PayPoint Plc
Results for the year ended 31 March 2025

Further progress towards £100m EBITDA by end of FY26

New targets established for the Group for the next three years, including share buyback programme increased and extended to at least £30 million per annum till the end of FY28

GROUP FINANCIAL HIGHLIGHTS

- **Underlying EBITDA[1] of £90.0 million** (FY24: £81.3 million) increased by £8.7 million (10.7%)
- **Underlying profit before tax[2] of £68.0 million** (FY24: £61.7 million) increased by £6.3 million (10.2%)
- **Net corporate debt[7] of £97.4 million** increased by £29.9 million from opening position of £67.5 million, reflecting previously announced investments and the ongoing share buyback programme
- **Final dividend of 19.6 pence per share** declared vs the final dividend for the year ended 31 March 2024 of 19.2 pence per share

Year ended 31 March 2025	FY25	FY24	Change
Revenue[7]	**£310.7m**	£306.4m	1.4%
Net revenue[3]	**£187.7m**	£181.0m	3.7%
Underlying EBITDA[1]	**£90.0m**	£81.3m	10.7%
Underlying profit before tax[2]	**£68.0m**	£61.7m	10.2%
Adjusting items[4]	**£(41.7)m**	£(13.5)m	208.9%
Profit before tax	**£26.3m**	£48.2m	(45.4)%
Diluted underlying earnings per share[5]	**69.1p**	62.6p	10.4%
Diluted earnings per share	**26.3p**	48.8p	(46.1)%
Net corporate debt[6]	**£(97.4)m**	£(67.5)m	44.2%

Nick Wiles, Chief Executive of PayPoint Plc, said:

"This has been another year of progress for PayPoint where we have delivered a resilient financial performance and made further significant steps towards delivering £100m EBITDA by the end of FY26. These results reflect both the resilience of our businesses in the current challenging economic environment and the impact of our growing capabilities as we unlock further opportunities and growth across our four business divisions.

Looking ahead, in addition to our existing target of £100m EBITDA for the current year, we have now established new targets for the Group for the next three years to the end of FY28, underlining our confidence in the future growth prospects of the business: achieving net revenue growth in the range of 5% to 8% per annum across the Group; establishing an organisational framework which will deliver greater automation of processes and greater agility to support the delivery of our plan; and delivering a reduction of at least 20% of our issued share capital through an enhanced share buyback programme, consistent with a prudent capital structure and leverage in the range of 1.2x to 1.5x.

We have had an encouraging start to the current financial year in each of our business divisions and have already secured a number of important new contract wins, particularly within the Housing sector. In addition to our focus on the organic building blocks for growth, significant energy is being directed into: building strong new business pipelines, particularly in Love2shop Business, Housing and Charities; successful delivery of our Local Banking service, with at least two banks due to go live in H1; continued parcels growth, driving volume opportunities with each carrier and growing Out of Home consumer adoption; optimising our retailer network performance, through better adoption of services, our new Store Growth Specialist team and further site growth; and the further upselling of our enhanced payment capabilities into our existing client base, including utilities.

Our continued confidence in the growth opportunities in the business and the execution of our plan to deliver strong earnings growth and cash flow generation, combined with a sustainable dividend policy, provide a robust platform for the Board to further enhance

[1] Underlying EBITDA (EBITDA before exceptional items and net movements on convertible loan notes and other investments) is an alternative performance measure. Refer to the Financial Review for a reconciliation to profit before tax.
[2] 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.
[3] Net revenue is an alternative performance measure. Note 4 to the financial information reconciles from total underlying revenue to net revenue. Total underlying revenue of £324.9 million is stated before the £14.2 million exceptional revenue deduction explained in notes 5 and 12 to the financial information.
[4] Adjusting items comprises exceptional items (£14.2 million claim settlement and £6.4 million for legal costs related to claims against PayPoint, £2.0 million related to lease exit costs in Love2shop and £0.8m accelerated amortisation of intangible assets), £9.6 million net decrease in fair value of the investments held in obconnect and Yodel, and amortisation of intangible assets arising on acquisition (£5.8 million for Love2shop and £2.9 million for PayPoint). Refer to note 1.
[5] Diluted underlying earnings per share is an alternative performance measure, Refer to note 1 to the financial information.
[6] Net corporate debt (excluding IFRS 16 liabilities) is an alternative performance measure. Refer to note 1 to the financial information for a reconciliation to cash and cash equivalents.
[7] Current year statutory revenue is reported net of a £14.2 million exceptional deduction related to a claim settlement.

shareholder returns through an increased and extended share buyback programme of at least £30 million per annum till the end of March 2028, all underpinned by our confidence and clear operational plans to deliver further progress in the current year and our £100m EBITDA target."

SHARE BUYBACK PROGRAMME INCREASED AND EXTENDED

Today the Group announces its intention to increase and extend its 3-year share buyback programme (the "**Buyback Programme**"). This enhanced Buyback Programme reflects the strong cash generative nature of the Group, along with the Board's confidence in delivering on our growth targets for FY26-FY28 and in-line with our commitment to enhance shareholder returns.

The Buyback Programme will be increased with a plan to return at least £30 million per annum to shareholders and will be extended until the end of March 2028, with the target of reducing our equity base by at least 20% over that period. We will continue to review the Buyback Programme based on business performance, market conditions, cash generation and the overall capital needs of the business.

Throughout this period, we will continue to increase dividends at a nominal rate and, as a result of our continued financial performance, grow our cover ratio from the current 1.5 to 2.0 times earnings range to over 2.0 times earnings by FY28. Combined with the increased and extended Buyback Programme, this dividend policy will enhance shareholder returns and ensure the business continues to maintain an efficient capital structure, balancing an appropriate leverage ratio of around 1.2 to 1.5 times net debt/EBITDA with the overall capital needs of the business.

DIVISIONAL HIGHLIGHTS

Shopping divisional net revenue increased by 1.2% to £65.2 million (FY24: £64.4 million)

- Service fee net revenue increased by 10.7% to £21.8 million (FY24: £19.7 million) driven by a combination of further PayPoint One/Mini site growth to 20,275 (31 March 2024: 19,297) and the annual RPI service fee increase
- New Store Growth Specialist team rollout now live, supporting retailer partners to deliver further revenue growth through store visits driven by targeted data and support
- Card payments net revenue decreased by 0.9% to £32.4 million (FY24: £32.7 million) with further site growth in the PayPoint Lloyds Cardnet estate to 10,552 (31 March 2024: 10,064) and a small reduction in the Handepay EVO/Lloyds Cardnet estate to 19,478 (31 March 2024: 19,682), with contract mix now 85% on 12 and 18-month contracts
- Card processed value decreased by 4.2% overall to £6.9 billion (FY24: £7.2 billion), with the Handepay EVO estate -0.9% and the Lloyds Cardnet estate -10.2% versus the prior year, reflecting lower than anticipated consumer spending patterns, particularly in H2
- Card proposition and merchant experience enhanced in the year: new AI-driven statement reader launched to enhance the merchant sales experience; time to transact drastically reduced from 14.7 days to 2.2 days; over 3,500 merchants enrolled on Handepay Rewards programme supporting a churn reduction of 7%; new mobile app launched in December 2024 with 3,000+ merchants signed up; and record year for Business Finance via YouLend with over £23.8 million of funding provided to businesses.
- UK retail network increased to 30,712 sites (31 March 2024: 29,149), with 70.0% in independent retailer partners and 30.0% in multiple retail groups
- 18 brand campaigns delivered in the year for major consumer brands via PayPoint Engage, including an award-winning campaign for SPAR during Euro 2024

E-commerce divisional net revenue increased strongly by 39.0% to £16.4 million (FY24: £11.8 million)

- Record year of parcels transactions, with strong growth of 33.3% to 133.4 million parcel transactions (FY24: 100.1 million)
- Collect+ network increased to 14,213 sites (31 March 2024: 11,786), with a number of new Out of Home channels established
- InPost expansion announced, growing to over 6,000 Pick Up Drop Off (PUDO) locations within Collect+ network, harmonising locations, parcel volumes and opening up the opportunity for further expansion and parcel volume growth across our extensive network for both InPost and Yodel
- Royal Mail now live in over 7,500 sites, with store to store and click and collect services now live
- Partnerships with Chinese marketplaces now live, with initial rollout of 26 stores with SFExpress, providing a UK PUDO to China PUDO service to Chinese communities across the UK.
- Print in Store service now available in over 93% of network enabled by the further rollout of Zebra label printers

Payments & Banking divisional net revenue increased by 1.7% to £54.4 million (FY24: £53.5 million)

- Continued growth through our MultiPay platform, with underlying net revenue increasing by 4.5% to £6.7 million (FY24: £6.4 million)
- Further new business wins (over 53 new client services) delivered in FY25 for MultiPay platform, with a strengthened client base in target sectors, including SNG, Thirteen, Guinness and Rooftop in the Housing sector and Alzheimer's Society and several regional Citizen's Advice Bureaus in the Charity sector

- Strong growth through Open Banking with net revenue within the PayPoint business growing to £0.8 million (FY24: £0.3 million) and with an initial contribution from obconnect of £1.8 million (FY24: £nil)
- 28 further clients now live for Open Banking services in the year, including BBC and Crown Commercial Service for Confirmation of Payee. Majority ownership of obconnect completed in October 2024, with major contract for New Zealand Banking Association to provide Confirmation of Payee ecosystem live in December 2024
- Total digital net revenue increased by 12.3% to £15.5 million (FY24: £13.8 million)
- Cash through to digital net revenue was flat at £6.8 million in the year (FY24: £6.8 million), with continued growth in neobank deposits with over £475 million of consumer deposits processed in the year through our extensive network, up over 26% in the last two years
- Local Banking - first two High St banks on track for launch of consumer deposits in H1 FY26 leveraging our leading retailer partner network. SME deposit solution in development for launch in H2 FY26
- Cash payments net revenue decreased by 2.7% to £32.1 million (FY24: £32.9 million). Legacy energy sector net revenue decreased by 6.5% for the year in line with expectations

Love2shop divisional net revenue increased by 0.8% to £51.7 million (FY24: £51.3 million)

- Love2shop Business experienced a positive year with £172.2 million of billings delivered, up 5.8% on the prior year (FY24: £162.8 million), benefiting from the excellent planning and preparation by the Love2shop team well in advance of the peak trading period, and the growing benefits from corporate API integrations launched into major clients last year, delivering increased billings and improved customer experience
- Highstreetvouchers.com performance was strong with billings +12.8% ahead of plan. This positive outcome has been driven by a more efficient use of paid media spend driving a higher Average Order Value (AOV) of £320 vs £92 previously, improved customer journeys optimised for business customers transacting online or wishing to speak to our sales team, and an improved digital product and participation enabling larger bulk orders which has also increased AOV from £400 to £1500. Traffic to our 'Where to spend' pages has increased to 49% of overall traffic, reflecting our expanded multichannel strategy for Love2shop gift card sales across digital and physical channels
- Park Christmas Savings delivered a resilient outcome to the Christmas 2024 campaign with final billings of £162.2m, consistent with the previous year, with average saver value increased by 2.5% versus the prior year and strong saver retention rates ahead of the key Christmas 2025 savings season
- New partnership with InComm Payments, launched in October 2024, establishing a strong new sales channel and enabling distribution of Love2shop gift cards into major grocers and High St brands, delivered over £2.9 million of billings. This strengthens Love2shop's distribution networks overall, combined with the existing physical gift cards channel into PayPoint's multiple and independent retailer network
- MBL, the UK leading gift card technology platform, processed £123.2 million in gift card value in in the year (FY24: £59.7 million), reflecting continued momentum as a gift card service provider for Greggs, B&M, New Look, Tapi, and Schuh, and as a key distributor for over 150 UK retailers' gift cards.

BUILDING BLOCKS FOR GROWTH

In the current financial year, the Group remains focused on executing against the seven building blocks for growth to the end of FY28:

- **Parcels and Network Expansion** – grow parcel transaction volumes through extensive network, particularly through Royal Mail and launch of Chinese marketplaces; continue to develop Collect+ network in a targeted manner across a number of new and existing channels, in partnership with our carriers and consistent with developing consumer behaviours and needs in the Out of Home market.

- **Card processing and Lloyds Bank partnership** – leverage strengthened proposition, a more consistent performance from Field Sales aligned to the strong and consistent progress already achieved in the Telesales channel, and a materially enhanced merchant onboarding experience to deliver site growth; increase adoption of Merchant Mobile App and Rewards programme to support retention and churn reduction initiatives; deliver further growth in Business Finance, expanding marketing and sales channels and piloting new Asset Finance product in H1 FY26.

- **Open Banking and Digital payments** – major focus on increasing opportunities to cross-sell payments services within our existing client base and winning new clients in target sectors of Housing and Charities, leveraging our wider multichannel payments platform and Open Banking capabilities; continued momentum in Open Banking, with further opportunities delivering payments channels for new and existing clients in PayPoint and delivering data sharing ecosystems for major banks and jurisdictions in obconnect, including Verification of Payee in Europe.

