as at 31 March 2026)



In addition to the six scheduled Board meetings, the Board met a further five times during the year to give consideration to, and to approve, ad hoc matters in accordance with the schedule of matters reserved to the Board. The Board also held a dedicated strategy session to review the long term direction and goals of the business.

Board composition

At the date of this report, the Board comprised eight Directors: the Chair; Chief Executive; Chief Financial Officer; Senior Independent Director; and four Independent Non-Executive Directors. The Non-Executive Directors have a broad range of skills and experience bringing balance and diversity to the Board. The biographies, skills and competencies of each of our Directors are set out on pages 72 to 73.

On page 84, further details are provided on how the composition of the Board is managed.

The terms and conditions of appointment of the Non-Executive Directors and the Executive Directors' service contracts are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting. In accordance with the provisions of the UK Corporate Governance Code, all Directors except Rakesh Sharma will submit themselves for re-election or election at our Annual General Meeting.

The Board's proposals for the re-election of each Director have been informed by the recommendations of the Nomination Committee. Further details can be found in the Notice of Annual General Meeting.

The Directors have disclosed all their significant external commitments. These have been considered by the Nomination Committee and the Board has confirmed it is satisfied that all the Directors are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively.

Diversity Statement in accordance with UKLR 16.3.29¹

Board Diversity

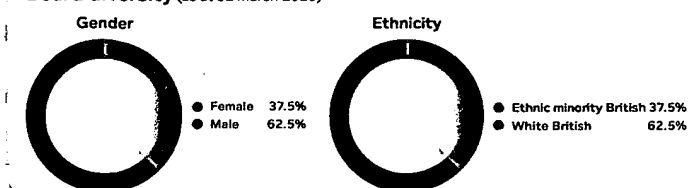
As at 31 March 2026 the Board comprises a male Chair, a female Senior Independent Director, two male and two female Non-Executive Directors and two male Executive Directors. Accordingly, one of the four leadership roles specified in the UK Listing Rules is currently held by a woman. Although the Board has 37.5% female representation, with three of the eight Board roles held by women, it acknowledges this does not quite achieve the 40% minimum female representation at Board level targeted in the UK Listing Rules in the financial period ended 31 March 2026.

The Board has three Directors from a minority ethnic background and therefore meets this UK Listing Rules diversity target.

Further information on the work of the Nomination Committee, including diversity matters, can be found on page 84.

¹ 31 March 2026 is the Company's chosen reference date for the purposes of reporting against Listing Rule UKLR 16.3.29.

Board diversity (as at 31 March 2026)



Business Diversity

In line with our colleague Diversity, Equality and Inclusion Policy, the Board is fully committed to improving gender diversity at all levels. Members of the Executive Board and Executive Committee comprise four female and ten male members, representing a gender split of 28.6% female and 71.4% male. The senior leadership team (direct reports to the Executive Board) has a gender split of 53% female and 47% male. The gender split for all colleagues is 43% female and 57% male.

In accordance with UK Listing Rule 16.3.29, the prescribed numerical data on the ethnic background and the gender identity of the Board and the Executive Board is set out in the following tables. For the purposes of making these disclosures, the Company has collected this data by asking each Director or officer of the Company to confirm their gender identity and ethnic background directly and entering the responses onto the Company's HR system.

Board and Executive Management gender representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number of Executive Management	Percentage of Executive Management
Men	5	62.5%	3	10	71.4%
Women	3	37.5%	1	4	28.6%

Board and Executive Management ethnic representation

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number of Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	5	62.5%	3	13	92.9%
Asian/Asian British	3	37.5%	1	-	-
Black/African/Caribbean/Black British	-	-	-	1	7.1%

Corporate Governance Report continued

Independence statement

The Board considers each of its Non-Executive Directors to be independent in character and judgement and to be free from any business or other relationship which could affect the exercise of his or her judgement. The Chair was considered independent on appointment.

A consultation with shareholders was conducted in 2024 regarding the possibility of the Chair serving a further three-year term, having first been appointed to the Board in 2015 but only appointed as Chair in 2020. The rationale for the proposal, which received considerable support from shareholders, was to provide continuity between the Chair and CEO as the business pursued its strategy for growth, and to enable a period in which effective and orderly succession planning for the role of the Chair could be pursued. The Chair was re-elected at last year's AGM and is again proposed for re-election at this year's AGM.

Directors' remuneration

Details of how the provisions of the Code have been applied in respect of Directors' remuneration are set out in the Remuneration Committee Report on pages 94 to 113.

Whistleblowing

The Board retains overall responsibility for oversight of whistleblowing matters and ensures that any concerns raised are appropriately reviewed and addressed. Colleagues are encouraged to speak up openly and raise any concerns to their line manager in the first instance. Where individuals feel unable to do so, alternative points of contact include the Whistleblowing Officer, Chief People Officer, Senior Independent Officer and General Counsel. The Company also provides access to an independent third-party service, Protect, which enables colleagues and third parties to raise concerns confidentially and, if preferred, anonymously. Information about how to raise concerns is communicated through internal policies and training provided to all colleagues. Any whistleblowing matters are reported to and overseen by the Audit Committee, which monitors the nature and resolution of concerns raised. For the year ended 31 March 2026, one whistleblowing incident was reported.

The Board provides effective leadership to the Group. It has adopted a corporate governance framework which includes clearly defined roles and responsibilities, as described below, to support the Board's strategic decision-making, scrutiny of performance, risk management, and progress towards objectives, as well its leadership of the Group's culture and values. The framework ensures there is appropriate accountability for delivery of the Company's strategic aims, taking due account of the interests of shareholders as well as our wider stakeholders.

The Board ensures that collectively responsible for the long-term success of the Group and its subsidiaries to the Community's shareholders. The Board has effective leadership to try to ensure that the Group achieves its financial goals while maintaining the efficient utilization of its resources in a prudent manner but sustainable growth. It monitors operational and financial performance as reported quarterly, while ensuring that the appropriate controls and systems exist to manage risk. The Board ensures that the necessary finances, people and other resources are available within the business to achieve the strategic goals; the Board has set, and the Group's policies and practices reflect them, the culture and values it has established. The Board's Committees support the Board in carrying out its responsibilities. Brief summaries of their respective functions are set out below.

The Board has approved a schedule of Matters Reserved to the Board, being those decisions that will not be delegated.

Copies of the Matters Reserved to the Board and Committee Terms of Reference can be found on the Company's website www.corporate.paypoint.com.

The role of the auditor is to provide assurance and to help increase the integrity of financial statements, including the effectiveness of internal controls and risk management in accordance with Provision 2 of the Code. The Committee reviews and monitors the integrity of the financial statements, the company's internal risk management, relating to financial performance, reviewing significant financial reporting judgments and conclusions from the internal and external audit process and auditors and the processes for compliance with laws, regulations and self-regulatory practices. Read more on page 4.

Secretary of the Board, the Committee has been working hard to ensure that the appointments to the Board of Commissioners regularly renewed, particularly taking account of the Group's strategic needs and commercial needs, that place emphasis on diversity and on new sources for the Board, and that the Board is able to contribute to the Group's business strategy and to the Group's financial performance. The Committee has been working to ensure that the Board is able to contribute to the Group's business strategy and to the Group's financial performance. The Committee has been working to ensure that the Board is able to contribute to the Group's business strategy and to the Group's financial performance.

Management and Supervisory Committee to ensure that the Group maintains a high level of integrity and to ensure that the Group complies with the provisions of the Corporate Governance Code. The Group has adopted the principles of the Corporate Governance Code as the basis for its corporate governance practices. The Committee has also established a framework of policies and procedures to ensure that the Group complies with the provisions of the Corporate Governance Code. The Committee has also established a framework of policies and procedures to ensure that the Group complies with the provisions of the Corporate Governance Code. The Committee has also established a framework of policies and procedures to ensure that the Group complies with the provisions of the Corporate Governance Code.

Market Abuse Disclosure Committee
The Market Abuse Disclosure Committee oversees the assessment, protection and disclosure of inside information by the Company to ensure that it meets its obligations under the Market Abuse Regulations and the Financial Conduct Authority's UK Listing Rules and Disclosure Guidance and Transparency Rules. Its members are the Chief Executive, Chief Financial Officer, Company Secretary and General Counsel.

The Cyber Security & Information Technology Sub-Committee is a sub-committee of the Audit Committee. The role of the Committee is to oversee and enhance the Audit Committee's understanding of the IT systems, policies, controls and procedures which management has put in place to identify, manage and mitigate cyber and information security risks, respond to relevant incidents and protect IT infrastructure assets. [Read more on page 92.](#)

As part of the business reorganisation agreed in March 2026, the Company established the Executive Committee with responsibility for setting overall strategy and direction of the business and accountability for business performance. The Executive Board will remain in place as an operating board to lead the operational execution of strategy and plans. Details of the membership of these Committees is provided on page 74 and 75

[illegible]

The Sector Dialogue involves government, civil society and the private sector (CSO), contributing staff, strategy and monitoring progress. Reporting on this process (under the title *Through Disasters*) is published on the sector dialogue website, disasters.org.

The Sector Dialogue is a new way for donors and implementing agencies to coordinate and share progress reports from the CSO Working Group. The working party of the Sector Dialogue comprises representatives from the UK, the United Kingdom's Disasters and Emergency Relief Trust, the United Kingdom's Compact with Africa, the UK's Financial and Commercial Crime and the CSO progress. A Sector Dialogue CSO reporting group (see below) is the CSO Working Group's main reporting and progress reporting agency. The CSO Working Group is a multi-stakeholder group of representatives from the UK, the United Kingdom's Disasters and Emergency Relief Trust, the United Kingdom's Compact with Africa, the UK's Financial and Commercial Crime and the CSO progress. A Sector Dialogue CSO reporting group (see below) is the CSO Working Group's main reporting and progress reporting agency. The CSO Working Group is a multi-stakeholder group of representatives from the UK, the United Kingdom's Disasters and Emergency Relief Trust, the United Kingdom's Compact with Africa, the UK's Financial and Commercial Crime and the CSO progress. A Sector Dialogue CSO reporting group (see below) is the CSO Working Group's main reporting and progress reporting agency.

In line with the introduction of the Consumer Duty regulations by the FCA, a consumer duty champion has been appointed for each of the Group's regulated entities and each entity has implemented detailed policies and procedures which outline our commitment to the requirements and our approach to meeting the obligations and the spirit of the Consumer Duty requirements.

Division of roles and responsibilities

There is clear and effective division of individual roles and responsibilities between the Board and management as described below:

Board governance and leadership

Chair – Giles Kerr

Giles Kerr is responsible for the effective leadership, operation and governance of the Board and its Committees. He ensures that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives. His current responsibilities include:

- setting the Board's agenda and ensuring the Board receives accurate, timely and clear information on all matters reserved to its decision, on the Group's performance and operations, and as required to ensure that sufficient and timely consideration is given to complex, contentious or sensitive issues;
- ensuring that appropriate time is available to the Board to consider and approve the Group's strategic direction and business model;
- leading the establishment of an annual process for reviewing the effectiveness of the Board, its committees and individual directors, and acting on the findings of those reviews as part of a process of continual improvement and strengthening of the Group's governance;
- arranging informal meetings of the Directors, including meetings of the Non-Executive Directors at which the Executive Directors are not present;
- chairing the Nomination Committee, and, in that role, initiating change and succession planning to retain and build effective, diverse and complementary Board and Executive Board memberships, including facilitating the appointment of effective and suitable members and Chairs of Board Committees;
- ensuring dialogue with shareholders, led by the Chief Executive, is effective and active, and that feedback is shared so that members of the Board have a good understanding of the views of major investors; and
- promoting the highest standards of behaviour and governance, at Board level and throughout the Group.

Constructive challenge and independent oversight

Senior Independent Director – Lan Tu

Lan Tu supports the Chair in her role by acting as a sounding board for the Chair and a trusted intermediary for other Directors. Her other main responsibilities include:

- chairing the Nomination Committee when it is considering succession to the role of Chair of the Board;
- meeting with the Non-Executive Directors at least once a year to appraise the Chair's performance and on such other occasions as are deemed appropriate;
- being available to shareholders if they have concerns which contact through the normal channels of the Chief Executive, Chief Financial Officer or Chair has failed to resolve, or for which such contact is inappropriate; and
- having sufficient contact with major shareholders to obtain a balanced understanding of their issues and concerns.

Independent Non-Executive Directors – Manasi Bhalerao, Rosie Shapland, Rakesh Sharma and Ben Wishart

Independent Non-Executive Directors offer fresh perspectives, independent of management and reflecting their diverse experiences and backgrounds. Their role is to provide constructive challenge and support on strategic and governance matters, and to robustly scrutinise operational progress, financial matters and material risks and controls. They are expected to attend all scheduled Board meetings and those of the Committees to which they are appointed. They are required to devote such time as is necessary for the proper performance of their duties.

During the year, the Chair held meetings with the Non-Executive Directors without the presence of the Executive Directors. There were no unresolved concerns about the running of the business.

Company Secretary

Indigo Governance is appointed as Company Secretary to the Board and all its Committees. Bernadette Young, FCG, on behalf of Indigo, provides advice to the Board to ensure good governance practices, compliance with company law, UK Listing Rules, Disclosure Guidance and Transparency Rules and the Market Abuse Regulations, and the smooth running of the Board and its Committees. Her responsibilities include:

- supporting the Board and Committee Chairs in setting meeting agendas and ensuring appropriate and sufficient information is made available to the Board members in a timely fashion;
- ensuring compliance with appropriate Board procedures, governance best practice and relevant regulatory requirements;
- arranging the induction of new Directors and coordinating training requirements for the Board as required;
- organising an annual Internal Board and Committee evaluation or facilitating an external review as appropriate;
- contributing to the assessment of inside information in relation to the business as a member of the Market Disclosure Committee of the Board; and
- acting as secretary to the Group's subsidiaries.

Running the business

Chief Executive – Nick Wiles

Nick Wiles is responsible for managing the Group's business and for proposing and developing the Group's strategy and overall commercial objectives. He leads the Executive Board, the members of which are set out on pages 74 to 75. His other main responsibilities include:

- providing input to the Board's agenda and ensuring that the Executive Board provides timely reports to the Board that contain clear, accurate and adequate information to inform the Board's discussions and decision-making;
- implementing the Board's agreed strategy with the support of the Executive Board;
- ensuring that the Chair is alerted to forthcoming complex, contentious or sensitive issues affecting the Group;
- chairing the Market Disclosure Committee (see page 79);
- providing information and advice to the Chair and Nomination Committee in respect of succession planning for membership of the Executive Board;
- leading investor dialogue activities; and
- acting as director of various subsidiaries of the Group.



Chief Financial Officer – Rob Harding

Rob Harding is responsible for all financial reporting, tax, treasury and financial control aspects of the Group. As a member of the Executive Board, he also provides support to the Chief Executive in the development and implementation of the strategy, and in the wider activities of the Group as required. Rob is also a chair and director of various subsidiaries of the Group and acts as Consumer Duty Champion.

Executive Board and Executive Committee

The Executive Committee, established as part of the business reorganisation announced in March 2026, comprises the Chief Executive, the Managing Director of each business unit, the Chief Finance Officer and the Chief People Officer identified on page 74. The Committee is responsible for developing the overall strategy and direction of the business and is accountable for overall business performance.

The Executive Board, comprising the Executive Committee and key functional leaders identified on page 75, leads the operational execution of strategy and plans.

The Board's approved Delegation of Authorities sets out the Executive Committee and Executive Board responsibilities which include preparing the annual business plan and forecasts in conjunction with the Chief Executive and Chief Financial Officer. The Executive Board is accountable to the Board for the successful execution of the Group's risk management strategy, including the establishment of appropriate controls, allocation of appropriate resources and provision of thought leadership for effective management in each of the individual Executive Board members' functional areas, as delegated to it by the Board.

Board activities

The Board and its Committees meet regularly throughout the year with meetings scheduled around key dates in the Company's corporate calendar, and when necessary to consider key corporate transactions or events.

A Board strategy session was also held in November 2025.

The Board is updated on progress against the strategic plan and any new initiatives to grow and develop the PayPoint Group, challenges that could threaten achievement of the Group's key ambitions and other material matters.

The Chair sets the agenda for each Board meeting in conjunction with the Company Secretary and ensures that adequate time is available for discussion of all agenda items. He ensures decisions are reached in an effective manner by facilitating open discussion and debate of agenda items which are well informed by appropriate information and reports. The Directors meet ahead of each Board meeting to discuss the business of the meeting and any related issues and the Non-Executive Directors also have regular private meetings in the absence of the Executive Directors. Consultations with management and with external advisers are held when necessary, and invitations to them to attend relevant parts of board meetings are also issued to aid the Board's decision-making process. The information that follows shows the key areas of Board activity during the year ended 31 March 2026. Further details on the Board's activities, including its approach to culture and values, can be found on page 81.

1.**Strategy and business review**

- Held a scheduled strategy session followed by progress reviews throughout the year.
- Agreed the new targets set for the Group for the next three years to the end of FY29.
- Received regular business and performance updates across all divisions.
- Resolved to simplify the business through a reorganisation into four business units: Network Services, Digital Payments and Open Banking, Love2shop and Merchant Services.
- Assessed strategic growth opportunities with key UK supermarkets.
- Approved the rollout of BankLocal services for Lloyds Banking Group and FMCG brand campaigns in to the network.

2.**Internal control and risk management**

- Assessed the IT infrastructure and cyber risks generally and specifically and approved the IT Management Policy.
- Assessed the effectiveness of the internal controls and risk management processes within the Group.
- Received the Executive Team's annual attestation that internal controls have been operating during the year.
- Carried out an enhanced and robust assessment of the nature and extent of emerging and principal risks and uncertainties facing the Group and how these risks could affect the business, financial condition or operations of the Group.
- Considered what additional measures were required to ensure compliance with the new Provision 29 of the UK Corporate Governance Code 2024 which is effective from 1 April 2026 for the Group.
- Adopted a refreshed Board Delegation Authority Framework.
- Ensured compliance with the new Companies House IDV requirements.

Board activities continued

3. Financial

- Approved half-year and full-year financial statements and quarterly trading updates and approved management presentations to analysts for the full and half-year results.
- Approved interim dividends and recommended the final dividend to be paid to shareholders.
- Recommended a special dividend and share consolidation for approval by shareholders.
- Approved the Company's extension of the share buyback programme.
- Considered and approved the three-year plan for the financial years ending 31 March 2027–2029.
- Reviewed Group forecasts and scrutinised the built-in risks and opportunities.
- Received monthly management accounts and other management reports.
- Planned a Capital Markets Day scheduled for September 2026 to provide an update on strategy to investors.
- Approved the acquisition of the remaining shares in the obconnect business.
- Approved updated policies including the Treasury Policy and other financial and taxation policies, covering Group Financial Control, Taxation and Reporting.

4. Governance

- Approved a 3% increase of fees for the Non-Executive Directors.
- Approved the 2025 Notice of Annual General Meeting.
- Reviewed investor feedback from the full and half-year roadshows.
- Considered shareholder analysis reports.
- Updated the Group's Share Dealing Code and Policy.
- Reviewed and approved the Board policy on Diversity, Equality and Inclusion.
- Approved the Group's Modern Slavery Statement.
- Undertook an internal board effectiveness review and discussed the outcomes to identify priority actions to enhance the Board's effectiveness.
- Approved revisions to terms of reference for the Audit, Remuneration and Nomination Committees and the Cyber Security and IT Sub-Committee and the schedule of Matters Reserved for the Board.
- Received periodic updates on regulatory matters.

5. People

- Reviewed Group health and safety reports.
- Discussed the composition of the Executive Board and reviewed succession planning.
- Received updates on employee forum matters and continued to explore further ways of Non-Executive Director engagement at the employee forums.
- Reviewed Employee Engagement Survey results, noting strong participation.
- Supported initiatives to improve communication, collaboration and in-office presence.
- Encouraged stronger employee recognition and celebration of achievements.
- Discussed improving Board engagement with the Executive Board through informal interactions and events.
- Considered diversity data and initiatives, including the Group's gender pay gap reporting.

Induction & training

On joining the Board, all new Directors receive a full, formal and tailored induction. Meetings are held with other Directors, the Company Secretary, each member of the Executive Board, other senior management in the business and external advisers as appropriate. The induction includes the provision of relevant current and historical information about the Company together with applicable business policies. In addition, as part of their induction, new Directors undertake a number of retail site visits to better acquaint themselves with PayPoint products and services and to receive first hand customer feedback. The Company Secretary assists in the induction of new Directors and undertakes a review with new Directors post induction to consider any initiatives which would improve the process.

Training and support

Directors are provided with clear and accurate information on matters to be considered at the Board and its Committee meetings. This information is provided in a timely manner to ensure an appropriate level of review by each Director ahead of the meetings.

In the course of the year, the Board is briefed on any significant changes in the law, regulations, governance, best practice or developments within PayPoint which affect their roles both on the Board and on the Board Committees. Experts and advisers are brought in as necessary to present to the Board or its Committees on technical subject matters.

The Company Secretary and senior managers provide regular updates to the Board on changes to regulatory and best practice requirements and guidance relevant to their specialisms, as well as potential developments which are still under consideration or are the subject of consultation.

The Remuneration Committee receives regular updates from its adviser on changes to the executive remuneration landscape, investor expectations and regulatory changes.

The Audit Committee is kept abreast of evolving accounting standards and risk management best practice by the Group's auditor, Chief Financial Officer and other senior management. Regulatory updates are also provided by the Head of Risk, Compliance and Internal Audit.

The Directors have access to the Company Secretary as well as members of the Executive Board and senior management, and they can also seek independent professional advice if this is deemed necessary for the proper performance of their duties.

Performance evaluation

Performance evaluation of the PayPoint Board and its Committees

The Board of PayPoint evaluates its performance on an annual basis. The annual evaluation comprises a formal and structured review of the performance of the Board, its Committees, the Chair and individual Directors.

In 2026, the annual Board performance evaluation was facilitated internally by Judge Governance, an independent governance and leadership consultancy. A structured review approach was adopted, involving the completion of a questionnaire by all Board members. The questionnaire introduced this year to capture further qualitative feedback. A questionnaire was circulated to all Directors consisting of 28 questions, covering areas such as strategy and value, Board and Committee effectiveness, governance, Board composition and stakeholders. Based on the outcomes of this exercise, the Board confirmed it continued its performance to be strong and effective with clear improvements identified. Areas for development arising from the FY23 review. The progress made against each identified action is set out below:

Key issues identified in last year's review Progress made during the past twelve 12 months 2026

Ensuring meaningful engagement with employees Good progress was made on employee engagement. Employee surveys and regular catch ups with the Board have been established, with working groups acting on feedback. Non-Executive Directors Officer provides regular updates to the Board.

Ensuring better Board insight into PayPoint's culture The Board receives regular reports on engagement survey results and the Chair provides regular updates to the Board on the use of external experts to address knowledge gaps identified in the last year's review.

Developing a focused Board learning programme The Board has agreed to address knowledge gaps identified in the last year's review. The Board Director's training sessions are encouraged, further details of the Board's induction and development activities can be found on page 82.

A robust and constructive discussion was held by the Board in March 2026. The review concluded that the Board and its Committees continue to operate effectively. The findings of the Board effectiveness review, including key recommendations, as well as the Board's current strengths and areas for development, were discussed in detail and gave rise to the following agreed actions to enhance the Board's operations.

Board Objectives

Innovation The Board noted its contribution to innovation primarily focused on oversight and constructive challenge. Management is able to draw on the expertise of individual Non-Executive Directors, who provide targeted input and support on specific initiatives and projects where relevant. Management was encouraged to leverage the expertise of individual Non-Executive Directors more so and where appropriate.

Training and development The importance of continued training and development was reaffirmed. The existing programme of deep-dive sessions will be maintained and expanded to ensure all Board members to engage directly with senior leaders across the business.

Next year's external review process The Board considered the format of the next internal Board effectiveness review. It was agreed that in 2027, the external review will be conducted by an independent external firm. The Chair will develop a business-specific focus areas to enable deeper insight and meaningful evaluation outcomes to inform next year's external review process.

Progress against these actions will be reviewed by the Nomination Committee on a regular basis throughout the year.

Chair's Performance Review

In accordance with the UK Corporate Governance Code, the Senior Independent Director led a review of the Chair's performance. The review concluded that the Chair was highly satisfied with the Chair's performance and that he continues to operate effectively while fostering a culture of openness and maintaining a positive relationship with the CEO.

Individual Directors' Performance Reviews

Individual Directors' performance reviews were carried out by the Chair during the year through a continual review process, which included having individual conversations with the Directors on their performance and contribution to the Board.

Nomination Committee Report



We have enhanced the Board's composition and diversity this year with the appointment of Manasi Bhalerao who brings key skills aligned with the Group's strategic ambitions."

Giles Kerr
Chair, Nomination Committee

Nomination Committee responsibilities

The Committee's key role is to ensure that the Board has the appropriate skills, knowledge and experience to operate effectively and deliver our strategy. It is responsible for regularly reviewing the size, structure and composition of both the Board and its Committees, taking into account the challenges, opportunities and strategic priorities of the business.

The Committee identifies, and recommends to the Board, candidates to fill Board vacancies based on merit and objective criteria, including diversity factors, and ensures that appointment processes are formal, rigorous and transparent. The Committee also oversees the development of a diverse pipeline for executive succession. The Chair invites the Chief Executive to attend the Committee's meetings, together with the Chief People Officer, as and when required. The Company Secretary acts as secretary to the Committee.

Further details of the Committee's responsibilities can be found in its terms of reference, on the Company's website <https://paypointbusiness.com/corporate>.

Membership and attendance



Giles Kerr (Chair)

Appointed: 20 November 2015, becoming Chair in May 2020

3/3



Lan Tu (Senior Independent Director)

Appointed: 15 March 2024

3/3



Manasi Bhalerao

Appointed: 25 March 2026

1/1*



Rakesh Sharma

Appointed: 12 May 2017

2/3**

* meetings held since her appointment

** Rakesh was not able to attend one meeting due to a pre-existing personal commitment



Rosle Shapland

Appointed: 2 October 2020

3/3



Ben Wishart

Appointed: 14 November 2019

3/3

Dear Shareholders,

On behalf of the members of the Nomination Committee, I am pleased to present the Nomination Committee Report for the year ended 31 March 2026.

The Committee met three times during the year. The key areas of focus included:

- the appointment of Lan Tu as the Senior Independent Director, succeeding Rakesh Sharma who remains an Independent Non-Executive Director until the conclusion of the 2026 AGM;
- the appointment of Manasi Bhalerao to the Board as an Independent Non-Executive Director;
- Directors' suitability for re-election, including an assessment of their independence, their contribution to the Board and the time they commit to their duties in accordance with the requirements set out in the Code;
- the output from the annual Board effectiveness review that was conducted internally for FY26; and
- the annual review of the Committee's effectiveness and terms of reference.

Following each Committee meeting, a summary of the Committee's activity is provided to the Board together with any recommendations.

Board changes

During the year, the Board remained mindful of the importance of regularly reviewing its composition to ensure an appropriate balance of skills, experience, and independence aligned with the Company's strategic priorities. As part of this ongoing process, two changes took place during the year, strengthening the Board's overall capability and governance:

- Lan Tu succeeded Rakesh Sharma as the Senior Independent Director with effect from the 2025 AGM, and;
- Manasi Bhalerao was appointed as an Independent Non-Executive Director on 25 March 2026. Further information regarding

the induction process provided for Manasi can be found on page 82.

These changes reflect the Board's continued commitment to effective oversight, succession planning and maintaining a diverse and well-rounded leadership structure.

In line with succession planning, Rakesh Sharma will be retiring from the Board at the conclusion of the 2026 AGM. Rakesh has made a significant contribution to the Board, and in his previous role as Senior Independent Director, and we are grateful for his commitment and leadership. On behalf of the Board, I wish Rakesh well in his future endeavours.

Diversity

During the year, the Board continued to review its composition, particularly in light of the FTSE Women Leaders Review which promotes greater representation of women in senior leadership roles, and the Parker Review which considers ethnic diversity.

The Board is committed to improving diversity at all levels of the business to ensure we continue to support and enhance our people culture. The Board also supports efforts to increase diversity in the senior management pipeline and encourages the development of diversity in senior management roles within PayPoint. Female representation in leadership roles (Executive Board and direct reports) increased year-on-year to 49%.

As part of our Board succession planning, we take into consideration the ambitions set out in the FTSE Women Leaders Review and the Parker Review. The appointment of Lan Tu as the Senior Independent Director enabled us to meet one of the diversity targets to appoint at least one woman in one of the four key roles of Chair, Senior Independent Director, CEO and CFO. I am also pleased to report that the CEO and I have been invited to participate as researchers and allies in the upcoming FTSE Women Leaders Review.

I am delighted that the appointment of Lan Tu as Senior Independent Director and the appointment of Manasi Bhalariao as a Non-Executive Director

have further enhanced the Board's diversity and effectiveness. Their experience and perspectives bring different contributions to deepen Board discussions, while also demonstrating PayPoint's clear commitment to continued development of a balanced and inclusive culture.

The Board recognises the benefits of diversity among its members as both a key driver of better decision-making and a visible demonstration of its commitment to equity and inclusion.

Diversity is a vital part of the Board's composition assessment and the Board has adopted a Board Diversity, Equality and Inclusion Policy, which sets out the Board's commitment to making progress towards achieving the applicable targets. Accordingly, the diversity of future Board candidates will be at the forefront of the Nomination Committee's mind when undertaking any future selection processes for new Director appointments, with diversity criteria balanced with making appointments that are based on ensuring the collective skills, knowledge and experience of Board members are appropriate to the current and longer-term needs of the business and to delivery of its strategy.

Similarly, whilst keeping succession planning under regular review, the Committee remains mindful of the importance of diversity of thought in shaping the Board's future composition. In doing so, the Nomination Committee will maintain a balanced approach, giving active consideration to diversity factors alongside the skills, experience and attributes required to ensure that appointments support effective governance and long-term success.

Further detail on Board diversity can be found below and under the Diversity Statement contained in the Corporate Governance Report on page 77.

Board Policy on Diversity, Equity and Inclusion (DE&I)

The Board's policy on diversity, equity and inclusion, which is reviewed annually by the Committee, sits alongside PayPoint's employee policy, which sets out the Company's commitments to create a positive and inclusive environment for

all colleagues. The Board policy addresses the specific requirements of the Code in relation to the Board and its Committees and the recommended targets set out by the FTSE Women Leaders Review, the Parker Review and the UK Listing Rules.

All Board appointments are made on merit, in the context of the balance of skills, experience, independence and knowledge which the Board as a whole requires to be effective, taking account of diversity factors.

Responsibility has been delegated to the Chief People Officer for the operation of the diversity and inclusion policy across the wider workforce and for ensuring its maintenance and review. Efforts to increase diversity in the pipeline for Executive Board and Executive Committee positions continue to be supported, and greater diversity in senior management roles across the Group is encouraged.

During the year, the Committee received a report on progress made towards achievement of the targets set by the FTSE Women Leaders Review and Parker Review as well as progress made towards improving diversity at the most senior levels of management and across the wider workforce.

As at 31 March 2026, the Company had three female members on the Board, representing 37.5% of Directors, and one woman, Lan Tu who is the Senior Independent Director, in a senior Board position. Accordingly, the Company only partially met the targets on gender diversity set out by the FTSE Women Leaders Review and UK Listing Rules.

PayPoint Plc meets the targets set out in the Parker Review and the UK Listing Rules in respect of ethnic diversity on UK boards, with three of the eight Directors on the Board self-identifying their ethnicity to be other than White British.

Directors' time commitment and length of service

All Directors are aware of the need to allocate sufficient time to their Board role in order to discharge their responsibilities effectively. The Nomination Committee monitors meeting attendance, length of service and the extent of each Director's external

commitments on an ongoing basis. All Directors apart from Rakesh Sharma will be offering themselves for re-election at the Annual General Meeting on 29 July 2026 and Manasi Bhalariao will stand for election for the first time, which the Committee is pleased to support.

The terms and conditions of appointment of Non-Executive Directors and the service contracts of Executive Directors will be made available for inspection at the Annual General Meeting.

Directors' conflicts of interest

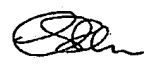
The Nomination Committee annually reviews and considers the interests and other external appointments held by the members of the Board. External interests that have been declared are recorded in our register of interests and reviewed and approved by the Committee. The Directors have a continuing duty to inform the Board of any potential conflicts immediately so that such conflicts may be considered and, if authorised, included within the register of interests.

We recognise that the Non-Executive Directors have other business interests outside of PayPoint Plc and that their experience with other directorships brings significant benefits to the Board. All key external roles are set out within the Directors' biographies on pages 72 to 73. Non-Executive Directors are required to obtain the approval of the Chair before accepting any further appointments.