- **Love2shop and Park Christmas Savings** – deliver continued billings growth in Love2shop Business, supported by restructured team and improved new business pipelines; grow Park Christmas Savings billings, through improved new customer acquisition, conversion to paid and better retention initiatives through the year; launch new Love2shop e-commerce platform in H1 FY26; continue to grow MBL business, providing gift card management services for more clients; build on strong start to InComm Payments partnership, expanding presence within major retailer gift card malls

- **Access to Cash and Local Banking** – deliver successful launch of Local Banking service, with at least two High St banks due to go live in H1 FY26; continue to grow neobank cash deposit volumes, building on the £475 million of consumer deposits processed in FY25; improve ATM performance across the PayPoint estate through successful delivery of recovery plan

- **Community services for retailer partners** – grow service fee revenue through expanding PayPoint network and RPI increase; rollout new Store Growth Specialist team, supporting retailer partners to deliver further revenue growth through store visits driven by targeted data and support; deliver further growth in FMCG proposition via PayPoint Engage, building pipeline of major brand campaigns and increasing adoption of Retailer Rewards programme.

- **Connecting our capabilities to drive further growth** – we are now focused on how we connect our enhanced capabilities across the Group to open up further opportunities, providing enterprise solutions to our extensive client base combining multichannel payments solutions, rewards and gifting, loyalty programmes and FMCG relationships, as well as leveraging our leading retailer and SME networks. Early examples of this include leveraging our Love2shop rewards platform capabilities to power our Handepay merchant rewards programme and our PayPoint OpenPay service, which delivers a secure payout solution to clients combining obconnect's Pay by Bank service, PayPoint's cash out product and Love2shop Essentials vouchers.

RECONCILIATION OF REPORTED NUMBERS

£m	FY25	FY24
Reported profit before tax	**26.3**	48.2
Exceptional items[1]	**23.4**	5.2
Profit before tax excluding exceptional items	**49.7**	**53.4**
Net movement on investments – obconnect / Yodel	**9.6**	0.2
Amortisation of intangible assets arising on acquisition – PayPoint (previous acquisitions, inc. obconnect)	**2.9**	2.1
Amortisation of intangible assets arising on acquisition – Love2shop	**5.8**	6.0
Underlying profit before tax (profit before tax excluding adjusting items)	**68.0**	**61.7**
Underlying EBITDA	**90.0**	**81.3**

BUSINESS DIVISION NET REVENUE AND MIX

Net revenue by business division (£m)	**FY25**	**FY24**	**FY23**
Shopping	**65.2**	64.4	62.0
E-commerce	**16.4**	11.8	7.3
Payments & Banking	**54.4**	53.5	56.2
PayPoint Segment Total	**136.0**	129.7	125.5
Love2shop Segment Total	**51.7**	51.3	3.4
PayPoint Group Total	**187.7**	181.0	128.9
Business division mix	**FY25**	**FY24**	**FY23**
Shopping	**34.7%**	35.6%	48.1%
E-commerce	**8.7%**	6.5%	5.6%
Payments & Banking	**29.0%**	29.6%	43.6%
Love2shop	**27.5%**	28.3%	2.7%

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A presentation for analysts is being held at 9.30am today (12 June 2025) via webcast. This announcement, along with details for the webcast, is available on the PayPoint Plc website: paypointbusiness.com/corporate

[1] Exceptional items comprises £20.6 million for settlement and legal costs related to claims against PayPoint, £2.0 million related to lease exit costs in Love2shop and £0.8m accelerated amortisation of intangible assets

CHIEF EXECUTIVE'S REVIEW

GROUP UPDATE

Resilient financial performance with further progress towards delivering £100m EBITDA by the end of FY26

This has been another year of progress for PayPoint where we have delivered a resilient financial performance and made further significant steps towards delivering £100m EBITDA by the end of FY26. These results reflect both the resilience of our businesses in the current challenging economic environment and the impact of our growing capabilities as we unlock further opportunities and growth across our four business divisions.

Targets for the Group to the end of FY28

While we remain focused on the delivery of our current target of £100m EBITDA by the end of FY26, looking further ahead, we have now established new targets for the Group for the next three years to the end of FY28, reflecting our confidence in the growth prospects of the business and our continued commitment to delivering enhanced returns for our shareholders:

1. **Achieving net revenue growth in the range of 5% to 8% per annum across the Group**

   Our strategy over the past five years to transform the business and its capabilities from our legacy cash bill payments history has created a more robust and higher organic growth platform. We believe a combination of our business mix today and the opportunities in each of our key building blocks for growth supports a consistent, underlying net revenue growth rate in the range of 5-8% per annum.

2. **Establishing an organisational framework which will deliver greater automation of processes and greater agility to support the delivery of our plan**

   An important next step to support the delivery of this growth is to ensure as a business we have the necessary organisational framework to deliver better operational performance at a reduced cost and a higher level of customer service and experience. To achieve this, we have sought the support of Nile, an independent consultancy, in a project to review our operational structure and business processes today and develop a plan to deliver greater automation and business agility in the future to support the delivery of our plan.

3. **Delivering a reduction of at least 20% of our issued share capital, with scope for leverage in the range of 1.2x to 1.5x**

   The actions we are taking to deliver sustained organic growth across the business in a more efficient and agile business structure will further enhance the core cash generative characteristics of the business, enabling an accelerated share buyback programme over the next three years within a prudent capital structure of leverage in the range of 1.2x to 1.5x

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REVIEW BY DIVISION

SHOPPING DIVISION

In Retail Services, our core focus is to continue the growth of our retailer estate and to drive a consistently higher level of adoption of our service proposition. We remain committed to supporting our retailer partners drive more revenue and to maximising the opportunities from our unparalleled portfolio of community services. The next stage of that commitment is the recent rollout of a Store Growth Specialist team, dedicated to supporting retailers to unlocking more commission opportunities and enabled by targeted data and analytics to ensure we are focusing our efforts in the right locations. Early indications from this rollout have been very positive in terms of demonstrable performance optimisation and services adoption. In addition, we continue to drive further engagement with our Retailer Rewards scheme, launched in September 2024, giving retailers additional commission for scanning goods in store. Our next generation device, PayPoint Mini, continues to rollout across our estate with 2,898 now live, along with our integrated third-party EPoS solution, PayPoint Connect. We also now have structured plans in place to support our multiple retailer partners in maximising the value of our wide portfolio of services in their stores, including the rollout of additional Collect+ sites, FMCG campaigns, Love2shop gift cards and our new Local Banking service. Our FMCG consumer engagement proposition, PayPoint Engage, continues to gain good traction delivering campaigns for major consumer brands, leveraging our PayPoint One platform, advertising screens and vouchering capability. Over 18 campaigns have been delivered in the year, including an award-winning campaign for Spar during Euro 2024, with a building pipeline of further brand campaigns for delivery over the next 12 months.

In Cards, we have focused in the year on delivering a successful transition to Lloyds Bank Cardnet as an acquiring partner across the wider Group, with the partnership launching in December 2024 into our Handepay business. The partnership has enhanced our merchant proposition, including earlier in the day settlement, and delivered an enhanced and faster onboarding for our merchants. Additionally, we have launched our Merchant Mobile App, enabling merchants to access transaction data and insights about their business, with over 3,000 merchants already signed up and plans in place for further growth over the current year. Over the course of the next 12 months, we will be adding further features and functionality to the app, including real-time transaction data and the integration of our Rewards scheme. In the period, we have also improved participation in our Handepay Rewards Scheme, with over 3,500 merchants registered, and continued to drive further enhancements to our core proposition, with the launch of a new AI-driven statement reader to further speed up and enhance the merchant sales experience, strengthened pricing governance and time to transact drastically reduced from 14.7 days to 2.2 days, driven by our welcome call programme and an improved customer onboarding process with the new Lloyds Bank Cardnet partnership. All of these actions are focused on driving an improved retention performance in the current year, with a target reduction of churn to 25%. Our Business Finance product, via YouLend, continues to grow with over £23.8m of funding delivered to merchants across the Group in FY25, an increase of 23% versus the prior year, and with plans in place to pilot an Asset Finance product with merchants in H1 FY26.

In our Community Cash Access and Banking network, while progress continues to be frustrating, a detailed ATM recovery plan is now underway to improve performance in the current year, including the enablement of Mastercard and Visa throughout the network in H1 FY26, an improved support and maintenance model with Notemachine to drive ATM uptime and service, individual site performance optimisation visits and further network expansion opportunities in progress with new partners. Our Counter Cash service, offering withdrawals and balance enquiries over the counter, is now live in 2,993 locations, and we have processed over £475 million of consumer deposits for our neobank clients in the year. We are also well advanced with the launch of the first two major High St Banks delivering consumer deposits across our extensive network in H1 FY26, which will be followed by an SME deposit solution for High St Banks in development for pilot in H2 FY26.

E-COMMERCE DIVISION

In E-commerce, we have delivered a record year, with net revenue +39.0% at £16.4 million and parcel transactions growing to 133.4 million. This performance reflects the strong positioning of our growing Collect+ network for Out of Home (OOH) fulfilment with both consumers and carriers and a continuing market shift towards OOH delivery. Our partnership with Royal Mail launched earlier in the financial year, with over 7,500 sites rolled out across the UK and store to store and click and collect services now live. Our longstanding Yodel/Vinted partnership has continued to deliver strong volumes through our Store-to-Store service, with growing adoption by consumers and our carrier partners. We have also expanded our Zebra printer technology to over 93% of our network, underlining our continuing commitment to invest in improving the consumer experience in store and driving further adoption of Out of Home (OOH) with our carrier partners.

As referred to in our interim results in November 2024, we made a strategic investment in Yodel alongside other investors, including InPost in June 2024. As we indicated at the time, our investment was in support of the Yodel management team as they planned to further automate and modernise the Yodel business. Since this initial investment, InPost has provided Yodel with significant additional funding and announced their acquisition of Yodel on 17 April 2025, resulting in a significant dilution of our original investment to a 4.5% minority stake in the business and a write down of the investment to £2.2 million. An expansion of InPost PUDO locations has also recently been announced, growing to over 6,000 sites, which harmonises locations, parcel volumes and opening up the opportunity for further expansion and parcel volume growth across our extensive network for both InPost and Yodel.

We have now established new partnerships with Chinese and South Asian marketplaces, with the initial rollout of 26 stores with SFExpress, the leading integrated logistics service provider with an extensive PUDO network in China, focused on enabling our services in Chinese communities across the UK. We continue to explore further opportunities to build increased momentum and drive further volume into our network, with the primary focus to establish Collect+ as the first-choice partner for Pick Up Drop Off (PUDO) with these marketplaces.

We have successfully grown the Collect+ network to 14,213 sites in new locations and demographics, including increasing our presence with major multiple retailers like One Stop, Spar NI owned by Henderson Group and a pilot with Asda, rolling out further sites for the Royal Mail, InPost and UPS, and growing our student presence working with 19 of the top universities and student unions across the UK (Strathclyde, Aberdeen, Sunderland and Open University added in the year). We will continue to identify opportunities to grow the Collect+ network across a number of new and existing channels, in partnership with our carriers and consistent with developing consumer behaviours and needs in the Out of Home market.

PAYMENTS & BANKING DIVISION

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 4.5% year on year. We have secured further strong wins in the Housing sector, with Guinness Housing, Sovereign and Thirteen, and in the Charity sector with several Citizen's Advice regional offices, Alzheimer's Society, Shelter and Wiltshire and Bath Air Ambulance. A major focus for the current year is on increasing opportunities to cross-sell payments services within our existing client base, leveraging our wider multichannel payments platform and Open Banking capabilities. We have also completed our first full year of delivering the DVLA International Driving Permit service, which went live on 1 April 2024, marking another key central government service fulfilled via our extensive retailer network.

In our cash through to digital category, we have made the key decision to build on our success and market positioning in the cash through to digital sector, by combining our leading portfolio of consumer brands, including Amazon, Netflix, Deliveroo and Uber, with physical Love2shop gift cards in store. This creates a strong consumer proposition, offering the choice of specific cash through to digital brands and our Love2shop multi-retailer redemption card, which is expected to generate meaningful additional card load and revenue opportunities for retailer partners. The strength of this proposition is evidenced by the sales momentum built with Love2shop gift cards in over 2,600 multiple retailers in the PayPoint network, establishing an annual run rate of circa £1m of value processed, and the early success of our partnership with InComm Payments offering Love2shop gift cards into a range of major retailers.

Following the completion of our majority investment in obconnect in October 2024, we are now making strong progress executing on our strategy in Open Banking. 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 Aperidata, with 28 further clients live in the year for our services, including the Crown Commercial Service. In the year, the BBC also went live for Confirmation of Payee. In obconnect, the focus is on providing the necessary support and expertise to deliver data sharing ecosystems for major banks and jurisdictions, as demonstrated by the major contract win to deliver the Confirmation of Payee ecosystem for the New Zealand Banking Association which went live successfully in December 2024, including major banks like ANZ, Kiwibank and Westpac. In addition, a major focus for the current year is developing the next generation of Open Banking technology and capability, which will support future pipeline opportunities in this rapidly evolving market. As we indicated at the time of the announcement of the investment in obconnect on 1 August 2024, we have recognised a modest net revenue contribution in H2 FY25 of £1.8 million, in the expectation of a more meaningful contribution in FY26 and thereafter, driven by further pipeline opportunities in Confirmation of Payee, Verification of Payee in Europe and ecosystems in additional jurisdictions.

In Cash, legacy energy bill payments net revenue decreased by 6.5% for the year consistent with our expectations, with this part of the business continuing to be resilient, both in transaction volumes, rates and the renewal of a number of key contracts including Scottish Power. We expect this pattern and moderation in the rate of decline to continue into the current year. Over the year, the energy price cap, updated by Ofgem on a quarterly basis, was set for pre-pay customers at £1,643 for April to June 2024, £1,522 for July to September 2024, £1,669 for October to December 2024 and £1,690 for January to March 2025. However, the price cap has increased in the current financial year to £1,803 for pre-pay customers for April to June 2025.