A register of related parties is also maintained and updated by the Company Secretary in order that any related party transactions are identified and the necessary disclosures made.

This Nomination Committee Report was approved by the Committee.

Giles Kerr
Chair, Nomination Committee
10 June 2026



Audit Committee Report



The Committee continued to focus on its review of the Group's risk management framework and revisions to the risk architecture, in preparation for the introduction into the UK Governance Code of the new provision 29 requirements relating to the effectiveness of internal controls, which came into effect for the Group's financial year beginning 1 April 2026."

Rosie Shapland
Chair, Audit Committee

Audit Committee responsibilities

The Committee's key role is to support the Board in fulfilling its responsibility for oversight of the integrity of the Group's financial reporting to shareholders and any formal announcements relating to the Group's financial performance. Significant financial reporting issues and judgements, together with any changes in accounting principles and policies, and any material control recommendations, are reviewed by the Committee and reported through to the Board.

As requested by the Board, the Committee reviews the content of the annual report and financial statements and advises the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy. The Committee also supports the Board in assessing the relationship with the external auditor and their effectiveness, as well as reviewing the effectiveness of the risk management framework and internal controls in the business. Taking account of the principal risks facing the business, the Committee assesses the on-going viability of the Group and monitors its processes for compliance with laws, regulations and the Group's ethical practices.

Further details of the Committee's responsibilities can be found in its terms of reference, on the Company's website <https://paypointbusiness.com/corporate>.

Membership and attendance



Rosie Shapland (Chair)

Appointed: 2 October 2020, becoming Chair in December 2020

4/4



Rakesh Sharma

Appointed: 12 May 2017

3/4*



Ben Wishart

Appointed: 14 November 2019

4/4



Lan Tu

Appointed: 15 March 2024

4/4



Manasi Bhalerao

Appointed: 25 March 2026

1/1**

* Rakesh was not able to attend one meeting due to a pre-existing personal commitment
** meetings held since her appointment

Dear Shareholders,

As Chair of the Audit Committee (the 'Committee') I am pleased to present the Audit Committee Report for the year ended 31 March 2026.

The report sets out the remit of the Committee, its areas of focus for this financial year and the Company's relationship with its external auditor, PricewaterhouseCoopers LLP ('PwC').

The Committee held four scheduled meetings during the financial year, with meetings timed to coincide with the financial and reporting cycles of the Group. The Committee also met on 5 June 2026 to review the 31 March 2026 annual report and financial statements and the findings of the external auditor and to receive the auditor's final report.

The Committee reviewed and discussed the final report from the external auditor and recommended the 2026 annual report and financial statements to the Board prior to their approval. In addition, the Committee met with the Company's external auditor during the year without management being present.

In the period since our previous report, the work undertaken by the Audit Committee was as follows:

Financial reporting and policies

- Reviewed the annual and interim financial statements and, having considered the Group's ongoing viability, recommended to the Board the going concern basis for preparation of the financial statements and the viability statement. In doing so, the Committee had regard to an assessment which modelled the possible occurrence of significant risks and events, and which showed that the Group would continue to be viable and profitable over a three-year period.

- Considered significant accounting policies, financial reporting issues, judgements and estimates. In particular, the Committee scrutinised management's assessment that its Open Banking cash-generating unit ('CGU') comprises obconnect Ltd and the Group's existing open banking business, as well as reviewing the valuation prepared by management for the Open Banking CGU. For the parent company only, the Committee also considered the valuation of its investments in obconnect Ltd and Merchant Rentals Limited.
- Further information about which significant financial judgements and estimates and other financial reporting matters the Committee addressed, and the proposals and assurance they reviewed, is provided on pages 89 to 91.
- Considered the findings set out in the reports from the external auditor, including recommendations on the Group's IT general controls ('ITGCs'), management's agreed actions to enhance and strengthen them and progress against them.
- Reviewed and approved the external audit fees and received assurance on the external auditor's independence. The Group's policy on non-audit services was also reviewed.
- Considered and made recommendations to the Board regarding proposed dividend payments.
- Reviewed the Group's treasury policy.
- Approved the Group's tax strategy for the year and reviewed the approach to certain tax matters.

Internal audit

- Monitored progress against the year's audit plan and internal audit team resourcing.
- Assessed the audit universe and audit cycle and approved the annual internal audit plan and resources for FY27.
- Received internal audit reports and assessed key findings including a review of the recommendations arising from such reports.

- Monitored the Group's progress in implementing control recommendations arising from completed internal audits.
- Approved the Group's internal audit policy.

Risk management and internal controls

- Reviewed the Group's risk management framework and any changes thereto prior to recommending the principal and emerging risks for discussion and approval at the Board.
- Received and reviewed quarterly updates from the Head of Risk, Compliance, and Internal Audit on the Group risks.
- Monitored the Group's progress in implementing changes to the risk architecture in preparation for the introduction of provision 29 of the UK Corporate Governance Code 2024 ('the Code'), relating to the effectiveness of the Group's material controls. This included approval of the approach to identifying such material controls, documentation of the work conducted and findings made, as well as the assessment mechanisms used, prior to presentation of the listing of material controls applicable to the Group and its activities to the Board for approval.
- Considered the effectiveness of internal controls, including but not limited to financial controls, and the Group's risk management systems.
- Considered quarterly updates from the Head of Risk, Compliance, and Internal Audit which provided an overview of compliance within the Group's regulated entities and included progress reports on the implementation of changes required to meet significant regulatory developments, such as the implementation of the new safeguarding regime requirements.
- Received reports from the Chair of the Cyber Security and Information Technology Sub-Committee. The work of this Sub-Committee is described on page 88, with further information on its role set out on page 92.

- Reviewed the Group's insurance coverage and approved amendments to coverage levels to reflect current business requirements and the Group structure.
- Considered fraud, anti-bribery and whistleblowing matters, including reviewing the Group's relevant policies.
- Reviewed the results of the annual safeguarding and financial crime audits conducted for our payment services regulated entities.

Governance

- Carried out an annual review of the Committee's terms of reference.
- Reviewed and approved various Group policies including the Risk Management Policy, which has been updated to reflect progress made in supporting the new requirements of the Code.
- Assessed and approved the 20 core policies defined in the Risk Management Policy to support the risk management framework.
- Remained up to date with developments, including the changes to the Code and the new safeguarding regime.

Review of risk management framework and internal controls

The Board, via the Committee, has completed a comprehensive assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This is more fully described on pages 56 to 61.

For the Group, the following key procedures and monitoring processes are in place to provide effective internal control:

- The Board approves key Group policies and the authorities delegated to the Executive Board and senior management. Internal audits assess adherence to these authorities and exceptions are reported in internal audit reports which are made available to the Audit Committee.

- Revisions to the Group's risk architecture required to meet the requirements of provision 29 of the Code 2024 were completed and reviewed during the year.
- There is an ongoing process to identify, evaluate and manage risks via the Group Risk and Control registers which recognises and assesses risks at both a Group and individual entity level. Significant risks are reported to the Board and Committee.
- The Committee reviews risk appetite for principal risks and compliance with risk appetite is monitored through the Group's risk assessment processes.
- The Committee reviews key risks presented by the Head of Risk, Compliance and Internal Audit at each meeting to ensure management has effectively implemented the appropriate preventative, detective and combination controls to monitor and mitigate risk.
- The Group's Risk and Compliance teams continuously monitor that processes have been correctly followed across the Group. Exceptions are reported to the Committee and Cyber Security and IT Sub-Committee.
- Executive and Finance management annually attest that to their knowledge they and their teams adhered to Group policies, delegated authorities and year-end procedures; and that relevant Risk and Controls registers are a fair representation of risks, and the controls listed operated effectively during the year. Attestation details are reported to the Committee.
- On behalf of the Board, the Committee reviews fraud and anti-bribery matters – there were no instances of significant fraud or identified instances of bribery or corruption within the Group during the year.
- One whistleblowing notification was raised in the year. The matter was thoroughly investigated and appropriate action taken.
- The ESG Working Group oversees the Group's environmental and social related risks and makes recommendations to the Board, as well as reviewing the TCFD disclosures in the annual report and financial statements.

Audit Committee Report continued

- The Cyber Security and IT Sub-Committee reviews key IT and cyber risks, as well as the adequacy of cyber security insurance and other measures to ensure the Group's IT function effectively implements preventative and detective controls to monitor and mitigate risk.
- The Chair of the Sub-Committee provides a report to the Committee after each of the Sub-Committee meetings.

On the basis of the above procedures and monitoring processes, the Board, supported by the Committee, has reviewed the effectiveness of the Group's risk management framework and internal control systems. The Directors confirm that the processes described have been in place during the financial year and up to the date of the approval of the annual report and financial statements.

As noted in our report last year, oversight of the implementation of the new risk management reporting framework has been a key activity for the Committee. During the year the Committee has monitored the progress in implementing changes to the risk architecture to ensure that the Group is ready for the implementation of the requirements of provision 29 of the Code which relates to the assessment and reporting of the effectiveness of the Group's material controls. Such activities included approval of the proposed methods and criteria for material control assessments, detailed evidentiary requirements per control and agreed structure for independent review of control assessments to be conducted by the risk team on material controls as identified and approved by both the Committee and the Board. The Group is well advanced in its preparations for the new requirements which came into effect on 1 April 2026. The Board will report on the effectiveness of the Group's material controls in the next Annual Report.

Review of effectiveness of internal controls and risk management

The Committee and Cyber Security and IT Sub-Committee support the Board with monitoring internal control systems and reviewing their effectiveness in mitigating risks faced by the business. The Committee seeks assurance on the effectiveness of the risk management and internal control framework by receiving regular and comprehensive reports and information from the Group's Head of Risk, Compliance and Internal Audit. Reporting standards have been enhanced during the year to provide a detailed and comprehensive breakdown of additional risks identified via the audit process in relation to actions yet to be fully remediated. The Board has defined its risk appetite for all principal risks, as described on page 92. A standard risk assessment methodology is applied across the Group to evaluate gross and residual risk and compare residual risk against risk appetite.

External audit

In relation to the Group's external audit, the Committee carried out the following activities during the year:

- Agreed the scope of the 2026 audit together with the external auditor's fees and terms of engagement. Details of the amounts paid to the external auditor for the audit and other services for FY26 are given on page 146.
- Received the external auditor's plan for the financial year, reviewing materiality thresholds and areas of risk where the auditor would focus their work.
- Reviewed the effectiveness of the external audit process by discussing the results of the auditor's work and their views on material accounting issues, the challenges they have raised with management on key judgements and estimates and feedback from the Chief Financial Officer and other senior members of the finance team.
- Reviewed and monitored the independence of the external auditor and approved their provision of non-audit services.

Significant judgements and critical estimates in relation to the financial statements for the year ended 31 March 2026

In preparing the financial statements for 2026, there were several areas requiring the exercise by management of judgement or a high degree of estimation. Throughout the year, the finance team worked closely with the external auditor to ensure the Group provided the required level of supporting evidence. The tables below outline the significant areas of judgement and estimation together with other financial reporting matters that have been considered by the Committee in discussion with management and the external auditor.

Significant financial judgements and critical estimates for the year ended 31 March 2026	How the Audit Committee addressed these significant financial judgements and critical estimates
Recognition of cash and cash equivalents and restricted funds held on deposit (Critical judgement) The nature of payments and banking services means that PayPoint collects and holds funds on behalf of clients as those funds pass through the settlement process and retains retailer partners' deposits as security for those collections. For Love2shop, it also holds in trust, gift card voucher deposits on behalf of agents, cardholders and redeemers and prepay savers' cash on behalf of savers. A critical judgement in this area is whether each of the above categories of funds and restricted funds held on deposit, are recognised on the consolidated statement of financial position, and whether they are included in cash and cash equivalents for the purpose of the statement of consolidated cash flows. This includes evaluating: (a) the existence of a binding agreement clearly identifying the beneficiary of the funds; (b) the identification of funds, ability to allocate and separability of funds; (c) the identification of the holder of those funds at any point in time; and (d) whether the Group bears the credit risk Reassessment of the Group's Open Banking cash generating unit (Critical judgement) During the year, management assessed that its Open Banking cash-generating unit ('CGU') comprised two components for the purpose of goodwill impairment testing. One component is obconnect Ltd, which the Group acquired in October 2024. Goodwill of £12.2 million arose on that acquisition. The other component existed within the Group prior to the acquisition, using obconnect Ltd's software platform to generate its revenue. This judgement reflects the fact that both components generate cash inflows using the same technology platform. The two components together represent the lowest level at which an identifiable group of assets generates cash flows that are largely independent of those of other groups of assets. In accordance with IAS36 <i>Impairment of assets</i>, they are therefore treated as a single CGU. This judgement is critical to the outcome of the goodwill impairment test. The Open Banking CGU, comprising the two components referred to above, gives significant headroom. No reasonably possible changes in any of the discounted cash flow assumptions causes the Open Banking CGU's carrying value to exceed its recoverable amount. Had obconnect Ltd alone been treated as a CGU, the goodwill arising on its acquisition would have been impaired in the current year.	The Committee reviewed and approved the accounting policy on cash and cash equivalents and considered management's approach to the treatment of restricted funds held on deposit. Where there is a binding agreement specifying that PayPoint holds funds on behalf of the client (i.e. acting in the capacity of a trustee) and those funds have been separately identified as belonging to that beneficiary, the cash and the related liability are not included in the statement of financial position. For restricted funds held on deposit, the Committee reviewed and agreed with management's decision to categorise cash and cash equivalents and restricted funds held on deposit separately. The Committee reviewed and approved management's assessment that its Open Banking CGU comprises two components which use the same software platform to generate cash inflows.

Audit Committee Report continued

Other financial reporting matters for the year ended 31 March 2026	How the Audit Committee addressed these financial reporting matters
Parent company investment in subsidiary obconnect Ltd	
The parent company holds an investment in subsidiary relating to obconnect Ltd. Management identified the probability of an impairment to the carrying value of this investment and prepared a cash flow model to quantify the impairment. As a result, management has impaired the value of its investment by £4.1 million, reducing its carrying value to £19.5 million as at 31 March 2026.	The Committee has challenged the key assumptions that drive the model for the impairment test, including specific growth drivers for obconnect, discount rates applied and long-term growth rates.
	Having challenged and discussed the methodology and assumptions set out in the impairment test, the Committee is satisfied that the impairment amount is reasonable and that sufficient disclosure is provided in the financial statements.
Parent company investment in subsidiary Merchant Rentals Ltd	
The parent company holds an investment in subsidiary relating to Merchant Rentals Ltd amounting to £15.5 million as at 31 March 2026. Management identified a risk of impairment related to this investment and prepared an impairment assessment to consider recoverability. No impairment was identified.	The Committee has challenged the key assumptions that drive the model for the impairment test, including specific growth drivers for Merchant Rentals, discount rates applied and long-term growth rates.
	Having challenged and discussed the methodology and assumptions set out in the impairment test, the Committee is satisfied that the recoverable amount shows headroom compared to the carrying value of the investment.
Distributions and return of capital to shareholders	
For the year ended 31 March 2026 management presented proposals for distributions (dividends and share buy-backs).	
	Having regard to the distributable reserves available to the Company, the Committee reviewed and reported to the Board on management's proposals for a special dividend of 50p per share in October 2025 related to the part-disposal of Collect+, interim and final dividends for the financial year ended 31 March 2026 of 19.8p and 20.0p per share respectively and a share buyback programme of a further £30m over the next 12 months. The Committee assessed the level of distributable reserves along with the impact of a stress test. The Committee made a recommendation to the Board to approve management's proposals.

Other financial reporting matters for the year ended 31 March 2026	How the Audit Committee addressed these financial reporting matters
Items that were to be presented as adjusting items	
Adjusting items consist of exceptional items, amortisation of intangible assets arising on acquisition and movement on investments. Management proposed to treat these items as adjusting items in the consolidated statement of profit or loss, as they do not reflect the underlying operational performance of the Group.	The Committee assessed whether the reporting of those items as adjusting was in line with the Group's accounting policy, and that sufficient disclosure was provided in the financial statements. The Committee concurs with management's view and considered the disclosures to be appropriate and clear.
Viability and going concern	
Each year the Directors consider the Group's viability over a three-year period. This is consistent with the Group's strategic planning period. Additionally, management carry out an assessment of the principal risks and uncertainties.	The Committee reviewed management's assessment of going concern and the Group's viability and the proposed disclosures for the annual report and financial statements.
For the purposes of assessing the going concern assumption, cash flow forecast scenarios are prepared by management for a period of at least 12 months from the date of approval of these financial statements, taking into account the Group's current financial and trading position, the principal risks and uncertainties and the strategic plans.	The review included consideration of forecast cash flows, relevant sensitivities and the impacts of these on the Group's cash position while also taking into account the Group's financing facilities. The Committee reviewed and discussed the various scenarios and the potential mitigations and considered the results of the reverse stress tests.
The Group's viability has been further tested by applying a number of severe but plausible downside scenarios, performing a reverse stress test and considering mitigating actions and the impact of such scenarios on the Group's future financial position.	The Committee reviewed the disclosures for both going concern and viability to ensure they are in line with the FRC recommendations.
Based on a satisfactory assessment management has concluded that it is appropriate to prepare the financial statements on a going concern basis and that they have a reasonable expectation the Group will be able to continue in operation over the three-year assessment period.	The Committee concurs with management's conclusion that they have a reasonable expectation that the Group will be able to continue in operation over the next three years and there are no indications that impact the Group's longer-term prospects. The Committee made a recommendation to the Board to approve the going concern basis of accounting for the financial statements and the viability statement drafted by management.

Audit Committee Report continued

Cyber Security & Information Technology Sub-Committee

The Cyber Security & Information Technology Sub-Committee ('Sub-Committee') is a sub-committee of the Audit Committee overseeing Group cyber security and IT matters. Its key responsibilities include:

- advising the Committee on cyber and information security risks faced by the Group.
- assessing the adequacy of policies, resources and funding for cyber and information security.
- reviewing the Group's cyber and information security breach response plan.
- reviewing cyber incident reports and assessing the adequacy of proposed actions.
- ensuring effective business continuity plans are in place.
- overseeing cyber security training and awareness.

The Sub-Committee comprises four Non-Executive Directors (Rakesh Sharma, Lan Tu, Manasi Bhalerao and Ben Wishart as Chair of the Sub-Committee), Chief Financial Officer and Chief Technology Officer (who is a member of the Executive Board). The Company Secretary is the secretary to the Sub-Committee.

During the year, the Sub-Committee held two meetings at which the Head of IT Risk, the Head of Risk, Compliance and Internal Audit and the Chair of the Committee were also in attendance by invitation.

The matters considered by the Sub-Committee during the year included: the Love2shop transformation programme; the heritage PayPoint app modernisation programme; assessment of the Group's security controls and overall IT governance, risk & control framework; monitoring of cyber security issues and vulnerabilities with

reference to recent cyber incidents at several retailers and implementation of remediation and improvements as required; review of results of IT audits carried out by Internal Audit and implementation of improvements that were recommended; renewal of the Group's cyber insurance policy; and the annual review of the cyber security policy.

External audit

The Committee is mindful of the requirements of the FRC's Audit Committees and the External Audit: Minimum Standard (the 'FRC Minimum Standard') as published in May 2023. During the year the Committee has assessed PwC's performance and effectiveness, including discussing the risks to audit quality identified by the auditor and how these have been addressed, as well as receiving and reviewing the auditor's annual transparency report on their system of quality control over audits.

The effectiveness of the audit process is underpinned by appropriate audit planning and risk identification at the outset of the audit cycle. The auditor provides a detailed audit plan identifying their assessment of the risks and other key matters for review. No changes were made to this plan during the course of the audit. For the year ended 31 March 2026, the significant audit risks identified for the Group included the possible impairment of goodwill associated with the Group's Open Banking CGU, in light of management's assessment that its Open Banking CGU includes the component which existed within the Group prior to acquisition, as well as obconnect Ltd. In the prior year, the goodwill impairment assessment considered obconnect Ltd only. For the Company, the significant audit risks were in respect of the carrying value of its investments in obconnect Limited and Merchant Rentals Limited. No elevated risks were identified.

The Committee reviews and challenges the work undertaken by the auditor on these matters, understanding how the auditor has challenged management's key assumptions and judgements. An assessment of the effectiveness of the audit process in addressing these items is based on the auditor's reports for the half-year and full year and discussions at the Committee meetings. The Chair of the Committee meets regularly with the auditor throughout the audit process and during the year, the auditor attends all Committee meetings to present their audit plan and the results of their work, and the Committee seeks feedback from management on the effectiveness of the audit process.

The Committee regularly meets with the external auditor without management being present.

No significant issues were raised with respect to the audit process for the period and the quality of the audit process was assessed to be good.

In accordance with its policy on auditor independence and the provision of non-audit services by the external auditor, the Committee reviews and monitors the auditor's independence and objectivity.

No non-audit services were provided by the external auditor during the year beyond the performance of a review of the Group's interim financial statements. The Committee's opinion on auditor independence is informed by the auditor's statement of confirmation of independence, discussing any identified threats to independence and the safeguards applied to mitigate those threats. The Committee also considers all relationships between the Company and the audit firm, including their network firms, and whether those relationships appear to impair the auditor's independence and objectivity.

As part of the audit planning process and again at the conclusion of the audit, the auditor provided a statement of confirmation of independence to the Board and the Audit Committee, which confirmed that in their professional judgement PwC was independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff remained unimpaired.

During the year ended 31 March 2026, David Beer continued in his role as audit partner for PayPoint Plc, an office he has held since the appointment of PwC as the Company's auditor in September 2023. The Committee reviews each year the reappointment of the current external auditor and makes a recommendation to the Board. Based on the performance of the auditor, the Committee believes that it is in the best interests of shareholders to continue to recommend PwC as the external auditor and a resolution for PwC's reappointment will, accordingly, be proposed to shareholders at the forthcoming annual general meeting.

Non-audit services

In accordance with the FRC Revised Ethical Standard, the Committee has a policy on auditor independence and the provision of non-audit services by the external auditor. This policy is a guide to the types of work that are acceptable for the external auditor to undertake, and provides clarity on the process to be followed for approval of the provision of non-audit services by the external auditor.

The ratio of non-audit fees to audit fees paid to the auditor for the year was 4.1%, with non-audit services limited to assurance services for the half year review. Details of the auditor's remuneration for the statutory audit and non-audit services are set out in note 8 to the financial statements.

Internal audit

Internal audit is an independent assurance function providing services to the Committee and all levels of management. Internal audit helps the Group accomplish its objectives by bringing a systematic, disciplined approach to risk management. Its remit is to provide independent and objective assurance, assist management in implementing effective controls and help protect the Group's assets. Internal audit's responsibilities include delivering the annual internal audit plan, driving remediation of audit issues, assessing effectiveness of internal controls, the prevention and detection of fraud, and supporting management in assessing and mitigating risks. The Committee is responsible for ensuring the Group has a rigorous internal audit programme covering all business areas and risks.

The Head of Risk, Compliance and Internal Audit has line management responsibility for these three teams. The Board of Directors are of the opinion that the model adopted by PayPoint is appropriate given the size, complexity and inherent risks across the business. No material conflicts have been identified from the adoption of this model, but the Board recognises the potential for conflict when the Internal Audit team performs a review of either our Risk or Compliance Functions. In this event the Senior Internal Audit Manager has a direct reporting line into the Chair of the Audit Committee in terms of any audit findings.

Whistleblowing

PayPoint continuously seeks to prevent malpractice in its business. However, if it occurs, whistleblowing processes have been implemented to provide employees with guidance and ensure concerns raised are appropriately addressed. Our whistleblowing policy ensures colleagues are encouraged to speak up in confidence about the conduct of others, breaches and irregularities, without fear of reprisal.

Whistleblowing is discussed at each Committee meeting and all whistleblowing occurrences are reported to the Committee together with details of investigations and any corrective action necessary. There was one whistleblowing incident in the year which, following a thorough investigation, resulted in the appropriate action being taken.

Anti-bribery and corruption

PayPoint has a zero-tolerance approach to bribery and has an anti-bribery and corruption policy detailing employee responsibilities to ensure the Group and its employees remain compliant with anti-bribery and corruption laws. All employees undertake anti-bribery and corruption training at induction and ongoing role-based training is also provided. Anti-bribery and corruption risk management is discussed at Committee meetings and the Group's anti-bribery and corruption policy was reviewed by the Committee during the year.

Fair, balanced and understandable

The Committee has satisfied itself that the PayPoint Plc 2026 annual report and financial statements is fair and balanced. The Board has sought to make the annual report as clear, understandable and informative as possible to provide the information necessary for shareholders to assess the Group's performance, business model and strategy. The Committee therefore supports the Board in making its formal statement on page 117.

The Audit Committee Report was approved by the Committee and the Board.

Rosie Shapland
Chair, Audit Committee
10 June 2026



Directors' Remuneration Report



The Committee's focus remains on ensuring executive remuneration supports delivery of our strategy and the creation of sustainable long-term value for shareholders."

Ben Wishart
Chair, Remuneration Committee

Remuneration Committee responsibilities

The Committee's key roles are to ensure that the Remuneration Policy and practices of the Company are aligned with the Company's purpose and business strategy, promote long-term sustainable success and reward fairly and responsibly with a clear link to corporate and individual performance. The Committee's decision-making process takes account of legislation, regulation, corporate governance standards, guidance issued by regulators, shareholders and shareholder representative bodies and has access to the advice of independent remuneration consultants. To avoid conflicts of interest, no Committee member or attendee is present when matters relating to his or her own remuneration are discussed. Full terms of reference for the Committee are available on the Company's website <https://paypointbusiness.com/corporate>.

The members of the Committee and their attendance at meetings are set out in the table below.

In addition to the members of the Committee, the Chief People Officer and the Company's independent adviser from FIT Remuneration Consultants LLP ('FIT'), may attend and receive papers for each meeting. The Company Secretary acts as secretary of the Committee. After each meeting, the Chairman of the Committee reports to the Board on the matters discussed and recommendations and/or actions to be taken.

Membership and attendance



Ben Wishart (Chair)
Appointed: 14 November 2019
4/4



Lan Tu
Appointed: 15 March 2024
4/4



Giles Kerr
Appointed: 20 November 2015
4/4



Rakesh Sharma
Appointed: 12 May 2017
3/4**



Rosie Shapland
Appointed: 2 October 2020
4/4



Manasi Bhalerao
Appointed: 25 March 2026
1/1*

* meetings held since her appointment
** Rakesh was not able to attend one meeting due to pre-existing personal commitment

Annual Statement

Dear Shareholders,

I am pleased to present our Directors' Remuneration Report for the financial year ended 31 March 2026 which has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Listing Rules of the UK Listing Authority and the prevailing UK Corporate Governance Code (the 'Code').

The report is divided into three sections:

- This Annual Statement of the Remuneration Committee Chairman for the year ended 31 March 2026, which summarises remuneration outcomes for the year ended 31 March 2026 and the Committee's proposed approach for the year ending 31 March 2027.
- The Directors' Remuneration Policy – which sets out the proposed new Director's Remuneration Policy for which shareholder support will be sought at the forthcoming AGM. The proposed change to the policy and the rationale are set out in detail below.
- The Annual Report on Remuneration, which provides details on how the Policy was implemented in the year ended 31 March 2026.

Committee activities during the year

The Committee met four times during 2025/26. The main Committee activities during the year (full details of which are set out in the relevant sections of this report) included:

- Approving the 2024/25 Directors' Remuneration Report.
- Agreeing Executive Director base salary increases from July 2025.
- Reviewing and agreeing the salary review applied to the workforce below Board level including the increases applied to the Executive Board.
- Approving the vesting of the 2020 and 2021 restricted share plan awards for the Chief Executive.
- Approving the vesting of the 2022 restricted share plan awards for the Executive Board.
- Approving the vesting of the below Board 2022 and 2023 restricted share plan awards.
- Agreeing the 2025 Restricted Share Plan awards.
- Agreeing the performance against targets and payout for the 2024/25 annual bonus.
- Setting the performance targets for the 2025/26 annual bonus and bonus deferral levels.
- Reviewing the impact of the share consolidation on share plan awards.
- Carrying out an internal evaluation of its performance and reviewing its terms of reference.

Pay and performance for the year ended 31 March 2026

In accordance with its terms of reference, the Committee continues to ensure the clear linkage of Executive Directors' pay and performance to the strategy and enhancement of shareholder value.

In assessing the performance of the 2025/26 annual bonus, the Committee considered the financial and operational performance of the Group as well as the progress made in the continuing delivery of the strategy. An assessment of performance against bonus targets indicated a bonus award for the year of 29% of maximum, reflecting the delivery of a year of record profits and shareholder returns delivered against a backdrop of a generally weak economy, low consumer confidence and the challenges of some specific business headwinds. Details of the discretion applied by the Committee in respect of the PBT result is set out below.

In respect of RSAs vesting, subject to the Committee being satisfied in respect of performance against the respective discretionary underpins:

- the third and final tranche of the RSA awards granted in 2021 will vest in August 2026;
- the second tranche of the RSA awards granted in 2022 will vest in June 2026; and
- the RSA awards granted in 2023 will vest in September 2026.

The Committee is comfortable that remuneration for the year ended 31 March 2026 is appropriately aligned to the Company's performance.

Discretion and Malus/Clawback

As detailed in the Annual Report on Remuneration, in light of record financial performance delivered in respect of the year ended 31 March 2026 and noting the strong performance of the management team and the discretion set out in the Directors' Remuneration Policy, the Remuneration Committee concluded that a PBT result which excluded the FY26 annual bonus accrual (£1.3m) was more reflective of Company and management performance. The adjustment resulted in an increase to the FY26 annual bonus award from 17% of maximum to 29% of maximum. In agreeing the approach, the Remuneration Committee also considered past decisions to reduce/freeze remuneration levels which are summarised below. No other discretion has been exercised by the Committee in respect of the year ended 31 March 2026.

FY20	FY21	FY22	FY23	FY24	FY25	FY26
The Committee chose to exercise discretion by accepting management's proposal to waive any entitlement to bonuses for the year ended 31 March 2020.	The Committee chose to exercise discretion by accepting the proposal of the Executive Board to waive their entitlement to salary review in July 2020 and the proposal of the Chief Executive to reduce his base salary by 20% for a period of three months with effect from 1 April 2020.	The Committee did not increase the base salary levels of the Chief Executive and Finance Director in July 2021 when increases were applied to the general workforce.	No discretion applied.	The Committee accepted management's proposal to apply negative discretion to decrease the annual bonus out-turn from 93% of max to 80% of max	No discretion applied.	Positive discretion applied to increase the annual bonus out-turn from 17% of max to 29% of max.

There was no exercise of malus or clawback under the policy during the year under review.

Directors' Remuneration Report continued

Proposed Director's Remuneration Policy Change

To ensure the Chief Executive is retained within the business over the next three years to help deliver the full potential of the Group, the Remuneration Committee is proposing to grant a one-off LTIP in the form of a performance share award ('PSA') to Nick Wiles immediately following the 2026 AGM over shares with a value at grant equal to 500% of salary (in addition to the grant of his normal 2026 Restricted Share Award ('RSA') over shares with a grant value equal to 75% of salary).

Given that the current Policy only permits the grant of RSAs, we are therefore seeking shareholder approval to introduce a new Directors' Remuneration Policy (effectively a roll-forward of the existing Policy with an amendment to include the power to grant the additional one-off PSA in respect of the year ending 31 March 2027). The one-off PSA will be granted under the Company's existing Executive Share Plan, which includes a PSA limit that is linked to the Policy maximum, so no changes to the share plan are required.

Vesting of Nick's PSA would be subject to continued service until the third anniversary of grant and the satisfaction of (i) EPS growth performance targets measured over the three-year period ending 31 March 2029 and (ii) share price performance targets measured over the 30-day period ending on the third anniversary of the grant date. The target ranges expected to be applied to the awards are as follows:

	EPS Growth ¹ (50% of awards)		Share Price ² (40% of awards)	
	% of this part that vests	Target	% of this part that vests	Target
Below Threshold	0%	<5% p.a.	0%	<£7.00
Threshold ³	25%	5% p.a.	25%	£7.00
Maximum ³	100%	10% p.a.	100%	£8.50

1. 3 Year Underlying EPS growth from FY26 to FY29.
2. Based on the 30 day average share price prior to vesting date.
3. Pro-rata vesting between threshold and maximum.

A two-year post-vesting holding period would apply in respect of any shares that vest under the one-off PSA. Change of control, and malus and clawback provisions will apply in accordance with the terms of the Company's Executive Share Plan. The share price used to determine the number of shares under award would be aligned to Nick's normal RSA.

Reflecting the Remuneration Committee's focus on retention, tougher leaver provisions will apply to the one-off PSA than those that apply to his normal RSA. As such, the one-off PSA will only vest if Nick remains in employment at the 2029 vesting date. Should Nick: (i) retire; or (ii) resign for any other reason (excluding ill health or cessation of employment as a result of death), before the additional one-off award has vested in 2029, the award will lapse at cessation.

Rather than a one-off PSA, the Committee did consider increasing other elements of Nick's package noting that his current base salary and annual bonus potential (106% of salary) are below market. However, a one-off PSA was considered to be the most appropriate and shareholder aligned way to retain Nick in the business for the next three years compared to increasing fixed/annual remuneration.

Other than the amendment set out above, the remainder of the Policy will continue to apply on the same basis as was approved by shareholders of the Company at the 2023 AGM, as amended at the 2024 AGM. The Remuneration Committee intends to review the Policy in the second half of 2026 notwithstanding the proposed change for 2026 detailed above.

The Committee has consulted major shareholders in respect of the above and is confident it has majority support.

Policy Implementation for the year ending 31 March 2027

Details of how the Committee intends to implement the Remuneration Policy for the year ending 31 March 2026 is set out in the Annual as follows:

- **Salary** – the salaries of the Chief Executive and Chief Financial Officer will be increased by 3% which is consistent with the average increase applied to the general workforce. Current base salary levels, and those from 1 July 2026 (the normal salary review date), are as follows:

	From 1 July 2026	From 1 July 2025	% Increase
Nick Wiles	£539,568	£523,853	3%
Rob Harding	£346,277	£336,192	3%

- **Benefits** – Benefits provision will continue to operate in line with Policy.
- **Pension** – Executive Directors will continue to receive a 5% of salary workforce-aligned pension contribution.
- **Annual bonus** – The maximum annual bonus opportunity for the CEO and CFO will be set at 106% of base salary, with the majority of the bonus opportunity based on a profit measure and a minority based on the achievement of net revenue and strategic/ESG-based targets (which are retrospectively disclosed due to their commercial sensitivity). Bonus deferral, at 25% of any award for 3 years, will continue to operate.
- **RSAs** – In addition to the retention PSA detailed above, the Committee intends to grant the normal 2026 RSAs at 75% of salary for Nick Wiles and 62.5% of salary for Rob Harding in the normal 42 day window following the announcement of the FY26 results. Awards will normally vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against the discretionary underpin (i.e. the Committee must be satisfied that PayPoint's underlying performance and delivery against its strategy and plans are sufficient to justify the level of vesting, having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance and the delivery of the Company's ESG strategy) and the shareholder experience more generally (including the risk of windfall gains). No shares may be sold until at least five years from grant, other than those required to settle any taxes.
- **Chairman and Non-Executive Fees** – A 3% increase in Non-Executive Director fees has been agreed in line with the average increase being applied to the general workforce. As such, from 1 July 2026, the Chairman's annual fee will be £189,423, the Non-Executive Director base fee will be £55,679, additional fees for Chairing the Audit and Remuneration Committee will be £10,561 and additional fees for acting as Senior Independent Director will be £7,002.

Conclusion

I hope you are supportive of our suggested Policy change and its implementation for the year ending 31 March 2027 and that you will therefore vote in favour of the remuneration-related resolutions that will be tabled at the forthcoming AGM.

Ben Wishart

Chair, Remuneration Committee
10 June 2026

The Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the proposed Director's Remuneration Policy ('Policy') for the Group. This Policy will be put to shareholders for approval in a binding vote at the 2026 AGM. The Policy will be applied from that date, and any amendments to the Policy will be put to shareholders for approval in a binding vote at the 2027 AGM. The Committee intends to review the Policy in the second half of 2026 notwithstanding the proposed change to cater for the one-off PSA for 2026, and the Company will put a new Policy to shareholders at the 2027 AGM.

Policy scope

The Policy applies to the Chairman, Executive Directors and Non-Executive Directors.

Summary of Policy Change

As detailed in the Annual Statement, one change is being proposed to the Policy in respect of the Chief Executive's one-off QTP in the form of a performance share award (PSA) for 2026. This impacts the Policy table, scenario chart and the good leaver policy (given there will be tougher leaver provisions for the additional award).

Consideration of conditions elsewhere in the Company

When making decisions on Executive Director remuneration, the Committee considers pay and conditions across PayPoint. In particular, it is anticipated that salary increases for senior executives will have regard to those of talented employees as a whole.

Consideration of shareholder views

The Remuneration Committee maintains a regular dialogue with its major shareholders and when determining remuneration, takes into account the guidelines of investor bodies and shareholder views. The Committee continues to monitor trends and developments in corporate governance and market practice to ensure the structure of the executive remuneration remains appropriate and commits to undergo a shareholder consultation in advance of any material changes to the Policy.

Executive Directors' remuneration

The table that follows summarises our policy on each element of the remuneration package for Executive Directors.

Fixed

Element and link to strategy: Base salary

Takes account of personal contribution and performance against Company strategy.	
Overview	Opportunity
Reviewed annually, with account taken of responsibility and skills, one individual Director's performance and experience pay for comparable roles and pay and conditions throughout the Company.	Any base salary increases are applied in line with the outcome of the annual review and normal salary increases will have regard to those of talented employees as a whole.
	Salary increases will be limited to no more than 15% a year, unless there is an exceptional change in the size or structure of the business.
	There is no cap on salary levels for new recruits or promotions to the Board, or promotions within the Board.

Directors' Remuneration Report continued

Element and link to strategy: Pension

Provides market appropriate benefits.

Operation	Opportunity	Performance metrics
The Company makes contributions to personal pension plans or cash allowance in lieu of pension.	In line with the general workforce (as a percentage of salary).	None.

Element and link to strategy: Benefits

Provides market appropriate benefits.

Operation	Opportunity	Performance metrics
Benefits may include, but are not limited to car allowance, health insurance and employee share plans. In certain circumstances, the Committee may also approve the provision of additional allowances relating to the relocation of an Executive Director and other expatriate benefits to perform his or her role. All reasonable business related expenses will be reimbursed (including any tax due thereon).	Benefits vary by role and individual circumstances and are reviewed periodically. Benefits will not normally exceed 15% of salary. The Committee retains discretion to approve a higher cost in exceptional circumstances (e.g. relocation) or in circumstances where factors outside the Company's control have changed materially (e.g. increases in insurance premiums).	None.

Variable

Element and link to strategy: Annual bonus and Deferred Annual Bonus Scheme ('DABS')

Rewards delivery of the Group's annual financial and strategic goals and supports retention.

Operation	Opportunity	Performance metrics
The Remuneration Committee reviews and agrees measures, targets and weightings at the beginning of each financial year. At the end of the year, the Remuneration Committee determines the extent to which targets have been achieved. Under the DABS at least 25% of any annual bonus award is deferred into conditional share awards, deferred cash or nil-cost options for at least three years, subject to continued employment. Dividends accrue on deferred awards as additional share entitlements over the deferral period to the extent that awards vest. Awards are subject to clawback and malus provisions (see notes to the Policy table).	150% of Salary. ¹ A minority of the bonus would be payable for achieving threshold performance. Where appropriate, a sliding scale between threshold and maximum performance will be used to determine the payout under each metric.	The majority of the award will be based on financial targets. A minority of the award may be based on strategic/personal/ESG targets. The Remuneration Committee reviews and agrees targets at the beginning of each financial year and may subsequently adjust those targets as detailed in the notes to this table. The Remuneration Committee also has the discretion to adjust the formulaic bonus outcomes both upwards (within the plan limits) and downwards, to ensure that payments are a true reflection of performance of the Company over the performance period, e.g. in the event of unforeseen circumstances outside of management control. Any use of discretion will be explained in the respective Annual Report on Remuneration.

Element and link to strategy: Restricted share awards

Drives sustained long-term performance, aids retention and aligns the interests of Executive Directors with shareholders.		
Operation	Opportunity	Performance metrics
Awards will normally vest on the third anniversary of grant. Once vested, awards may not be sold until at least five years from the grant date. Dividends may accrue as additional share entitlements over the vesting period and any holding period to the extent that awards vest². Awards are subject to clawback and malus provisions (see notes to the Policy table)	75% of salary.	Although no formal performance measures apply to RSAs, the extent to which an award vests may be reduced by the Committee if a discretionary underpin assessed to the end of the financial year preceding the date of vesting is not achieved. In addition, the Committee may reduce the extent to which an award vests if it believes this better reflects the underlying performance of the Company over the relevant period.

Element and link to strategy: One-off LTIP via a Performance Share Award

To aid the retention of the CEO while ensuring his interests are aligned with shareholders.		
Operation	Opportunity	Performance metrics
Awards will normally vest on the third anniversary of grant. Once vested, a two year post vesting holding period will operate. Dividends may accrue as additional share entitlements over the vesting period and any holding period to the extent that awards vest. Awards are subject to clawback and malus provisions (see notes to the Policy table).	500% of salary one-off award for the CEO in the year ending 31 March 2027	Sliding scale three year EPS and Share Price targets.

Element and link to strategy: Shareholding guidelines

Encourages a long-term focus and aligns the interests of Executive Directors with shareholders.		
Operation	Opportunity	Performance metrics
Shareholding guidelines require Executive Directors to acquire a specified shareholding. In employment: Executive Directors are required to retain 50% of any share award acquired on vesting (net of tax) until the guideline level is achieved. Acquired holdings may be held by spouses or dependent family members. Post-employment: Executive Directors will need to retain shares equal to 100% of the shareholding guideline up until the first anniversary of cessation. Between the first and second anniversary of cessation they will need to retain shares equal to 50% of the guideline. Own shares purchased, shares acquired through buyout awards and share awards granted prior to the 2020 AGM will be excluded from the post cessation guideline.²	200% of salary.	N/A

¹ The Committee's current intention is that annual bonus potential for Executive Directors will continue to be capped at 106% of salary (noting that this is below the 150% of salary permitted under the Policy). Reflecting the below-market annual bonus maximum for Executive Directors, and as per past practice and as aligned to practice below Board, on-target bonus potential will continue to operate at 80% of the maximum. However, noting that the on-target bonus is higher than typical, and maximum potential is lower than market, should bonus potential be increased from 106% of salary to a more market aligned 150% of salary in the future, the on-target bonus potential will be reduced to 50% of maximum in line with market norms.

² Executive Directors leaving the employment of PayPoint would normally be required to self-certify annually in writing post-cessation that they still hold the required shares as part of their termination agreement.

Directors' Remuneration Report continued

Element and link to strategy: All-employee share plans

Encourage share ownership across all employees.

Operation	Opportunity	Performance metrics
Operation of an HMRC approved all-employee share plan (currently a SIP). Executive Directors may participate on the same basis as all other eligible employees.	Up to the prevailing HMRC approved limits.	None.

Notes to the policy table

Clawback (aka recovery) and malus (aka withholding) provisions

Clawback and malus provisions operate based on the following triggers:

- Misconduct
- Material misstatement
- Error in calculation
- Serious reputational damage to the Company
- Corporate failure
- Insolvency

The Remuneration Committee has set the clawback period at three years from the payment of an annual bonus award and RSA/PSA vesting date on the basis that: (i) it believes these to be aligned with shareholder expectations as well as FTSE Allshare market practice; and (ii) any circumstances that would give rise to a potential malus/clawback scenario would likely be identified during the period.

Shareholder approvals

At the 2026 AGM on 29 July 2026, the Company will be asking shareholders to vote on two separate remuneration-related resolutions as follows:

- a binding vote on the amended Directors' Remuneration Policy, which will, subject to shareholder approval, become formally effective as at the date of the AGM; and
- an advisory vote on the Directors' Remuneration Report (excluding the Policy), which provides details of the remuneration earned by Directors for performance in the year ended 31 March 2026 and how we intend to remunerate Directors in the year ending 31 March 2027.

Use of discretion

The Remuneration Committee may exercise discretion in two broad areas for each element of remuneration:

- To ensure fairness and align Executive Director remuneration with underlying individual and Company performance, the Committee may adjust upwards or downwards the outcome of any short-term or long-term incentive plan payment within the limits of the relevant plan rules. Any adjustments in light of corporate events will be made on a neutral basis, i.e. the intention of any adjustment will be that the event is not to the benefit or detriment of participants. Adjustments to underlying performance may be made in exceptional circumstances to ensure outcomes are fair, both to shareholders and participants.

- In the case of a non-regular event occurring, the Committee may apply its discretion to ensure fairness and seek alignment with business objectives. Non-regular events in this context include, but are not limited to: corporate transactions; changes in the Company's accounting policies; minor or administrative matters; internal promotions and external recruitment and terminations. Any use of discretion by the Committee during the financial year will be detailed in the relevant Annual Report on Remuneration.

Performance measure selection

Profit and net revenue are normally the primary financial measures for the annual bonus plan. At the sole discretion of the Remuneration Committee, exceptional items may be removed from operating profit and revenue where the inclusion of such items would be inconsistent with fair measurement, and actual tax may be adjusted to normalised rates if they are considered unsustainable. Performance targets relating to the annual bonus plan are set from the Company's annual budget, which is reviewed and signed off by the Board prior to the start of each financial year. Targets are based on a number of internal and external reference points. Targets are set to be stretching but achievable, with regard to the particular strategic priorities and economic environment in a given year.

Strategic, personal and/or ESG targets for the annual bonus may be set each year based on the Company's prevailing strategic objectives at that time. Targets will be set on a measurable, quantifiable basis where possible, but due to the nature of the objective, may require some subjective assessment.

In respect of the RSAs granted to Executive Directors, the Committee must be satisfied that PayPoint's underlying performance and delivery against its strategy and plans is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings, share price performance and the delivery of the Company's ESG strategy) and the shareholder experience more generally.

EPS and share price performance have been selected for the one-off PSA given the need to ensure Nick's retention aligns with the shareholder experience over the next three years.

The Committee retains the discretion to alter the weighting, substitute or use new performance measures for future incentive awards, if they are believed to better support the strategy of the business at that time.

Remuneration policy for other employees

PayPoint's approach to annual salary reviews is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and salary levels in comparable companies. All UK employees are eligible to participate in the Company's SIP. Senior managers participate in the annual bonus scheme with the same profit measure as is set for the Executive Directors. Members of the Executive Board and senior managers (c.15 individuals) are eligible to receive RSAs as part of their reward package. Performance conditions are consistent for all participants, while award sizes vary by organisational level. One-off RSA awards are made to other employees below the Executive Board who are critical to the success of the business.

Non-Executive Director remuneration

The remuneration of the Non-Executive Directors is within the limits set by the Articles of Association. Non-Executive Directors do not participate in any bonus plan or share incentive programme operated by the Company and are not entitled to pension contributions or other benefits provided by the Company.

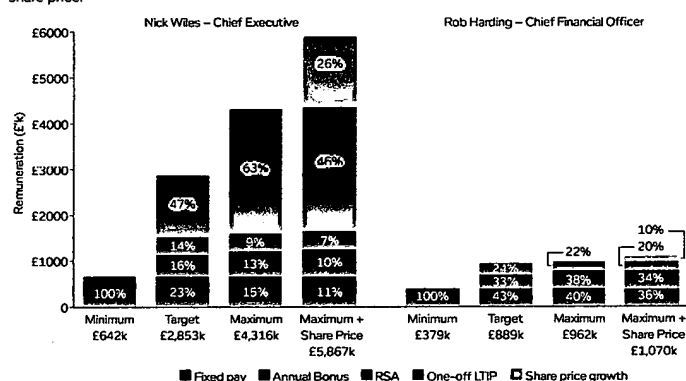
Element and link to strategy: Fees

To attract and retain Non-Executive Directors of the highest calibre with broad commercial and other experience relevant to the Company.

Operation	Opportunity	Performance metrics
Fee levels are normally reviewed annually. The remuneration of the Non-Executive Directors is determined by the Board based upon recommendations from the Chairman and Chief Executive (or, in the case of the Chairman, based on recommendations of the Committee). Additional fees are payable for roles with additional responsibilities including, but not limited to, the SID and the Chairs of the Audit and Remuneration Committees. Fee levels are benchmarked against sector comparators and companies of similar size and complexity. Time commitment and responsibility are taken into account when reviewing fee levels. All reasonable business-related expenses may be reimbursed (including any tax due thereon).	Non-Executive Director fee increases are applied in line with the outcome of the annual fee review. Fees paid in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration. It is expected that Non-Executive Director fee levels will generally be positioned around the median but may fall within the second and third quartiles. Any increases will also have regard to general increases in Non-Executive Directors' fees across the market. In the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, or specific recruitment needs, the Board has discretion to make an appropriate adjustment to fee levels. Aggregate fees are also limited by the cap contained in the Company's Articles of Association.	Continued strong and objective contribution.

Pay scenario charts

The charts below provide an illustration of the potential annual future reward opportunities for the Chief Executive and Chief Financial Officer, and the potential split between the different elements of remuneration under four different performance scenarios: minimum, target, maximum and maximum with share price.



Assumptions:

Minimum	- Base salary as at 1/7/2026 - An approximated annual value of benefits 5% of salary pension
Target	Minimum remuneration plus: 80% of maximum on-target bonus (85% of salary) 75% of salary RSA for the CEO, 62.5% of salary RSA for the CFO 50% vesting for the CEO's one-off 2026 PSA
Max	Minimum remuneration plus: 100% of maximum on-target bonus (106% of salary) 75% of salary RSA for the CEO, 62.5% of salary RSA for the CFO 500% of salary one-off 2026 CEO PSA
Maximum + Share Price	Share appreciation of 50% for the RSAs and CEO's PSA

For simplicity, the values of any SIP awards are excluded.

Directors' Remuneration Report continued

Approach to recruitment remuneration

External appointment

In the cases of hiring or appointing a new Executive Director from outside the Company, the Remuneration Committee may make use of all the existing components of remuneration, as follows:

Component	Approach	Maximum
Base salary	The base salaries of new appointees will be determined by reference to similar positions with comparative status, responsibility and skills in parallel with the individual Director's performance, experience and responsibilities, and pay conditions throughout the Company. Where new appointees have initial basic salaries set below market, any shortfall may be managed with phased increases over a period of two to three years, subject to the individual's development in the role.	N/A
Pension	New appointees will receive contributions to personal pension plans in line with the workforce.	
Benefits	New appointees will be eligible to receive benefits in line with existing policy. Reasonable relocation support may be provided if necessary.	
SIP	New appointees will be eligible to participate in the SIP in line with existing policy.	
Annual bonus	The structure described in the policy table will apply to new appointees with the relevant maximum being prorated to reflect the proportion of employment over the year. Depending on the timing of the appointment, it may be appropriate to operate different performance measures for the remainder of that initial bonus period.	150% of salary
RSA	New appointees will be granted awards under the RSP on the same terms as other executives, as described in the policy table.	75% of salary

In determining appropriate remuneration, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both PayPoint and its shareholders. In addition to the above elements of remuneration, the Committee may consider it appropriate to grant an award under a different structure in order to facilitate the recruitment of an individual, exercising the discretion available under the relevant Listing Rule (LR 9.4.2 R) to replace incentive arrangements forfeited on leaving a previous employer. Such buyout awards would have a fair value no higher than that of the awards forfeited. In doing so, the Committee will consider relevant factors including any performance conditions attached to these awards, the likelihood of those conditions being met and the proportion of the vesting period remaining.

Internal appointment

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee and Board will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to the Board, the Company will continue to honour these arrangements.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will utilise the prevailing shareholder-approved Policy.

Service contracts and exit policy

Executive Directors

Executive Director service contracts, including arrangements for early termination, are carefully considered by the Committee. Nick Wiles has a rolling service contract requiring 12 months' notice of termination on either side. In line with current market practice, Rob Harding, has a rolling service contract requiring 6 months' notice on either side. Executive Director service contracts are available to view at the Company's registered office. Details of the service contracts of the Executive Directors of the Company are as follows:

Name	Company notice period	Contract date
Nick Wiles	12 months	19 May 2020
Rob Harding	6 months	30 January 2023

There are no special provisions in service contracts relating to cessation of employment or change of control. The policy on termination is that the Company does not make payments beyond its contractual obligations and Executive Directors will be expected to mitigate their loss. In addition, the Remuneration Committee ensures that there are no unjustified payments for failure. Under normal circumstances, Executive Directors may receive termination payments in lieu of notice equal to pay and benefits for the length of their contractual notice period.

When considering exit payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants. The table on the next page summarises how the awards under the annual bonus and share incentive plans are typically treated in specific circumstances. Whilst the Committee retains overall discretion on determining good leaver status, it typically defines a good leaver in circumstances such as death, ill health, injury or disability, retirement with the Company's consent, redundancy or any other reason that the Committee determines. Bad leavers include those leaving employment due to resignation or misconduct, and retirement without agreement of the Company.

Final treatment is subject to the Committee's discretion:

Event	Timing/vesting of award	Calculation of vesting/payment
Annual bonus		
Good leaver	Paid at the same time as continuing employees.	Eligible for an award to the extent that performance targets are satisfied and the award is normally pro-rated for the proportion of the financial year served.
Bad leaver	No annual bonus payable.	Not applicable.
Change of control	Paid immediately on the effective date of change of control.	Eligible for an award to the extent that performance targets are satisfied up to the change of control and the award is normally prorated for the proportion of the financial year served to the effective date of change of control.
DABS		
Good leaver	Continue until the normal vesting date. In the event of death of a participant, the award would vest immediately.	Outstanding awards normally vest at the normal vesting date on a time prorated basis, although time prorating may be disapplied in full or in part.
Bad leaver	Outstanding awards lapse.	Not applicable.
Change of control	Paid immediately on the effective date of change of control.	Outstanding awards normally vest on a time prorated basis to reflect the length of the vesting period served, although time prorating may be disapplied.
RSA/PSA Award		
Good leaver ¹	Continue until the normal vesting date or vest immediately, at the discretion of the Committee.	Outstanding awards vest subject to the Committee's assessment of any underpin or performance target as relevant, with time prorating normally applied.
Bad leaver	Outstanding awards lapse.	Not applicable.
Change of control	Vest immediately on the effective date of change of control.	Outstanding awards vest at the effective date of change of control, subject to the Committee's assessment of any underpin or performance target as relevant, with time pro-rating applied, unless the Board decides otherwise.

¹ Reflecting the Committee's focus on retention, tougher leaver provisions will apply to the additional one-off PSA. As such, the one-off PSA (500% of salary) for 2026 will only vest if Nick remains in employment at the 2029 vesting date. Should Nick: (i) retire; or (ii) resign for any other reason (excluding ill health or cessation of employment as a result of death), before the additional one-off award has vested in 2029, the award will lapse at cessation.

Non-Executive Directors

The Non-Executive Directors do not have service contracts, rather they have letters of appointment which are subject to a three-year term. Details of the terms of appointment of the Non-Executive Directors are set out in the table below:

Name	Effective date of letter	Unexpired term as at 31 March 2026	Date of appointment	Notice period
Giles Kerr	20 November 2024	19½ months	20 November 2015	One month
Rosie Shapland	2 October 2023	7½ months	2 October 2020	One month
Rakesh Sharma	12 May 2023	1½ months	12 May 2017	One month
Lan Tu	15 March 2024	12½ months	15 March 2024	One month
Ben Wishart	14 November 2025	31½ months	14 November 2019	One month
Manasi Bhalerao	25 March 2026	35½ months	25 March 2026	One month

Under the Company's Articles of Association, all Directors are required to submit themselves for re-election every three years. However, in order to comply with the Code, all Directors will be subject to annual re-election. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

Annual Report on Remuneration

The following section provides details of how PayPoint's Remuneration Policy was implemented during the financial year ended 31 March 2026 and how it will be implemented for the year ending 31 March 2027. The following pages contain information that is required to be audited in compliance with the Directors' remuneration requirements of the Companies Act 2006. All narrative and quantitative tables are unaudited, unless otherwise stated.

Directors' Remuneration Report continued

Role of the Remuneration Committee

The Remuneration Committee is responsible for developing policy on remuneration for Executive Directors, the Executive Board and senior managers, and for determining specific remuneration packages for each of the Executive Directors. The Committee also reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture. The Remuneration Committee is formally constituted with written terms of reference which set out the full remit of the Committee. The terms of reference are also available on the Company's website at <https://www.paypointbusiness.com/media/241f5gf5/remuneration-committee-terms-of-reference-final.pdf>.

During the year, the Committee sought internal support from the Chief Executive and the Chief People Officer, who attended Committee meetings by invitation from the Chairman, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the Executive Board and senior managers. Neither of the above were present for any discussions that related directly to their own remuneration. The Company Secretary attended each meeting as secretary to the Committee.

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. To this end, the Committee continued to retain the services of FIT Remuneration Consultants LLP as the principal external advisers to the Committee during the financial year. The Committee is comfortable that the FIT team provide independent remuneration advice to the Committee and do not have any other connections with PayPoint that may impair their independence.

FIT is a founding member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com.

During the year, FIT provided independent advice on a range of remuneration matters including remuneration benchmarking. FIT provides no other services to the Company. The fees paid to FIT (on the basis of time and materials) in respect of work carried out for the year under review were £40.6k (excluding VAT).

Summary of shareholder voting

The following table shows the results of the binding vote on the Remuneration Policy Report and the advisory vote on the 2024 Annual Report on Remuneration at the 6 August 2025 AGM:

	Remuneration Policy		Remuneration Report	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For	49,553,507	96.9%	47,975,960	95.81%
Against	1,600,997	3.1%	2,098,763	4.19%
Total votes cast (excluding withheld votes)	51,154,504		50,074,723	
Total votes withheld ¹	33,454		11,477	
Total votes cast (including withheld votes)	51,187,958		50,086,200	

¹ A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Executive Director for the year ended 31 March 2026 and the prior year:

	Nick Wiles £'000		Rob Harding £'000	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Base salary ¹	520	506	334	325
Taxable benefits ²	52	50	37	41
Pension ³	26	25	27	16
Total fixed pay	598	581	398	382
Annual bonus ⁴	160	453	102	291
Long-term incentives ⁵	619	553	224	0
Other ⁶	3	2	2	1
Total variable pay	782	1,008	328	292
Total remuneration	1,380	1,589	726	674

¹ A base salary increase of 3% was awarded to the Chief Executive and Finance Director in July 2025, in line with the minimum increase awarded to the general workforce.

² Taxable value of benefits received in the year by Executive Directors relates to a benefits allowance and hotel costs (Chief Executive), car allowance, petrol, medical insurance, life assurance, permanent health insurance and hotel costs (Chief Financial Officer).

³ Pension during the year: the pension rate for Executive Directors was 5% of base salary, in line with the rate offered to the wider workforce. Payments to Nick Wiles and were made as a cash allowance while payments to Rob Harding were a combination of contributions to his pension and a cash allowance.

⁴ Annual bonus: this is the total bonus earned in respect of performance during the relevant year, including any deferred amounts (25% of the annual bonus is normally deferred into shares under the DABS Awards vest after 3 years).

⁵ Long-term incentives reflects the value of the: (i) third tranche of Restricted Share Awards granted in 2021 which are due to vest in August 2026; (ii) second tranche of the Restricted Share Awards granted in 2022 which are due to vest in June 2026; and (iii) Restricted Share Awards granted in 2023 which are due to vest in September 2026 subject to an assessment against their respective discretionary underpins. The value of the awards has been calculated based on the three month average share price to 31 March 2026 (£5.38) and an estimated number of dividend equivalent shares. The 2025 number was originally disclosed on this same basis £482k. The actual value of 2025 releases is now reflected based on the share prices at vesting, delivering a total value of £553k, appreciation of £71k.

⁶ SIP matching and dividend shares awarded in the period valued at the average share price calculated over three months to 31 March 2026 of £5.38 (2025: £6.71). The SIP is an HMRC-approved plan that allows participants to purchase shares using gross salary and receive matching awards from the Company. There are no performance conditions.

Single total figure of remuneration for the Chairman and Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by the Chairman and each Non-Executive Director for the year ended 31 March 2025 and the prior year:

	Base fee £'000		Committee Chair fees £'000		Senior Independent Director Fees £'000		Total Fees ³ £'000		Total Variable Remuneration £'000	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Chairman										
Giles Kerr	183	178	–	–	–	–	183	178	–	–
Non-Executive Directors										
Rosie Shapland ¹	54	52	10	10	–	–	64	62	–	–
Rakesh Sharma	54	52	–	3	2	7	56	62	–	–
Lan Tu	54	52	–	–	4	–	59	52	–	–
Ben Wishart	54	52	10	7	–	–	66	59	–	–
Manasi Bhalerao ¹	1	–	–	–	–	–	1	–	–	–
Former Non-Executive Directors										
Gill Barr ²	–	17	–	–	–	–	–	17	–	–
Guy Parsons ²	–	17	–	–	–	–	–	17	–	–
Total	400	420	20	20	6	7	429	447	–	–

1 Manasi Bhalerao was appointed as a Non-Executive Director on 25 March 2026.

2 Gill Barr and Guy Parsons resigned from the Board on 1 August 2024.

3 Total Fees include travel expenses for attendance at meetings which have been grossed up for tax; accordingly, this figure will not equal the sum of the preceding fee columns.

Fees paid to Non-Executive Directors were increased by 3% from 1 July 2025 consistent with the minimum increase applied to the general workforce. Non-Executive Directors do not receive any variable remuneration.

Incentive outcomes for the year ended 31 March 2026

Annual bonus in respect of 2025/2026 performance (audited)

The annual bonus for the year ended 31 March 2026 was based on a combination of PayPoint segment profit before tax excluding exceptional items ('PBT') (60% weighting), net revenue (15% weighting) and strategic targets (25% weighting).

Details of the performance against the PayPoint segment profit before tax (PBT), net revenue and strategic targets are set out below.

Profit before tax and net revenue targets:

Measure	Maximum value	Threshold (20% of max) £'000	Target (60% of max) £'000	Stretch (100% of max) £'000	Actual achieved £'000	Payout
Underlying Profit before tax ¹	60% of max	£70m	£72m	£74m	£70.3m ¹	13% of salary (20% of max)
Net revenue	15% of max	£194.8m	£198.8m	£202.8m	£190.8m	0% of salary 0% of max)

1 Note, as detailed in the Annual Statement, the Remuneration Committee agreed to amend the definition of PBT to exclude the FY26 annual bonus accrual (£1.3m). This decision resulted in a PBT of £70.3m and a payout at threshold was agreed. This resulted in a bonus of 20% of maximum for this part. Had the amendment not been made, no bonus would have been payable against the PBT target. The adjustment resulted in an increase to the FY26 annual bonus award from 17% of maximum to 29% of maximum and is considered appropriate in light of the record financial performance for FY26 and the strong performance of the management team. In agreeing the approach, the Remuneration Committee also considered the exercise of negative discretion (as set out in the Annual Statement) that has been applied in previous years.

Directors' Remuneration Report continued

Strategic targets: (audited)

Strategic targets for the annual bonus are set each year based on the Company's prevailing strategic objectives at that time. Targets are set on a measurable, quantifiable basis where possible, but due to the nature of the objective, may require some subjective assessment.

Target	Performance and bonus earned
1. Support revenue growth in Retail Services	- Store Growth Specialist team had a positive impact with retailers, directly influencing our 'growing retailer value' strategy 40 campaigns delivered for major consumer brands, leveraging our PayPoint One platform, advertising screens and vouchers capability, with over 1.1 million vouchers issued and over £80k paid out through our Retailer Rewards programme - BankLocal launched to the estate with over £47 million of deposits processed since launch - C 8,500 sites now offer Royal Mail collect, send and return parcels and 3,000 sites have the ability to deliver Royal Mail over the counter services, enabling customers to buy postage in store Assessment: Payout 3.54% of salary (80% of maximum).
2. Drive merchant site growth across the Cards estate	- Strategic refocus agreed being implemented in FY 27 with a greater focus on revenue rather than absolute merchant estate growth - Continued strong growth in lending with over £33m in funding provided to businesses in FY 26 - New e-comm product launched in October 2025 in partnership with Global Payments, including Pay By Link functionality in the app and integration with major shopping carts - Enhancements made to mobile app including real-time transaction data and Tap to Pay, new rewards scheme launched Assessment: Payout 0% of salary (0% of maximum).
3. Open Banking and Digital Payments Growth	- GrowUi delivered in OBConnect with the successful launch of Verification of Payee (VoP) in France, Germany, Belgium, Spain, and Ireland with international bank SMBC and global payments companies PaySafe and PagoNXT and new wins to provide ASPSP services for both the UK and EU (Berlin Group) for SMBC and Zeller UK - Further housing sector wins with Peabody and Flagship Housing and Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing Assessment: Payout 3.54% of salary (80% of maximum).
4. Continue to demonstrate progress in delivery of key ESG commitments	- Green energy contracts remain in place - Total emissions reduced by 28% year on year - Successfully achieved ISO14001 certification across the Group and implemented agreed action plan - Roll out of local banking scheme to support FCA's Access to Cash initiative Assessment: Payout 3.54% of salary (80% of maximum).
5. Demonstrate development of organisation	- Major reorganisation announced in March to support next stage of growth, enabling greater performance ownership, a better harnessing of the Group's collective capabilities, strengthened execution and the unlocking of cost savings to support reallocation of investment into key growth areas - Security posture of the organisation against increasing cyber threats improved during the year - Domain model being implemented to deliver increased efficiency and customer experience across billing & settlement, customer support and Love2shop Assessment: Payout 3.54% of salary (80% of maximum).
6. Deliver initiatives to drive continued growth in Love2shop	- Strategic partnership with inComm Payments delivered billings growth of over 350% with expanded distribution and product innovation - Growth of physical gift cards in the PayPoint estate with rollout to additional mults - Love2shop physical gift card units merchandised in over 2,000 sites ahead of the key peak trading period Assessment: Payout 3.54% of salary (80% of maximum).
7. Maximum / actual value	27% of salary / 18% of salary (67% of maximum)

Given the progress made in respect of growth initiatives, ESG and organisation development, the above objectives have been assessed as mostly achieved and the Remuneration Committee approved a payout of 67% of maximum of this part of the bonus award.