LOVE2SHOP DIVISION

Overall, the Love2shop division had an excellent year, delivering growth in Love2shop Business, a resilient performance in Park Christmas Savings and strong progress in a number of key initiatives to develop new sales channels and partnerships. In Love2shop Business, we delivered a positive year with £172.2 million of billings delivered (FY24: £162.8 million), benefiting from the excellent planning and preparation by the Love2shop team well in advance of the peak trading period, and the growing benefits from corporate API integrations launched into major clients last year, delivering increased billings and improved customer experience. For our top 10 clients, we saw sales volumes grow by 17% YOY as we continue to develop our relationships, with our managed client portfolio billings retention at 91% and major clients retention at 107%. During our peak trading month of December, we saw a YOY increase in AOV by 11% to £11.5k.

Highstreetvouchers.com performance was strong with billings +12.8% ahead of plan, reflecting the benefits of the actions taken at the beginning of the financial year to our online strategy. This positive outcome has been driven by a more efficient use of paid media spend driving a higher Average Order Value (AOV) of £320 vs £92 previously, improved customer journeys optimised for business customers transacting online or wishing to speak to our sales team, and an improved digital product and participation enabling larger bulk orders which has also increased AOV from £400 to £1500.

Our expanded distribution partnership with InComm Payments launched successfully on 20 October 2024 and has delivered a strong first six months with over £2.9 million of billings. The partnership has seen a significant expansion of physical Love2shop gift cards into major grocers and High St retailers, with plans already underway to build on this positive start and gain further momentum in FY26. Our sales momentum has also continued to build with Love2shop gift cards in over 2,600 multiple retailers in the PayPoint network, establishing an annual run rate of circa £1m of value processed. New redemption partners onboarded in the year for Love2shop included Dobbies Garden Centres, Foyles Bookstores, Blackwells, Frankie & Bennys, Las Iguanas and Wilko. Together these initiatives launched over the year have further enhanced consumer recognition of the Love2shop brand through our online and physical in store channels.

Park Christmas Savings delivered a solid outcome to the Christmas 2024 campaign with final billings of £162.2m, consistent with the previous year, with average saver value increased by 2.5% versus the prior year and customer retention strong at 91% of value retained from the prior season, all against the backdrop of tighter consumer spending and fluctuating consumer confidence over the year. A key focus in the year has been improving payment to conversion for new customers, which increased by 5% vs prior year delivering an improvement in the number of ‘nil paid’ and ‘off track’ customers. All of this has been achieved by focused saver activity and engagement campaigns leveraging Group capabilities via PayPoint’s PayByLink payment solution. The 2025 savings season has started positively, with gross accounts +18,000 versus the prior year, and the paid order book and cash collected +2% in the season to date. In addition, a new Agent App was launched to support savers and new digital gift cards added to the extensive product portfolio, with ongoing campaigns focused on driving payment to conversion. This again reinforces the enduring appeal and vital role this service plays in helping consumers budget for big occasions and avoid debt, with a Trustpilot rating of 4.6/5 and over £2 million of value delivered to savers each year. We continue to explore new expansion opportunities with a number of potential partners, in which to support further growth of our prepaid savings platform and leverage the strength of this capability.

MBL, the leading gift card technology platform that was acquired by Love2shop in 2022, processed £123.2 million in gift card value in in the year (FY24: £59.7 million), reflecting continued momentum as a gift card service provider for Greggs, B&M, New Look, Tapi, and Schuh, and as a key distributor for over 150 UK retailers' gift cards. We continue to expand the range of MBL solutions that we offer to our corporate clients and grow gift card management services with more retailers.

UPDATE ON CLAIMS AGAINST PAYPOINT

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 5-year contract for over-the-counter prepayment services. PayPoint is looking forward to the opportunity to build a more collaborative and mutually supportive relationship with Utilita going forward.

PayPoint remains confident that it will successfully defend the claim by Global 365 at trial. The claim fundamentally misunderstands the energy market and the relationships between the relevant Group companies and the major energy providers, whilst also over-estimating the opportunity available, if any, for the products offered by Global 365. The trial at the Competition Appeal Tribunal, started on 10 June 2025.

OUTLOOK AND DIVIDEND

The continued progress and momentum established across the Group, particularly with the seven key building blocks, underpins our confidence in delivering our newly established targets for the next three year period to the end of FY28: achieving net revenue growth in the range of 5% to 8% per annum across the Group; establishing an organisational framework which will deliver greater automation of processes and greater agility to support the delivery of our plan; and delivering a reduction of at least 20% of our issued share capital through an enhanced share buyback programme, consistent with a prudent capital structure and leverage in the range of 1.2x to 1.5x.

We have had an encouraging start to the current financial year in each of our business divisions and have already secured a number of important new contract wins, particularly within the housing sector. In addition to our focus on the organic building blocks for growth, significant energy is being directed into: building strong new business pipelines, particularly in Love2shop Business, Housing and Charities; successful delivery of our Local Banking service, with at least two banks due to go live in H1; continued parcels growth, driving volume opportunities with each carrier and growing Out of Home consumer adoption; optimising our retailer network performance, through better adoption of services, our new Store Growth Specialist team and further site growth; and the further upselling of our enhanced payment capabilities into our existing client base, including utilities.

Our commitment to an increased and extended share buyback programme will enhance shareholder returns and is reflective of our long-term confidence in the business and our underlying cash flow. The Board has declared a final dividend of 19.6p per share, an increase of 2.1% vs the prior year final dividend of 19.2p per share, consistent with our dividend policy and target cover range of 1.5 to 2.0 times earnings excluding exceptional items.

We remain confident in delivering further progress in the current year, meeting expectations and achieving our financial goals to FY28.

Nick Wiles
Chief Executive
11 June 2025

KEY PERFORMANCE INDICATORS

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

	KPI	Description, purpose and reference	FY25	FY24	FY23
Overall performance	Net revenue (£ million)	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 – 'Overview' on page 10)	**187.7**	181.0	128.9
	Underlying EBITDA (£ million)	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 – 'Overview' on page 11)	**90.0**	81.3	61.3
	Underlying profit before tax (profit before tax excluding adjusting items) (£ million)	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 – 'Overview' on page 10)	**68.0**	61.7	50.8
	Net corporate debt (£ million)	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 intends to maintain 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 15)	**97.4**	67.5	72.4
Shareholder returns	Diluted underlying earnings per share (Pence)	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.	**69.1**	62.6	60.3
Non-financial	ESG (Tonnes CO2e)	Measures the greenhouse 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)	**10.1**	9.4	10.0

FINANCIAL REVIEW

OVERVIEW

£m	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
PayPoint segment	**163.6**	169.7	(3.6)%
Love2shop segment	**147.1**	136.7	7.6%
Total revenue	**310.7**	306.4	1.4%
PayPoint segment	**136.0**	129.7	4.9%
Love2shop segment	**51.7**	51.3	0.8%
Total net revenue[1]	**187.7**	181.0	3.7%
PayPoint segment	**(82.6)**	(79.2)	4.3%
Love2shop segment	**(37.1)**	(40.1)	(7.5)%
Total costs (excluding adjusting items)	**(119.7)**	(119.3)	0.3%
PayPoint segment	**53.4**	50.5	5.7%
Love2shop segment	**14.6**	11.2	30.4%
Underlying profit before tax[2]	**68.0**	61.7	10.2%
Adjusting items:			
Amortisation of intangible assets arising on acquisition	**(8.7)**	(8.1)	7.4%
Net movement in investments	**(9.6)**	(0.2)	n/m
Exceptional items	**(23.4)**	(5.2)	n/m
Profit before tax	**26.3**	48.2	(45.4)%
Underlying EBITDA[3]	**90.0**	81.3	10.7%
Net corporate debt[4]	**(97.4)**	(67.5)	44.3%

Current year total statutory revenue of £310.7 million is reported after an exceptional deduction of £14.2 million related to a claim settlement. Underlying revenue, excluding this deduction, increased by £18.5 million (6.0%) to £324.9 million. Net revenue increased by £6.7 million (3.7%) to £187.7 million (2024: £181.0 million). Net revenue from the PayPoint segment increased by £6.3 million to £136.0 million (2024: £129.7 million) predominately driven by the growth in e-commerce, with parcel transactions exceeding 130 million in the year, and the 5 months of net revenue contribution from obconnect partially offset by the cash payments decline in Payments & Banking.

Total costs increased by £0.4 million to £119.7 million (2024: £119.3 million). The increase in costs includes £1.5 million additional costs from 5 months of contribution of obconnect, together with increases in transactional costs of revenue and depreciation of terminals and devices used to drive revenue in the business, these increases have been partially offset by savings in overheads following the organisational restructure earlier in the year.

Exceptional costs of £23.4 million, which are one-off, non-recurring and do not reflect current operational performance, comprises settlement and legal fees incurred as a result of the Group's defence of claims served against it, costs associated with early exit of a property lease in Love2shop and accelerated amortisation on certain modules of Love2shop ERP systems following the

[1] Net revenue is an alternative performance measure. Refer to note 4 to the financial information for a reconciliation to underlying revenue.
[2] Underlying profit before tax is an alternative performance measure. see above for a reconciliation to profit before tax.
[3] Underlying EBITDA is an alternative performance measure. Refer to page 11 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 information for a reconciliation to cash and cash equivalents.

commencement to re-platform key systems. The prior year costs comprise the same legal fees as noted in the current year, restructuring costs and costs associated with refinancing for the Group.

During the year the Group remeasured its investments and convertible loan notes resulting in a net charge of £9.6 million in the Consolidated statement of profit or loss for the current year, reported within adjusting items (see note 14).

The underlying profit before tax for the Group increased by £6.3 million (10.2%) to £68.0 million (2024: £61.7 million).

Profit before tax of £26.3 million (2024: £48.2 million) decreased by £21.9 million (45.4%).

EBITDA / Underlying EBITDA (£m)	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Profit before tax	**26.3**	48.2	(45.4)%
Add back:			
Net interest expense	**7.1**	7.0	1.4%
Depreciation & Amortisation - including amortisation of intangible assets arising on acquisition[1]	**23.6**	20.7	14.0%
EBITDA (£m)	**57.0**	75.9	(24.9)%
Exceptional items and net movement in investments	**33.0**	5.4	n/m
Underlying EBITDA (£m)	**90.0**	81.3	10.7%

Underlying EBITDA increased by £8.7 million to £90.0 million (2024: £81.3 million), which comprises £21.0 million for the L2s segment and £69.0 million for the PayPoint segment.

Cash generation increased by £11.1 million to £69.0 million (2024: £57.9 million), delivered from profit before tax of £26.3 million (2024: £48.2 million). There was a net working capital outflow of £10.3 million (2024: £11.8 million) with trade receivables and inventory levels increasing as the Group grows its revenue and supports new revenue generating initiatives which requires increases in working capital.

Net corporate debt increased by £29.9 million to £97.4 million (2024: £67.5 million), with cash generation of £69.0 million offset by tax payments, capital expenditure, share buyback, investments and dividends. At 31 March 2025 loans and borrowings were £102.3 million (2024: £93.9 million)

PAYPOINT SEGMENT

£m	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Revenue	**163.6**	169.7	(3.6)%
Shopping	**65.2**	64.4	1.2%
E-commerce	**16.4**	11.8	39.0%
Payments & Banking	**54.4**	53.5	1.7%
Net revenue	**136.0**	129.7	4.9%
Total costs (excluding adjusting items)	**(82.6)**	(79.2)	4.3%
Underlying profit before tax (excluding adjusting items)	**53.4**	50.5	5.7%

Revenue of £163.6 million includes a £14.2 million exceptional deduction, excluding this underlying revenue increased by £8.1 million to £177.8 million (4.8%).

Shopping net revenue increased by £0.8 million (1.2%) to £65.2 million (2024: £64.4 million). Service fees net revenue increased by £2.1 million (10.7%) driven by the implementation of the annual RPI increase and additional PayPoint sites. Cards net revenue decreased by £0.3 million (0.9%), with site growth delivered in the PayPoint retailer estate and a reduction in the Handepay SME

[1] Excludes exceptional depreciation of £0.8 million related to the Chapel St. lease and exceptional amortisation of £0.9 million related to Love2shop's ERP system, both of which are included in the £33.0 million exceptional items

partners as we strengthen the field sales team and align to the strong and consistent progress already achieved in the Telesales teams. Lower than anticipated consumer spending has impacted the total value processed through the network which is down 4.2%. ATM and Counter Cash net revenue decreased by £1.0 million (11.4%) due to a reduction in transactions driven by the continuing trend of reduced demand for cash across the economy.

E-commerce net revenue increased by £4.6 million (39.0%) to £16.4 million (2024: £11.8 million), driven by strong growth in parcel transactions which increased by 33.3%. This was due to the growing strength in partnerships with InPost and Royal Mail, the investment in the in-store experience with Zebra label printers over the past 18 months and the continued expansion from new services and carrier partners.

Payments & Banking net revenue increased by £0.9 million (1.7%) to £54.4 million (2024: £53.5 million). Cash bill payments and top ups revenue decreased by £1.9 million (6.8%) to £25.9 million (2024: £27.8 million) driven by a 18.9% reduction in transactions following the reduced usage of cash and the continued switch to digital payments. Digital net revenue increased by £1.7 million (12.3%) to £15.5 million (2024: £13.8 million) with the current year including 5 months contribution from obconnect partially offset by a reduction in cashout transactions. In addition there was an increase in other Payments & Banking income received from a number of items which are non-recurring in nature.