Total bonus awards

The above performance resulted in the following bonus awards for the year:

	Maximum Potential	Actual	Nick Wiles	Rob Harding
PBT	60% of max bonus/64% of salary	20% of max for measure/12.8% of salary	£66,791	£42,864
Net revenue	15% of max bonus/16% of salary	0% of max for measure/0% of salary	–	–
Strategic targets	25% of max bonus/26% of salary	67% of max for measure/18% of salary	£92,766	£59,534
Total	100% of max bonus/106% of salary	29% of max bonus/30.8% of salary	£159,557	£102,398

25% of the total bonus awarded will be deferred into shares which will vest after three years from grant, subject to continued employment, in line with the Directors' Remuneration Policy.

RSA awards vesting (audited)

With respect to the RSA awards granted on:

- 13 August 2021 to Nick Wiles, 50% of the awards vested on 13 August 2024, 25% vested on 13 August 2025 and 25% are due to vest on 13 August 2026;
- 10 June 2022 to Nick Wiles, 50% of the awards vested on 10 June 2025, 25% are due to vest on 10 June 2026 and 25% are due to vest on 10 June 2027; and
- 8 September 2023 to Nick Wiles and Rob Harding, 100% of the awards are due to vest on 8 September 2026.

RSAs made to Executive Directors once vested may not be sold until at least five years from grant date other than to settle any tax due. Details of awards due to vest in 2026 can be found in the table below:

		Interests held in RSAs	Vesting % of interests held	Number of shares due to vest	Value ¹	Face Value of Shares at Grant	Value Change Linked to Share Price Movement ²
Nick Wiles	RSA 2021 ³	13,966	100%	13,966	£75,136	£88,124	-£12,988
	RSA 2022 ³	30,921	50%	15,461	£83,177	£88,125	-£4,948
	RSA 2023 ⁴	67,079	100%	67,079	£360,885	£373,965	-£13,080
Total		111,966		95,506	£519,198	£550,214	-£31,016
Rob Harding	RSA 2023 ⁴	35,874	100%	35,874	£193,002	£199,998	-£6,996
Total		35,874		35,874	£193,002	£199,998	-£6,996

1. Value calculated based on the three-month average share price to 31 March 2026 of £5.38. In addition to this, dividend equivalents will be credited to shares under award to the extent they vest.

2. Of the RSAs originally granted in August 2021, 50% of awards vested in August 2024, 25% of awards vested in August 2025 and the remaining 25% will vest in August 2026.

3. Of the RSAs originally granted in June 2022, 50% of awards vested in June 2025, 25% of awards are due to vest in June 2026 and the remaining 25% are due to vest in June 2027.

4. Of the RSAs originally granted in September 2023, 100% of awards are due to vest in September 2026.

5. Based on the number of shares vesting in 2026 and a share price at grant of £6.31 for the 2021 RSAs, £5.70 for the 2022 RSAs and £5.575 for the 2023 RSAs.

Vesting is subject to continued service, satisfactory individual performance and a positive assessment of performance against the following underpin:

For RSAs granted to Executive Directors to vest, in addition to continued service, the Committee must be satisfied that PayPoint's underlying performance and delivery against its strategy and plans are sufficient to justify the level of vesting, having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance) and the shareholder experience more generally (including the risk of windfall gains).

The Committee considered a near-final assessment of the underpins as at 31 March 2026 in respect of the: (i) August 2021 grant (25% of the original award) which is expected to vest in August 2026, (ii) June 2022 grant (25% of the original award) which is expected to vest in June 2026; and (iii) September 2023 grant (100% of the original award) which is expected to vest in September 2026 and found no cause to reduce the vesting outcome. In arriving at this conclusion (which will be revisited just prior to vesting), the Committee noted the delivery of record financial performance for FY26.

Directors' Remuneration Report continued

Scheme interests awarded in the year ended 31 March 2026 (audited)

RSAs

In the year under review, RSAs were granted on 13 June 2025 with a face value of 75% of salary for the Chief Executive and 62.5% of salary for the Chief Financial Officer. The RSAs made to Executive Directors once vested may not be sold until at least five years from grant date other than to settle any tax due.

Executive Director	Basis of award	Number of shares	Face value ¹	Vesting profile	Performance measures
Nick Wiles	75% of salary	49,513	£392,890	100% after three years from grant	(a) continued service
Rob Harding	62.5% of salary	26,480	£210,120		(b) satisfactory individual performance
					(c) a positive assessment of performance against the underpin ²

¹ Face value is based on the middle market quotation of a share in the capital of the Company on the preceding dealing day of award of £7,935.

² Underpin: The Committee must be satisfied that PayPoint's underlying performance and delivery against its strategy and plans are sufficient to justify the level of vesting, having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance and the delivery of the Company's ESG strategy) and the shareholder experience more generally (including the risk of windfall gains).

Buyout Award

As highlighted in last year's Annual Report on Remuneration, the Remuneration Committee agreed to grant Rob Harding a buyout award in PayPoint Plc shares to mirror the value of deferred share awards forfeited upon cessation of his previous employment. As such, and in line with the shareholder approved Remuneration Policy, Rob Harding was granted a nil cost option award over 4,506 PayPoint Plc shares on 1 August 2023. The Buyout Award vested in two tranches (50% on 1 August 2024 and 50% on 1 August 2025) and was granted under Listing Rule 9.4.2(2) and therefore limited to settlement with market purchase Ordinary Shares.

Payments for loss of office (audited)

None.

Payments to past Directors (audited)

Alan Dale stepped down from his position as Finance Director on 7 September 2023. Prorated RSA awards were retained and the following tranches vested in the year:

Restricted share award, granted 10 June 2022, vested 12 June 2025 with a gross value of £63,505;

Restricted share award, granted 13 August 21, vested 13 August 2025 with a gross value of £129,271; and

Deferred bonus award, granted 10 June 2022, vested 12 June 2025 with a gross value of £96,099.

CEO pay ratio

The data shows how the Chief Executive's single figure remuneration for the year ended 31 March 2026 (as taken from the single figure remuneration table) compares to the equivalent single figure remuneration for full-time equivalent UK employees, on a Group basis, ranked at the 25th, 50th and 75th percentiles.

The pay ratio has reduced due to the level of bonus awarded to the Chief Executive and the year-on-year reduction in the share price used to assess value of the share-based components of his single figure remuneration.

CEO single figure: £1,380

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2026	Option B	42:1	30:1	17:1
2025	Option B	49:1	33:1	21:1
2024	Option B	39:1	27:1	18:1
2023	Option A	44:1	29:1	18:1
2022	Option A	34:1	23:1	15:1
2021	Option A	42:1	29:1	17:1
2020	Option A	21:1	14:1	9:1

No components of pay and benefits have been omitted for the purpose of the above calculations. Option B was selected in order to use the same data as used to calculate the gender pay gap.

The underlying quartiles for salary and total remuneration numbers for full-time equivalent UK employees are set out below.

Year	Salary			Total pay and benefits		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2026	£29,714	£35,840	£66,397	£33,194	£45,796	£80,188
2025	£26,828	£41,737	£64,638	£31,112	£46,528	£73,531
2024	£27,863	£41,364	£62,250	£30,885	£44,467	£67,091
2023	£24,783	£35,732	£30,675	£26,564	£40,514	£64,339
2022	£22,255	£30,000	£51,587	£27,073	£39,138	£60,798
2021	£21,935	£30,000	£53,321	£23,663	£34,977	£59,399
2020	£22,440	£30,251	£53,674	£24,484	£37,352	£59,603

The data for the three employees identified has been considered and fairly reflects pay at the relevant quartiles amongst the employee population. The Remuneration Committee considers the median pay ratio to be representative of pay and progression policies at the Company.

Directors' Remuneration Report continued

Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in Director remuneration, comprising salary, taxable benefits and annual bonus, and comparable data for all employees within the Group. The data in this table has been calculated based on the data disclosed in the relevant single total figure tables.

	2020-2021			2021-2022			2022-2023			2023-2024			2024-2025			2025-2026		
	Base salary/Fee	Benefits ¹	Annual bonus	Base salary/Fee	Benefits ¹	Annual bonus	Base salary/Fee	Benefits ¹	Annual bonus	Base salary/Fee	Benefits ¹	Annual bonus	Base salary/Fee	Benefits ¹	Annual bonus	Base salary/Fee	Benefits ¹	Annual bonus
Executive Directors																		
Nick Wiles							2.3%	-1.33%	21.1%	3%	-6.5%	-7.4%	2%	-8%	7%	3%	5%	-65%
Rob Harding																3%	-8%	-65%
Non-Executive Directors																		
Giles Kerr	0%			0%			2.3%			3%			2%			3%		
Rosie Shapland							2.3%			3%			2%			3%		
Rakesh Sharma	0%			0%			2.3%			3%			-			-		
Ben Wishart							2.3%			3%			-			-		
Former Director																		
Gill Barr	0%			0%			2.3%			3%								
Guy Parsons																		
Alan Dale							2.3%	43.4%	21.1%									
Employee population	0.5%	(6.5)%	100%	6.2%	(3.3)%	(0.3)%	6.1%	5.3%	37.1%	7%	7.2%	0.0%	6%	(11)%	0%	4.1%	(2.1)%	0%

Fields are blank where there is no comparator data due to new appointment, changes in responsibility or departures from the Board. Directors and Non-Executive Directors feature in the table following completion of two full years of service.

Ben Wishart was appointed as RemCo Chair 1 August 2024.

Rakesh Sharma stepped down as RemCo Chair 1 August 2024 and as SID 6 August 2025.

Lan Tu was appointed to the Board on 25 March 2024 and as SID 6 August 2025 therefore does not feature above.

Manasi Bhalariao was appointed to the Board on 25 March 2026, therefore does not feature above.

1 Non-Executive Directors receive fixed fees rather than salary and do not receive any variable pay or benefits.

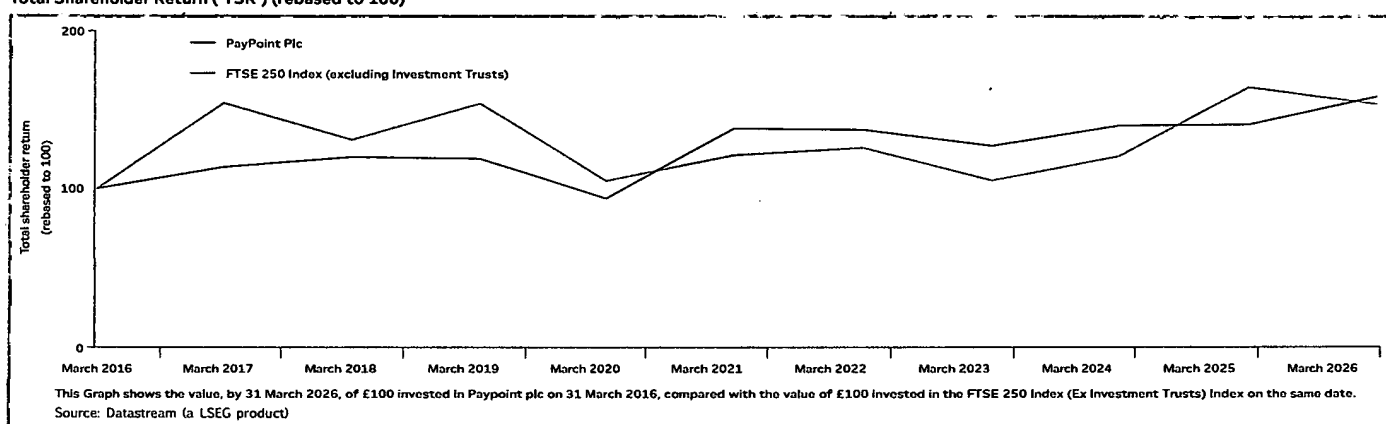
Relative importance of spend on pay

The table below shows the Company's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 March 2025 and 31 March 2026.

	Total pay expenditure £'000	Distributions to shareholders £'000
2026	56,274	90,757
2025	57,431	47,777
% change	(2.0)%	(90.0)%

Pay for performance

The graph below compares the value of £100 invested in PayPoint shares, including reinvested dividends, with the FTSE 250 Index (excluding investment trusts) over the last ten years. This index was selected because it is considered to be the most appropriate index against which the Total Shareholder Return of PayPoint could be measured.

Total Shareholder Return ("TSR") (rebased to 100)

Chief Executive single figure of remuneration (£'000)	Dominic Taylor				Patrick Headon/ Nick Wiles		Nick Wiles				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Single figure of remuneration (£'000)	911	1,121	1,280	1,803	510	1,001	911	1,174	1,258	1,518	1,380
Annual bonus payout (as % of maximum)	31%	64%	66%	71%	-	100%	76%	89%	80%	84%	29%
LTIP vesting (as % of maximum)	-	-	30%	100%	32%	-	-	-	-	-	-
RSA vesting (as % of maximum)	-	-	-	-	-	-	-	100%	100%	100%	100%

Directors' Remuneration Report continued

Directors' shareholdings (audited)

The shareholdings of the Directors and their connected persons in the ordinary shares of the Company against their respective shareholding requirement as at 31 March 2026:

	Shareholding guidelines						Guideline number of shares ⁴	Met ⁵
	Owned outright	Vested/unexercised ²	Unvested DABS and SIP awards subject to holding period ³	Unvested RSA awards subject to holding period and underpin	Current shareholding ¹	Guideline % of salary		
Manasi Bhalerao	–	–	–	–	–	–	–	–
Rob Harding	4,550	790	7,673	105,092	11,962	200	124,978	No
Giles Kerr	6,923	–	–	–	–	–	–	–
Rosie Shapland	4,713	–	–	–	–	–	–	–
Rakesh Sharma	3,941	–	–	–	–	–	–	–
Lan Tu	4,569	–	–	–	–	–	–	–
Nick Wiles	252,729	2,642	41,666	347,915	297,037	200	194,741	Yes
Ben Wishart	3,231	–	–	–	–	–	–	–

1 Includes SIP shares other than SIP matching shares and SIP dividend shares subject to a holding period.

2 Includes unvested DABS shares, SIP matching shares and SIP dividend shares subject to a holding period and continued employment. In respect of Rob Harding this also includes buyout award of 4,506 shares granted in August 2023 subject to continued employment.

3 Current shareholding includes unvested deferred bonus shares and SIP shares not subject to a holding period, on a net of tax basis.

4 A three-month average share price to 31 March 2026 of £5.38 has been used to calculate the holding required relative to this guideline.

5 Rob Harding has retained all vesting awards, not of income tax, as required under policy to build up his holding.

The market price of the Company's shares on 31 March 2026 was £5.54 (31 March 2025: £6.27).

There have been no changes to shareholdings between 31 March 2026 and 31 May 2026 other than the purchase of Partnership Shares (and the award of Matching Shares on a 1:1 ratio) by both Nick Wiles (41 shares) and Rob Harding (42 shares) in connection with the SIP.

Directors' interests in shares in PayPoint long-term incentive plans and all-employee plans

Long-Term Incentive Awards and Restricted Share Awards (audited)

Name	Type of awards	Number of shares at 31 March 2025	Number of shares awarded during the period	Number of shares released during the period ¹	Number of shares lapsed during the period	Number of shares at 31 March 2026	Share price at grant £	Value of shares awarded £	Date of grant	Lapse/Release
Nick Wiles	RSA 2020	14,861	–	14,861	–	–	5.93	£88,126	27.07.20	27.07.23 – 27.07.25
Nick Wiles	RSA 2020 (Div Equiv)	–	4,390	4,390	–	–	5.93	£26,033	27.07.20	27.07.25
Nick Wiles	RSA 2021	27,932	–	13,966	–	13,966	6.31	£352,496	13.08.21	13.08.24 – 13.08.26
Nick Wiles	RSA 2021 (Div Equiv)	–	3,519	3,519	–	–	6.31	£22,205	13.08.21	13.08.24 – 13.08.26
Nick Wiles	RSA 2022	61,842	–	30,921	–	30,921	5.70	£352,499	10.06.22	10.06.25 – 10.06.27
Nick Wiles	RSA 2022 (Div Equiv)	–	5,502	5,502	–	–	5.70	£31,361	10.06.22	10.06.25 – 10.06.27
Nick Wiles	RSA 2023	67,079	–	–	–	67,079	5.575	£373,965	08.09.23	08.09.26
Nick Wiles	RSA 2024	62,790	–	–	–	62,790	6.075	£381,449	14.06.24	14.06.27
Nick Wiles	ESP 2024	109,375	–	–	–	109,375	6.975	£762,891	02.08.24	02.08.27
Nick Wiles	RSA 2025	–	49,513	–	–	49,513	7.935	£392,886	13.06.25	13.06.28
Rob Harding	RSA 2023 Buyout	2,253	–	2,253	–	–	5.34	£24,062	01.08.23	01.08.25
Rob Harding	RSA 2023 Buyout (Div Equiv)	–	311	311	–	–	5.34	£1,661	01.08.23	01.08.25
Rob Harding	RSA 2023	35,874	–	–	–	35,874	5.575	£199,998	08.09.23	08.09.26
Rob Harding	RSA 2024	33,580	–	–	–	33,580	6.075	£203,999	14.06.24	08.09.26
Rob Harding	RSA 2025	–	26,480	–	–	26,480	7.935	£210,119	13.06.25	13.06.28

1 For RSAs to vest the Committee must be satisfied that PayPoint's underlying performance and delivery against its strategy and plans are sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance) and the shareholder experience more generally (including the risk of windfall gains).

Deferred Annual Bonus Scheme (audited)

Name	Number of shares at 31 March 2025	Number of shares awarded during the period	Number of shares released during the period ¹	Number of shares lapsed during the period	Number of shares at 31 March 2026	Share price at grant £	Value of shares awarded £	Date of grant	Lapse/Release
Nick Wiles	16,645	–	16,645	–	–	5.70	£94,877	10.06.22	10.06.25
Nick Wiles (Div Equiv)	–	2,959	2,959	–	–	5.70	£16,866	10.06.22	10.06.25
Nick Wiles	23,498	–	–	–	23,498	4.89	£114,846	31.07.23	31.07.26
Nick Wiles	17,441	–	–	–	17,441	6.08	£105,957	14.06.24	14.06.27
Nick Wiles	–	14,271	–	–	14,271	7.935	£113,240	13.06.25	13.06.28
Rob Harding	7,491	–	–	–	7,491	6.08	£45,508	14.06.24	14.06.27
Rob Harding	–	9,158	–	–	9,158	7.935	£72,669	13.06.25	13.06.28

¹ The release of shares is dependent upon continuous employment for a period of three years from the date of grant.

Share Incentive Plan (audited)

Name	Number of partnership shares purchased at 31 March 2025	Number of matching shares awarded at 31 March 2025	Number of Shares ¹ acquired at 31 March 2025	Total shares at 31 March 2025	Number of shares ² purchased during the period	Number of matching Shares ³ awarded during the period	Number of dividend Shares acquired during the period	Dates of release of matching and dividend Shares ⁴	Total Shares at 31 March 2026
Nick Wiles	1,073	1,073	337	2,483	238	238	410	22.04.2028 – 22.03.2029	3,369
Rob Harding	363	363	38	345	239	238	150	22.04.2028 – 22.03.2029	972

¹ Dividend shares are ordinary shares of the Company purchased with the value of dividends paid in respect of all other shares held in the plan.

² Partnership shares are ordinary shares of the Company purchased on a monthly basis during the period (at prices from £4.695 to £8.220).

³ Matching shares are ordinary shares of the Company awarded conditionally on a monthly basis during the period (at prices from £4.695 to £8.220).

⁴ The dates used are based on the earliest allocation of the matching shares.

Implementation of Remuneration Policy for year ending 31 March 2027

Details of how the Committee intends to implement the remainder of the Remuneration Policy for the year ending 31 March 2027 are set out in the Annual Statement.

This Report covers the remuneration of all Directors who served during the period and was approved by the Board on 10 June 2026.

Ben Wishart

Chair, Remuneration Committee

10 June 2026



Directors' Report

The Directors present their report, together with the audited financial statements of the Group for the financial year ended 31 March 2026.

PayPoint Plc (the 'Company') is a public limited company incorporated in England and Wales, registration number 3581541. The Company is a holding company and its subsidiaries (a complete list of which can be found in note 14 on pages 150 and 151) are engaged in providing innovative services and technology, connecting millions of consumers with over 65,000 retailer partner and SMB locations across multiple sectors.

Directors' Report content

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report on pages 1 to 69 provides a review of the business, the Group's trading for the period ended 31 March 2026, key performance indicators and an indication of future developments.

The Strategic Report and this Directors' Report together constitute the management report required under Rule 4.1.8R of the Disclosure Guidance and Transparency Rules. The following sections of the annual report and financial statements are incorporated into this Directors' Report by reference:

Information	Location in annual report
Review of the business, principal risks and uncertainties, emerging risks and KPIs	Chief Executive's Review; Our Business Model; Our Strategy; Key Performance Indicators, Financial Review and Principal Risks and Uncertainties (includes emerging risks)
Strategy and business model	Our Strategy; Our Business model
Future business developments	Our Strategy
GHG emissions and non-financial reporting: Environmental matters Anti-corruption and anti-bribery	Responsible Business and Audit Committee Report
Employment for disabled persons, Employee engagement throughout the workforce	Responsible Business; Corporate Governance Report; S.172(1) Statement
Gender diversity	Responsible Business; Corporate Governance Report; Nomination Committee Report
Business relationships, stakeholders and their effect on decisions	S.172(1) Statement Corporate Governance Framework Report
Use of financial instruments and credit	Financial review and note 29
Statement of compliance with the UK Corporate Governance Code	Page 71
Post balance sheet events	Note 33

Disclosures required pursuant to UK Listing Rule 6.6.1R can be found on the following pages:

Information	Location in annual report
Statement of capitalised interest	Not applicable
Director waiver of emoluments	Not applicable
Allotment for cash of equity securities	Note 26
Contracts of significance	Not applicable
Waiver of dividends	Page 115

This annual report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

By their nature, the statements concerning the risks and uncertainties facing the Group in this annual report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this annual report and financial statements and the Company undertakes no obligation to update these forward-looking statements. Nothing in this annual report should be construed as a profit forecast.

Substantial shareholdings

As at 31 March 2026, the Company had been notified of the following disclosable interests in the voting rights of the Company as required by DTR 5 of the FCA's Disclosure Guidance and Transparency Rules (DTR). Four notifications were received under Rule 5 of the DTR in respect of major shareholdings in PayPoint Plc during the period.

As at 31 March 2026:

Name of holder	Percentage of total voting rights ¹
Aberforth Partners	5.0%
Ameriprise Financial, Inc	4.4%
Asteriscos Patrimonial SLU	32.0% ²
Harwood Capital LLP	4.1%

¹ Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

² In accordance with UKLR 6.2.3R, the Company confirms that it is able to carry on the business it carries on as its main activity from such controlling shareholder at all times.

For the period 1 April 2026 up to and including 10 June 2026 (the latest practicable date for inclusion in this report), there have been no further notifications pursuant to DTR 5. All notifications made to the Company under DTR 5 are published via a Regulatory Information Service and made available on the Company's website.

Share capital

As at 31 March 2026, the Company's share capital consisted of 60,781,502 ordinary shares of 0.3611 pence each, all of which were issued and fully paid-up and are quoted on the London Stock Exchange. The rights and obligations attaching to the Company's ordinary shares, as well as the powers of the Company's Directors, are set out in the Company's Articles of Association, a copy of which can be obtained from Companies House or by writing to the Company Secretary.

There are no restrictions on the voting rights attaching to the ordinary shares or on the transfer of securities in the Company. No person holds securities in the Company carrying special rights with regards to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

As at 31 March 2026, the PayPoint Employee's Share Trust (the 'Trust') held 2,416 ordinary shares in the Company for allocation under the Company's share schemes. Any voting or other similar decisions in relation to the shares held by the Trust would be taken by the trustees, who may take account of any recommendations of the Company. The trustees have waived their right to receive dividends on the shares held in the Company.

At the Annual General Meeting on 6 August 2025, the Directors were given authority to: purchase up to 10% of the Company's issued share capital; allot relevant securities up to an aggregate nominal amount of £156,107; and to disapply pre-emption rights in respect of allotments of relevant securities up to an aggregate nominal amount of £23,416, with a further £23,416 for limited purposes. Resolutions to renew these authorities in accordance with the Pre-Emption Group guidelines and model provisions will be proposed at the 2026 Annual General Meeting, details of which are set out in the 2026 Notice of Annual General Meeting. A copy of the 2026 Notice of Annual General Meeting can be found on our website at www.corporate.paypoint.com.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were: Nick Wiles, Rob Harding, Giles Kerr, Lan Tu, Manasi Bhalerao, Rosie Shapland, Rakesh Sharma and Ben Wishart. During the year ended 31 March 2026, Manasi Bhalerao was appointed to the Board of PayPoint Plc, bringing the membership of the Board up from seven to eight Directors. The Directors' interests in the ordinary shares of the Company are on page 112. Directors are appointed and replaced in accordance with the Company's Articles of Association, the Companies Act 2006 and the UK Corporate Governance Code 2024. The powers of the Directors are set out in the Articles of Association, shareholder resolutions and the Companies Act 2006.

Results for the year

The consolidated statements of profit or loss, comprehensive income, financial position, changes in equity and cash flows for the year ended 31 March 2026 are set out on pages 124 to 128. An analysis of risk is set out on pages 54 to 61, and of risk management on page 54. The management report contained in the Strategic Report and the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and the Company together with a description of the principal risks and uncertainties they face.

Research and development activities

Across the year, the Group strengthened its partnerships, notably with Lloyds Banking Group, to enhance digital payment and Open Banking solutions. Another key focus was the strategic evolution of Collect+ through external investment to broaden retail opportunities for the Group. The Group continues to adopt a disciplined approach to improve efficiency and position the business for sustained performance in FY27 and beyond.

Indemnity provisions for the benefit of Directors

In addition to the indemnity provisions in the Articles of Association, the Company has entered into direct indemnity agreements with each of the Directors who served during the financial year. These indemnities constitute qualifying indemnities for the purposes of the Companies Act 2006 and remain in force for all current serving Directors at the date of approval of this report without any payment having been made under them. The Company also maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors.

Articles of Association

Unless expressly specified to the contrary in the Articles of Association of the Company, the Company's Articles of Association may only be amended by special resolution at a general meeting of the shareholders.

Change of control

All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards would be pro-rated for time and normally vest on a change of control, subject to the satisfaction of any performance conditions at that time.

There are no other significant contracts in place that would take effect, alter or terminate on the change of control of the Company, including compensation for loss of office as a result of a takeover bid.

Suppliers' payment policy

Terms of payment are agreed with individual suppliers prior to supply. The Group aims to pay its creditors promptly, in accordance with terms agreed for payment, provided the supplier has provided the goods or services in accordance with the agreed terms and conditions. Further information on the Group's supplier payment practices can be obtained from the Government's payment practice reporting portal.

Charitable and political donations

The Group made no political donations during the year (2025: nil). Details of the charitable donations policy can be found within the Responsible Business section of the annual report on page 38.

UK Listing Rule UKLR 6.6.6. Compliance Statement

The Company has complied with all of the disclosure requirements of UKLR 6.6.6 by including climate-related financial disclosures which are set out within the Strategic Report on pages 28 to 53 (and in the information available at the locations referenced therein) consistent with the TCFD recommendations.

Directors' Report continued

Related-party transactions

Details of related-party transactions that took place during the year can be found in note 30.

Dividends

During the period ended 31 March 2026, a final ordinary dividend of 19.6 pence (2025: 19.2 pence) was paid in equal instalments of 9.8 pence on 11 August 2025 and 26 September 2025. The Directors declared an interim ordinary dividend of 19.8 pence (2025: 19.4 pence) that was paid in equal instalments of 9.9 pence on 19 December 2025 and 27 March 2026.

The Directors have proposed a final dividend of 20.0 pence per share (2025: 19.6 pence per share) payable in equal instalments to shareholders on 3 August 2026 and 25 September 2026 to shareholders on the register on 3 July 2026 and 28 August 2026 respectively. This final dividend is subject to the approval of shareholders at the Annual General Meeting on 29 July 2026.

During the period ended 31 March 2026, a special dividend of 50.0 pence per share (2025:nil) was paid to shareholders on 31 October 2025 alongside a share consolidation exercise.

The dividend policy including all the dividends declared during the year is set out in the Financial Review on page 69.

Share buyback

The Group commenced its increased share buyback programme in July 2025 to return at least £30 million per annum to shareholders, extended until the end of March 2028. The target is to reduce the equity base by at least 20% over the period. Further details are provided on page 69.

Going concern

As at 31 March 2026, the Group had a net overdraft of £1.7 million and net debt of £132.5 million. The Group's borrowing facilities consist of £75 million non-amortising term loan and a £90 million unsecured revolving credit facility, each expiring in June 2029. The Group's liquidity review and commentary on the current economic climate are provided on page 68 of the Strategic Report and commentary on financial risk management is provided in Note 29.

The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Therefore, the financial statements have been prepared on a going concern basis.

Independent auditor

A resolution for the re-appointment of PricewaterhouseCoopers LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Corporate governance statement

The information that fulfils the requirements of the Corporate Governance Statement for the purposes of the FCA's UK Listing Rules and Disclosure Guidance and Transparency Rules can be found in this Directors' Report and in the Corporate Governance section on pages 70 to 117 (which is incorporated into this Directors' Report by reference).

Post balance sheet events

Details of events since the date of the balance sheet are provided in note 33 on page 167.

Statement as to disclosure of information to 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 auditor is unaware; and
- 2) the Director has taken all the steps that he/she ought reasonably to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's 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.

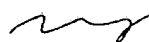
Annual General Meeting

The Annual General Meeting will be held at PayPoint's head office, 1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL on 29 July 2026 at 12 noon.

The Notice of Annual General Meeting and explanatory information on the resolutions to be passed at the Annual General Meeting can be found on our website at www.corporate.paypoint.com. A copy of the Notice of Annual General Meeting has also been sent to all shareholders.

The Directors' Report was approved by the Board and signed on its behalf by:

Rob Harding
Chief Financial Officer
10 June 2026



Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under the law Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

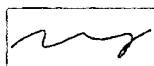
- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the profit of the group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Statement of Directors' Responsibilities has been approved by the Board of Directors and is signed on their behalf by:

Rob Harding
Chief Financial Officer
10 June 2026



Independent auditors' report to the members of PayPoint Plc

Report on the audit of the financial statements

Opinion

In our opinion, PayPoint Plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2026 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated statement of financial position as at 31 March 2026;
- the Company statement of financial position as at 31 March 2026;
- the Consolidated statement of profit or loss for the year then ended;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Company statement of cash flows for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the Company statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The scope of our audit determines where we go and what we do, the best types of audit evidence to obtain, the right areas of operations to focus on and the resources needed to deliver this. As group auditors we are required to obtain sufficient audit evidence from the components of the group. We have determined there are five components for group reporting purposes:
- Love2Shop
- PayPoint Network
- PayPoint Plc
- Collect + Bränd
- Handepay
- Further procedures in relation to other areas, including revenue, receivables and property, plant and equipment, have been performed over Merchant Rentals, PayPoint Retail Solutions Limited and PayPoint Collections Limited.

Key audit matters

- Open Banking Cash Generating Unit (CGU) impairment assessment (group)
- Impairment of Investment in obconnect Limited (parent)

Materiality

- Overall group materiality: £3,191,000 (2025: £2,640,000) based on 5% of adjusted profit before tax (2025: adjusted profit before tax).
- Overall company materiality: £2,919,000 (2025: £2,679,000) based on 1% of total assets.
- Performance materiality: £2,393,250 (2025: £1,980,000) (group) and £2,189,250 (2025: £2,009,250) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current year. They are those matters that, in our view, assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Open Banking Cash Generating Unit (CGU) impairment assessment (group) and impairment of investment in obconnect limited (parent) are new key audit matters this year. Valuation of intangible assets from the acquisition of Merchant Retail (parent), which were key audit matter last year and impairment of investment in Merchant Retail (parent), which were key audit matter last year are no longer included because of the acquisition of obconnect occurred in the prior year hence the valuation of intangible assets from obconnect acquisition is no longer relevant. In relation to the valuation of investment in convertible loan notes of Judge Logistics, the remaining balance is immaterial following impairment last year. In relation to the impairment of Merchant Retail, we consider the risk of impairment to no longer be a significant risk due to the increased level of headroom.

Key audit matter

Open Banking Cash Generating Unit (CGU) impairment assessment (group)

As set out in note 1, the group undertook an impairment assessment of the Open Banking CGU in the current year. The Open Banking CGU comprises the trade of obconnect Limited which was acquired in October 2024 and the legacy PayPoint Open Banking business. obconnect Limited was previously treated as a separate CGU with potential of £12.2 million. This was reassessed during the year and this business has been included in the Open Banking CGU. The reassessment was based on the cash flows from the legacy PayPoint Open Banking business and the cash flows from the obconnect Limited's software platform to generate cash flows for the purposes of the CGU impairment testing. Management has assessed that these two components should be combined into a single CGU reflecting their shared use of a technology platform and the generation of cash inflows at the lowest level where cash flows are largely independent from other asset groups, as prescribed by IAS 36. Impairment of the Open Banking CGU was assessed using a discounted cash flow test. Following this assessment, management performed a value in use impairment review on the basis:

Impairment of investment in obconnect limited (parent)

As set out in note 14, the parent company's investment in its subsidiary, obconnect Limited, amounted to £19.6 million as of 31 March 2026 (£17.3 million). During the year, the parent company acquired additional shares from the founders, achieving total ownership of 100%, through a series of private placements. The acquisition of these shares resulted in the parent company carrying its carrying value, thereby triggering an impairment assessment in the current year. The valuation of the investment in obconnect Limited requires careful determination of the recoverable amount. Management assessed this through a comparison of fair value less costs to sell and value in use models, ultimately supporting the value in use of £13.5 million resulting in an impairment of £6.1 million. The impairment assessment was based on the cash flows from the legacy PayPoint Open Banking business and the cash flows from the obconnect Limited's software platform to generate cash flows for the purposes of the CGU impairment testing. Management has assessed that these two components should be combined into a single CGU reflecting their shared use of a technology platform and the generation of cash inflows at the lowest level where cash flows are largely independent from other asset groups, as prescribed by IAS 36. Impairment of the investment in obconnect Limited was assessed using a discounted cash flow test. Following this assessment, management performed a value in use impairment review on the basis:

How our audit addressed the key audit matter

We challenged management's judgement regarding the CGU determination. We performed audit procedures to verify the assets used to generate cash flows within the Open Banking CGU by obtaining contracts and inquiring with individuals outside of the finance function. We also performed procedures to evaluate and corroborate the rationale behind combining the components, assessing whether the cash flows from the legacy PayPoint Open Banking business and the cash flows from the obconnect Limited's software platform should be combined into a single CGU. We tested and challenged forecast growth rates obtaining evidence for revenue growth forecast. We tested the integrity of the financial data and the reasonableness of key assumptions such as growth rates and discount rates, to ensure that they accurately reflect the economic environment. Through these procedures we obtained sufficient audit evidence to conclude the management's assessment of the Open Banking CGU was appropriate and consistent with applicable financial reporting standards. We concluded that no impairment was required.

We evaluated management's methodology and judgement in assessing the recoverable amount of the investment in obconnect Limited. Our audit procedures included a detailed review of the assumptions underpinning the value in use model such as forecasted cash flows, growth rates, and the selection of discount rates. We also reviewed the discounted cash flow model's assumptions and challenged forecast growth rates obtaining evidence for revenue growth forecast. We also compared these assumptions against historical performance. Furthermore, we assessed the impairment calculation by analysing the implied fair value from the recent share acquisition and corroborating it with the fair value less cost to sell model. We also evaluated management's judgement in selecting the appropriate discount rate used in the value in use model. Through our evaluation, we concluded that the impairment assessment was reasonable and in compliance with applicable financial reporting standards.

Independent auditors' report to the members of PayPoint Plc continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into two operating divisions, PayPoint and Love2shop. There are 14 reporting units within the consolidation being holding companies and operating companies. We have determined there are five components in full scope for Group reporting as follows: PayPoint Network, Collect+Brand, Love2shop, Handeapay and PayPoint Plc. Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group's financial statements as a whole. During the audit, senior members of the Group team held a number of meetings with all of the component teams and reviewed the work performed by these teams over those areas of higher audit risk. At the Group level, we also carried out targeted analytical procedures on non-significant components not covered by the procedures described above. The Group engagement team also performed audit procedures over the consolidation process. PayPoint plc (the Company) was in full scope and the audit procedures over the Company's transactions and balances were performed by the Group audit team. The Company is also audited on a stand-alone basis, hence, testing has been performed on all material financial statement line items included in the Company standalone financial statements.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£3,191,000 (2025: £2,640,000).	£2,800,000 (2025: £2,679,000).
How we determined it	5% of adjusted profit before tax (2025: adjusted profit before tax)	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the financial statements, adjusted profit before tax after excluding recurring adjusting items, is the primary measure used by shareholders in assessing the performance of the Group. Whilst profit before tax is a generally accepted auditing benchmark, we have used an adjusted measure of profit before tax. This is due to a number of adjustments made in the current year that relate to one-off events that distort the statutory profit before tax as a measure for materiality.	PayPoint Plc is a holding company for the Group and therefore the materiality benchmark has been determined to be based on total assets which is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £350,000 to £2,800,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2025: 75%) of overall materiality, amounting to £2,393,250 (2025: £1,980,000) for the group financial statements and £2,100,000 (2025: £2,009,250) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £159,550 (group audit) (2025: £132,000) and £140,000 (company audit) (2025: £133,950) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining and agreeing management's going concern assessment to the business's board approved plan and ensuring that the base case scenario indicates that the business generates sufficient cash flows to meet its obligations within the going concern assessment period while complying with covenant arrangements;
- considering the extent to which the group's and company's future cash flows might be adversely affected by the impact of contingent liabilities and other factors such as the impact of the increased cost of living;
- reviewing management's cash flow forecasts, assessing the debt available to the group and considering the overall impact on liquidity;
- testing the mathematical accuracy of the models;
- evaluating management's severe but plausible scenario and ensuring this is appropriately modelled through the cash flows;
- considering the risk of breach of the covenant arrangements in place for external borrowings under the severe but plausible scenario;
- performing further stress tests on the severe but plausible scenario;
- considering the adequacy of the disclosures in 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 and the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent auditors' report to the members of PayPoint Plc continued

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of data protection regulations and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006, the Listing rules and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue/reduce costs and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiries with the directors, the Audit Committee and company General Counsel, review of board meeting minutes and consideration of known or suspected instances of non-compliance with laws, regulations and fraud including discussions with external legal counsel;
- Identifying and testing a sample of journal entries, in particular certain journal entries posted with unusual account combinations which result in an increase in revenue; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to the assessment of identification of CGUs and impairment assessments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 March 2024. Our uninterrupted engagement covers 3 financial years.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

D Beer

David Beer (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Watford

10 June 2026

Consolidated statement of profit or loss

	Note	Year ended 31 March 2026			Year ended 31 March 2025 £'000		
		Underlying £'000	Adjusting Items £'000	Total £'000	Underlying £'000	Adjusting Items £'000	Total £'000
Revenue	2,3	305,624	–	305,624	294,919	(14,205)	280,714
Other revenue	2,3	31,384	–	31,384	30,000	–	30,000
Total revenue		337,008	–	337,008	324,919	(14,205)	310,714
Cost of revenue	5	(187,936)	–	(187,936)	(174,283)	–	(174,283)
Gross profit		149,072	–	149,072	150,636	(14,205)	136,431
Administrative expenses – excluding adjusting items		(72,141)	–	(72,141)	(75,522)	–	(75,522)
Operating profit before adjusting items		76,931	–	76,931	75,114	(14,205)	60,909
Adjusting items:							
Exceptional items – administrative expenses	6	–	(7,138)	(7,138)	–	(9,229)	(9,229)
Amortisation of acquired intangible assets	13	–	(5,223)	(5,223)	–	(8,716)	(8,716)
Movement on convertible loan notes	14	–	(1,000)	(1,000)	–	(10,413)	(10,413)
Movement on other investments	14	–	(200)	(200)	–	805	805
Operating profit		76,931	(13,561)	63,370	75,114	(41,758)	33,356
Finance income	9	1,232	–	1,232	1,383 ¹	–	1,383
Finance costs	9	(9,126)	–	(9,126)	(8,448)	–	(8,448)
Profit before tax		69,037	(13,561)	55,476	68,049	(41,758)	26,291
Tax	10	(17,647)	3,340	(14,307)	(17,431)	10,440	(6,991)
Profit after tax		51,390	(10,221)	41,169	50,618	(31,318)	19,300
Attributable to:							
Owners of the parent		49,554	(10,221)	39,333	50,509	(31,318)	19,191
Non-controlling interests	15	1,836	–	1,836	109	–	109
		51,390	(10,221)	41,169	50,618	(31,318)	19,300

		Year ended 31 March 2026	Year ended 31 March 2025
Earnings per share (pence)			
Basic		59.1	26.6
Diluted		58.4	26.3

		Year ended 31 March 2026	Year ended 31 March 2025
Underlying earnings per share – before adjusting items (pence)			
Basic		74.4	70.1
Diluted		73.6	69.1

Consolidated statement of comprehensive income

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Items that will not be reclassified to the consolidated statement of profit or loss:			
Remeasurement of defined benefit pension scheme asset	17	168	(230)
Deferred tax on remeasurement of defined benefit pension scheme asset	10	(42)	58
Items that may subsequently be reclassified to the consolidated statement of profit or loss:			
Movement on cash flow hedge reserve		210	(266)
Other comprehensive income / (expense) for the year		336	(438)
Profit for the year		41,169	19,300
Total comprehensive income for the year		41,505	18,862
Attributable to:			
Owners of the parent		39,669	18,753
Non-controlling interests		1,836	109
		41,505	18,862

Consolidated statement of financial position

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-current assets			
Goodwill	12	129,633	129,633
Other intangible assets	13	74,507	71,901
Convertible loan notes	14	–	3,159
Other investment	14	2,699	740
Property, plant and equipment	16	31,289	31,933
Net investment in finance lease receivables	24	464	189
Retirement benefit asset	17	2,102	224
Total non-current assets		240,694	237,779
Current assets			
Inventories	18	6,119	6,162
Trade and other receivables	19	102,567	110,010
Current tax asset		4,260	9,734
Cash and cash equivalents – corporate	20	6,176	4,927
Cash and cash equivalents – non-corporate	20	108,996	28,262
Restricted funds held on deposit (non-corporate)	20	35,000	111,475
Total current assets		263,118	270,570
Total assets		503,812	508,349
Current liabilities			
Trade and other payables	21	262,385	272,369
Lease liabilities	24	881	768
Provisions	22	2,861	11,198
Bank overdraft	20	7,859	–
Loans and borrowings	25	260	265
Total current liabilities		274,246	284,600
Non-current liabilities			
Lease liabilities	24	2,684	2,410
Loans and borrowings	25	130,526	102,043
Derivative liability		55	264
Deferred tax liability	23	17,098	17,559
Provisions	22	3,370	4,152
Total non-current liabilities		153,733	126,428
Total liabilities		427,979	411,028
Net assets		75,833	97,321

	Note	31 March 2026 £'000	31 March 2025 £'000
Equity			
Share capital	26	219	236
Share premium	26	1,000	1,000
Merger reserve	26	18,243	18,243
Share-based payment reserve		3,550	3,471
Capital redemption reserve	26	24	7
Retained earnings		51,059	70,255
Total equity attributable to equity holders of the parent		74,095	93,212
Non-controlling interests	15	1,738	4,109
Total equity		75,833	97,321

These financial statements on pages 124 to 167 were approved by the Board of Directors and authorised for issue on 10 June 2026 and were signed on behalf of the Board of Directors.

Nick Wiles
Chief Executive
10 June 2026

Nick Wiles

Consolidated statement of changes in equity

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 1 April 2024		242	1,000	18,243	2,992	–	98,683	121,160	–	121,160
Non-controlling interest arising on acquisition		–	–	–	–	–	–	–	4,000	4,000
Profit for the year		–	–	–	–	–	19,191	19,191	109	19,300
Total other comprehensive expense		–	–	–	–	–	(438)	(438)	–	(438)
Total comprehensive income for the year		–	–	–	–	–	18,753	18,753	109	18,862
Issue of shares	26	1	–	–	–	–	–	1	–	1
Purchase of own shares	26	(7)	–	–	–	7	(20,129)	(20,129)	–	(20,129)
Equity-settled share-based payment expense	27	–	–	–	2,018	–	(814)	1,204	–	1,204
Vesting of share scheme	27	–	–	–	(1,539)	–	1,539	–	–	–
Dividends	28	–	–	–	–	–	(27,777)	(27,777)	–	(27,777)
At 31 March 2025		236	1,000	18,243	3,471	7	70,255	93,212	4,109	97,321
Acquisition of non-controlling interest		–	–	–	–	–	(2,400)	(2,400)	(3,956)	(6,356)
Profit for the year		–	–	–	–	–	39,333	39,333	1,836	41,169
Total other comprehensive income		–	–	–	–	–	336	336	–	336
Total comprehensive income for the year		–	–	–	–	–	39,669	39,669	1,836	41,505
Post-tax gain on part-disposal of subsidiary	15	–	–	–	–	–	34,000	34,000	–	34,000
Purchase of own shares	26	(17)	–	–	–	17	(30,279)	(30,279)	–	(30,279)
Equity-settled share-based payment expense	27	–	–	–	1,621	–	(1,222)	399	–	399
Vesting of share scheme	27	–	–	–	(1,542)	–	1,542	–	–	–
Dividends	28	–	–	–	–	–	(60,506)	(60,506)	(251)	(60,757)
At 31 March 2026		219	1,000	18,243	3,550	24	51,059	74,095	1,738	75,833

Consolidated statement of cash flows

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities			
Cash generated from operations	31	66,205	74,701
Corporation tax paid		(17,094)	(11,383)
Interest received		351	502
Interest paid		(8,312)	(7,848)
Movement in restricted funds held on deposit – non-corporate		76,475	(33,277)
Movement in payables – non-corporate		4,376	1,699
Net cash generated from operating activities		122,001	24,394
Investing activities			
Purchases of property, plant and equipment		(8,075)	(9,248)
Purchases of intangible assets		(13,488)	(9,529)
Acquisitions of subsidiaries net of cash and cash equivalents acquired		–	(8,919)
Purchase of convertible loan notes	14	–	(16,000)
Purchase of other investment	14	–	(200)
Net cash used in investing activities		(21,563)	(43,896)
Financing activities			
Dividends paid to owners of parent	28	(60,506)	(27,777)
Dividends paid to non-controlling interest	15	(251)	–
Proceeds from part-disposal of subsidiary	15	43,384	–
Acquisition of non-controlling interest	31	(6,356)	–
Proceeds from issue of share capital		–	1
Payment of lease liabilities	24	(996)	(889)
Repayments of loans and borrowings	25	(30,500)	(88,000)
Proceeds from loans and borrowings	25	59,000	97,500
Purchase of own shares	26	(30,089)	(14,914)
Net cash used in financing activities		(26,314)	(34,079)
Net increase / (decrease) in cash and cash equivalents		74,124	(53,581)
Cash and cash equivalents at the beginning of the year		33,189	86,770
Cash and cash equivalents at the end of the year		107,313	33,189

Note to the consolidated statement of cash flows – reconciliation of cash and cash equivalents

	Note	31 March 2026 £'000	31 March 2025 £'000
Corporate cash		6,176	4,927
Bank overdraft		(7,859)	–
Non-corporate cash		108,996	28,262
Cash and cash equivalents	20	107,313	33,189

Company statement of financial position

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-current assets			
Investments in wholly owned subsidiaries	14	235,504	239,121
Convertible loan notes	14	–	3,159
Other investment	14	2,699	740
Retirement benefit asset	17	2,102	–
Trade and other receivables	19	45,821	9,160
Total non-current assets		286,126	252,180
Current assets			
Trade and other receivables	19	104	39
Current tax asset		–	8,989
Cash and cash equivalents – corporate		5,715	6,720
Total current assets		5,819	15,748
Total assets		291,945	267,928
Current liabilities			
Trade and other payables	21	68,971	75,186
Current tax liability		4,303	–
Bank overdraft		5,000	–
Loans and borrowings	25	260	265
Total current liabilities		78,534	75,451
Non-current liabilities			
Loans and borrowings	25	130,526	102,043
Deferred tax liability		526	–
Derivative liability		55	264
Total liabilities		209,641	177,758
Net assets		82,304	90,170
Equity			
Share capital	26	219	236
Share premium	26	1,000	1,000
Merger reserve	26	18,243	18,243
Share-based payment reserve		3,550	3,471
Capital redemption reserve	26	24	7
Retained earnings		59,268	67,213
Total equity attributable to equity holders of the parent		82,304	90,170

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 and consequently the statement of profit or loss of the Company is not presented as part of these financial statements. The profit of the Company for the financial year was £82.3 million (2025: £12.4 million).

These financial statements on pages 127 to 129 were approved by the Board of Directors and authorised for issue on 10 June 2026 and were signed on behalf of the Board of Directors.

Nick Wiles
Chief Executive
10 June 2026

Nick Wiles

Company statement of changes in equity

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Opening equity at 1 April 2024		242	1,000	18,243	2,992	–	102,218	124,695
Profit for the year		–	–	–	–	–	12,442	12,442
Movement on cash flow hedge reserve		–	–	–	–	–	(266)	(266)
Total comprehensive income for the year		–	–	–	–	–	12,176	12,176
Issue of shares		1	–	–	–	–	–	1
Purchase of own shares		(7)	–	–	–	7	(20,129)	(20,129)
Equity-settled share-based payment expense	27	–	–	–	2,018	–	(814)	1,204
Vesting of share scheme	27	–	–	–	(1,539)	–	1,539	–
Dividends	28	–	–	–	–	–	(27,777)	(27,777)
Closing equity at 31 March 2025	†	236	1,000	18,243	3,471	7	67,213	90,170
Profit for the year		–	–	–	–	–	82,310	82,310
Movement on cash flow hedge reserve		–	–	–	–	–	210	210
Total comprehensive income for the year		–	–	–	–	–	82,520	82,520
Purchase of own shares	26	(17)	–	–	–	17	(30,279)	(30,279)
Equity-settled share-based payment expense	27	–	–	–	1,621	–	(1,222)	399
Vesting of share scheme	27	–	–	–	(1,542)	–	1,542	–
Dividends	28	–	–	–	–	–	(60,506)	(60,506)
Closing equity at 31 March 2026	†	219	1,000	18,243	3,550	24	59,268	82,304

Company statement of cash flows

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities			
Cash generated from operations	31	20,086	74,215
Corporation tax received		6,943	-
Interest received		46	162
Interest paid		(8,013)	(7,622)
Net cash generated from operating activities		19,062	66,755
Investing activities			
Acquisition transaction costs		-	(130)
Acquisitions of subsidiaries		-	(10,522)
Purchase of convertible loan note	14	-	(16,000)
Purchase of other investment	14	-	(200)
Net cash used in investing activities		-	(26,852)
Financing activities			
Dividends paid	28	(60,506)	(27,777)
Proceeds from part-disposal of subsidiary	15	43,384	-
Acquisition of non-controlling interest		(6,356)	-
Proceeds from issue of share capital		-	1
Repayments of loans and borrowings	25	(30,500)	(88,000)
Proceeds from loans and borrowings	25	59,000	97,500
Purchase of own shares	26	(30,089)	(14,914)
Net cash used in financing activities		(25,067)	(33,190)
Net (decrease) / increase in cash and cash equivalents		(6,005)	6,713
Cash and cash equivalents at the beginning of the year		6,720	7
Cash and cash equivalents at the end of the year		715	6,720

Notes to the financial statements

1. Material accounting policies

Basis of preparation

PayPoint Plc ('PayPoint' or the 'Company') is a public limited company limited by shares and is incorporated, domiciled and registered in England in the UK under the Companies Act 2006. The Company's ordinary shares are traded on the London Stock Exchange. The Group and Company financial statements have been prepared under the historical cost convention in accordance with UK-adopted International Accounting Standards ('UK-adopted IFRS') and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These financial statements are presented in Pounds Sterling rounded to thousands (£'000). The Pound Sterling is the currency of the primary economic environment in which the Group operates.

Adoption of standards and policies

New and amended standards adopted by the Group

The Group has adopted the following amendments to standards for the first time in the year ended 31 March 2026:

- Amendments to IAS21 *The Effects of Changes in Foreign Exchange Rates* (effective date 1 January 2025)

The amendment to IAS21 did not have a material impact on the Group's financial statements for the year ended 31 March 2026.

The accounting policies adopted by the Group in the financial statements for the year ended 31 March 2026 are otherwise consistent with those applied to all other years set out in these group financial statements.

New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the new and revised standards issued but not yet effective are set out below.

- Amendments to IFRS7 *Financial instruments: Disclosures* and IFRS9 *Financial instruments – classification and measurement of financial instruments* (effective date 1 January 2026)
- IFRS18 *Presentation and disclosure in financial statements* (effective date 1 January 2027)
- IFRS19 *Subsidiaries without public accountability: Disclosures* (effective date 1 January 2027)

It is anticipated that the adoption of these standards and interpretations in future years will have no material impact on the financial statements of the Group, with the exception of IFRS18. IFRS18 will replace IAS1 *Presentation of financial statements* and will have an impact on the presentation of the Group's Consolidated statement of profit or loss, with new statutory profit or loss sub-totals and income and expenditure classified into Operating, Investing and Financing categories. IFRS18 will also require disclosure of Management-defined Performance Measures ('MPMs'), the impact of which is being assessed.

Going concern

The financial statements have been prepared on a going concern basis. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to shareholders through the optimisation of the debt-to-equity balance. The capital structure of the Group consists of debt, cash and cash equivalents, restricted funds held on deposit and equity attributable to equity holders of the parent company comprising capital, reserves and retained earnings.

The Group's policy is to borrow centrally to meet anticipated funding requirements. Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Group. At 31 March 2026, the Group had corporate cash of £6.2 million and bank overdrafts of £7.9 million.

On 11 June 2025, the Group completed an amendment to its borrowing facilities, to manage its working capital requirements and capital allocation. Its borrowing facilities now consist of:

- a £75.0 million non-amortising term loan expiring in June 2029; and
- a £90.0 million unsecured revolving credit facility expiring in June 2029.

At 31 March 2026, £56.5 million (2025: £58.0 million) was drawn down from the £90.0 million revolving credit facility and the outstanding balance of the non-amortising term loan was £75.0 million.

The Group's statement of financial position shows net assets of £75.8 million as at 31 March 2026 (£97.3 million as at 31 March 2025), having made a profit after tax for the year of £41.2 million (2025: £19.3 million) and generated cash from operations of £66.2 million for the year then ended (2025: £74.7 million), offset by the return of capital to shareholders in the year of £90.6 million (2025: £42.7 million). The Group has net current liabilities of £11.1 million as at 31 March 2026 (2025: £14.0 million).

The Directors consider the going concern period as 12 months from the date of signing of these financial statements and have reviewed detailed monthly cash flow forecasts for the Group over this period. In this 'base case' scenario, the cash flow forecasts show considerable liquidity headroom and debt covenants will be met throughout the period. In addition, the Directors have considered and confirm there are no significant or material events that have been identified beyond the going concern period that may cast significant doubt upon the continuing use of the going concern basis.

Additionally, the Directors have carried out an assessment of the principal risks and uncertainties and applied severe but plausible scenarios, together with a reverse stress test, to test further the Group's going concern assumption. These scenarios included a reduction in the volume of transactions caused by a severe economic downturn, transformation and growth plans not delivering intended benefits and material one-off impacts of regulatory, IT or credit loss events. As mitigating actions, we have assumed achievable reductions in expenditure and a reduction in the level of future dividends following the payment of the final dividend of 20.0 pence per share declared in respect of the financial year ended 31 March 2026. The cash flow forecasts included an analysis and stress test for the above scenarios to ensure working capital movements within a reporting period do not trigger a covenant breach.

Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of not less than 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

The Company, which acts as the Group's financing vehicle, had net current liabilities of £72.7 million as at 31 March 2026 (£59.7 million as at 31 March 2025). The Group generates sufficient cash flows to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the Directors have prepared the Company statement of financial position on a going concern basis.

Use of judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgement: reassessment of Open Banking cash-generating unit ('CGU')

During the year, management assessed that its Open Banking CGU comprised two components for the purpose of goodwill impairment testing. One component is obconnect Limited, which the Group acquired in October 2024. Goodwill of £12.2 million arose on that acquisition. The other component existed within the Group prior to the acquisition, using obconnect Limited's software platform to generate its revenue.

This judgement reflects the fact that both components generate cash inflows using the same technology platform. The two components together represent the lowest level at which an identifiable group of assets generates cash flows that are largely independent of those of other groups of assets. In accordance with IAS36 *Impairment of assets*, they are therefore treated as a single CGU.

This judgement is critical to the outcome of the goodwill impairment test. The Open Banking CGU, comprising the two components referred to above, gives significant headroom. No reasonably possible changes in any of the discounted cash flow assumptions cause the Open Banking CGU's carrying value to exceed its recoverable amount. Had obconnect Limited alone been treated as a CGU, the goodwill arising on its acquisition would have been impaired in the current year.

Critical judgement: recognition of cash and cash equivalents and restricted funds held on deposit

The nature of payments and banking services means that PayPoint collects and holds funds on behalf of clients as those funds pass through the settlement process and retains retailer partners' deposits as security for those collections. Following the Love2shop acquisition, it also holds, in trust, gift card voucher deposits on behalf of agents, cardholders and redeemers and prepay savers' cash on behalf of savers.

A critical judgement in this area is whether each of the above categories of funds, and restricted funds held on deposit, are recognised on the consolidated statement of financial position, and whether they are included in cash and cash equivalents for the purpose of the Consolidated statement of cash flows. This includes evaluating:

- the existence of a binding agreement, such as a legal trust, clearly identifying the beneficiary of the funds;
- the identification of funds, ability to allocate and separability of funds;
- the identification of the holder of those funds at any point in time, and;
- whether the Group bears the credit risk.

Where there is a binding agreement specifying that PayPoint holds funds on behalf of the client (i.e. acting in the capacity of a trustee) and those funds have been separately identified as belonging to that beneficiary, the cash (referred to as 'Clients' own funds') and the related liability are not included on the consolidated statement of financial position.

In all other cases, the Group has access to the interest on such monies and can, having met certain conditions, withdraw the funds. The cash and corresponding liability are therefore recognised on the consolidated statement of financial position. Corporate cash and cash equivalents consists of cash freely available to the Group for use in its daily operations and is presented as a separate line item on the consolidated statement of financial position from non-corporate cash and cash equivalents, which is not freely available to the Group, either because of self-regulation and segregation or due to contractual or regulatory requirements. Non-corporate cash and cash equivalents comprises:

- Clients' cash – cash collected on behalf of clients from retailer partners but not yet transferred to clients. Clients' cash is held in PayPoint's bank accounts.
- Gift card voucher cash – cash collected on the issue of gift card vouchers which have not yet expired or been redeemed.
- Prepay savers' cash – cash received from customers under a prepayment scheme accumulating towards their selected savings target. It is converted to gift card vouchers once the target is reached.
- Retailer partners' deposits – cash received from retailers held as security against their default.

Both corporate cash and non-corporate cash are included within cash and cash equivalents on the Consolidated statement of cash flows.

Restricted funds held on deposit (non-corporate), comprises gift card voucher cash and prepay savers' cash. However, unlike the gift card voucher cash and prepay savers' cash included in non-corporate cash and cash equivalents, restricted funds held on deposit (non-corporate) may only be accessed after a minimum of three months. Consequently, they are excluded from cash and cash equivalents on the Consolidated statement of financial position and the Consolidated statement of cash flows.

The amounts recognised on the Consolidated statement of financial position as at 31 March 2026 are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Corporate cash	6,176	4,927
Bank overdraft	(7,859)	–
Clients' cash	19,895	15,165
Gift card voucher cash	36,366	3,030
Prepay savers' cash	47,149	4,266
Retailer partners' deposits	5,586	5,801
Sub-total: non-corporate cash	108,996	28,262
Total cash and cash equivalents	107,313	33,189
Restricted funds held on deposit (non-corporate)	35,000	111,475

Clients' own funds

Clients' cash held in trust off the Consolidated statement of financial position as at 31 March 2026 is £54.6 million (2025: £54.2 million).

Notes to the financial statements continued

1. Material accounting policies continued

Alternative performance measures

Non-IFRS measures or alternative performance measures are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes. They have remained consistent with the prior year. These measures are included in these financial statements to provide additional useful information on performance and trends to shareholders.

These measures are not defined terms under IFRS and therefore they may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for IFRS measures.

Underlying performance measures (non-IFRS measures)

Underlying performance measures allow shareholders to understand the operational performance in the year, to facilitate comparison with prior years and to assess trends in financial performance. They usually exclude the impact of one-off, non-recurring and exceptional items and the amortisation of intangible assets arising on acquisition, such as brands and customer relationships.

The adjusting items between the Group's statutory and underlying performance measures are as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Exceptional item – revenue	–	14,205
Exceptional items – legal fees	3,411	6,357
Exceptional item – organisational framework costs	978	–
Exceptional items – reorganisation costs	2,247	–
Exceptional items – impairment of receivable	502	–
Exceptional item – accelerated amortisation costs	–	868
Exceptional item – impairment of right-of-use asset related to Chapel St. lease	–	373
Exceptional item – impairment of other Chapel St. assets	–	486
Exceptional item – onerous provision for unavoidable Chapel St. costs	–	1,145
Sub-total: items related to Chapel St. lease	–	2,004
Sub-total: exceptional items – administrative expenses	7,138	9,229
Amortisation of intangible assets arising on acquisition	5,223	8,716
Movement on convertible loan note fair value	1,000	10,413
Movement on other investment fair value	200	(805)
Total adjusting items	13,561	41,758

Love2shop billings (non-IFRS measure relating solely to the Love2shop segment)

Billings represents the value of goods and services shipped and invoiced to customers during the year and is recorded net of VAT, rebates and discounts. Billings is an alternative performance measure, which the directors believe provides an additional measure of the level of activity other than total revenue. This is due to revenue from multi-retailer redemption products being reported on a 'net' basis, whilst revenue from single-retailer redemption products and other goods are reported on a 'gross' basis.

Net revenue (non-IFRS measure)

Net revenue is total underlying revenue less commissions paid (to retailer partners and Park Christmas agents) and the cost of revenue for items where the Group acts in the capacity as principal (including single-retailer vouchers and SIM cards). This reflects the benefit attributable to the Group's performance, eliminating pass-through costs to create comparability of performance under both the agent and principal revenue models. It is a key consistent measure of the overall success of the Group's strategy. A reconciliation from total underlying revenue to net revenue is included in note 4.

Total costs (non-IFRS measure)

Total costs comprise other costs of revenue (note 5), administrative expenses, finance income and finance costs. Total costs exclude adjusting items, being exceptional costs, amortisation of intangible assets arising on acquisition and movements on investment fair values.

Earnings before interest, tax, depreciation and amortisation (EBITDA) (non-IFRS measure)

The Group presents EBITDA as it is widely used by investors, analysts and other interested parties to evaluate profitability of companies. This measures earnings before interest, tax, depreciation and amortisation. See page 65 of the Financial review for a reconciliation from profit before tax to EBITDA.

Adjusted earnings before interest, tax, depreciation and amortisation (Underlying EBITDA) (non-IFRS measure)

The Group also presents adjusted EBITDA, which comprises EBITDA, as defined above, excluding exceptional items and net movements on convertible loan notes and other investments. See page 65 of the Financial review for a reconciliation from profit before tax to adjusted EBITDA.

Underlying earnings per share (non-IFRS measure)

Underlying earnings per share is calculated by dividing the profit after tax before adjusting items attributable to equity holders of the parent by the basic or diluted weighted average number of ordinary shares in issue.

Underlying profit before tax (non-IFRS measure)

Underlying profit before tax represents statutory profit before tax excluding total adjusting items.