The cost of commission to PayPoint retailers increased by £1.8 million (4.5%) to £41.7 million (2024: £39.9 million). This increase in payment to our retailer partners reflects an increase in the number of E-commerce transactions processed as well as more with higher commission rates per transaction.

Total costs (excluding adjusting items) increased by £3.4 million (4.3%) to £82.6 million (2024: £79.2 million), primarily as a result of the depreciation and amortisation impact of investment software and devices and the further investment in our people and field sales team to support growth in sales.

SECTOR ANALYSIS

SHOPPING

Shopping consists of services provided to retailer and SME partners, which contain two sub divisions, Card Services and Retail Services. Services include providing the PayPoint terminal to retailer partners, ATMs and Counter Cash and FMCG vouchering.

Net revenue (£m)	Year ended 31 March 2025	Year ended 31 March 2024	Change %
Retailer service fees from PayPoint terminals	**21.8**	19.7	10.7%
Card Services	**32.4**	32.7	(0.9)%
ATMs and Counter Cash	**7.8**	8.8	(11.4)%
Other shopping (includes FMCG)	**3.2**	3.2	0.0%
Total net revenue (£m)	**65.2**	64.4	1.2%

Net revenue increased by £0.8 million (1.2%) to £65.2 million (2024: £64.4 million) due to the growth in service fees driven by growth in sites and an annual RPI increase . The net revenue of each of our key products is separately addressed below.

Service fees from PayPoint terminals	Year ended 31 March 2025	Year ended 31 March 2024	Change %
Net Revenue (£m)	**21.8**	19.7	10.7%
PayPoint terminal sites (No.)			
PayPoint One Terminals	**17,397**	18,428	(5.6)%
PayPoint Mini	**2,878**	869	231.2%
Total PayPoint One / Mini	**20,275**	19,297	5.1%
Legacy (T2)	-	17	n/m
PPoS	9,763	9,164	6.5%
PayPoint One – non-revenue generating	674	671	0.4%
Total terminal sites in PayPoint network	**30,712**	29,149	5.4%
Average weekly service fee per independent site (£)	**19.9**	19.1	4.2%

As at 31 March 2025, PayPoint had a live terminal in 30,712 UK sites, an increase of 5.4% primarily as a result of new PayPoint Mini sales.

Service fees: This is a core growth area and consists of service fees from PayPoint terminals. Service fee net revenue increased by £2.1 million (10.7%) to £21.8 million driven by the additional revenue generating sites compared to the prior year.

Card services	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net Revenue (£m)			
Acquiring	**21.0**	23.3	(9.9)%
Rentals	**10.6**	8.8	20.5%
Business finance and other	**0.8**	0.6	33.3%
Total Net Revenue	**32.4**	32.7	(0.9)%
Services in Live sites (No.)			
Acquiring – Handepay SME partners	**21,435**	22,254	(3.7)%
Acquiring – PayPoint retailer partners	**10,552**	10,064	4.8%
Rentals – Handepay SME terminals	**50,012**	49,844	0.3%
Transaction value (£m)			
Handepay SME partners	**4,569**	4,612	(0.9)%
PayPoint retailers partners	**2,299**	2,561	(10.2)%
Transaction value total	**6,868**	7,173	(4.2)%

Card services: Card acquiring services generated £21.0 million net revenue in the year, a reduction of £2.3 million from the previous year (2024: £23.3 million). Transaction values overall have decreased by 4.2% to £6,868 million (2024 £7,173 million) following lower than anticipated consumer spending. During the year unprofitable legacy RSM2000 sites have been removed which has reduced revenue and reduced costs.

Revenue from terminal rentals has increased by £1.8 million to £10.6 million (2024: £8.8 million) mainly as a result of a change in the sales mix of operating leases compared to finance leases. Operating leases also have associated costs included in the profit and loss account.

ATMs and Counter Cash	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net Revenue (£m)	**7.8**	8.8	(11.4)%
Services in Live sites (No.)	**6,365**	9,599	(33.7)%
Transactions (Millions)	**24.5**	28.5	(14.0)%

ATMs and Counter Cash: Net revenue reduced by £1.0 million (11.4%) to £7.8 million (2024: £8.8 million) as transactions reduced by 14.0% to 24.5 million. This is attributable to the continued reduced demand for cash across the economy. ATM and Counter Cash live sites decreased 33.7% to 6,365 following a review to remove non transacting counter cash sites.

Other: Other shopping services remained flat at £3.2 million (2024: £3.2 million)

E-COMMERCE

Parcels	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net Revenue (£m)	**16.4**	11.8	39.0%
Services in Live sites (No.)	**14,213**	11,786	20.6%
Transactions (Millions)	**133.4**	100.1	33.3%

E-commerce net revenue increased by £4.6 million (39.0%) to £16.4 million following a record year for Collect+ as parcel transactions grew strongly by 33.3% to 133.4 million. This was due to the growing strength in partnerships with InPost and Royal Mail, the investment in the in-store experience with Zebra label printers over the past 18 months . There has been continued expansion from new services, Yodel store to store and Amazon returns, and new carrier partnerships with Royal Mail. Parcel sites increased by 20.6% to 14,213 sites.

PAYMENTS & BANKING

	Year ended 31 March 2025	Year ended 31 March 2024	Change %
Net revenue (£m)			
Cash	**25.9**	27.8	(6.8)%
Digital	**15.5**	13.8	12.3%
Cash through to digital	**6.8**	6.8	-
Other payments and banking	**6.2**	5.1	21.6%
Total net revenue (£m)	**54.4**	53.5	1.7%

Payments & Banking divisional net revenue increased by 1.7% to £54.4 million following 5 months of contribution from obconnect included within Digital and higher non-recurring other income. This has been partially offset by fewer cash bill payments and top up transactions.

Cash	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net revenue (£m)	**25.9**	27.8	(6.8)%
Transactions (millions)	**117.8**	145.2	(18.9)%
Transaction value (£m)	**3,448.3**	4,062.0	(15.1)%
Average transaction value (£)	**29.3**	28.0	4.6%
Net revenue per transaction (pence)	**22.0**	19.1	15.2%

Cash net revenue decreased by £1.9 million (6.8%) to £25.9 million. This is due to a reduction in transactions as consumers move to different payment methods.

Digital	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net revenue (£m)	**15.5**	13.8	12.3%
Transactions (millions)	**45.0**	46.9	(4.1)%
Transaction value (£m)	**999.0**	962.7	3.8%
Average transaction value (£)	**22.2**	20.5	8.3%
Net revenue per transaction (pence)	**34.5**	29.4	17.3%

Digital (obconnect, MultiPay, Cash Out, Open banking) net revenue increased by £1.7 million (12.3%) to £15.5 million. This is mainly due to including £1.8 million revenue from the first 5 months of trading from obconnect. Digital transactions excluding obconnect decreased by 1.9 million (4.1%) to 45.0 million. MultiPay net revenue increased by £0.3 million to £6.7 million (2024: £6.4 million). The DWP Payment Exception Service contributed £3.5 million net revenue in the year (2024: £3.9 million) following the expected decrease in customers. Cashout revenue decreased by £0.4 million (14.0%) to £2.7 million (2024: £3.0 million). Open banking and other revenue increase by £0.3 million (60.0%) to £0.8 million (2024: £0.5 million).

Cash through to digital	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Net revenue (£m)	**6.8**	6.8	-
Transactions (millions)	**7.9**	8.2	(3.7%)
Transaction value (£m)	**568.0**	545.0	4.2%
Average transaction value (£)	**72.3**	66.3	9.0%
Net revenue per transaction (pence)	**86.6**	82.7	4.7%

Cash through to digital (eMoney) net revenue remained flat at £6.8 million (2024: £6.8 million) and transactions decreased by 0.3 million (3.7%) to 7.9 million (2024: 8.2 million).

Other payments & banking net revenue includes interest income from client balances, SIM sales and other ad-hoc items which contributed £6.2 million (2024: £5.1 million) net revenue. The year on year increase is driven by a number of items which are non-recurring in nature.

LOVE2SHOP SEGMENT

£m	Year ended 31 March 2025	Year ended 31 March 2024	Change %
Love2shop billings	**204.5**	196.7	4.0%
Prepaid Christmas Savings billings	**163.0**	162.6	0.2%
Total billings	**367.5**	359.3	2.3%
Revenue	**147.1**	136.7	7.6%
Net revenue	**51.7**	51.3	0.8%
Total costs	**(37.1)**	(40.1)	(7.5)%
Underlying profit before tax (excluding adjusting items)	**14.6**	11.2	30.4%

Love2shop (L2s) Segment has generated £367.5 million of total billings in the year (2024: £359.3 million). Net revenue for the year increased £0.4 million to £51.7 million (2024: £51.3 million) as a result of higher interest income and the product mix, partially offset by changing product mix in Prepaid Christmas Savings to drive customer retention and a reduction in prepaid media on lower margin billings which has led to an increased profit contribution.

Love2shop achieved £204.5 million of billings in the year, an increase on prior year of £7.9 million (2024: £196.7 million). This increase reflects improved performance in our corporate area, with our established client base achieving record retention and an increase in client order value of 11% during our key peak trading month of December.

Included in Love2shop are billings from the distribution partnership with Incomm payments, this went live in October 2024 with a phased rollout. During this phased rollout Love2shop gift cards were sold in over 3,100 unique locations, including leading UK grocers and high street stores for the first time. Through this partnership and our distribution across the PayPoint multiple retailer network gift cards were sold in over 6,000 unique locations in FY25.

Park Christmas Savings achieved billings of £163.0 million (2024: £162.6 million), building on prior year channel improvements.

PROFIT BEFORE TAX AND TAXATION

The income tax charge of £7.0 million (2024: £12.5 million) on profit before tax of £26.3 million (2024: £48.2 million) represents an effective tax rate of 26.6% (2024: 25.9%). This is higher than the UK statutory rate of 25% mainly due to the impact of prior year adjustments.

GROUP STATEMENT OF FINANCIAL POSITION

Net assets of £97.3 million (2024: £121.2 million) decreased by £23.9 million reflecting the first year impact of the share buyback programme, the claim settlement and fair value investment adjustments, partially offset by underlying profit after tax. Current assets decreased by £26.0 million to £270.6 million (2024: £296.6 million) due to a reduction in corporate cash and a decrease in the balance for items in the course of collection, an equal but opposite decrease in the settlement payables is included in current liabilities. Non-current assets of £237.8 million (2024: £222.5 million) increased by £15.3 million reflecting the acquisition of obconnect.

Total liabilities increased by £13.0 million to £411.0 million (2024: £398.0 million) following an increase in loans and borrowings, offset by a reduction in settlement payables, as noted above.

Net corporate debt was £97.4 million (2024: £67.5 million) and has increased by £29.9 million from the previous year. Positive cash generation from trading has been offset by £14.9 million on the share buyback programme, investments in obconnect and Yodel and working capital requirements in the year, along with tax payments, capital expenditure and dividend requirements. Total loans and borrowings were £102.3 million at the year end, increasing by £8.4 million from 31 March 2024. These consisted of a £45.0 million non-amortising term loan, £58.0 million drawdown of the £90.0 million revolving credit facility and £0.3 million of accrued interest less

£1.0 million arrangement fees (2024: £36.0 million of amortising term loans, £57.5 million drawdown from the revolving credit facility, and £0.4 million of accrued interest).

GROUP CASH FLOW AND LIQUIDITY

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

£m	**Year ended 31 March 2025**	Year ended 31 March 2024	Change %
Profit before tax	**26.3**	48.2	(45.4)%
Non cash other exceptional items	**25.0**	0.2	n/m
Depreciation and amortisation	**25.3**	20.7	22.2%
Share-based payments and other items	**2.7**	0.6	350.0%
Working capital changes (corporate)	**(10.3)**	(11.8)	(12.7)%
Cash generation	**69.0**	57.9	19.2%
Taxation payments	**(11.4)**	(8.4)	35.7%
Capital expenditure	**(18.8)**	(16.2)	16.0%
Acquisition of subsidiaries net of cash acquired	**(8.9)**	-	n/m
Purchase of convertible loan notes and other investments	**(16.2)**	(0.1)	n/m
Payment of leases	**(0.9)**	(1.0)	(10.0)%
Share buyback	**(14.9)**	-	n/m
Dividends paid	**(27.8)**	(27.3)	1.8%
Net (decrease)/increase in net corporate debt	**(29.9)**	4.9	n/m
Net corporate debt at the beginning of the year	**(67.5)**	(72.4)	(6.8)%
Net corporate debt at the end of year	**(97.4)**	(67.5)	44.3%
Comprising:			
Corporate cash less overdraft	**4.9**	26.4	
Loans and borrowings	**(102.3)**	(93.9)	

Cash generation increased £11.1 million to £69.0 million (2024: £57.9 million) delivered from profit before tax of £26.3 million (2024: £48.2 million). There was a net working capital outflow of £10.3 million (2024: £11.8 million) with trade receivables and inventory levels increasing as the Group grows its revenue and supports new revenue generating initiatives which requires increases in working capital.

Taxation payments on account of £11.4 million (2024: £8.4 million) were higher than the prior year, with payments based on a higher estimated profit before tax. Dividend payments were higher compared to the prior year following an increased interim and final ordinary dividend per share from the prior year ended 31 March 2024. The 3-year share buyback programme commenced on 1 July 2024 and returned £14.9 million cash during the year (2024: £nil).