Net corporate debt (non-IFRS measure)

Net corporate debt represents corporate cash and cash equivalents less bank overdraft and amounts borrowed under financing facilities (excluding IFRS16 liabilities). The reconciliation of corporate cash and cash equivalents to net corporate debt is as follows:

	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents – corporate	6,176	4,927
Bank overdraft	(7,859)	–
Less:		
Loans and borrowings (note 25)	(130,786)	(102,308)
Net corporate debt	(132,469)	(97,381)

Significant accounting policies

Basis of consolidation

PayPoint Plc (the 'Company') acts as a holding company. The financial statements of the Company and its investments in entities controlled by the Company (its subsidiaries) are consolidated in the Group financial statements. Control is achieved when the Company has power over an entity, exposure to variable returns and the ability to use that power to affect its returns from the entity. The Company reassesses its control over an entity if facts and circumstances indicate that there is a change to any of the three elements of control listed above. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control exists. All intergroup transactions, balances, income and expenses are eliminated on consolidation. All the subsidiaries in the Group, a list of which are presented in note 14 of the financial statements, apply accounting policies which are consistent with those of the Group.

Revenue

Revenue, as reported in the Consolidated statement of profit or loss, is derived from contracts with customers. It represents the value of services and goods delivered or sold to clients, retailer partners and SME partners. It is measured using the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services, net of value added tax. Performance obligations are identified at contract inception and the revenue is recognised once the performance obligations are satisfied. Upfront payments for management fees and set-up and development fees in respect of contracts with clients, retailer partners and SME partners are deferred and recognised on a straight-line basis over the contracted period, which appropriately reflects that the clients, retailer partners and SME partners receive and consume the benefits of those performance obligations evenly throughout the contract.

Principal and Agent

Under IFRS15, the Group is a principal (and records revenue on a gross basis) if it controls the promised good or service before transferring it to the customer. The Group is an agent (and records as revenue the net amount that it retains for its agency services) if its role is to arrange for another entity to provide the good or service.

The Group acts as principal for the following Love2shop services:

- Single-retailer redemption products.
- Administrative support for multi-redemption cardholders.
- Multi-redemption non-redemption income.

and for the sale of SIM cards and some e-money through PayPoint.

The Group acts as agent for all services provided through PayPoint, other than the sale of SIM cards and some e-money, and for the following multi-retailer Love2shop redemption products:

- Love2shop vouchers.
- Flexecash@ cards and e-codes.
- Mastercards.

Timing of revenue recognition

1. Shopping and e-commerce

The Group provides shopping and e-commerce services to retailer partners, which form part of PayPoint's network, and SME partners.

Shopping (retail services) revenue comprises:

- Service fees from retailers that use PayPoint One, legacy terminals and EPoS, all of which are charged for on a weekly or monthly basis and recognised on a straight-line basis over the period of the contract. Retailers simultaneously receive and consume the benefits related to the services fee; therefore, a straight-line approach appropriately reflects the transfer of the service.
- ATM and Counter Cash transaction fees, which are recognised when each transaction is processed.
- Fees for receipt advertising and FMCG revenue from digital vouchering, digital screen advertising, sales data, and PayPoint's retailer engagement channels, which are recognised over the period of the campaign on a straight-line basis.
- Other retail services revenue including failed Direct Debits, which are recognised at the time the transaction occurs.

Shopping (card payments) revenue comprises:

- Commissions and fees from card payments, which are recognised when each transaction is processed.
- Finance lease income from card terminals is recognised over the expected lease term using the sum of digits method.
- Operating lease income from card terminals, which is recognised on a straight-line basis over the expected lease term.
- Commissions from PayPoint's Business Finance products in partnership with YouLend, which is earned on the loan amounts outstanding from card payment retailers and recognised when the loan is granted to the retailer.

e-commerce revenue comprises:

- Fees earned for processing parcels, which are recognised when each parcel has been delivered or returned through the PayPoint network.

Notes to the financial statements continued

Significant accounting policies continued

2. Payments and banking

Payments and banking revenue is recognised as performance obligations are satisfied, which is usually at the point in time each transaction is processed. Other than for the sale of SIM cards as principal, PayPoint is contracted as agent in the supply of payments and banking services, and accordingly the commission earned from clients for processing transactions is recognised as revenue when each transaction is processed.

Payments and banking revenue comprises:

- Cash bill payments: customers of PayPoint's clients can pay their bills (due to the client) over-the-counter at any of PayPoint's retailer partners. PayPoint provides the technology for recording the payment of bills and transmission of that payment data to the client. PayPoint then collects bill payment funds from retailer partners and remits those funds to clients.
- Cash top-ups: customers of PayPoint's clients can top up their mobiles over-the-counter at any of PayPoint's retailer partners. This category also includes revenue from the sale of SIM cards, which is primarily earned from the mobile operators based on the value of top-ups after the initial activation. This revenue is contingent on the customer actions and is recognised at the point in time when the consumer tops up the SIM card. PayPoint contracts as principal for SIM card sales as it obtains control of the SIM cards before transferring control to the customer, therefore revenue is recognised at the gross sale price and cost of revenue includes the related cost.
- Digital payments (including open banking): MultiPay is an integrated solution offering a full suite of digital payments. It enables transactions online and through smartphone apps and text messages, as well as event payments, over the counter, over the phone and via interactive voice response ('IVR') systems. It also supports a full range of Direct Debit options, including scheduling collections, as well as new product developments such as PayByLink, recurring payments and Event Streamer. CashOut enables the rapid dispersal of funds through secure digital channels, including the Payment Exception Service, which is run for the Department for Work and Pensions, delivering payments to those without access to a standard bank account. PayPoint also issues digital newspaper vouchers, which enable newspaper publishers to digitise consumer subscription services and home news delivery in local convenience stores.
- Cash through to digital: PayPoint provides the physical network of retail locations for consumers to convert cash into electronic funds with online organisations. Consumers pay for a 'pin on receipt' code in any of PayPoint's retail locations and then can use that value online with their chosen digital brand or service across a comprehensive portfolio of banking, e-commerce, gaming and loyalty card partners.

3. Love2shop

Love2shop revenue comprises:

- Multi-retailer redemption products (Love2shop vouchers, Flexecash* cards and e-codes, and Mastercards). Service fees earned from the retailers are recognised when the products are redeemed.
- Single-retailer redemption products (third party vouchers, cards and e-codes). Revenue is recognised on despatch.
- Multi-retailer cardholder fees, earned for services provided to cardholders such as issue, dealing with lost, stolen or damaged cards and post-expiry fees. Revenue is recognised when the fees are levied.

Other revenue

Other revenue, as reported in the Consolidated statement of profit or loss, is IFRS9 revenue. It comprises:

1. Payments and Banking

- Interest earned on clients' funds and retailer partners' deposits, recognised as it is earned.

2. Love2shop

- Multi-retailer non-redemption revenue (where the end-user has the right of refund), recognised when the product has expired and the right of refund lapsed.
- Multi-retailer non-redemption revenue (where the end-user has no right of refund), recognised on expiry.
- Interest generated by investing cash received from customers. This applies both to cash received for the Park Christmas Saver business where customers save with the Group throughout the year, and to all other pre-paid products. Funds associated with customers are included in both restricted funds held on deposit and cash and cash equivalents. The interest is recognised as it is earned.

Non-redemption income represents the unused amount (i.e. the non-refundable unredeemed or unspent funds) on a voucher, card or e-code at expiry, where there is no right of refund, or on expiry and lapse of the refund period, where there is a right of refund.

Cost of revenue

Cost of revenue primarily consists of expenses related to delivering our services and products. These include retailer commissions, the cost of single-retailer vouchers, cards and codes, SIM cards and e-money (where the Group is principal), depreciation and amortisation of assets used to deliver services, field sales costs, transaction costs, terminal and ATM maintenance costs and telecommunications costs.

Retailer partner commission costs

Retailer partner commission costs represent the fees due to PayPoint's retailer partners for providing PayPoint's services in their store. These costs are recognised as an expense within cost of revenue when the transaction or parcel is processed.

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currency are translated at the rates prevailing at the date when fair value was determined. Gains and losses arising on translation are included in net profit or loss for the year.

Pension costs

Defined benefit plan

The fair value of the plan assets less the present value of the defined benefit obligation is recognised in the Consolidated statement of financial position as the retirement benefit asset, after applying the asset ceiling test. The limit on the recognition of a defined benefit pension asset is measured as the value of economic benefit available to the Group in the form of refunds or reductions in future contributions, in accordance with the rules of the pension scheme.

Regular valuations are prepared by independent professionally qualified actuaries on the projected unit credit method. The valuations are carried out every three years and updated on a yearly basis for accounting purposes. These determine the level of contribution required to fund the benefits set out in the rules of the plans and allow for the periodic increase of pensions in payment.

The scheme is closed to future years' service but pensions are still dependent on actual final salaries. Consequently, the Group may have an amendment in future where salary rises differ from those projected. For any related plan amendment, these are recognised immediately in the Statement of profit or loss.

Remeasurements comprise actuarial gains and losses on the obligations and the return on scheme assets (excluding interest). They are recognised immediately in other comprehensive income in the Consolidated statement of comprehensive income. Net interest cost is calculated by applying the discount rate on liabilities to the net pension liability or asset (adjusted for cash flows over the accounting period) and is recognised within administrative expenses.

Defined contribution plans

The Group makes payments to a number of defined contribution pension schemes. Pension costs are recognised as an expense when employees have rendered services entitling them to the contributions. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Consolidated statement of financial position.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period and adjusted for non-market-based conditions where they will not vest (i.e. leavers). The fair value of equity-settled share-based payment arrangements where no market-based vesting conditions exist is based on the share price at the date of the grant.

Finance income

Finance income comprises bank deposit interest received on corporate cash and cash equivalents and interest income on defined benefit pension scheme assets. Interest is recognised as earned, which reflects the effective interest rate method.

Finance costs

Finance costs comprises interest costs on loans and borrowings and bank overdrafts and interest expense on the defined benefit pension scheme obligations and leases. Finance costs are recognised as an expense in the period in which they are incurred.

Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement categories to assist in the understanding of the performance and financial results of the Group, as they do not form part of the underlying business. The current year exceptional items are:

- £3.4 million settlement and legal fees in conjunction with the matter referred to in note 32.
- £1.0 million organisational framework costs.
- £2.2 million reorganisation costs.
- £0.5 million impairment of receivable.

Taxation

The Group's policy is to pay tax when due but to minimise tax payments where practically possible, without engaging in aggressive tax schemes.

The tax expense represents the amount payable in respect of the year under review based on the taxable profit for the year and the provision for deferred tax. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible.

The Group's liability for current tax is calculated using tax rates that are applicable to the current year.

Deferred tax is provided in full on taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is calculated using tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets are recognised on deductible temporary differences to the extent that it is probable that future taxable profit will be available, against which the tax asset will be realised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow, all or part, of the asset to be recovered. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is recorded in other comprehensive income or equity.

Financial assets

Financial assets are classified on initial recognition based on the Group's business model for managing the assets and their contractual cash flow characteristics. The Group assesses whether assets are held to collect contractual cash flows or for other purposes, and whether those cash flows represent solely payments of principal and interest ('SPPI'). Assets that meet the SPPI criterion and are held to collect cash flows are measured at amortised cost; other assets are measured at fair value through profit or loss ('FVTPL').

The Group's financial assets which are held to collect contractual cash flows and meet the SPPI condition, are measured at amortised cost. They comprise:

- Net investment in finance lease, restricted funds held on deposit, cash and cash equivalents, items in the course of collection, trade receivables, accrued income and other receivables.

The Group's financial assets which are not held to collect contractual cash flows, are measured at FVTPL. They comprise:

- Convertible loan notes and equity investments

The Group derives the fair value measurements of financial assets and liabilities using three levels as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the financial statements continued

Significant accounting policies continued

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial liabilities

Multi-retailer products can be exchanged for goods or services with redemption partners at any point until they are fully utilised or they expire. Redemption partners are paid the value of the product redeemed, less the commission earned by the Group. Multi-retailer products are accounted for as a financial liability under IFRS9 as there is a contractual obligation to deliver cash to the redemption partners on behalf of the cardholder and there is no unconditional right to avoid delivering cash to settle this contractual obligation. The liability is measured at amortised cost.

A financial liability equivalent to the value of the card is recognised at the point of sale. The financial liability is reduced as funds are settled to the redemption partner after the value, part or whole, is spent with the relevant redemption partner. Profits on products that expire without being redeemed are recognised in income after the expiry date of the redemption rights, at which point the financial liability is also derecognised.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition-related costs are recognised in profit or loss as incurred. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquired identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 Business Combinations are recognised at their fair value at the acquisition date.

When the initial accounting for a business combination is determined, it is done so on a provisional basis. Measurement period adjustments to these provisional values may be made within 12 months of the acquisition date and are effective as at the acquisition date, if new information about facts and circumstances that existed at the acquisition date is obtained and, if known, would have resulted in the recognition of those assets and liabilities at that date.

Non-controlling interest

Non controlling interests ('NCI') represent the equity in subsidiaries not attributable to the equity holders of the parent. On the acquisition of a subsidiary, NCI is measured at the proportionate share of the acquiree's identifiable net assets. Accordingly, no goodwill is recognised in respect of non-controlling interests.

Following acquisition, NCI is adjusted for its share of the subsidiary's post-tax profit or loss and any dividends paid to non-controlling shareholders.

Changes in the Group's ownership interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions. The carrying amount of the NCI is adjusted to reflect the change in its proportionate share of the acquiree's identifiable net assets, with any difference between the NCI adjustment and the fair value of the consideration paid recognised directly in equity.

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 and liabilities of a subsidiary at the date of acquisition. Goodwill is not amortised and is measured at the amount initially recognised less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units. The cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication of impairment. This is done by determining the recoverable amount. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised by first allocating the impairment to goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in subsequent years.

Management identifies cash-generating units as the smallest groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

On disposal of a cash-generating unit, the related goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Recognition on acquisition

The Group has recognised acquired brands, customer relationships and developed technology intangible assets at fair value in accordance with IAS38 *Intangible Assets*, which are amortised over their estimated useful economic lives as follows:

Brands – 8 to 15 years

Customer relationships – 3 to 13 years

Regulatory licences – 5 years

Software development – 1 to 7 years

Acquired brands are valued using the relief-from-royalty method using an estimation of future revenues and a market-based royalty rate that an acquirer would pay in an arm's length licensing arrangement to secure access to the same rights. The theoretical royalty payments are discounted to obtain the cash flows to determine the present asset value. A tax amortisation benefit is applied to reflect the present value of the expected benefits of amortising the value of the intangible asset over its useful tax life.

Acquired customer relationships are valued using the multi-period excess earnings method ('MEEM approach') by estimating the total expected income streams from customer relationships and deducting portions of the cash flow that can be attributed to supporting or contributory assets (including workforce). The residual income streams are discounted. No tax amortisation benefit is applied.

Acquired developed technology is valued using a depreciated replacement cost method, which requires an estimate of all the costs a typical market participant would incur to generate an exact replica of the intangible asset in the context of the acquired business. The depreciated replacement cost method takes into account factors including economic and technological obsolescence.

The useful life of acquired intangible assets is based on factors including the expected usage of the asset, typical product lifecycles for the asset (reflecting the ability to generate the expected future economic benefits with reasonably low levels of required maintenance expenditure), technical, technological, commercial or other types of obsolescence, expected actions by competitors and the period of the contractual or other legal rights over which the entity expects to use the asset including renewal, which determines future amortisation charges.

Software development

The Group develops software and other intangible assets including EPoS services and the digital payments platform, which generate future economic benefits through cost savings or revenue from clients, retailer partners and SME partners. Development expenditure on large projects is recognised as an intangible asset if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. The costs that are capitalised are the directly attributable costs necessary to create and prepare the asset for operations. Development costs recognised as an intangible asset are amortised on a straight-line basis over its useful life, which is between three and ten years. Other software costs are recognised in administrative expenses when incurred.

Costs incurred in the configuration and customisation of cloud-hosted SaaS arrangements are expensed where they do not give rise to an identifiable intangible asset which the Group controls. Amounts paid to the cloud vendor for configuration and customisation that are not distinct from access to the cloud software are expensed over the SaaS contract term. In limited circumstances, configuration and customisation costs may give rise to an identifiable intangible asset, for example, where code is created that is controlled by the Group.

Investments

Investments in subsidiaries in the Company financial statements are stated at cost, including acquisition expenses, less accumulated impairments.

Investments in direct equity investments and in convertible debt instruments in the Group and Company financial statements are stated at fair value.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. The estimated useful lives are as follows and are reviewed on an annual basis:

Freehold land – not depreciated

Freehold building – 40 to 50 years

Leasehold improvements – over the lease term or the useful economic life of 3 to 15 years, whichever is lower

PayPoint terminals – 5 to 7 years

Card terminals – 3 to 5 years

Other terminals – 5 years

ATMs – 5 years

Right-of-use assets – 3 to 5 years

Fixtures, fittings and equipment – 3 to 15 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

The reversal of any impairment loss is limited by the net book value to which the relevant asset would have been reduced, had no impairment occurred. A reversal of an impairment loss is recognised as income.

Inventories

Inventories comprises Love2shop cards, stocks of SIM cards and card terminals. These are stated at the lower of cost or net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less cost of disposal having regard to the age, saleability and condition of the inventory. The cost of Love2shop cards is determined on an average cost basis. The cost of other inventories is determined on a FIFO basis.

Where the Group trades as principal for the sale of Love2shop cards and SIM cards, the cost of these is included in inventories. Where the Group acts as an agent, the cost of these is not included in inventories.

Trade and other receivables

Trade receivables are initially recorded at fair value and represent the amount of commission and fees due from clients, fees from retailers and monies due from entities for card and voucher purchases, for which payment has not been received, less an allowance for doubtful accounts that is estimated based on factors such as the credit rating of the customer, historical trends, the current economic environment and other information.

The Group has used the expected credit loss ('ECL') model and has adopted an allowance matrix for trade receivables, whereby these are segmented according to number of days outstanding and an appropriate probability of impairment is applied to each category based on historical loss experience, adjusted to reflect current conditions and forward-looking information. In particular, the Group considers macroeconomic and sector-specific indicators relevant to the retail industry, including consumer demand trends.

Items in the course of collection represent gross transaction values received by retailer partners for clients, which have not yet been collected by the Group, which bears the credit risk for these amounts.

Notes to the financial statements continued

Significant accounting policies continued

Accrued income

Unbilled revenue is a receivable and is presented as accrued income on the balance sheet.

Cash and cash equivalents

For the purpose of the Statement of cash flows and Statement of financial position, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with original maturity of less than three months. Cash and cash equivalents are subject to insignificant risk of changes in value.

Cash and cash equivalents subject to trust are recognised on the Statement of financial position where the Group:

- 1) has the ability to control the cash.
- 2) is entitled to the interest earned on balances; and
- 3) bears the credit risk.

Where these conditions are not met, the funds are not recognised on the Statement of financial position and are referred to as 'clients' own funds'.

Cash and cash equivalents are classified as either corporate or non-corporate.

Corporate cash and cash equivalents consists of cash freely available to the Group for use in its daily operations.

Non-corporate cash and cash equivalents consists of cash which is not freely available to the Group, either because of self-regulation and segregation or due to contractual or regulatory requirements.

Non-corporate cash comprises:

- Clients' cash – cash collected on behalf of clients from retailer partners but not yet transferred to clients. Clients' cash is held in PayPoint's bank accounts.
- Gift card voucher cash – cash collected on the issue of gift card vouchers, which have not yet expired or been redeemed.
- Prepay savers' cash – cash received from customers under a prepayment scheme accumulating towards their selected savings target. It is converted to gift card vouchers once the target is reached.
- Retailer partners' deposits – cash received from retailers held as security against their default.

Restricted funds held on deposit (non-corporate)

These are fixed-term bank deposits with original maturity of more than three months. Such funds are recognised on the Statement of financial position as the Group has access to the interest on these monies and can, having met certain conditions, withdraw the funds. However, given the time restrictions over these monies, they are not included in cash and cash equivalents for the purposes of the Statement of cash flows and Statement of financial position.

Trade and other payables

Trade payables are initially recorded at fair value and represent the value of invoices received from suppliers for purchases of goods and services for which payment has not been made.

Settlement payables represent gross transaction values received by retail agents that have not yet been settled to clients. An equivalent balance 'Items in the course of collection' is held within Trade and other receivables.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Loans and borrowings

Loans and borrowings are initially measured at fair value, net of any attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative standalone price. However, for leases of land and buildings in which it is a lessee, the Group has elected not to segregate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

Where the Group is lessee, it recognises a right-of-use asset and a corresponding lease liability, except for short-term leases and leases of low-value assets. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease and decreased by payments made. The lease liability is presented as a separate line in the Consolidated statement of financial position. The Group remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset whenever there has been a lease payment change, the lease contract is modified or any other significant event.

The right-of-use asset is initially measured at cost and subsequently recognised at cost less accumulated depreciation and impairment losses. The right-of-use asset is depreciated using the straight-line method over the shorter of the period of the expected lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use asset is presented within property, plant and equipment. The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for any identified loss as described in the 'Property, plant and equipment' policy.

As a lessor

Where the Group leases assets to a third party as a lessor, the Group assesses whether the contract is a finance lease or operating lease, depending on whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset.

Where the lease is a finance lease, the Group recognises as a receivable an amount equal to the net investment in the finance lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. Incremental initial direct costs of obtaining the lease are included in the initial measurement of the net investment in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease. The terminal lease income is recognised over the expected lease term.

Where the lease is an operating lease, lease payments are recognised as income on a straight-line basis, which reflects the pattern in which economic benefits from leasing the underlying asset are derived. The underlying asset is capitalised as property, plant and equipment and costs, including depreciation, incurred in earning the lease income are recognised as an expense. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the expected lease term on the same basis as the lease income.

Dividends

Final dividends on ordinary shares are recognised in equity in the year in which they are approved by the Company's shareholders. Interim ordinary dividends and any special dividends are recognised when paid.

In the Company financial statements, dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Merger reserve

Merger reserve represents amounts in excess of the nominal value of shares issued, where shares are issued in part or full consideration of an acquisition.

2. Segmental reporting

Segmental information

The Group considers its Love2shop business to be a separate segment from its legacy PayPoint business, since discrete financial information is prepared for Love2shop and PayPoint and they offer different products and services. Furthermore, the chief operating decision maker ('CODM'), being the Chief Executive supported by the Executive Committee, reviews separate monthly internal management reports (including financial information) for Love2shop and PayPoint to allocate resources and assess performance.

The material products and services offered by each segment are as follows:

PayPoint

- Card payment services to retailers, including leased payment devices.
- ATM cash machines.
- Bill payment services and cash top-ups to individual consumers, through a network of retailers.
- Parcel delivery and collection.
- Retailer service fees.
- Digital payments.
- Open banking services.

Love2shop

- Shopping vouchers, cards and e-codes, which customers may redeem with participating retailers. These are either 'single-retailer' or 'multi-retailer'. The former may only be used at the specified retailer, whilst the latter may be redeemed at one or more of over 200 retailers.
- Christmas savings club, to which customers make regular payments throughout the year to help spread the cost of Christmas, before converting to a voucher.

Information related to each reportable segment is set out below. Segment profit / (loss) before tax and adjusting items is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

31 March 2026	PayPoint £'000	Love2shop £'000	Total £'000
Revenue	176,761	128,863	305,624
Other revenue	2,021	29,363	31,384
Segment revenue	178,782	158,226	337,008
Segment profit before tax and adjusting items	51,087	17,950	69,037
Exceptional items	(6,890)	(248)	(7,138)
Amortisation of intangible assets arising on acquisition	(3,111)	(2,112)	(5,223)
Net movement in convertible loan notes	(1,000)	–	(1,000)
Net movement in other investments	(200)	–	(200)
Segment profit before tax	39,886	15,590	55,476
Interest income	780	452	1,232
Interest expense	5,606	3,520	9,126
Depreciation and amortisation	15,797	4,497	20,294
Capital expenditure	16,686	4,877	21,563
Segment assets	317,626	186,186	503,812
Segment liabilities	247,126	180,853	427,979
Segment equity	70,500	5,333	75,833

Notes to the financial statements continued

2. Segmental reporting continued

31 March 2025	PayPoint £'000	Love2shop £'000	Total £'000
Underlying revenue	176,181	118,738	294,919
Exceptional item – revenue	(14,205)	–	(14,205)
Total revenue	161,976	118,738	280,714
Other revenue	1,601	28,399	30,000
Segment revenue	163,577	147,137	310,714
Segment profit before tax and adjusting items	53,381	14,668	68,049
Exceptional items	(20,562)	(2,872)	(23,434)
Amortisation of intangible assets arising on acquisition	(2,919)	(5,797)	(8,716)
Net movement in convertible loan notes	(10,413)	–	(10,413)
Net movement in other investments	805	–	805
Segment profit before tax	20,292	5,999	26,291
Interest income	342	1,041	1,383
Interest expense	7,466	982	8,448
Depreciation and amortisation	14,952	10,340	25,292
Capital expenditure	14,659	4,118	18,777
Segment assets	333,569	174,780	508,349
Segment liabilities	234,901	176,127	411,028
Segment equity	98,668	(1,347)	97,321

A business division analysis of revenue has been provided in note 3.

The £337.0 million total revenue is geographically located in the UK (£334.9 million) and New Zealand (£2.1 million) (2025: £310.7 million in the UK only). The £240.7 million (2025: £237.8 million) non-current assets at 31 March 2026 are geographically located within the UK.

3. Revenue

Disaggregation of revenue

Revenue	Year ended 31 March 2026 £'000	Year ended 31 March 2025		
		Underlying £'000	Adjusting item £'000	Total £'000
Shopping				
Service fees	23,705	21,754	–	21,754
Cards – acquiring	19,694	21,019	–	21,019
Cards – rentals	10,558	10,590	–	10,590
Cards – lending / other	1,341	812	–	812
ATMs	9,916	10,395	–	10,395
Other shopping	4,106	3,995	–	3,995
Shopping total	69,320	68,565	–	68,565
e-commerce total	40,724	40,409	–	40,409
Payments and banking				
Cash – bill payments	23,275	26,291	(14,205)	12,086
Cash – top-ups	9,295	10,228	–	10,228
Digital (including obconnect)	21,426	17,757	–	17,757
Cash through to digital	8,103	7,593	–	7,593
Other payments and banking	4,618	5,338	–	5,338
Payments and banking total	66,717	67,207	(14,205)	53,002
Love2shop total – voucher and card service fee	128,863	118,738	–	118,738
Revenue	305,624	294,919	(14,205)	280,714

Service fee revenue of £23.7 million (2025: £21.8 million) and management fees, set-up fees and upfront lump sum payments of £1.5 million (2025: £1.1 million) are recognised on a straight-line basis over the period of the contract. Card rentals revenue of £10.6 million (2025: £10.6 million) is recognised over the expected lease term using the sum of digits method for finance leases and on a straight-line basis for operating leases. Multi-retailer voucher, card and e-code service fee revenue is recognised on redemption by the customer. The remainder of revenue is recognised at the point in time when each transaction is processed. The usual timing of payment by PayPoint customers is on 14-day terms. The usual timing of Love2shop's corporate customers is 15-day terms; its consumer customers pay on ordering.

Revenue subject to variable consideration of £12.9 million (2019: £14.1 million) exists, where the consideration to which the Group is entitled varies according to transaction volumes processed and rate per transaction. Management estimates the total transaction price using the expected value method at contract inception, which is reassessed at the end of each reporting period. By applying a blended net per transaction to estimated transaction volumes, any required adjustment is made against the revenue recognised in the period. Revenue subject to variable consideration is not recognised until the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future, with the estimates based on projected transaction volumes and historical experience. The potential impact in outcomes for revenue subject to variable consideration resulting from changes in these estimates is not material.

Low2shop revenue is recorded net of corporate discounts.

Our revenue	Year ended 31 March 2020	Year ended 31 March 2019
Payments and banking	2.021	1.501
Interest revenue	2.021	1,501
Low2shop	6,243	7,246
Interest revenue	6,243	7,246
Non-redemption revenue	23,120	21,133
Low2shop total	29,363	28,379
Total other revenue	31,384	30,000

Other revenue comprises:

- Multi-retailer voucher and card non-redemption revenue, recognised on expiry (where the customer has no right of refund) or on expiry and lapse of the refund period (where the customer has a right of refund).
- Interest revenue generated by investing clients' funds, retailer partners' deposits, gift card cash, prepaid savers' cash and restricted funds held on deposit.

Contract balances

Group	Year ended 31 March 2020	Year ended 31 March 2019
Trade receivables	19	25,999
Net investment in finance lease receivables	24	761
Accrued income	19	2,802
Contract assets – capitalisation of fulfilment costs	19	4,820
Contract liabilities – deferral of set-up and development fees	21	(1,384)
Deferred income	21	(6,075)

The Group's balances arise from differences between timing of cash flow and revenue recognition, which is usually at the point in time each transaction is processed or on a straight-line basis over the contracted period for management fees, set-up fees or upfront lump sum payments.

The trade receivables represent the Group's entitlement to consideration from clients and SME and retailer partners for services and goods delivered and invoiced at the reporting date, where the right to payment is unconditional except for the passage of time. The significant decrease in the balance compared with prior year is principally due to a major customer owing two months' fees, who the Group has agreed to settle on a 12-month instalment basis.

The net investment in finance lease receivables balance represents the total minimum lease payments receivable by PayPoint as lessor under finance leases, adjusted for the incremental initial direct costs of obtaining that lease, discounted at the interest rate implicit in those leases, with corresponding card terminal finance leasing revenue recognised over the expected lease term using the sum of digits method. The significant decrease in the balance compared with prior year reflects the fact that new sales are now operating leases.

The accrued income represents a receivable, which represents the Group's entitlement to consideration from clients and SME and retailer partners for services and goods delivered but not yet invoiced at the reporting date, as well as accrued interest on restricted funds held on deposit.

The contract assets are mainly capitalised employee costs directly relating to the implementation services, which are expected to be recovered from the customer and are amortised on a straight-line basis over the period of the contract.

The contract liabilities represent set-up and development fees, which are released on a straight-line basis over the period of the contract.

The deferred income is a contract liability, which represents advance consideration received at the reporting date and is released as revenue is recognised upon delivery of the performance obligation. The balance compared with prior year reflects the timing of advance consideration payments around the respective year ends.

Notes to the financial statements continued

4. Alternative performance measures

Net revenue

The reconciliation between total underlying revenue and net revenue is as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Service revenue – Shopping	69,320	68,565
Service revenue – e-commerce	40,724	40,409
Service revenue – Payments and banking	65,836	66,224
Service revenue – multi-retailer redemption products	17,777	17,747
Service revenue – other	3,084	3,074
Sale of goods – single-retailer redemption products	107,849	97,759
Sale of goods – other	1,034	1,141
Other revenue – multi-retailer non-redemption income	23,120	21,153
Other revenue – interest on clients' funds, retailer partners' deposits, gift card cash, prepaid savers' cash and restricted funds held on deposit	8,264	8,847
Total underlying revenue	337,008	324,919
Less:		
Retailer partners' commissions	(43,208)	(43,671)
Cost of single-retailer cards and vouchers	(102,842)	(93,476)
Cost of SIM card and e-money sales as principal	(111)	(51)
Total net revenue	190,847	187,721

Total costs excluding adjusting items

Total costs, excluding adjusting items, comprises:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Other costs of revenue (note 5)	41,775	37,085
Administrative expenses – excluding adjusting items	72,141	75,522
Finance income (note 9)	(1,232)	(1,383)
Finance costs (note 9)	9,126	8,448
Total costs excluding adjusting items	121,810	119,672

5. Cost of revenue

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Retailer partners' commissions	43,208	43,671
Cost of single-retailer cards and vouchers	102,842	93,476
Cost of SIM card and e-money sales as principal	111	51
Total cost of revenue deducted for net revenue	146,161	137,198
Depreciation and amortisation	11,879	11,553
Field sales costs	15,184	13,624
Transaction costs	8,078	7,207
ATM costs	1,129	955
Other	5,505	3,746
Total other costs of revenue	41,775	37,085
Total cost of revenue	187,936	174,283

6. Exceptional items

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Legal fees	3,411	6,357
Organisational framework costs	978	–
Reorganisation costs	2,247	–
Impairment of receivable	502	–
Chapel St. lease costs	–	2,004
Accelerated amortisation	–	868
Total exceptional items included in administrative expenses	7,138	9,229
Claim settlement – revenue	–	14,205
Total exceptional items included in profit or loss	7,138	23,434

The tax impact of the exceptional items is £1,785,000 (2025: £5,859,000).

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement categories to assist in the understanding of the performance and financial results of the Group, as they do not form part of the underlying business.

Legal fees

The current and prior period charges relates to the Group's defence of two claims served on a number of its companies in connection with the issue disclosed in note 32.

Organisational framework costs

The current period organisational framework costs are fees to a third party engaged to support the Group deliver greater automation and agility.

Reorganisation costs

The current period costs relate to the reorganisation of the Group's business units, which it announced in March 2026. The reorganisation will result in a better integrated and more transparent business and is accompanied by a review of the Group's cost base to improve operational efficiency.

Impairment of receivable

The current period cost relates to a balance due to PayPoint Plc from Aperidata Limited, which the Company does not expect to recover. The Company also holds investments in Aperidata, which it has written down to Enil at 31 March 2026 – refer to note 14.

Claim settlement

The prior period deduction against revenue relates to the Group's settlement of a claim brought against it by Utilita, as disclosed in note 32.

Chapel St.

The prior period costs arose from the Group's decision to vacate part of its leased Chapel Street, Liverpool premises in February 2025.

ERP system amortisation

The prior period accelerated amortisation costs relate to L2s's ERP system. As part of an e-commerce project initiated in the prior period, certain modules of that system were replaced by 31 March 2025.

7. Employee information

Group	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Average number of employees		
Sales, distribution and marketing	192	213
Operations and administration	721	726
Total	913	939

The average number of Company employees in the year ended 31 March 2026 was 18 (31 March 2025: 19).

Group	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Employee costs during the year (including Directors)		
Wages and salaries	44,077	47,200
Social security costs	6,103	4,600
Pension costs	3,847	3,691
Redundancy and termination costs	2,247	404
Total	56,274	55,895

Company	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Employee costs during the year (including Directors)		
Wages and salaries	3,429	4,414
Social security costs	435	400
Pension costs	244	230
Redundancy and termination costs	–	99
Total	4,108	5,143

Directors' emoluments, pension contributions and share options are disclosed in the Remuneration Committee Report on pages 94 to 113. See note 30 for Directors' remuneration costs.

Included within wages and salaries is a share-based payment charge of £1.6 million (2025: £2.0 million.) Refer to note 27 for disclosure of share awards made in the year.

Pension arrangements

The Group administers a number of defined contribution schemes for employees, including those taken on following the acquisition of Appreciate Group PLC. The pension charge for the year for the defined contribution schemes was £3.8 million (2025: £3.7 million).

The accrual for defined contribution pension contributions at the statement of financial position date was £0.3 million (2025: £0.3 million).

The Group also operates a defined benefit scheme at 31 March 2026 (see note 17). The net pension credit for the year for the defined benefit scheme was £0.1 million (2025: Enil million).

Notes to the financial statements continued

8. Profit for the year

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit is after charging:		
Depreciation on property, plant and equipment – cost of revenue	(8,046)	(7,381)
Amortisation of intangible assets – cost of revenue	(3,835)	(4,172)
Depreciation of property, plant and equipment – administrative expenses	(1,366)	(1,415)
Amortisation of intangible assets – administrative expenses	(7,047)	(10,597)
Impairment of Chapel St. right-of-use asset – exceptional administrative expenses	–	(373)
Impairment of other Chapel St. property, plant and equipment – exceptional administrative expenses	–	(486)
Accelerated amortisation of intangible assets – exceptional administrative expenses	–	(868)
Onerous provision for unavoidable Chapel St. costs – administrative expenses	–	(1,145)
Loss on disposal of property, plant and equipment – administrative expenses	(690)	(187)
Research and development costs – administrative expenses	(250)	(205)
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	300	300
Fees payable to the Company's auditors for the audit of the Company's subsidiaries	1,100	1,180
Total audit fees	1,400	1,480
Fees payable to the Group's auditors for the review of the interim results	60	60
Audit-related assurance services	60	60
Total auditors' remuneration	1,460	1,540

A description of the work of the Audit Committee is set out on pages 86 to 93 and includes an explanation of how auditor independence is safeguarded by limitation of non-audit services.

9. Finance income and costs

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Finance income		
Bank interest receivable and other	353	595
Interest income on defined benefit pension scheme assets	879	788
	1,232	1,383
Finance costs		
Interest on loans	8,008	7,452
Interest expense on defined benefit pension scheme obligations	819	770
Lease and other interest	299	226
Total finance costs	9,126	8,448

10. Tax

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current tax		
Charge for current year	14,534	6,406
Adjustment in respect of prior years	276	904
Current tax charge	14,810	7,310
Deferred tax		
Charge for current year	(458)	190
Adjustment in respect of prior years	(45)	(509)
Deferred tax credit	(503)	(319)
Total income tax charge	14,307	6,991
Tax charged / (credited) directly to other comprehensive income / (expense)		
Deferred tax on movement on defined benefit pension scheme asset	42	(58)
Tax charged directly to equity		
Corporation tax on gain on part-disposal of subsidiary	9,383	–

The income tax charge is based on the UK statutory rate of corporation tax for the year of 25% (2025: 25%). Deferred tax has been calculated using the enacted tax rates that are expected to apply when the liability is settled, or the asset realised. Deferred tax has been calculated based on the rate applicable at the date timing differences are expected to reverse.

The income tax charge of £14.3 million (2025: £7.0 million) on profit before tax of £55.5 million (2025: £26.3 million) represents an effective tax rate¹ of 25.8% (2025: 26.6%). This is higher than the UK statutory rate of 25% due to adjustments in respect of disallowable expenses, share-based payments and prior-year adjustments.

The tax charge for the year is reconciled to profit before tax, as set out in the Consolidated statement of profit or loss, as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit before tax	55,476	26,291
Tax at the UK corporation tax rate of 25% (2025: 25%)	13,869	6,573
Tax effects of:		
Disallowable expense	176	186
Adjustments in respect of prior years	231	395
Tax impact of share-based payments	31	(163)
Actual amount of tax charge	14,307	6,991

Given the Group's effective tax rate, its annual revenue and that it has no overseas operations, the Group assesses that the Organisation for Economic Co-operation and Development's Pillar Two tax regime will have no impact on it.

1 Effective tax rate is the tax cost as a percentage of profit before tax.

11. Earnings per share

Basic and diluted earnings per share are calculated on the following profit and number of shares.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Basic		
Total profit for basic and diluted earnings per share is the net profit attributable to equity holders of the parent	39,333	19,191
Adjusting items (note 1)	13,561	41,758
Tax on adjusting items at 24.6% (2025: 25%)	(3,340)	(10,440)
Underlying		
Underlying profit for basic and diluted earnings per share is the net profit before adjusting items attributable to equity holders of the parent	49,554	50,509

	31 March 2026 Number of shares Thousands	31 March 2025 Number of shares Thousands
Weighted average number of ordinary shares in Issue (for basic earnings per share)	66,579	72,053
Potential dilutive ordinary shares:		
Restricted share awards	500	743
Deferred annual bonus scheme	127	188
SIP and other	100	100
Weighted average number of ordinary shares in Issue (for diluted earnings per share)	67,306	73,084

The SIP and other dilutive shares only have a passage of time restriction on them, hence are included above but not in the total number of outstanding share awards at the end of the year.

12. Goodwill

The Group tests goodwill for impairment annually and more frequently if there are indicators of impairment as set out in note 1. The Group's cash-generating units ("CGUs") have been assessed based on independently managed cash flows.

The Group now recognises an Open Banking CGU – refer to the critical judgement in note 1.

When testing for impairment, recoverable amounts for the Group's CGUs are measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. The Group prepares five-year cash flow forecasts derived from the most recent three-year financial budgets approved by the Board, which are extrapolated for a further two years and subsequently extended to perpetuity. One of the sources of estimation in the impairment tests is the short-term revenue growth rates applied within the cash flow forecasts, which are determined using an estimate of future results based on the latest business forecasts and appropriately reflect expected performance of the CGU. The estimates of future cash flows are based on past experience, adjusted for estimates of future performance, including the continued shift from cash to digital payments.

Terminal values are based on long-term growth rates that do not exceed 2%, which appropriately reflects the expected long-term rate of GDP growth in the UK. The pre-tax risk-adjusted discount rates have been used to discount the forecast cash flows calculated by reference to the weighted average cost of capital ("WACC") of each CGU.

Notes to the financial statements continued

12. Goodwill continued

All CGUs assessed generate value-in-use in excess of their carrying values. No reasonably possible change in any of the assumptions would cause their carrying values to exceed their recoverable amounts. Management does not consider that climate change factors would adversely impact its goodwill impairment assessments.

Group – goodwill values	Love2shop CGU £'000	I-movo CGU £'000	Cards CGU £'000	Digital payments CGU £'000	obconnect/ Open Banking CGU £'000	Total CGUs £'000
At 31 March 2024	59,759	6,867	45,218	5,583	–	117,427
Acquisition of business	–	–	–	–	12,206	12,206
At 31 March 2025	59,759	6,867	45,218	5,583	12,206	129,633
Impairment in the year	–	–	–	–	–	–
At 31 March 2026	59,759	6,867	45,218	5,503	12,206	129,633

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant businesses and have been based on historical data from both external and internal sources.

Assumptions used for annual impairment tests

	Love2shop CGU £'000	I-movo CGU £'000	Cards CGU £'000	Digital Payments CGU £'000	obconnect/ Open Banking CGU £'000
At 31 March 2026					
Carrying value of cash-generating unit	£79.9m	£9.2m	£71.7m	£11.5m	£22.3m
Pre-tax risk adjusted discount rate	15.3%	15.7%	14.9%	14.5%	15.2%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%	2.0%
At 31 March 2025					
Carrying value of cash-generating unit	£75.5m	£9.2m	£75.8m	£10.9m	£21.8m
Pre-tax risk adjusted discount rate	20.2%	17.2%	17.0%	16.2%	21.4%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%	2.0%

13. Other intangible assets

Group	Software development £'000	Customer relationships £'000	Brands and trademarks £'000	Regulatory licences £'000	Total £'000
Cost					
At 1 April 2025	53,138	47,877	21,996	236	123,247
Additions	13,488	–	–	–	13,488
Disposals	(982)	–	–	–	(982)
At 31 March 2026	65,644	47,877	21,996	236	135,753
Accumulated amortisation					
At 1 April 2025	27,615	18,275	5,360	96	51,346
Charge for the year – acquired intangible assets	–	3,415	1,784	24	5,223
Charge for the year – other intangible assets	5,659	–	–	–	5,659
Disposals	(982)	–	–	–	(982)
At 31 March 2026	32,292	21,690	7,144	120	61,246
Carrying amount					
At 31 March 2026	33,352	26,187	14,852	116	74,507
At 31 March 2025	25,523	29,602	16,636	140	71,901

Included within software development costs at 31 March 2026 are £11.3 million (2025: £5.4 million) of assets under construction which were not being amortised at 31 March 2026.

At 31 March 2026, the Group had entered into contractual commitments for software development cost additions amounting to £0.4 million (2025: £0.4 million).

Group	Software development £'000	Customer relationships £'000	Brands and trademarks £'000	Regulatory licences £'000	Total £'000
Cost					
At 1 April 2024	41,528	40,256	20,741	236	102,761
Additions	2,081	7,621	1,255	–	10,957
Disposals	9,529	–	–	–	9,529
At 31 March 2025	53,138	47,877	21,996	236	123,247
Accumulated amortisation					
At 1 April 2024	20,694	11,274	3,669	72	35,709
Charge for the year – acquired intangible assets	–	7,001	1,691	24	8,716
Charge for the year – exceptional	868	–	–	–	868
Charge for the year – other intangible assets	6,053	–	–	–	6,053
At 31 March 2025	27,615	18,275	5,360	96	51,346
Carrying amount					
At 31 March 2025	25,523	29,602	16,636	140	71,901
At 31 March 2024	20,834 ¹	28,982	17,072	164	67,052

1 Due to a casting error, this figure was incorrectly reported in last year's Other intangible assets note as 13,228. The correction has no impact on profit, net assets or cash flows.

Notes to the financial statements continued

14. Investments

The Company has investments as follows:

A) Investments in subsidiaries

Active companies

Company name	Direct or indirect investment	Principal activity (registered address)	Country of registration
Appreciate Limited	Direct	Holding company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Collect+ Brand Limited	Direct	Holder of Collect+ brand (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
Collect+ Holdings Limited (dissolved 12 May 2026)	Direct	Holding company (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
Handeapay Limited	Direct	Sales business in merchant acquiring industry (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
i-movo Holdings Limited	Direct	Holding company (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
i-movo Limited	Indirect	Provision of digital voucher service (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
MBL Holdco Limited	Indirect	Holding company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
MBL Solutions Limited	Indirect	Gift card processing (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Merchant Rentals Limited	Direct	Provision of asset finance and leasing solutions to merchant acquiring industry (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
obconnect Limited	Direct	Provision of open banking services (Unit Wg08 West Building, 1-45 Durham Street, London, SE11 5JH)	England and Wales
¹ Park Card Marketing Services Limited	Indirect	Card administration support services (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Card Services Limited	Indirect	Electronic money issuer (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Direct Credit Limited	Indirect	Debt collection services (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Financial Services Limited	Indirect	Insurance broking services (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Group UK Limited	Indirect	Holding company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Retail Limited	Indirect	Gifting and prepayment (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
² PayPoint Collections Limited	Direct	Provision of a payment collection service (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
PayPoint Network Limited	Direct	Management of an electronic payment service (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
³ PayPoint Payment Services Limited	Direct	Provision of regulated payments services (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
PayPoint Retail Solutions Limited	Direct	Provision of retail services (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
⁴ RSM 2000 Limited	Direct	Provision of regulated payments services (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales

All the subsidiaries listed above are wholly owned as at 31 March 2026 with the exception of Collect+ Brand Limited, of which PayPoint Plc owned 51%. In addition to the subsidiaries listed above, PayPoint Plc controls through voting rights Park Prepayments Trustee Company Limited, a company limited by guarantee.

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 March 2026.

- MBL Holdco Limited
- MBL Solutions Limited
- Park Direct Credit Limited
- Park Financial Services Limited

- Park Group UK Limited
- obconnect Limited
- i-movo Limited
- i-movo Holdings Limited

The Company will guarantee the debts and liabilities of the above UK subsidiary undertakings at 31 March 2026 in accordance with Section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Dormant companies

Agency Administration Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Brightdot Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Cheshire Securities Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Country Christmas Savings Club Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Event Payment Services Limited	Indirect	Dormant company (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire, AL7 1EL)	England and Wales
Family Christmas Savings Club Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Family Hampers Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Handling Solutions Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Heritage Hampers Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
High Street Vouchers Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Maxim B2B Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Opal Loans Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Christmas Savings Club Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park.com Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Connect Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Food (Warrington) Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Group LTIP Trustee Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Park Hamper Company Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
PayPoint Trust Managers Limited	Indirect	Dormant company (1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire AL7 1EL)	England and Wales
The Perfect Hamper Co. Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales
Wirral Cold Store Limited	Indirect	Dormant company (Valley Road, Birkenhead, Merseyside, CH41 7ED)	England and Wales

Notes to the financial statements continued

14. Investments continued

Movement in investments in subsidiaries

Company	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	239,121	221,837
Acquisition of subsidiary	6,358	17,284
Part-disposal of subsidiary	(5,852)	–
Impairment in the year	(4,123)	–
Balance at the end of the year	235,504	239,121

In the prior year, PayPoint Plc acquired 55.3% of the share capital of obconnect Limited for total consideration of £17.2 million. In the current period, PayPoint Plc acquired the remaining 44.7% of the share capital of obconnect Limited in two separate transactions, for aggregate additional consideration of £6.4 million.

In the current year, PayPoint Plc disposed of 49% of its investment in Collect+ Brand Limited. Refer to note 15 for details.

An impairment test was performed on the Company's investments in subsidiaries, which indicated that an impairment of £4.1 million was required against its investment in obconnect Limited. The impairment is sensitive to changes in the revenue growth rate assumption. A decrease of five percentage points in the revenue growth rate assumption would have a c. £5.1 million impact on the impairment. Recoverable amounts for the Company's investments are measured at their value-in-use by discounting the future expected cash flows, derived from the most recent financial budgets approved by the Board which are extended to perpetuity. The estimates of future cash flows are based on past experience, adjusted for management's expectations of future performance.

B) Convertible loan notes

The movements in the fair values of the convertible loan note investments in the prior and current years are as follows:

Group and Company	Judge Logistics Ltd £'000	Aperidata Ltd £'000	obconnect Ltd £'000	Total £'000
At 1 April 2024	–	–	3,689	3,689
Addition in the year	15,000	1,000	–	16,000
Fair value (loss) / gain through profit or loss account	(12,841)	–	2,428	(10,413)
Conversion into equity	–	–	(6,117)	(6,117)
At 31 March 2025	2,159	1,000	–	3,159
Addition in the year	–	–	–	–
Fair value loss through profit or loss account	–	(1,000)	–	(1,000)
Conversion into equity	(2,159)	–	–	(2,159)
At 31 March 2026	–	–	–	–

Judge Logistics Limited

The Group's £15 million investment in Judge Logistics Limited was purchased in three stages in the prior year. Judge Logistics Limited is the parent company of Yodel Limited, a customer in the Group's e-commerce parcel business. On 17 April 2025, the Company's loan note converted into equity, following the acquisition of Judge Logistics Limited by InPost sp z o.o.

Aperidata Limited

The Company purchased a convertible loan note from Aperidata Limited in May 2024 for consideration of £1.0 million. The loan converts into a 42.0% equity stake in Aperidata Limited's ordinary shares on 23 May 2027, such that the Company's aggregate equity stake in Aperidata Limited following conversion will be 42.97%, including its diluted equity investment referred to in section C.

The Company has assessed the fair value of the investment as Enil at 31 March 2026, reflecting the trading performance of Aperidata Limited. Accordingly, it has recognised a loss of £1.0 million in the statement of profit or loss, reported within adjusting items.

obconnect Limited

The Company purchased a convertible loan note of nominal amount £3.0 million on 7 July 2022 from obconnect Limited, which provides open banking services to banks and other financial institutions. The Company's loan note converted into an equity stake in obconnect Ltd's ordinary shares on the Company's acquisition of a majority shareholding in obconnect Limited on 30 October 2024.

C) Other investments

The movements in the fair values of the Company's equity investments in the prior and current years are as follows:

Group and Company	Judge Logistics Ltd £'000	Aperidata Ltd £'000	obconnect Ltd £'000	Total £'000
At 1 April 2024	–	–	251	251
Addition in the year	–	200	–	200
Fair value gain through profit or loss account	540	–	265	805
Subsidiary undertaking	–	–	(516)	(516)
At 31 March 2025	540	200	–	740
Fair value loss through profit or loss account	–	(200)	–	(200)
Conversion of loan notes	2,159	–	–	2,159
At 31 March 2026	2,699	–	–	2,699

Judge Logistics Limited

In the prior year, the Company acquired 17.3% of the ordinary share capital of Judge Logistics Limited for consideration of £100, in addition to the convertible loan note in Judge Logistics Limited referred to above. At 31 March 2025, the Company revalued its investment to a fair value of £0.5 million in accordance with IAS32 *Financial Instruments*.

On 17 April 2025, the Company's loan note, valued at £2.2 million converted into equity, following the acquisition of Judge Logistics Limited by InPost sp z.o.o. The Company's equity investment in Judge thereby increased to £2.7 million. Management remeasured its investment at 31 March 2026, with the fair value unchanged at £2.7 million.

Aperidata Limited

During the prior year the Company acquired 19.9% of the ordinary share capital of Aperidata Limited for consideration of £0.2 million, in addition to the convertible loan note in Aperidata Limited referred to in B.

The Company has assessed the fair value of the investment as £nil at 31 March 2026. Accordingly, it has recognised a loss of £0.2 million in the Statement of profit or loss, reported within adjusting items.

15. Part-disposal of subsidiary

On 18 July 2025, the Company disposed of 20% of its investment in a wholly owned subsidiary, Collect+ Brand Limited, to International Distribution Services plc ('IDS'), a third-party partner in the Group's e-commerce division. The consideration, net of transaction costs, was £11.9 million.

On 30 September 2025, the Company disposed of a further 29% of its investment in Collect+ Brand Limited to IDS for consideration of £31.5 million, net of transaction costs. Total net consideration received was therefore £43.4 million.

The combined transaction gave rise to a pre-tax gain on disposal of £37.5 million in the Statement of profit or loss of PayPoint Plc, the parent company of Collect+ Brand Limited, represented by the £43.4 million net consideration less £5.9 million cost of investment disposed of. After tax, the gain on disposal in PayPoint Plc was £28.1 million. At a consolidated level, there is no impact on the Consolidated statement of profit or loss. In accordance with IFRS10 *Consolidated financial statements*, a £34.0 million gain is reported in the Consolidated statement of changes in equity. The £34.0 million represents £43.4 million net consideration less £9.4 million tax.

The Group retains control of Collect+ Brand Limited following the above transactions, due to the rights associated with the Group's remaining 51% ownership. Consequently, the Group continues to account for Collect+ Brand Limited as a subsidiary. It now also recognises a non-controlling interest, to which 49% of Collect+ Brand Limited's post-tax result is attributed in the Consolidated statement of profit or loss. The current year movement in the non-controlling interest is as follows:

	Year ended 31 March 2026 £'000
Balance at the beginning of the year	–
Arising on part-disposal of subsidiary (49% share of net assets of £1)	–
Share of post-tax profit of subsidiary	1,989
Dividend paid to non-controlling interest	(251)
Balance at the end of the year	1,738

Management assesses that the part-disposal of Collect+ Brand Limited has not given rise to any significant restrictions on the Group's ability to access or use the subsidiary's assets.

The Group profit after tax attributable to non-controlling interest of £1.8 million comprises £2.0 million in respect of Collect+ Brand Limited less £0.2 million loss after tax in respect of obconnect Limited (including post-tax amortisation of intangible assets arising on acquisition).

Notes to the financial statements continued

16. Property, plant and equipment

	Terminals and ATMs – Operating lease assets £'000	Terminals and ATMs – non-operating lease assets £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Land and buildings £'000	Right-of-use assets £'000	Total £'000
Cost							
At 1 April 2025	18,458	39,128	4,679	1,169	11,097	4,038	78,569
Additions	4,426	3,189	200	260	–	1,383	9,458
Transfers	181	–	(67)	–	(50)	(64)	–
Disposals	(4,233)	(861)	(15)	–	–	(133)	(5,242)
At 31 March 2026	18,832	41,456	4,797	1,429	11,047	5,224	82,785
Accumulated depreciation							
At 1 April 2025	7,397	29,815	3,582	691	2,804	2,347	46,636
Charge for the year	5,107	2,789	391	100	229	796	9,412
Transfers	150	–	(53)	–	(18)	(79)	–
Disposals	(3,588)	(817)	(3)	–	–	(144)	(4,552)
At 31 March 2026	9,066	31,787	3,917	791	3,015	2,920	51,496
Carrying amount							
At 31 March 2026	9,766	9,669	880	638	8,032	2,304	31,289
At 31 March 2025	11,061	9,313	1,097	478	8,293	1,691	31,933

Included within Terminals and ATMs at 31 March 2026 are £1.4 million (2025: £2.0 million) of assets under construction which were not being depreciated at 31 March 2026.

At 31 March 2026, the Group had entered contractual commitments for the acquisition of property, plant and equipment amounting to £0.3 million (2025: £0.2 million).

	Terminals and ATMs – Operating lease assets £'000	Terminals and ATMs – non-operating lease assets £'000	Fixtures, fittings and equipment £'000	Leasehold improvements £'000	Land and buildings £'000	Right-of-use assets £'000	Total £'000
Cost							
At 1 April 2024	12,610	39,303	4,400	1,169	11,097	4,815	73,394
Additions	5,967	2,850	430	–	–	51	9,298
Acquisition of business	–	–	4	–	–	–	4
Disposals	(119)	(3,025)	(155)	–	–	(17)	(3,316)
Remeasurement of leased asset	–	–	–	–	–	(811)	(811)
At 31 March 2025	18,458	39,128	4,679	1,169	11,097	4,038	78,569
Accumulated depreciation							
At 1 April 2024	3,244	29,669	3,296	111	2,565	1,217	40,102
Charge for the year	4,154	3,103	439	94	239	767	8,796
Impairment for the year	–	–	–	486	–	373	859
Sub-total	4,154	3,103	439	580	239	1,140	9,655
Disposals	(1)	(2,957)	(153)	–	–	(10)	(3,121)
At 31 March 2025	7,397	29,815	3,582	691	2,804	2,347	46,636
Carrying amount							
At 31 March 2025	11,061	9,313	1,097	478	8,293	1,691	31,933
At 31 March 2024	9,366	9,634	1,104	1,058	8,532	3,598	33,292

17. Pensions

Defined benefit plan

The Park Food Group plc Pension Scheme ('the scheme') provides benefits to Love2shop employees based on final pensionable pay and is closed to future accrual of benefit based on service. On 29 August 2025, a Deed of Amendment between Appreciate Limited, PayPoint Plc and the scheme trustees changed the scheme's principal employer from Appreciate Limited to PayPoint Plc. The net scheme surplus of £1,989,000 at that date was transferred from Appreciate Limited to PayPoint Plc for consideration of £1,989,000. The movements in the scheme assets and obligations up to the transfer date are recorded in Appreciate Limited, with those after the transfer date recorded in PayPoint Plc, as reflected in the 'Company' disclosures below. The assets of the scheme are held separately from those of PayPoint Plc in trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations, the most recent being the scheme's statutory funding valuation as at 31 March 2023.

The scheme is subject to the funding legislation which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator and the Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK. The trustees of the scheme are required to act in the best interests of the scheme's beneficiaries and are responsible for setting the investment, funding and governance policies of the funds. The scheme is administered by an independent trustee appointed by the Group. Appointment of the trustees is determined by the scheme's trust documentation.

The Group has applied IAS19 *Employee Benefits* (revised 2011) and the following disclosures relate to this standard. The present value of scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out of the schemes using the projected unit credit method. All actuarial gains and losses have been recognised in the year in which they occur in other comprehensive income.

For the purposes of IAS19, the results of the scheme valuation as at 31 March 2023, which was carried out by a qualified independent actuary, have been used. There have been no changes in the valuation methodology adopted for this year's disclosures compared to the previous year.

The scheme typically exposes the Group to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk.

The Group has recognised an asset of £2,102,000 based on its assessment that it has an unconditional right to a refund of the surplus from the scheme. The amounts recognised in the Statement of financial position are as follows:

Group and Company	31 March 2026 £'000	31 March 2025 £'000
Fair value of scheme assets	16,071	14,992
Present value of pension obligation	(13,969)	(14,768)
Net pension surplus	2,102	224
Comprising:		
Schemes in asset surplus	2,102	224

The credit recognised in the Consolidated statement of profit or loss is as follows:

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Net interest credit	(60)	(18)	(31)	–

The net interest credit comprises interest receivable on scheme assets and interest payable on scheme obligations, which are reported within Finance income and Finance costs respectively in the Consolidated statement of profit or loss.

Analysis of amounts recognised in Other comprehensive income:

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
(Losses) / gains on scheme assets	(140)	(1,735)	120	–
Experience losses arising on the defined benefit obligation	(3)	(135)	–	–
(Losses) / gains arising from changes in the demographic assumptions underlying the present value of the defined benefit obligation	(52)	24	(7)	–
Gains / (losses) arising from changes in the financial assumptions underlying the present value of the defined benefit obligation	363	1,616	(106)	–
Net gain / (loss)	168	(230)	7	–

Scheme assets

It is the policy of the scheme trustees to review the investment strategy at the time of each funding valuation. The trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the scheme's investment strategy are documented in the scheme's Statement of Investment Principles.

Fair value of scheme assets:

Group and Company	31 March 2026 £'000	31 March 2025 £'000
Fixed Interest Gilt Fund	5,364	5,076
Diversified Growth Assets	2,357	2,128
Multi-asset Credit	2,422	2,254
Index-linked Gilts	5,570	4,919
Cash and other	358	615
Total assets	16,071	14,992

Notes to the financial statements continued

17. Pensions continued

None of the fair values of the assets shown above includes any of the Group's own financial instruments or any property occupied by, or other assets used by the Group. None of the scheme assets has a quoted market price in an active market.

The movement in the fair value of scheme assets is as follows:

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	14,992	16,224	–	–
Interest income	879	788	436	–
Return on scheme assets	(140)	(1,735)	120	–
Benefits paid	(1,310)	(435)	(719)	–
Employer contributions	1,650	150	75	–
Transfer from Appreciate Limited	–	–	16,159	–
Balance at the end of the period	16,071	14,992	16,071	–

Actual return on scheme assets, including interest income, for the year-ended 31 March 2026 was £739,000 (2025: £947,000).

Present value of obligations

The movement in the present value of the defined benefit obligation is as follows:

	Group		Company	
	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	14,768	15,938	–	–
Interest cost	819	770	405	–
Actuarial losses due to scheme experience	3	135	–	–
Actuarial losses / (gain) due to changes in demographic assumptions	52	(24)	7	–
Actuarial (gains) / loss due to changes in financial assumptions	(363)	(1,616)	106	–
Benefits paid	(1,310)	(435)	(719)	–
Transfer from Appreciate Limited	–	–	14,170	–
Balance at the end of the period	13,969	14,768	13,969	–

The average duration of the defined benefit obligation at 31 March 2026 is 12.5 years (31 March 2025: 13 years).

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2026 % per annum	31 March 2025 % per annum
Financial and related actuarial assumptions:		
Discount rate	6.10	5.80
Inflation (RPI)	3.30	3.15
Salary increase rate	3.10	3.40

The mortality assumptions adopted for the PF scheme are 108% (males) and 102% (females) of the standard tables S3PxA, year of birth, no age rating for males and females, projected using Continuous Mortality Investigation ('CMI') 2024 converging to 1.25% p.a. These imply the following life expectancies:

	31 March 2026 Years	31 March 2025 Years
Life expectancy at age 65 for:		
Male – retiring in 2025	21.2	20.8
Female – retiring in 2025	23.4	23.3
Male – retiring in 2045	22.5	22.1
Female – retiring in 2045	24.9	24.7

Sensitivity analysis on significant actuarial assumptions:

The following tables summarise the impact on the scheme defined benefit obligation at the end of the reporting year, if each of the significant actuarial assumptions above were changed, in isolation. The inflation sensitivities include the impact of changes to the assumptions for revaluation, pension increases and salary growth. The sensitivities shown below are approximate.

Year ended 31 March 2026	Change in assumption	Change in liabilities
Discount rate	decrease of 0.1% p.a.	increase by 1.3%
Discount rate	increase of 0.1% p.a.	decrease by 1.3%
Rate of inflation	decrease of 0.1% p.a.	decrease by 0.8%
Rate of inflation	increase of 0.1% p.a.	increase by 1.0%
Rate of mortality	decrease in life expectancy of 1 year	decrease by 2.3%
Rate of mortality	increase in life expectancy of 1 year	increase by 2.4%
Year ended 31 March 2025	Change in assumption	Change in liabilities
Discount rate	decrease of 0.1% p.a.	increase by 1.2%
Discount rate	increase of 0.1% p.a.	decrease by 1.2%
Rate of inflation	decrease of 0.1% p.a.	decrease by 0.9%
Rate of inflation	increase of 0.1% p.a.	increase by 0.9%
Rate of mortality	decrease in life expectancy of 1 year	decrease by 2.4%
Rate of mortality	increase in life expectancy of 1 year	increase by 2.3%

The sensitivity assumption used in the year was 0.1% (2025: 0.1%) for the price inflation rate and 0.1% (2025: 0.1%) for the discount rate. This is in line with the standard sensitivity analysis used by pension advice providers in their disclosures to clients.

The scheme typically exposes the Group to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to the scheme's liabilities. This would detrimentally impact on the Statement of financial position and may give rise to increased charges in future income statements. This effect would be partially offset by an increase in the value of the scheme's bond holdings. Additionally, caps on inflationary increases are in place to protect the scheme against extreme inflation.

Funding

The Group made a one-off contribution of £1.5 million in the current year. The Group expects to contribute £150,000 to the scheme for the accounting year commencing 1 April 2026. This is based upon the actuarial valuation carried out as at 31 March 2023.

Update to Virgin Media Pension Case

In June 2025, the UK Government introduced legislation which reduced the possibility of the Group being required to fund additional benefits.

18. Inventories

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Finished goods – cards and vouchers	4,884	3,451
Finished goods – terminals	1,235	2,711
Total	6,119	6,162

The cost of inventories recognised as an expense in the year is £102.8 million (2025: £93.5 million).

19. Trade and other receivables

Group	31 March 2026 £'000	31 March 2025 £'000
Items in the course of collection ¹	60,675	62,801
Trade receivables	25,497	30,902
Revenue allowance for expected credit losses	(3,428)	(2,910)
Trade receivables net of revenue allowance for expected credit losses	22,069	27,992
Other receivables	5,905	5,428
Net investment in finance lease receivables – short-term (note 24)	297	845
Contract assets	4,620	4,189
Accrued income	2,602	3,093
Prepayments	6,399	5,662
Sub-total: trade and other receivables – corporate	41,892	47,209
Total	102,567	110,010

¹ Items in the course of collection represent amounts collected for clients by retailer partners. An equivalent balance is included within trade and other payables (settlement payables). Refer to note 21.