Capital expenditure of £18.8 million (2024: £16.2 million) was £2.6 million higher than the prior year. Capital expenditure primarily consists of payment terminals including Zebra printers, IT hardware, card terminals and other software development. The increase in capital expenditure is primarily the result of software development investment to modernise heritage systems.

DIVIDENDS

We have declared an increase of 2.1% in the final dividend to 19.6 pence per share (2024: 19.2 pence per share) payable in equal instalments of 9.8 pence per share (2024: 9.6 pence per share) on 11 August 2025 and 26 September 2025 to shareholders on the register on 4 July 2025 and 29 August 2025 respectively. The final dividend is subject to the approval of shareholders at the Annual General Meeting on 6 August 2025.

The final dividend will result in £13.8 million (2024: £14.0 million) being paid to shareholders from the standalone statement of financial position of the Company which, as at 31 March 2025, had approximately £67.2 million (2024: £102.2 million) of distributable reserves.

CAPITAL ALLOCATION

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 have been updated as follows:

- Investment in the business through small investments and capital expenditure on innovation to drive future revenue streams and improve the resilience and efficiency of our operations;

- Progressive ordinary dividends targeting a growth of our earnings cover ratio from the current 1.5 to 2.0 times range to over 2.0 times by FY27
- A 3-year share buyback programme commenced on 1 July 2024 and will return at least £20 million in Year 1.The Buyback Programme will increase to return at least £30 million per annum to shareholders and will be extended till the end of March 2028, with the target of reducing our equity base by at least 20% over that period
- 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 22. Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Group including dividends.

Rob Harding
Chief Financial Officer
11 June 2025

PRINCIPAL RISKS AND UNCERTAINTIES

Continuous development and review, whilst maintaining a dynamic and effective risk management process, is vital to support the business in achievement of its strategy and business objectives. Risk management continues to be an essential part of PayPoint's Corporate Governance.

Changes to principal risks

New risks and disclosures

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 and adhering to statutory requirements. Our risk appetite 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

Credit and Liquidity/Treasury Management – The name of this risk has been updated to reflect the increasing importance of Counter Party Risk Management to the Group which is now included within the risk profile. This risk is considered to be increasing following recent investment activities aligned to our strategic objectives.

Operational Model – this risk has been renamed as Client Services to more accurately reflect the composition of this risk and its associated risk management strategy.

Other principal risks have remained similar to last year, although they reflect current trends and our risk appetite for each area.

Emerging Risks

ESG and Climate Risk remains an emerging risk. Whilst we recognise 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 are set out in our annual report.

In 2022 we implemented The Task Force on Climate-related Financial Disclosures (TCFD) which provides companies with a framework to improve reporting on climate-related risks and opportunities. Risks caused by climate change have been embedded into our enterprise risk management framework including our financial planning processes, business case development and our overall risk identification and management processes are set out in our annual report.

The table on pages 18 to 21 sets out our principal and emerging risks and includes: 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.

	Risk Trend & Appetite	Potential Impact	Mitigation Strategies	Status
Principal Risks				
1	**Competition and markets** Trend = Stable Appetite = High	PayPoint's competitors and the market in which it operates continue to evolve. The decline in the legacy business of cash is expected to continue and is reflected in the continuing need for further business diversification as recognised in our business strategy. The current economic climate of lower levels of consumer spending continues to impact our business, such as the Cards market, where transaction processed volumes remain subdued.	The Executive Board closely monitors consumer trends and spending behaviour, regularly re-assessing our markets and competitor activity, along with any opportunities to further de-risk the legacy business. We continue to develop our service offerings and to adapt to changes in consumer needs and behaviours, including strategic acquisitions or investments, where appropriate.	Risk is stable as cost-of living pressures have continued to affect consumer activities, particularly in spending behaviours. This along with the continued decline in cash legacy business has impacted income streams for certain parts of the business.
2	**Emerging Technology** Trend = Stable Appetite = Medium	As the markets continue to change at a pace, so does the technology supporting the service provision. Pressures to deliver new and innovative products remain with new technologies emerging into the marketplace. Failure to develop in tandem with these changes in technology remains a risk to the group.	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.	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. We continue to roll out the new, updated version of our retailer terminal – the PayPoint mini.
3	**IT Transformation** Trend = Increasing Appetite = Medium	Several significant IT projects are in our 3-year plan and the delivery of these projects remains key to delivering our business strategy and growth aspirations. Our continued investment programme allows the business to deliver operationally resilient services as well as affording the business the opportunity to capitalise on opportunities for growth.	The Executive Board is accountable for the management and delivery of these projects, with oversight from the Group Board to ensure the Group continues to deliver innovative, robust, and efficient project management of these major programmes.	Risk is increasing as a number of these projects were mobilised in the current year and will be delivered over the course of the next 2 – 3 years.
4	**Client Services** Trend = Stable Appetite = Medium	Clients continue to have high expectations in terms of service level standards and compliance. This is expected to continue as the business diversifies into new products/ channels (such as community banking). Client retention and the exposure to clients developing in house solutions as an alternative to our services remains an ongoing risk, along with customer concentration risk, such as in Parcels	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 innovating markets	Risk is stable. We continue to renew contracts and onboard new retailers, clients, merchants, and redemption partners in line with expectations. We have built on our services and continue to encourage our clients to diversify and use more than one of our service provisions. Collaborating with our clients to continue to understand their requirements and how best we can meet our clients' needs remains a priority.
5	**Legal and Regulatory** Trend = Stable Appetite = Low	PayPoint is required to conform with numerous legal, contractual and continuously evolving regulatory requirements. Failure to comply and meet our obligations may result in fines, penalties, prosecution, and reputational damage. Increased levels of regulatory supervision, new and	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 regulatory requirements. The	Risk is stable. We continue to manage new legal and regulatory exposures through our risk management framework and this framework has been rolled out across our Love2shop business following its acquisition in 2023.

		changing regulatory requirements and the addition of new service offerings, such as open banking and PISP, have all increased the complexity of the regulatory environment in which we operate.	teams advise on all key contracts and legal matters and oversee regulatory compliance, monitoring, and reporting. 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.	As noted within the annual accounts for the year ended 31 March 2024, 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 5-year contract for over-the-counter prepayment services. PayPoint's position in relation to the claim by Global 365 remains unchanged – it is confident that it will successfully defend the claim at trial. The trial at the Competition Appeal Tribunal started on 10 June 2025.
6	**People** Trend = Stable Appetite = Low	Maintaining a strong workforce and our ethical and responsible culture is vital to ensuring we continue to deliver our key strategies over the coming years, Failure to retain and attract key talent impacts many areas of our business. A key element of the 3-year plan is revenue growth, and we need to be confident we can attract/ retain those individuals who are instrumental in driving top line growth, along with individuals who will support the operational transformation of our business. Key person dependency, at both executive and senior management levels, have been noted as a key risk.	The Executive Board continues to monitor this risk, with oversight from the Remuneration Committee. We continue to invest in our people, with a clear focus on retaining talent and key person dependency. PayPoint's purpose, vision, and values, are defined and embedded within the business, our expected behaviours and our review and monitoring processes. An employee forum comprising employees from across the business engages directly with the Executive Board on employee matters.	Risk is stable. The delivery of £100m EBITDA requires significant revenue growth over FY26 and a key element of this is retaining and attracting key talent to support delivery of this growth Employee engagement surveys remain positive and key actions around cost-of-living support, better employee interaction and flexible working have been implemented.
7	**Cyber Security** Trend = Increasing Appetite = Low	Cyber security risk continues to grow due to the growing volume and ever-increasing sophistication of the nature of these attacks and our expanding digital footprint. Such attacks may significantly impact service delivery and data protection causing harm to PayPoint, our customers and stakeholders. As the geographical	Recognising the importance and potential impact this risk poses to our business, the Executive Board regularly assesses PayPoint's cyber security and data protection framework, and the Cyber Security and IT Sub-Committee of the Audit Committee maintain oversight. Our IT security framework is	Risk is increasing because of the growing volume and sophistication of cyber-attacks, coupled with our expanding digital footprint. We continue to enhance our architecture, systems, processes and cyber security monitoring and response capabilities. We regularly engage third parties to assess and assist

		instability has continued and increased over the last year, cyber-crime and its potential impact on our Group continues to increase as do our efforts to mitigate the likelihood of such an attack and monitoring activities for potential instances of attack.	comprehensive, with multiple security systems and controls deployed across the Group and is continually under review. We are ISO27001 and PCI DSS Level 1 certified, and systems are constantly monitored for attacks with response plans implemented and evaluated. Employees receive regular cyber security training, and awareness is promoted through phishing simulations and other initiatives. We have implemented tools to assist in quick identification of potential threats. We operate a robust incident response framework to address potential and actual breaches in our estate or within our supply chain. We engage with stakeholders, including suppliers on cyber-crime and proactively manage adherence with data protection requirements.	with our cyber defences and strengthen our controls and have implemented strong monitoring capability across the Group.
8	**Business Interruption** Trend = Stable Appetite = Low	Failure to provide a resilient, stable, and reliable infrastructure environment or to promptly recover failed services following an incident can lead to loss of service provision, financial and reputational loss. Interruptions may be caused by system failures, cyber-attack, failure by a third party or failure of an internal process.	PayPoint has developed a comprehensive and robust business continuity framework. This is reviewed 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. Systems are routinely upgraded with numerous change management processes deployed and resilience embedded where possible. 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 the acquisition of Love2shop, our IT transformation projects and our expansion into different products contribute to an increasing complexity of our operations. Better staff training and retention has enhanced our ability to detect and recover from service issues.
9	**Credit and Liquidity/ Treasury Management Incorporating Counter Party Risk Management** Trend = Increasing Appetite = Medium	The Group has significant exposures to large clients/retailers, redemption partners and other counterparties. We have invested in a number of strategically important counter party relationships as part of our diversification and operational delivery plan. The Group also operates a number of debt/banking covenants which must be carefully managed. Cashflow management plays an increasingly key role in our Group's operations.	PayPoint has effective credit and operational processes and controls. Ongoing credit reviews, and effective debt management processes have been implemented across the group. A number of mitigating controls have been implemented to effectively manage counter party risk including board representation, increased engagement, and active monitoring of our significant counter parties. We have effective governance to manage cashflows through our treasury oversight committee and have implemented detailed and effective cash management	Risk is increasing following recent investment activities aligned to our strategy. 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 controls to ensure effective counterparty risk management. The Group has robust financing arrangements in place and our cash generation remains robust

			control processes to support out operations.	
10	**Operational Delivery** Trend = Stable Appetite = Low	Delivery of key initiatives and strategic objectives, including sales and service delivery growth, is key to achieving the desired success levels anticipated for the Group. Planning, forecasting and successful execution of all business function areas are key to ensuring operational delivery. 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 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.	Risk is stable. We continue to focus on effective integration of Love2shop into our business and to develop new services and enhance existing capabilities.
Emerging Risk				
1	**ESG and Climate** Trend = Stable Appetite = Medium	We continue to focus on environmental, social and governance matters and recognise that our business needs to be environmentally responsible to create shared value for all stakeholders. PayPoint continues to seek ways to reduce carbon emissions and its environmental impact. We continue to closely monitor the impacts on our business to ensure our revenue streams remain sustainable.	The CEO and the Executive Board have overall accountability for PayPoint’s climate and social responsibility agendas, and they recommend strategy to the Board. PayPoint aligns its business with its stated ESG goals and continually assesses its approach to environmental risk and social responsibility, which are embedded in our decision-making processes. We have multiple policies and processes governing our social responsibility strategy and we 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 are focused on the move toward electric cars for our company fleet and helping our field team to travel in more environmentally friendly ways. 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.

VIABILITY STATEMENT

In accordance with the 2018 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 18 to 21) 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 2024 and review of the Group's three-year Plan in March 2025. 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 the context of our clients, parcel partnerships, merchants, prepay savers and retailer requirements.

In each of our business divisions, we evolve our proposition to specifically address the requirements of our clients and merchants. In the e-Commerce division, we continue to extend our network and offer online customers greater convenience driven by the developing partnerships with carriers. In our Shopping division, our partnership with Lloyds Bank is providing a market-leading banking and card services proposition. In Payments and Banking, leveraging our open banking capabilities (obconnect) to cross- and up-sell our multi-channel payment capabilities, bringing innovation to our targeted sectors. In Love2shop, we continue to integrate our products into new channels (Incomm) and extend adoption of the PayPoint OpenPay service enabling consumers the choice of cash or vouchers. Finally, we are expanding our community cash banking solutions across the UK providing much needed access to cash for consumers, through our retailer partners.

The Group's inherent resilience to risk.

The Group has an inherent resilience to risk from its diversified proposition across many sectors. This means there are substantial opportunities to continue to provide more key services across all our customers (Retailers, SMEs, Clients, prepay savers and Parcel partnerships). This will ensure we are more integral to all our customers. The business remains highly cash generative, enabling continued investment in key areas of growth to support the Group's longer-term viability.

Expectations of the future economic environment.

The economic environment remains uncertain. Higher inflation and cost of borrowing have and continue to impact consumer behaviours and confidence. The diversity and necessity of our proposition ensures the business can adapt to ongoing and unexpected changes. A good example of this is the Yodel/Vinted partnership which supports many value seeking consumers with purchases in the previously loved clothing market.

The Group's financial position.

As at 31 May 2025 the Group had £105.7 million of net debt, split £8.7m cash and £114.4 utilised facilities. Compared to the total facility of £165m means the group has substantial headroom of £59.3m. 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 18 to 21). 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. However, we have not included a combined scenario of scenarios A to C.
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 assessed the Group's current position, potential impacts of principal risks, managing adverse conditions in the past, potential mitigating actions and prospects of the Group, the Directors confirm 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.

Scenario modelled	Linked to principal risks	Assumptions
Scenario 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 FY28. All the above are assumed to impact for FY26 with a slow recovery in FY27 back to planned levels in FY28. Dividends and Share Buy-Back Dividends are assumed to be paused from FY26 interims through to FY27 final, resuming in FY28 back in line with the dividend policy. Share buy-back is maintained.
Scenario 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 over the life of the plan. Costs Costs, linked to transformational revenue growth are assumed to increase by 5% 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 FY26 interims through to FY27 final, resuming in FY28 back in line with the dividend policy. Share buy-back is maintained.
Scenario 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, £30m, is incurred in FY26 but no other associated costs together with a credit risk of £6.2m (equivalent to our largest debtor) totalling £36.2m. Dividends and Share Buy-Back Dividends are assumed to be paused from FY26 interims through to FY27 final, resuming in FY28 back in line with the dividend policy. Share buy-back is maintained.
Scenario 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 FY25. 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 FY25 dividend until FY28 and therefore from a cash perspective, we save c£37.7m in FY27. For both tests, the share buyback is assumed and therefore remains a management 'lever'.

Consolidated statement of profit or loss

	Note	Year ended 31 March 2025 Underlying £'000	Adjusting items £'000	Total £'000	Year ended 31 March 2024 £'000
Revenue	2,3	**294,919**	**(14,205)**	**280,714**	277,816
Other revenue	2,3	**30,000**	**-**	**30,000**	28,551
Total revenue		**324,919**	**(14,205)**	**310,714**	306,367
Cost of revenue		**(174,283)**	**-**	**(174,283)**	(158,964)
Gross profit		**150,636**	**(14,205)**	**136,431**	147,403
Administrative expenses - excluding adjusting items		**(75,522)**	**-**	**(75,522)**	(78,722)
Operating profit before adjusting items		**75,114**	**(14,205)**	**60,909**	68,681
Adjusting items:					
Exceptional items - administrative expenses	5	**-**	**(9,229)**	**(9,229)**	(4,120)
Amortisation of acquired intangible assets		**-**	**(8,716)**	**(8,716)**	(8,076)
Movement on convertible loan notes	7	**-**	**(10,413)**	**(10,413)**	(186)
Movement on other investments	7	**-**	**805**	**805**	-
Operating profit after adjusting items		**75,114**	**(41,758)**	**33,356**	56,299
Finance income		**1,383**	**-**	**1,383**	1,390
Finance costs		**(8,448)**	**-**	**(8,448)**	(8,408)
Exceptional item – finance costs	5	**-**	**-**	**-**	(1,099)
Profit before tax		**68,049**	**(41,758)**	**26,291**	48,182
Tax	6	**(17,431)**	**10,440**	**(6,991)**	(12,495)
Profit after tax		**50,618**	**(31,318)**	**19,300**	35,687
Attributable to:					
Owners of the parent		**50,509**	**(31,318)**	**19,191**	35,687
Non-controlling interests		**109**	**-**	**109**	-
		50,618	**(31,318)**	**19,300**	35,687

Earnings per share (pence)	**Year ended 31 March 2025**	Year ended 31 March 2024
Basic	**26.6**	49.1
Diluted	**26.3**	48.8

Underlying earnings per share – before adjusting items (pence)	**Year ended 31 March 2025**	Year ended 31 March 2024
Basic	**70.1**	63.0
Diluted	**69.1**	62.6

Consolidated statement of comprehensive income

	Note	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Items that will not be reclassified to the consolidated statement of profit or loss:			
Remeasurement of defined benefit pension scheme asset		**(230)**	(328)
Deferred tax on remeasurement of defined benefit pension scheme asset	6	**58**	82
Items that may subsequently be reclassified to the consolidated statement of profit or loss:			
Movement on cashflow hedge reserve		**(266)**	-
Other comprehensive expense for the year		**(438)**	(246)
Profit for the year		**19,300**	35,687
Total comprehensive income for the year		**18,862**	35,441
Attributable to:			
Owners of the parent		**18,753**	35,441
Non-controlling interests		**109**	-
		18,862	35,441

Consolidated statement of financial position

	Note	31 March 2025 £'000	31 March 2024 £'000
Non-current assets			
Goodwill		**129,633**	117,427
Other intangible assets		**71,901**	67,052
Convertible loan notes	7	**3,159**	3,689
Other investment	7	**740**	251
Property, plant and equipment		**31,933**	33,292
Net investment in finance lease receivables		**189**	512
Retirement benefit asset		**224**	286
Total non-current assets		**237,779**	222,509
Current assets			
Inventories		**6,162**	3,260
Trade and other receivables		**110,010**	122,950
Current tax asset		**9,734**	5,423
Cash and cash equivalents – corporate		**4,927**	26,392
Cash and cash equivalents – non-corporate		**28,262**	60,378
Restricted funds held on deposit (non-corporate)		**111,475**	78,198
Total current assets		**270,570**	296,601
Total assets		**508,349**	519,110
Current liabilities			
Trade and other payables		**272,369**	281,864
Lease liabilities		**768**	879
Provisions	9	**11,198**	1,850
Loans and borrowings		**265**	16,435
Total current liabilities		**284,600**	301,028
Non-current liabilities			
Lease liabilities		**2,410**	3,956
Loans and borrowings		**102,043**	77,500
Derivative liability		**264**	-
Deferred tax liability		**17,559**	15,466
Provisions	9	**4,152**	-
Total non-current liabilities		**126,428**	96,922
Total liabilities		**411,028**	397,950
Net assets		**97,321**	121,160
Equity			
Share capital	10	**236**	242
Share premium	10	**1,000**	1,000
Merger reserve	10	**18,243**	18,243
Share-based payment reserve		**3,471**	2,992
Capital redemption reserve	10	**7**	-
Retained earnings		**70,255**	98,683
Total equity attributable to equity holders of the parent		**93,212**	121,160
Non-controlling interests		**4,109**	-
Total equity		**97,321**	121,160

These financial statements on pages [24] to [43] were approved by the Board of Directors and authorised for issue on 11 June 2025 and were signed on behalf of the Board of Directors.

Nick Wiles
Chief Executive

11 June 2025

Consolidated statement of changes in equity

	Note	Share capital £'000	ıre 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 2023		**242**	**1,000**	**18,243**	**2,286**	**-**	**89,943**	**111,714**	**-**	**111,714**
Profit for the year		-	-	-	-	-	35,687	35,687	-	35,687
Total other comprehensive income		-	-	-	-	-	(246)	(246)	-	(246)
Comprehensive income for the year		-	-	-	-	-	35,441	35,441	-	35,441
Equity-settled share-based payment expense		-	-	-	1,669	-	(339)	1,330	-	1,330
Vesting of share scheme		-	-	-	(963)	-	963	-	-	-
Dividends		-	-	-	-	-	(27,325)	(27,325)	-	(27,325)
At 31 March 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)**
Comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**18,753**	**18,753**	**109**	**18,862**
Issue of shares	10	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**
Purchase of own shares	10	**(7)**	**-**	**-**	**-**	**7**	**(20,129)**	**(20,129)**	**-**	**(20,129)**
Equity-settled share-based payment expense		**-**	**-**	**-**	**2,018**	**-**	**(814)**	**1,204**	**-**	**1,204**
Vesting of share scheme		**-**	**-**	**-**	**(1,539)**	**-**	**1,539**	**-**	**-**	**-**
Dividends		**-**	**-**	**-**	**-**	**-**	**(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**

Consolidated statement of cash flows

	Note	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Cash flows from operating activities			
Cash generated from operations	11	**74,701**	65,706
Corporation tax paid		**(11,383)**	(8,354)
Interest received		**502**	534
Interest paid		**(7,848)**	(7,609)
Movement in restricted funds held on deposit (non-corporate)		**(33,277)**	3,802
Movement in payables – non-corporate		**1,699**	(91)
Net cash inflow from operating activities		**24,394**	53,988
Investing activities			
Purchases of property, plant and equipment		**(9,248)**	(11,100)
Purchases of intangible assets		**(9,529)**	(5,106)
Acquisitions of subsidiaries net of cash and cash equivalents acquired	8	**(8,919)**	-
Purchase of convertible loan notes	7	**(16,000)**	(125)
Purchase of other investment	7	**(200)**	-
Net cash used in investing activities		**(43,896)**	(16,331)
Financing activities			
Dividends paid		**(27,777)**	(27,325)
Proceeds from issue of share capital		**1**	-
Payment of lease liabilities		**(889)**	(1,008)
Repayments of loans and borrowings		**(88,000)**	(44,980)
Proceeds from loans and borrowings		**97,500**	44,500
Purchase of own shares		**(14,914)**	-
Net cash used in financing activities		**(34,079)**	(28,813)
Net (decrease) / increase in cash and cash equivalents		**(53,581)**	8,844
Cash and cash equivalents at beginning of year		**86,770**	77,926
Cash and cash equivalents at end of year		**33,189**	86,770

Note to the consolidated statement of cash flows - reconciliation of cash and cash equivalents

	31 March 2025 £'000	31 March 2024 £'000
Corporate cash	**4,927**	26,392
Non-corporate cash	**28,262**	60,378
Cash and cash equivalents	**33,189**	86,770

Notes to the consolidated financial statements

1. Significant 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 except as disclosed 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.

The financial information for the year ended 31 March 2025 set out in this document does not constitute the Group's financial statements for that financial year but is derived from those financial statements. Those financial statements have been reported on by the Group's auditor, PricewaterhouseCoopers LLP, and will be delivered to the Registrar of Companies in due course. The report of the auditor (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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 2025:

- Amendments to IAS1 *Presentation of financial statements* – classification of liabilities as current or non-current and non-current liabilities with covenants (effective date 1 January 2024)
- Amendments to IAS7 *Statement of cash flows* and IFRS7 *Financial instruments: disclosures* – supplier finance arrangements (effective date 1 January 2024)
- Amendments to IFRS16 *Leases* – lease liability in sale and leaseback (effective date 1 January 2024)

The accounting policies adopted by the Group in the financial statements for the year ended 31 March 2025 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

No new standards or interpretations have been adopted in the Group's accounting policies in the year ended 31 March 2025.

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 IAS21 *The Effects of Changes in Foreign Exchange Rates* - long-term lack of exchangeability between currencies (effective date 1 January 2025)
- Amendments to IFRS7 *Financial instruments: disclosures* - 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.

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 2025, the Group had corporate cash of £4.9 million.

The Group carried out a refinancing, completed on 6 June 2024, following which its borrowing facilities consisted of:

- a £45.0 million non-amortising term loan expiring in June 2028;
- a £90.0 million unsecured revolving credit facility expiring in June 2028; and
- a £30.0 million accordion facility (uncommitted) expiring in June 2028 with an option, subject to lender approval, to extend by a further year.

On 11 June 2025, the Group completed an amendment to the above arrangement, 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
- a £90.0 million unsecured revolving credit facility expiring in June 2029.

At 31 March 2025, £58.0 million (2024: £57.5 million) was drawn down from the £90.0 million revolving credit facility and the outstanding balance of the non-amortising term loan was £45.0 million.

The Group's statement of financial position shows net assets of £97.3 million as at 31 March 2025 (£121.2 million as at 31 March 2024), having made a profit after tax for the year of £19.3 million (2024: £35.7 million) and generated cash from operations of £74.7 million for the year then ended (2024: £65.7 million). The Group had net current liabilities of £14.0 million (2024: £4.4 million).

The Directors consider the going concern period as twelve months from the date of signing of these financial statements and have reviewed detailed monthly cash flow forecasts from 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 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 19.6 pence per share declared in respect of the financial year ended 31 March 2025. The cash flow forecasts included an analysis and stress test for the above scenarios to ensure working capital movements within a reporting year 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 twelve months from the date of approval of these financial statements and therefore have prepared the financial statements 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: 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. Love2shop 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, such as a legal trust, 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.

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 2025 are as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Corporate cash	**4,927**	26,392
Clients' cash	**15,165**	17,276
Gift card voucher cash	**3,030**	9,779
Prepay savers' cash	**4,266**	27,368
Retailer partners' deposits	**5,801**	5,955
Sub-total: non-corporate cash	**28,262**	60,378
Total cash and cash equivalents	**33,189**	86,770
Restricted funds held on deposit (non-corporate)	**111,475**	78,198

Clients' own funds
Clients' cash held in trust off the Consolidated statement of financial position as at 31 March 2025 is £54.2 million (2024: £60.5 million).

Critical judgement: assessment of the Group's Cards division cash generating units (CGUs)
Management reassessed its CGUs during the prior period, prompted by the signing of a new partnership with Lloyds Banking Group's "Cardnet" division in March 2024. This resulted in the creation of a new Cards CGU in the prior period, comprising the former Handepay CGU and Merchant Rentals CGU plus the pre-existing PayPoint cards business.