The Group's exposure to the credit risk inherent in its trade and other receivables is discussed in note 29.

The Group reviews trade receivables past due but not impaired on a regular basis and in determining the recoverability of the trade receivables the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date.

Included in trade receivables are past due debtors with a carrying amount of £4.0 million (2025: £2.0 million). The ageing of the trade receivables past due is as follows:

	Less than 1 month £'000	1-2 months £'000	2-3 months £'000	More than 3 months £'000	Total £'000
Carrying value at 31 March 2026	1,717	273	184	1,817	3,991
Carrying value at 31 March 2025	900	598	288	238	2,024

The expected credit losses associated with accrued income balances are immaterial based on historical loss experience for those customers, adjusted for information about current and reasonable supportable future conditions.

Notes to the financial statements continued

19. Trade and other receivables continued

Movement in the revenue allowance

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	2,910	1,545
Amounts utilised in the year	(1,336)	(761)
Increase in allowance	1,854	2,126
Balance at the end of the year	3,428	2,910

Age of revenue allowance

	Less than 1 month £'000	1-2 months £'000	2-3 months £'000	More than 3 months £'000	Total £'000
Carrying value at 31 March 2026	460	232	239	2,497	3,428
Carrying value at 31 March 2025	230	155	177	2,348	2,910

The expected credit losses associated with items in the course of collection are immaterial.

Company	31 March 2026 £'000	31 March 2025 £'000
Amounts owed by Group companies (non-current)	45,821	9,160
Trade and other receivables (non-current)	45,821	9,160
Accrued income	104	39
Trade and other receivables (current)	104	39
Total	45,925	9,199

Amounts owed by subsidiaries are interest-bearing, unsecured, have no fixed date of repayment and are repayable on demand. Expected credit losses are immaterial.

20. Cash and cash equivalents and restricted funds held on deposit

Cash and cash equivalents

Group	31 March 2026 £'000	31 March 2025 £'000
Corporate cash	6,176	4,927
Bank overdraft	(7,859)	-
Clients' cash	19,895	15,165
Gift card voucher cash	36,366	3,030
Prepay savers' cash	47,149	4,266
Retailer partners' deposits	5,586	5,801
Sub-total non-corporate cash	108,996	28,262
Cash and cash equivalent	107,313	33,189

During the year the Group operated cash pooling amongst certain corporate cash accounts, whereby individual accounts could be overdrawn without penalty provided the overall position was in credit.

Restricted funds held on deposit

	31 March 2026 £'000	31 March 2025 £'000
Prepay savers' cash ¹	30,000	48,254
Gift card voucher cash ²	5,000	63,221
Total	35,000	111,475

¹ On 13 August 2007, a declaration of trust constituted the Park Prepayment Protection Trust ('PPPT') to hold customer prepayments. Park Prepayments Trustee Company Limited, as trustee of the trust, holds this money on behalf of the agents.

The conditions of the trust that allow the release of cash to the Group are summarised below:

1. Purchase of products to be supplied to customers.
2. Supply of products to customers less any amounts already received under condition 1 (above).
3. Amounts required as a security deposit to any credit card company or other surety.
4. Amounts payable for VAT.
5. Amount equal to any bond required by the Christmas Prepayments Association ('CPA').
6. Residual amounts upon completion of despatch of all orders in full.

Products for this purpose means goods, vouchers, prepaid cards or other products ordered by customers. Prior to any such release of monies under condition 6 above, the trustees of PPPT require a statement of adequacy of working capital from the directors of Park Retail Limited, stating that it will have sufficient working capital for the year. A summary of the main provision of the deeds and a copy of the trust deed is available at www.getpark.co.uk.

² On 16 February 2010 a declaration of trust constituted the Park Card Services E-money Trust ('PCSET') to hold the e-money in accordance with regulatory requirements. The e-money represents the value of the obligations of Love2shop to cardholders and redeemers.

Restricted funds held on deposit (non-corporate) are largely invested in deposit accounts with maturity dates of up to one year. The timing of the release of the monies to the Group from PPPT is as detailed above and is expected to be within 12 months of the year end. The release of monies from the e-money Trust occurs as the obligations fall due.

Clients' own funds

Clients' own funds held in trust but not recognised on the Consolidated statement of financial position amounted to £54.6 million (2025: £54.2 million) and relate to Payments and Banking revenue streams, other than Digital (see note 3).

21. Trade and other payables

Group	31 March 2026 £'000	31 March 2025 £'000
Settlement payables ¹	60,675	62,801
Payables in respect of clients' cash and retailer partners' deposits ²	25,481	20,966
Payables in respect of gift card vouchers and prepay savers ³	117,654	117,793
Sub-total: trade payables – non-corporate	143,135	138,759
Trade payables – corporate	33,549	36,467
Other taxes and social security	1,070	4,503
Other payables	2,944	2,658
Accruals	17,448	21,097
Deferred income	3,564	6,075
Contract liabilities – deferral of set-up and development fees	–	9
Sub-total: trade and other payables – corporate	58,575	70,809
Total	262,385	272,369

1. Payable in respect of amounts collected for clients by retailer partners. An equivalent balance is included within trade and other receivables (items in the course of collection). Refer to note 19.

2. Relates to monies collected on behalf of clients where the Group has title to the funds (clients' funds and retailer partners' deposits). An equivalent balance is included within cash and cash equivalents (note 20).

3. Payables in respect of gift card vouchers include balances due to both customers and retailers in respect of flexecash © cards and amounts due to retailers for Love2shop vouchers and cards. Payables in respect of prepay savers include Love2shop savers' prepayment balances for products that will be supplied prior to Christmas 2026, upon confirmation of order. Until orders are confirmed, savers' prepayments are repayable on demand.

Revenue is deferred for service fees, net of discount.

The movement in deferred income is as follows:

	31 March 2026 £'000	31 March 2025 £'000
Balance at the beginning of the year	6,075	3,959
Acquisition of business	–	1,513
Revenue deferred in the year	16,845	13,191
Revenue recognised in the year	(19,356)	(12,588)
Balance at the end of the year	3,564	6,075

Company (Current)	31 March 2026 £'000	31 March 2025 £'000
Amounts owed to Group companies	60,122	63,935
Other payables	135	265
Accruals	8,714	10,986
Total	68,971	75,186

Amounts owed to subsidiaries are interest-bearing, unsecured, have no fixed date of repayment and are repayable on demand.

22. Provisions

Group	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	15,350	1,850
Recognised in relation to reorganisation (note 6)	1,932	–
Utilised in relation to reorganisation	–	(1,850)
Recognised in relation to Chapel St. lease costs	–	1,145
Utilised in relation to Chapel St. lease costs (note 6)	(247)	–
Recognised in relation to claim settlement	–	14,205
Utilised in relation to claim settlement (note 6)	(10,875)	–
Discount unwind in relation to claim settlement (note 6)	71	–
Balance at the end of the year	6,231	15,350

	31 March 2026 £'000	31 March 2025 £'000
Disclosed as:		
Current	2,861	11,198
Non-current	3,370	4,152
Total	6,231	15,350

In March 2026, the Group announced a reorganisation of its business units – refer to note 6. Consequently, in accordance with IAS37 *Provisions, contingent liabilities and contingent assets*, it recognised a provision of £1.9 million for the cost of the reorganisation.

The remaining provision balance at 31 March 2026 for the Chapel St. lease was £0.9 million.

The £10.9 million utilisation in relation to the claim settlement comprises a £10.4 million payment in April 2025 and further utilisation of £0.5 million, leaving a remaining provision at 31 March 2026 for the claim settlement of £3.4 million.

Notes to the financial statements continued

23. Deferred tax liability

	1 April 2025 £'000	Credit / (Charge) to consolidated statement of profit or loss £'000	Charge to OCI £'000	31 March 2026 £'000
Property, plant and equipment	(4,352)	2,012	–	(2,340)
Intangible assets	(14,030)	(1,188)	–	(15,218)
Defined benefit pension scheme	(42)	(427)	(42)	(511)
Share-based payments	595	(9)	–	586
Short-term temporary differences	270	115	–	385
Total	(17,559)	503	(42)	(17,098)

	1 April 2024 £'000	Acquisition of businesses £'000	(Charge) / credit to consolidated statement of profit or loss £'000	Credit to OCI £'000	31 March 2025 £'000
Property, plant and equipment	(2,111)	(1)	(2,240)	–	(4,352)
Intangible assets	(13,768)	(2,781)	2,519	–	(14,030)
Defined benefit pension scheme	(58)	–	(42)	58	(42)
Share-based payments	378	–	217	–	595
Short-term temporary differences	93	312	(135)	–	270
Total	(15,466)	(2,470)	319	58	(17,559)

At the statement of financial position date, the Group had recognised unused tax losses of £0.3 million (2025: £0.8 million) from obconnect Limited.

Deferred tax assets have not been provided on brought forward trading losses of £20.7 million (2025: £20.7 million) arising from the Love2shop acquisition as, at the year end, the Group does not believe it is probable that the entities in which these losses reside will be able to utilise them against future taxable income.

24. Leases

a) Lease liabilities

	Property £'000	Plant and Equipment £'000	Vehicles £'000	Total £'000
At 31 March 2026				
Current balance	647	211	23	881
Non-current balance	2,675	–	9	2,684
Total lease liabilities	3,322	211	32	3,565
Interest charge for the year (note 9)	197	4	6	207

At 31 March 2025				
Current balance	421	214	133	768
Non-current balance	2,379	9	22	2,410
Total lease liabilities	2,800	223	155	3,178
Interest charge for the year	201	10	15	226

	31 March 2026 £'000	31 March 2025 £'000
Balance at the beginning of the year	3,178	4,835
Additions in the year	1,383	51
Disposals in the year	–	(8)
Payment of lease liabilities (financing cash flows) – principal	(996)	(889)
Payment of lease liabilities – interest	(207)	(226)
Interest on unwind of lease liabilities	207	226
Remeasurement in the year	–	(811)
Balance at the end of the year	3,565	3,178

The remeasurement in the prior year related to the Group's decision to vacate its Chapel Street premises (see note 16).

b) Right-of-use assets

	Property £'000	Plant and equipment £'000	Vehicles £'000	Total £'000
At 31 March 2026	2,026	225	53	2,304
Depreciation charge for the year ended 31 March 2026	365	279	152	796
At 31 March 2025	1,265	236	190	1,691
Depreciation charge for the year ended 31 March 2025	316	306	145	767

The right-of-use assets are shown within Property and Plant and equipment in note 16.

c) Net investment in finance lease receivables

	31 March 2026 £'000	31 March 2025 £'000
Current balance	297	845
Non-current balance	464	189
Total net investment in finance lease receivables	761	1,034
Interest income (revenue) on net investment in finance lease receivables	148	293

The decrease in the net investment in finance lease receivables and interest income on net investment in finance lease receivables in the current year is because most new sales are now operating leases.

Age of allowance for net investment in finance lease receivables

	Less than 1 month £'000	1-3 months £'000	3-6 months £'000	More than 6 months £'000	Total £'000
Carrying value at 31 March 2026	42	3	5	235	285
Carrying value at 31 March 2025	5	21	17	613	656

Contractual undiscounted cash flows for net investment in finance lease receivables

	Unearned finance income £'000	Less than 1 month £'000	1-3 months £'000	3-6 months- months £'000	1 years- 1 year £'000	3 years- 3 years £'000	3 years- 5 years £'000	More than 5 years £'000	Total £'000
31 March 2026	(284)	51	97	119	172	436	170	–	761
31 March 2025	(224)	122	224	291	391	223	7	–	1,034

d) Operating lease receivables**Contractual undiscounted cash flows for operating lease receivables**

	Undiscounted lease receivables		
	Less than 1 year £'000	1-2 years £'000	Total £'000
31 March 2026	1,675	2,132	3,807
31 March 2025	2,619	570	3,189

25. Loans and borrowings

Group and Company	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at the beginning of the year	102,308	93,935
Drawdowns on revolving credit facility	59,000	97,500
Repayments of revolving credit facility	(30,500)	(84,000)
Repayments of term loan	–	(4,000)
Sub-total: repayments	(30,500)	(88,000)
Interest charge	8,008	7,452
Interest paid	(8,013)	(7,622)
Unamortised refinancing balance movement	(17)	(957)
Balance at the end of the year	130,786	102,308
Disclosed as:		
Current		
Accrued interest	260	265
Total – current	260	265
Non-current		
Revolving credit facility	56,500	58,000
Term loans	75,000	45,000
Unamortised refinancing balance	(974)	(957)
Total – non-current	130,526	102,043
Balance at end of year	130,786	102,308
Other liability-related changes		
Interest paid	(8,013)	(7,622)

Notes to the financial statements continued

26. Share capital, share premium and merger reserve

	31 March 2026 £'000	31 March 2025 £'000
Called up, allotted and fully paid share capital		
60,781,502 ordinary shares of 0.3611 pence each		
(2025: 70,834,160 ordinary shares of 1/3 pence each)	219	236

On 12 June 2025, the Group announced that the share buy-back programme, which it began on 1 July 2024 for an initial 12-month period, would be extended until the end of March 2028. The Group plans to purchase at least £30 million of shares per annum in an extension to the programme, which began on 1 July 2024. In accordance with IFRS9, the Group therefore recognised an initial liability for the full amount of £30.2 million (including stamp duty and associated costs) in the current period, with a corresponding reduction in retained earnings. A total of 4,891,666 shares were purchased in the period (1,962,216 with a nominal value of 1/3 pence per share and 2,929,450 with a nominal value of 0.3611p per share), with a nominal value of £17,000, for total consideration of £30.1 million. This resulted in a reduction in share capital of £17,000 and a corresponding increase in the capital redemption reserve balance from £7,000 to £24,000.

On 17 October 2025, the Group carried out a share consolidation of 12 new ordinary shares for 13 existing ordinary shares, applicable to shareholders on the register on that date, following which the new ordinary shares have a nominal value of 0.3611 pence per share.

Partly offsetting the impact of the share buy-back programme, 140,828 shares of 1/3 pence each were issued in the current year for share awards which vested in the year and 7,432 matching shares of 1/3 pence each were issued under the Employee Share Incentive Plan.

The share premium of £1.0 million (2025: £1.0 million) represents the payment of deferred, contingent share consideration in excess of the nominal value of shares issued in relation to the i-movo acquisition.

The merger reserve of £18.2 million (2025: £18.2 million) comprises £1.0 million initial share consideration in excess of the nominal value of shares issued on the initial acquisition of i-movo and £17.2 million share consideration in excess of the nominal value of shares issued in relation to the Love2shop acquisition.

27. Share-based payments

The Group's share schemes are described in the Directors' Remuneration Report on pages 94 to 113 and consist of the LTIP, DABS, RSA and SIP equity-settled share schemes.

183,221 share awards were issued under the RSA scheme in the year (2025: 235,354), vesting over two to three years, between 13 June 2027 and 13 June 2028 subject to continued employment. The RSAs do not contain any performance conditions other than to complete the required period of service.

56,448 share awards were issued under the DABS scheme in the year (2025: 64,509), vesting over three years to 13 June 2028 subject to continued employment. The DABS do not contain any performance conditions other than to complete the required period of service.

During the prior period, a one-off LTIP award was granted. The LTIP will vest 3 years from grant, subject to continued service and to the achievement of performance targets, as measured by the Group's EBITDA for the year ending 31 March 2027.

The share-based payments charge in the Statement of profit or loss in the year is £1.6 million (2025: £2.0 million). Of this, £0.2 million (2025: £0.2 million) related to the Employee Share Incentive Plan. For each share purchased by the employee under the Employee Share Incentive Plan, the Company issues a free matching share which will vest subject to the employee remaining employed with the Group for three years from the date each share was purchased by the employee.

A total charge of £1.5 million (2025: £1.5 million), which was previously recognised directly in equity, for schemes which have now lapsed or vested, was transferred from the share-based payments reserve to retained earnings during the year. Of this, £0.1 million (2025: £0.2 million) related to shares which vested under the Employee Share Incentive Plan.

Share awards movement during the year

	Number of shares 31 March 2026	Number of shares 31 March 2025
Outstanding at the beginning of the year	1,011,830	853,786
Granted	239,669	409,238
Exercised	(244,306)	(222,982)
Forfeited	–	(28,212)
Outstanding at end of the year	1,007,193	1,011,830

Number of shares		Number of shares	
31 March 2026	31 March 2025	31 March 2026	31 March 2025
244,305	364,520	415,984	226,689
244,305	364,520	403,005	226,689
Within one year		1,011,830	
One to two years		1,007,193	
Two to three years		1,011,830	
Outstanding at the end of the year		1,011,830	

The fair value of the equity instruments granted during the year was determined based on the share price on the date of the grant. All awards granted and in issue are for free shares and therefore the weighted average exercise price for all outstanding schemes is £nil.

Awards	Grant date	Number of shares	Fair value (£)	Vesting date
RSA - 2 years	13 June 2025	12,980	8.72	13 June 2027
RSA - 3 years	13 June 2025	170,241	8.72	13 June 2028
DABS	13 June 2025	56,448	8.72	13 June 2028

28. Dividends

Year ended		Year ended	
31 March 2026	31 March 2025	31 March 2026	31 March 2025
Dividends paid on ordinary shares:			
Final ordinary dividend for the prior year	13,690	13,924	19.2
Interim dividend for the current year	12,349	13,853	19.4
Special dividend for the current year	34,467	50.0	-
Total ordinary dividends paid (financial cash flows)	60,506	89.4	38.6
Number of shares in issue used for proposed final ordinary dividend per share calculation	60,781,502	70,834,160	

The proposed final ordinary dividend of 20.0 pence per share is subject to approval by shareholders at the Annual General Meeting and will result in c.£11.8 million being paid to shareholders. It has not been included as a liability in these financial statements.

Group		Group	
31 March 2026	31 March 2025	31 March 2026	31 March 2025
Financial assets			
Net investment in finance lease	464	189	
Financial assets (non-current)	464	189	
Restricted funds held on deposit (non-corporate)	35,000	111,475	
Cash and cash equivalents	107,313	33,189	
Net investment in finance lease	297	845	
Convertible loan notes	-	3,159	
Items in the course of collection	60,675	62,801	
Trade receivables net of revenue allowance for expected credit losses	22,069	27,992	
Accrued income	2,602	3,093	
Other receivables	5,905	5,428	
Financial assets (current)	233,861	247,982	
Total	234,325	248,171	

The Group's financial instruments comprise cash and cash equivalents, monies held in trust, trade and other receivables, convertible loan notes, net investment in finance lease receivables, trade and other payables, payables in respect of cards and vouchers, loans and borrowing and lease liabilities which arise directly from the Group's operations. The Group's policy is not to undertake speculative trading in financial instruments.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign exchange. The Directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged during the year. The Group uses hedges to manage the foreign exchange risk of purchasing PayPoint One terminals and card terminals.

The financial assets and liabilities of the Group and Company are all measured at amortised cost. They are detailed below:

29. Financial instruments and risk

Notes to the financial statements continued

29. Financial instruments and risk continued

Group	Note	31 March 2026 £'000	31 March 2025 £'000
Financial liabilities			
Revolving credit facility	25	56,500	58,000
Term loans	25	75,000	45,000
Unamortised refinancing balance	25	(974)	(957)
Lease liabilities		2,684	2,410
Financial liabilities (non-current)		133,210	104,453
Revolving credit facility		79	113
Term loans		181	152
Loans and borrowings (current)	25	260	265
Payables in respect of clients' cash and retailer partners' deposits	21	25,481	20,966
Payables in respect of gift card vouchers and prepay savers	21	117,654	117,793
Trade payables – corporate	21	33,549	36,467
Other payables	21	2,944	2,658
Lease liabilities	24	881	768
Financial liabilities (current)		180,769	178,917
Total		313,979	283,370

Company	Note	31 March 2026 £'000	31 March 2025 £'000
Financial assets			
Amounts owed by group companies (non-current)	19	45,821	9,160
Financial assets (non-current)		45,821	9,160
Convertible loan notes	14	–	3,159
Cash and cash equivalents		715	6,720
Financial assets (current)		715	9,879
Total		46,536	19,039

Company	Note	31 March 2026 £'000	31 March 2025 £'000
Financial liabilities			
Revolving credit facility	25	56,500	58,000
Term loan	25	75,000	45,000
Unamortised refinancing balance	25	(974)	(957)
Loans and borrowings (non-current)		130,526	102,043
Revolving credit facility – current		79	113
Term loan		181	152
Loans and borrowings (current)	25	260	265
Amounts owed to group companies – current	21	60,122	63,935
Financial liabilities (current)		60,382	64,200
Total		190,908	166,243

(a) Credit risk

The Group's financial assets are cash and cash equivalents, monies held in trust, trade and other receivables, convertible loan notes and net investment in finance lease receivables. The Group's credit risk is primarily attributable to its trade and other receivables and net investment in finance lease receivables. To mitigate against credit risk, PayPoint credit checks clients, SME and retailer partners, holds retailer security deposits, operates terminal limits, monitors clients and retailer partners for changes in payment profiles and in certain circumstances, has the right to set-off monies due against funds collected. Additionally, the majority of Love2shop's trade receivables are subject to credit insurance, further reducing the Group's risk. The Group's maximum exposure at 31 March 2026 was £234.3 million (2025: £248.2 million).

The Group has treasury policies in place which manage the concentration of risk with individual bank counterparties. Each counterparty has an individual limit determined by their credit ratings. In accordance with the Group's treasury policies and exposure management practices, counterparty credit exposure limits are monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. The Company does not expect any significant losses from non-performance by these counterparties.

The Company, PayPoint Plc, has issued parental guarantees in favour of clients of its subsidiaries under which it has guaranteed amounts due to clients, by the subsidiaries, for settlement of funds collected by retailer partners.

(b) Liquidity risk

The Group's policy throughout the year ended 31 March 2026 regarding funds placed on deposit has been to maximise the return on funds whilst minimising the associated risk.

Refer to part (e) of this note for details of the Group's borrowing facilities. The following shows the exposure to liquidity risk. The amounts are gross and undiscounted, and include contractual interest payments:

31 March 2026 £'000	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	5 years or more
Non-derivative financial liabilities							
Revolving credit facility	55,605	66,641	595	2,580	3,096	60,370	-
Term loan	75,181	88,537	866	3,425	4,109	80,137	-
Bank overdraft	7,859	7,859	7,859	-	-	-	-
Lease liabilities	3,565	4,141	106	953	827	1,438	817
Payables in respect of clients' cash and retailer partners' deposits	25,481	25,481	25,481	-	-	-	-
Payables in respect of gift card vouchers and prepay savers	117,654	117,654	117,654	-	-	-	-
Trade payables – corporate	33,549	33,549	33,549	-	-	-	-
Other payables	2,944	2,944	2,944	-	-	-	-

31 March 2025 £'000	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	5 years or more
Non-derivative financial liabilities							
Revolving credit facility	57,156	73,434	714	3,004	3,605	66,111	–
Term loan	45,152	57,039	618	2,331	2,797	51,293	–
Lease liabilities	3,178	3,802	105	820	568	1,216	1,093
Payables in respect of clients' cash and retailer partners' deposits	20,966	20,966	20,966	–	–	–	–
Payables in respect of gift cards vouchers and prepay savers	117,793	117,793	117,793	–	–	–	–
Trade payables – corporate	36,467	36,467	36,467	–	–	–	–
Other payables	2,658	2,658	2,658	–	–	–	–

(c) Foreign exchange risk

The Group's currency exposures comprise those transactional exposures that give rise to the net currency gains and losses recognised in the Statement of profit or loss. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or functional) currency of the operating unit involved. At 31 March 2026, these exposures were £nil (2025: £nil).

The Group uses hedges to manage the foreign exchange risk related to the purchase of software licences.

(d) Interest rate risk

The Group's interest-bearing financial assets at 31 March 2026 comprised cash and cash equivalents, which totalled £107.3 million (2025: £33.2 million), and restricted funds held on deposit (non-corporate) £35.0 million (2025: £111.5 million). The Group is also exposed to interest rate risk through use of its financing facility, which incurs interest charges based on SONIA plus 1.75% (2025: SONIA plus 1.75%).

All funds earn interest at the prevailing rate. Cash and cash equivalents are deposited on short-term deposits (normally weekly or monthly) or held in current accounts. Most restricted funds held on deposit (non-corporate) are held in deposit accounts. The Group seeks to maximise interest receipts within these parameters. The Group also minimises interest cost by effective central management of cash resources to minimise the need for utilisation of the financing facility.

(e) Borrowing facilities

On 11 June 2025, the Group completed an amendment to its borrowing facilities, to manage its working capital requirements and capital allocation. Its borrowing facilities now consist of:

- a £75.0 million non-amortising term loan expiring in June 2029; and
- a £90.0 million unsecured revolving credit facility expiring in June 2029.

At 31 March 2026, £56.5 million (2025: £58.0 million) was drawn down from the £90.0 million revolving credit facility, plus accrued interest of £0.1 million. The outstanding balance of the term loan was £75.0 million, plus accrued interest at the year end of £0.2 million.

Interest is payable at SONIA plus 1.75% (2025: SONIA plus 1.75%). The Group has the ability to roll over the revolving credit facility drawdown for an additional period between one and six months.

The Group is required to adhere to a net debt leverage of no more than three times EBITDA and an interest cover of no less than four times. The Group operated within these limits during the financial year ended 31 March 2026.

(f) Fair value of financial assets and liabilities

The following financial assets are measured at fair value through profit or loss: equity investments in Judge Logistics and Aperidata (classified as Level 3). There were no transfers between Level 1, 2 or 3 in the current year or prior year.

Love2shop offer discounts on the face value of cards, vouchers and e-codes to corporate customers. Such 'day-one discounts' are initially offset against the corresponding gross liability payable to the retailer, such that the net transaction price differs from the fair value of the gross liability. The day-one discount is released to the Consolidated statement of profit or loss when the card, voucher or e-code is redeemed. The aggregate amount of the Group's day one discounts yet to be recognised in the Statement of consolidated profit or loss is £2.9 million, comprising £2.7 million at 31 March 2025, £8.7 million generated in the year, less £8.5 million released in the year.

The Directors consider there to be no material difference between the book value and the fair value of the Group's financial instruments at 31 March 2026, or 31 March 2025.

(g) Market price risk

The Group's exposure to market price risk comprises interest rate and currency market exposure. Excess Group funds are invested in money market cash deposits with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

Notes to the financial statements continued

29. Financial instruments and risk continued

(h) Capital risk management

The Group's objectives when managing capital (the definition of which is consistent with prior year and is the Group's assets and liabilities including cash) are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders. The Group manages its capital by continued focus on free cash flow generation and managing the level of capital investment in the business. The final dividend for the year ensures a prudent level of earnings coverage for the dividend and that leverage is not substantially increased.

(i) Financial instrument sensitivities

Financial instruments affected by market risk include deposits, hedges, trade receivables and trade payables. Management has assessed as immaterial the impact on the Group's net interest income of a reasonably possible change of two percentage points in interest rates, given the hedge between interest income earned on its non-corporate funds and income expense on its debt.

30. Related-party transactions

Remuneration of the Executive Directors, who are the key management of the Group, was as follows during the year:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Short-term benefits and bonus ¹	1,205	1,656
Pension costs ²	53	41
Long-term incentives ³	843	917
Other	5	4
Total	2,106	2,618

¹ Includes salary, taxable benefits and annual bonus award.

² Pension contributions.

³ Long-term incentives represents the current year charge to the Statement of profit or loss.

Directors' remuneration is disclosed on page 104 of the Directors' Remuneration Report.

Company related-party transactions

The following balances existed between the Company and its wholly owned subsidiaries:

	31 March 2026 £'000	31 March 2025 £'000
Amounts owed by subsidiaries	45,821	9,160
Amounts owed to subsidiaries	(60,122)	(63,935)
Interest paid to subsidiaries	(2,604)	(2,644)
Interest received from subsidiaries	817	99
Cash dividends received from subsidiaries	5,003	3,500

31. Notes to the statements of cash flow

Group	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit before tax		55,476	26,291
Adjustments for:			
Depreciation of property, plant and equipment	16	9,412	9,655
Amortisation of intangible assets	13	10,882	15,637
Cash settlement of provision		(10,400)	–
Exceptional item – non-cash impairment of receivable	6	502	–
Exceptional item – non-cash provision		–	15,350
Adjusting item – non-cash movement on convertible loan note	14	1,000	10,413
Adjusting item – non-cash movement on other investments	14	200	(805)
Loss on disposal of fixed assets		690	187
Finance income	9	(1,232)	(1,383)
Finance costs	9	9,126	8,448
Contribution to defined benefit pension scheme	17	(1,500)	–
Share-based payment charge	27	1,621	2,018
Share-based payment tax settlements		(1,222)	(814)
Operating cash flows before movements in working capital		74,555	84,997
Movement in inventories		43	(2,902)
Movement in trade and other receivables		4,700	(8,536)
Movement in finance lease receivables		273	803
Movement in contract assets		(431)	(743)
Movement in contract liabilities		(9)	(258)
Movement in provisions		1,281	(1,850)
Movement in trade and other payables – corporate		(14,207)	3,190
Movement in working capital – corporate		(8,350)	(10,296)
Cash generated from operations		66,205	74,701

On 11 February 2026, PayPoint Plc purchased a further 21.4% of the share capital of obconnect Limited for consideration of £3.0 million and on 17 March 2026 the remaining 23.3% for consideration of £3.3 million (i.e. £6.4 million in aggregate). These transactions reduced NCI by £1.9 million and £2.1 million respectively (i.e. £4.0 million in aggregate), with the NCI balance at 31 March 2026 £nil. The £2.4 million difference between the aggregate consideration and NCI reduction is reported directly through equity.

Company	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit before tax		88,686	3,984
Adjustments for:			
Exceptional item – gain on part-disposal of subsidiary		(37,532)	–
Exceptional item – non-cash write-down of investment in subsidiary		4,123	–
Exceptional item – non-cash impairment of receivable	6	502	–
Adjusting item – non-cash movement on convertible loan note	14	1,000	10,413
Adjusting item – non-cash movement on other investments	14	200	(805)
Non-cash dividends from subsidiaries		(68,652)	(38,041)
Finance income		(1,301)	(261)
Finance costs		11,016	10,096
Share-based payment charge		1,008	1,407
Share-based payment tax settlements		(913)	(641)
Operating cash movement before movements in working capital		(1,863)	(13,848)
Movement in receivables		8,690	18,755
Movement in payables		13,259	69,538
Movement in provisions		–	(230)
Cash generated from operations		20,086	74,215

32. Contingent liability update

Ofgem's Statement of Objections

In FY24, a number of companies in the PayPoint Group, including PayPoint Plc, received two claims relating to issues addressed by commitments accepted by Ofgem in November 2021 as a resolution of Ofgem's concerns raised in its Statement of Objections received by the PayPoint Group in September 2020. The Ofgem resolution did not include any infringement findings.

The first claim was served by Utilita Energy Limited and Utilita Services Limited (subsequently renamed Luxion Sales Limited) ('Utilita') on 16 June 2023. The second claim was served by Global-365 plc and Global Prepaid Solution Limited ('Global 365') on 18 July 2023.

On 14 May 2025, PayPoint and Utilita came to a settlement such that Utilita has withdrawn its claim against PayPoint. As part of this settlement, the two parties have agreed to a new five-year contract for over-the-counter prepayment services and have built a more collaborative and mutually supportive relationship.

Global 365's claim was heard at a trial at the Competition Appeal Tribunal between 10 June and 11 July 2025 and judgment was handed down on 7 May 2026 – refer to note 33.

HMRC assessment

In February 2024, HMRC raised an assessment on the Group's tax position for the accounting period ended 31 March 2021. The Group has appealed the assessment on the grounds that it is not valid from a tax technical and administrative perspective and no provision has therefore been recognised.

33. Events after the reporting date

Resolution of claim by Global 365

On 7 May 2026, the Competition Appeal Tribunal ('CAT') handed down its judgment concerning the claim brought by Global-365. The CAT found PayPoint liable for an historical infringement of competition law, which ceased in 2018, concerning certain contracts under which it provided energy prepayment services.

Whilst the CAT awarded damages of £169,334 plus interest to G365 in respect of its 'loss of a chance' to win contracts with a limited number of small energy suppliers, its findings confirmed that PayPoint's past contracts with energy suppliers were not a significant factor in G365's lack of success.

PayPoint remains committed to ensuring its commercial practices meet all regulatory requirements.

Officers and professional advisers

Directors

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N Wiles
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R Harding
R Sharma¹
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Company Secretary

Bernadette Young, on behalf of Indigo Corporate Secretary Limited

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