Consequently, the Group now tests for impairment the aggregate goodwill of £45.2 million which arose on the acquisitions of Handepay and Merchant Rentals, by comparing the enlarged Cards CGU's recoverable amount to its carrying value. Prior to this CGU reassessment, the Group performed separate impairment tests on the goodwill which arose on the Handepay and Merchant Rentals acquisitions (£35.6 million and £9.6 million respectively) by comparing the recoverable amounts to the carrying values for each of the Handepay and Merchant Rentals CGUs. The consolidation of the former Handepay CGU, Merchant Rentals CGU and PayPoint cards business into a single Cards CGU remains a critical judgement.

Critical estimate: Valuation of acquired intangible assets on acquisition of obconnect Ltd
The fair value of acquired intangible assets (customer relationships, brand and developed technology) recognised on the acquisition of obconnect Ltd amounted to £11.0 million, with a related deferred tax liability of £2.7 million. Together with other assets acquired and liabilities assumed, this resulted in goodwill of £12.2 million. The estimate of fair value measurement of acquired customer relationships is considered by management a critical estimate due to a significant risk of material adjustment in the measurement period. The fair value of customer relationships is derived from assumptions, changes to which would have a material impact on its fair value.

The table below summarises the fair value of customer relationships recognised, the assumptions used in deriving the fair value and the range of fair values obtained by changing one or more of the assumptions:

Fair value	£7.6m
Discount rate assumption	17.1%
Attrition rate	3.0%
Impact of 2%-point change to discount rate	+£1.1 / - £0.9m
Impact of 2%-point change to attrition rate	+£1.4m / - £1.1m
Value with both assumptions at favourable end of range	£10.5m
Value with both assumptions at adverse end of range	£5.9m

Given that the acquired customer relationships were not purchased in separate transactions, but rather as part of the wider obconnect Ltd business combination, the ‘market participant’ perspective is hypothetical. Therefore, in measuring the acquired customer relationships at fair value, management considered the types of potential market participants (e.g. competitors and comparable companies) to apply assumptions that were consistent with the assumptions that market participants would use when pricing the intangible assets.

Given that the acquired customer relationships are not traded on an active market, have no recent market transactions and are unique to obconnect, management valued them using a multi-period excess earnings (MEEM) method, which reflects market participant fair value by including forecast lifetime earnings which were specifically attributable only to the customer relationships existing at the acquisition date. The discount rate applied to the MEEM incorporates general market rates of return at the acquisition date as well as industry risks and the risks of the asset to typical market participant, based on an analysis of comparable companies.

The residual £12.2 million goodwill represents the future economic benefits arising from the acquisition that were not individually identified and separately recognised at the acquisition date. The buyer-specific synergies subsumed into goodwill did not exist at the market-participant level at the acquisition date because i) they result from combining PayPoint and obconnect Ltd, enabling PayPoint to cross-sell to the obconnect Ltd customer base and ii) the new customer relationships and sectors are anticipated to arise post-acquisition but these were not identifiable at the acquisition date. The workforce and operating expertise are not separately identifiable intangible assets and are also included in goodwill.

Critical estimate: Valuation of the investments in Judge Logistics Ltd

Convertible loan notes
As explained in note 7, the Company held a convertible loan note in Judge Logistics Ltd (“Judge”) at 31 March 2025, which it had purchased for consideration of £15 million during the current period. In accordance with IAS32 *Financial Instruments* the Company is required to re-measure the loan note at fair value at the end of each reporting period, using an appropriate valuation method. Management used the Probability-Weighted Expected Return Method (“PWERM”), valuing the instrument under each of the different outcomes it identified, and assigning a relative probability to each such outcome.

Management exercised judgement in assigning the relative probabilities. It assigned the highest probability to the scenario which transpired on 17 April 2025, namely the conversion of the Company’s loan note into a 3.6% equity investment in Judge, triggered by InPost spa z.o.o.’s (“InPost’s”) acquisition of Judge. Management assigned lower probabilities to other feasible scenarios.

Management also exercised judgement in estimating the fair value of a 3.6% equity investment. The amount paid by InPost to purchase convertible loan notes in Judge, prior to acquiring 95.5% of it, provided management with observable market information to assist in estimating the fair value of a 3.6% share.

The re-measurement of the Company’s loan note in Judge, from £15.0 million to £2.2 million, resulted in a charge of £12.8 million in the Consolidated statement of profit or loss for the current year, reported within adjusting items (see note 7).

Equity investment
In addition to the convertible loan note, the Company purchased for £100 an equity investment in Judge in the current year. This investment represented a 0.9% share in Judge following conversion of the Company’s and InPost’s loan notes on 17 April 2025.

With reference to the valuation of £2.2 million derived by the PWERM method for its loan note and the estimated relative probabilities of the possible scenarios, management re-measured the Company’s equity investment in Judge at £0.5 million, resulting in a gain of £0.5 million in the Consolidated statement of profit or loss, reported within adjusting items (see note 7).

Future impact
With the conversion of the Company’s loan note into equity on 17 April 2025, the element of uncertainty relating to the relative probabilities of the scenarios existing at 31 March 2025 was removed. However, the fair value attributable to the Company’s investments in Judge remains subject to estimation. It is reasonably possible that changes to assumptions used by management to estimate the fair value of its investments could give rise to further material adjusting items in the following financial year.

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 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 2025 £'000	Year ended 31 March 2024 £'000
Exceptional item - revenue	**14,205**	-
Exceptional items – legal fees	**6,357**	2,143
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 contract provision for unavoidable Chapel St. costs	**1,145**	-
Sub-total: items related to Chapel St. lease	**2,004**	-
Exceptional item – accelerated amortisation costs	**868**	-
Exceptional items – restructuring costs	**-**	1,977
Sub-total: exceptional items – administrative expenses	**9,229**	4,120
Exceptional items – finance costs	**-**	1,099
Amortisation of intangible assets arising on acquisition	**8,716**	8,076
Net movement on convertible loan note fair values	**10,413**	186
Net movement on other investment fair values	**(805)**	-
Total adjusting items	**41,758**	13,481

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 revenue less commissions paid (to retailer partners and Park Christmas Savings 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, administrative expenses, finance income and finance costs. Total costs exclude adjusting items, being exceptional costs, amortisation of intangible assets arising on acquisition and net movement 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 11 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 11 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 net profit 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 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 IFRS 16 liabilities). The reconciliation of corporate cash and cash equivalents to net corporate debt is as follows:

	31 March 2025 £'000	31 March 2024 £'000

Cash and cash equivalents – corporate	**4,927**	26,392
Less:		
Loans and borrowings	**(102,308)**	(93,935)
Net corporate debt	**(97,381)**	(67,543)

2. Segmental reporting

Segmental information

The Group considers its Love2shop business to be separate segments 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) 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, including confirmation of payee

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.

Year-ended 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
Total 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**

Year-ended 31 March 2024	PayPoint £'000	Love2shop £'000	Total £'000
Revenue	167,717	110,099	277,816
Other revenue	2,013	26,538	28,551
Segment revenue	169,730	136,637	306,367
Segment profit before tax and adjusting items	50,487	11,176	61,663
Exceptional items	(4,369)	(850)	(5,219)
Amortisation of intangible assets arising on acquisition	(2,137)	(5,939)	(8,076)

Net movement in convertible loan notes	(186)	-	(186)
Segment profit before tax	43,795	4,387	48,182
Interest income	163	1,227	1,390
Interest expense	3,065	5,343	8,408
Depreciation and amortisation	12,206	8,459	20,665
Capital expenditure	13,628	2,578	16,206
Segment assets	271,068	248,042	519,110
Segment liabilities	173,280	224,670	397,950
Segment equity	97,788	23,372	121,160

A business division analysis of revenue has been provided in note 3.

The £310.7 million (2024: £306.4 million) total revenue and £237.8 million (2024: £222.5 million) non-current assets at 31 March 2025 are geographically located within the UK.

3. Revenue

Disaggregation of revenue

Revenue	31 March 2025			
	Underlying £'000	Adjusting Items £'000	Total £'000	Year ended 31 March 2024 £'000
Shopping				
Service fees	**21,754**	**-**	**21,754**	19,653
Card payments	**21,831**	**-**	**21,831**	23,998
Card terminal leases	**10,590**	**-**	**10,590**	8,708
ATMs	**10,395**	**-**	**10,395**	11,805
Other shopping	**3,995**	**-**	**3,995**	4,071
Shopping total	**68,565**	**-**	**68,565**	68,235
e-commerce total	**40,409**	**-**	**40,409**	31,754
Payments and banking				
Cash – bill payments	**26,291**	**(14,205)**	**12,086**	31,264
Cash – top-ups	**10,228**	**-**	**10,228**	11,434
Digital (including obconnect Ltd)	**17,757**	**-**	**17,757**	16,197
Cash through to digital	**7,593**	**-**	**7,593**	7,658
Other payments and banking	**5,338**	**-**	**5,338**	1,175
Payments and banking total	**67,207**	**(14,205)**	**53,002**	67,728
Love2shop total – voucher and card service fee	**118,738**	**-**	**118,738**	110,099
Revenue	**294,919**	**(14,205)**	**280,714**	277,816

Service fee revenue of £21.8 million (2024: £19.7 million) and management fees, set-up fees and upfront lump sum payments of £1.1 million (2024: £1.3 million) are recognised on a straight-line basis over the period of the contract. Card terminal leasing revenue of £10.6 million (2024: £8.7 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 £14.1 million (2024: £13.6 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 year, by applying a blended rate per transaction to estimated transaction volumes. Any required adjustment is made against the transaction price in the year to which it relates. The revenue is recognised at the constrained amount to 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 range in outcomes for revenue subject to variable consideration resulting from changes in these estimates is not material.

Love2shop revenue is recorded net of corporate discounts.

Other Revenue	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Payments and banking		
Interest revenue	**1,601**	2,013
Love2shop		
Interest revenue	**7,246**	6,453
Non-redemption revenue	**21,153**	20,085
Love2shop total	**28,399**	26,538
Total other revenue	**30,000**	28,551

Other revenue comprises:

- Multi-retailer voucher and card non-redemption revenue is 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, prepay savers' cash and restricted funds held on deposit.

4. Alternative performance measures

Net revenue

The reconciliation between total underlying revenue and net revenue is as follows:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Service revenue - Shopping	**68,565**	68,235
Service revenue – e-commerce	**31,615**	24,946
Service revenue – Payments and banking	**66,224**	66,579
Service revenue – multi-retailer redemption products	**17,747**	18,145
Service revenue - other	**3,074**	4,281
Sale of goods – single-retailer redemption products	**97,759**	87,554
Sale of goods - other	**1,141**	1,268
Royalties - e-commerce	**8,794**	6,808
Other revenue – multi-retailer non-redemption income	**21,153**	20,085
Other revenue – interest on clients' funds, retailer partners' deposits, gift card cash, prepay savers' cash and restricted funds held on deposit	**8,847**	8,466
Total underlying revenue	**324,919**	306,367
less:		
Retailer partners' commissions	**(43,671)**	(41,829)
Cost of single-retailer cards and vouchers	**(93,476)**	(83,403)
Cost of SIM card and e-money sales as principal	**(51)**	(163)
Total net revenue	**187,721**	180,972

Total costs

Total costs, excluding adjusting items, comprises:

	Year ended	Year ended

	31 March 2025 £'000	31 March 2024 £'000
Other costs of revenue	**37,085**	33,569
Administrative expenses – excluding adjusting items	**75,522**	78,722
Finance income	**(1,383)**	(1,390)
Finance costs	**8,448**	8,408
Total costs	**119,672**	119,309

5. Exceptional items

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Claim settlement - revenue	**14,205**	-
Legal fees - administrative expenses	**6,357**	2,143
Impairment of right of use asset related to the Chapel St. lease - administrative expenses	**373**	-
Impairment of other Chapel St. property, plant and equipment - administrative expenses	**486**	-
Onerous provision for unavoidable Chapel St. costs - administrative expenses	**1,145**	-
Sub-total: items related to the Chapel St. lease	**2,004**	-
Accelerated amortisation – administrative expenses	**868**	-
Restructuring costs - administrative expenses	**-**	1,977
Total exceptional items included in administrative expenses	**9,229**	4,120
Refinancing costs expensed – finance costs	**-**	1,099
Total exceptional items included in profit or loss	**23,434**	5,219

The tax impact of the exceptional items is £5,859,000 (2024: £1,305,000).

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.

Claim settlement
The current year deduction against revenue relates to the Group's settlement of a claim brought against it by Utilita, as disclosed in note 12. The claim was settled after the year-end date and has been treated as an adjusting event in accordance with IAS10 *Events after the reporting period*.

Legal fees
The current year charge relates to the Group's defence of two claims served on a number of its companies in connection with the issue disclosed in note 12. The Group remains confident that it will successfully defend the claim served by Global-365.

Chapel St.
The costs arise from the Group's decision to vacate part of its leased Chapel Street, Liverpool premises in February 2025. Following the decision, the Group will continue to pay rent until June 2029, five years short of the original lease termination date. Consequently, the lease liability and associated right of use asset were remeasured in the current year and the reduced right of use asset fully impaired, along with other assets in the vacated space.

In addition, the Group has recognised an onerous contract provision for unavoidable costs related to the vacated space.

ERP system amortisation
The current year accelerated amortisation costs relate to Love2shop's ERP system. As part of an e-commerce project initiated in the current period, certain modules of that system will be replaced by 31 March 2025, earlier than the previously expected date.

Restructuring costs
The prior year restructuring costs relate to the organisational design of the Group communicated by management to all staff on 6 March 2024.

Refinancing costs
The prior year refinancing costs comprise legal and professional fees incurred by the Group in respect of its borrowing facilities referred to in note 1 and the write-off of the unamortised balance of capitalised costs arising on the previous refinancing exercise.

6. Tax

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Current tax		
Charge for current year	**6,406**	9,293
Adjustment in respect of prior years	**904**	(131)

Current tax charge	**7,310**	9,162
Deferred tax		
Charge for current year	**190**	3,083
Adjustment in respect of prior years	**(509)**	250
Deferred tax (credit) / charge	**(319)**	3,333
Total income tax charge	**6,991**	12,495

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Tax charged directly to other comprehensive income		
Deferred tax on movement on defined benefit pension scheme asset	**(58)**	(82)

The income tax charge is based on the UK statutory rate of corporation tax for the year of 25% (2024: 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 £7.0 million (2024: £12.5 million) on profit before tax of £26.3 million (2024: £48.2 million) represents an effective tax rate[1] of 26.6% (2024: 25.9%). 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 2025 £'000	Year ended 31 March 2024 £'000
Profit before tax	**26,291**	48,182
Tax at the UK corporation tax rate of 25% (2024: 25%)	**6,573**	12,046
Tax effects of:		
Disallowable expense	**186**	138
Adjustments in respect of prior years	**395**	119
Tax impact of share-based payments	**(163)**	192
Actual amount of tax charge	**6,991**	12,495

[1]Effective tax rate is the tax cost as a percentage of profit before tax.

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.

7. Investments

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	obconnect Ltd £'000	Aperidata Ltd £'000	Optus Homes Ltd £'000	Total £'000
At 31 March 2023	**-**	3,000	**-**	750	3,750
Addition in the year	**-**	-	-	125	125
Fair value gain through profit or loss account	**-**	689	-	(875)	(186)
At 31 March 2024	**-**	**3,689**	**-**	**-**	**3,689**
Additions 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**

Judge Logistics Ltd

The Group's £15 million investment in Judge Logistics Ltd was purchased in three stages (£10 million on 21 June 2024, £3 million on 31 July 2024 and £2 million on 30 September 2024). Judge Logistics Ltd is the parent company of Yodel Ltd, a customer in the Group's e-commerce parcel business.

At 31 March 2025 the Company revalued its investment to fair value in accordance with IAS32 *Financial Instruments*. It elected to use the Probability-Weighted Expected Return Method ("PWERM"), under which the Directors identified various future scenarios for its investment and assigned a relative probability and valuation for each such scenario. They considered the most probable outcome to be that which transpired on 17

April 2025, namely the conversion of the Company's loan note into equity, following the acquisition of Judge Logistics Limited by InPost sp z.o.o. The fair value derived from the above valuation method was £2.2 million, with the £12.8 million loss recorded within adjusting items .

obconnect Ltd

The Company purchased a convertible loan note of nominal amount £3.0 million on 7 July 2022 from obconnect Ltd, which provides open banking services to banks and other financial institutions. Based on the key terms of the convertible loan note and investment agreement, the investment was recognised at fair value, with any gains or losses recognised through the statement of profit or loss.

The fair value as at 31 March 2024 determined using the discounted cash flow method was £3,689,000. Management therefore recognised a £689,000 gain in the statement of profit or loss in the prior year, reported within adjusting items.

The loan converted into a 22.5% equity stake in obconnect Ltd's ordinary shares on the Company's acquisition of a majority shareholding in obconnect Ltd on 30 October 2024 (see note 8). On that date, the fair value of the convertible loan note was £6,117,000, the increase of £2,428,000 reflecting the continued trading improvements of obconnect Ltd in the seven months since 31 March 2024 and an observable market price provided by the price per share paid by the Company to acquire control of obconnect Ltd.

Aperidata Ltd

The Company purchased a convertible loan note in Aperidata Ltd in May 2024 for consideration of £1.0 million. Aperidata Ltd provides credit reporting and open banking services to consumers and businesses. The loan converts into an equity stake in Aperidata Ltd's ordinary shares on 23 May 2027, such that the Company's aggregate equity stake in Aperidata Ltd following conversion will be 42.97%, including its diluted, direct equity investment referred to below.

The current year discounted cash flow valuation is based on a 5-year forecast extrapolated to perpetuity, using the following financial assumptions. The discount rate reflects management's view of the level of risk associated with the business:

	31 March 2025
Discount rate	**22.1 %**
Corporation tax rate	**25.0%**
Terminal growth rate	**2.0%**

The fair value derived from the above valuation method was £1.0 million.

Other investments

The movements in the fair values of the equity investments in the prior and current years are as follows:

Group and Company	Judge Logistics Ltd £'000	obconnect Ltd £'000	Aperidata Ltd £'000	Total £'000
At 31 March 2023	-	-	-	-
Addition in the year	-	251	-	251
At 31 March 2024	**-**	**251**	**-**	**251**
Addition in the year	**-**	**-**	**200**	**200**
Fair value gain through profit or loss account	**540**	**265**	**-**	**805**
Conversion into equity	**-**	**(516)**	**-**	**(516)**
At 31 March 2025	**540**	**-**	**200**	**740**

Judge Logistics Ltd

During the year the Company acquired 17.3% of the ordinary share capital of Judge Logistics Ltd for consideration of £100, in addition to the convertible loan note in Judge Logistics Ltd referred to above.

At 31 March 2025 the Company revalued its investment to fair value in accordance with IAS32 *Financial Instruments*. It elected to use the Probability-Weighted Expected Return Method ("PWERM"), under which the Directors identified two future scenarios for its investment and assigned a relative probability and valuation for each such scenario. The fair value derived from the above valuation method was £0.5 million, with the £0.5 million gain recorded within adjusting items.

obconnect Ltd

In the year ended 31 March 2023 the Company acquired 2.5% of the ordinary share capital of obconnect Ltd for consideration of £251,000, in addition to the convertible loan note in obconnect Ltd referred to above. In the current year, the Company increased the fair value of this investment to £516,000, the increase of £265,000 reflecting the continued trading improvements of obconnect Ltd. This 2.5% shareholding ceased to be treated as a separate investment, following the Company's current year acquisition of obconnect Ltd.

Aperidata Ltd

During the year the Company acquired 19.9% of the ordinary share capital of Aperidata Ltd for consideration of £0.2 million, in addition to the convertible loan note in Aperidata Ltd referred to above. The current year discounted cash flow valuation of this investment is £0.2 million.

8. Acquisition of subsidiary

On 30 October 2024, PayPoint acquired a further 52.8% of the share capital of obconnect Ltd for consideration of £17.2 million, comprising cash of £10.5 million plus the fair values of its convertible loan note (£6.1 million) and existing 2.5% equity investment (£0.5 million) and stamp duty of £0.1 million. The convertible loan note converted into 22.5% equity as part of the acquisition, within the total 55.3% acquired. The acquisition resulted in a net £8.9 million cash outflow (net of cash acquired) in the current year.

The primary reason for the acquisition was to further leverage obconnect Ltd's technology platform, offering its Open Banking services to both new and existing clients.

In accordance with IFRS3 *Business Combinations*, the Group identified and recognised the following intangible assets as part of the fair value exercise. The assets are being amortised over useful lives as shown:

	Fair value £ million	Useful life
Customer relationships	7.6	12 years
Brands	1.3	8 years
Developed technology	2.1	6 years

In the period since acquisition, obconnect Ltd contributed revenue of £1.8 million and profit before tax of £0.3 million to the Group's results. Had the acquisition taken place on the first day of the financial year, obconnect Ltd would have contributed revenue of £4.5 million and profit before tax of £0.2 million.

Acquisition costs incurred in the year in relation to obconnect totalled £0.1 million, which are reported within administrative expenses in the Consolidated statement of profit or loss.

The following table summarises the provisional fair values of the identifiable assets purchased and liabilities assumed at the acquisition date:

	31 October 2024 £'000
Acquired customer relationships	7,621
Acquired brands	1,255
Acquired developed technology	2,081
Property, plant and equipment	4
Trade and other receivables	856
Cash	1,603
Deferred income	(1,513)
Other trade and other payables	(488)
Deferred tax liability	(2,470)
Total identifiable net assets acquired at fair value	8,949
55.3% of net asset fair value attributable to PayPoint Plc	4,949
Cash consideration	10,522
Convertible loan note	6,117
Other investment consideration	516
Total consideration	17,155
Goodwill recognised on acquisition	12,206
Cash outflows in respect of acquisition (Group)	
Cash consideration	10,522
Cash acquired	(1,603)
Acquisition of subsidiary net of cash acquired	8,919
Cash outflows in respect of acquisition (Company)	
Cash consideration	10,522
Acquisition costs	130
Acquisition of subsidiary	10,652

The acquired identifiable assets and liabilities have been recognised at their fair values at acquisition date and in accordance with the Group's accounting policies:

- The acquired customer relationships including order backlogs have been valued using the multi-period excess earnings method ("MEEM approach") by estimating the total expected income streams from the customer relationship and deducting portions of the cash flow that can be attributed to supporting, or contributory, assets (including workforce). The order backlog is estimated based on the expected revenue to be received, less the costs to deliver the service. The residual income streams are discounted. No tax amortisation benefit is applied. The key inputs to this method are the customer churn rate, revenue growth rate and discount rate applied to future forecasts of the businesses.
- Acquired brands have been valued using the relief-from-royalty method.

• Acquired software intangible assets have been valued using the depreciated replacement cost method, considering factors including economic and technological obsolescence.
• Trade receivables and trade payables have been assessed at fair value on the basis of the contractual terms and economic conditions existing at the acquisition date, reflecting the best estimate at the acquisition date of contractual cash flows not expected to be collected.

The following acquired assets and liabilities were valued using management's best estimates based on information available at the acquisition date, which are therefore subject to adjustment within the measurement period 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.

- Trade and other receivables
- Trade and other payables
- Intangible assets (and the deferred tax liability thereon)

Of the £12.2 million goodwill acquired during the year, no goodwill is expected to be deductible for tax purposes. The goodwill arising on the acquisition is attributable to workforce, synergies, growth from new customers and other assets not separately recognised.

A non-controlling interest (NCI) of £4.0 million arose on the acquisition, measured as 44.7% of the £8.9 million fair value of net assets acquired. The NCI's share of post-acquisition profit in the current year was £0.1 million, resulting in an NCI balance of £4.1 million, reported within total equity in the Consolidated statement of financial position.

9. Provisions

Group	31 March 2025 £'000
Balance at the beginning of the year	**1,850**
Provision recognised in relation to Chapel St. lease costs (note 5)	1,145
Provision recognised in relation to claim settlement (note 5)	14,205
Utilised in the year	(1,850)
Balance at the end of the year	**15,350**

	31 March 2025 £'000	31 March 2024 £'000
Disclosed as:		
Current	**11,198**	1,850
Non-current	**4,152**	-
Total	**15,350**	1,850

In February 2025 the Group decided to vacate part of its Chapel St. premises in Liverpool. Consequently, in accordance with IAS37 *Provisions, contingent liabilities and contingent assets*, it has recognised a provision for unavoidable costs related to the lease agreement.

In May 2025 the Group settled a claim which had been served by Utilita in 2023 (see note 12). The claim settlement is treated as an adjusting event in the year ended 31 March 2025 and consequently the Group has recognised a provision at that date for the full £14.2 million settlement amount.

The current year provision utilisation relates to the group-wide review of its organisational structure which PayPoint conducted in the prior year. All related payments were made to the employees impacted by the restructuring between April and October 2024.

Company	31 March 2025 £'000
Balance at the beginning of the year	**230**
Utilised in the year	**(230)**
Balance at the end of the year	**-**

The prior year Company balance was classified as non-current.

10. Share capital, share premium and merger reserve

	31 March 2025 £'000	31 March 2024 £'000
Called up, allotted and fully paid share capital		
70,834,160 (2024: 72,693,673) ordinary shares of 1/3p each	**236**	242

On 13 June 2024, the Group announced a share buy-back programme of at least £20.0 million over a 12-month period. In accordance with IFRS9, the Group recognised an initial liability for the full £20.0 million, with a corresponding reduction in retained earnings. The £14.9 million cost of shares

purchased under the programme to 31 March 2025 is recorded against the liability. A total of 2,031,817 shares were purchased, with a nominal value of £6,773. This resulted in a reduction in Share capital of £6,773 and the creation of a corresponding Capital redemption reserve balance.

Partly offsetting the impact of the share buy-back programme,146,394 shares (of 1/3p each) were issued in the current year for share awards which vested in the year and 25,910 matching shares (of 1/3p each) were issued under the Employee Share Incentive Plan.

The share premium of £1.0 million (2024: £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 (2024: £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.

11. Notes to the statements of cash flow

Group	Note	**Year ended 31 March 2025 £'000**	Year ended 31 March 2024 £'000
Profit before tax		**26,291**	48,182
Adjustments for:			
Depreciation of property, plant and equipment		**9,655**	7,318
Amortisation of intangible assets		**15,637**	13,347
Exceptional item – non-cash provision	**5**	**15,350**	-
Adjusting item – non-cash movement on convertible loan note	**7**	**10,413**	186
Adjusting item – non-cash movement on other investments	**7**	**(805)**	-
Loss on disposal of fixed assets		**187**	111
Finance income		**(1,383)**	(1,390)
Finance costs		**8,448**	8,408
Share-based payment charge		**2,018**	1,669
Cash-settled share-based remuneration		**(814)**	(339)
Operating cash flows before movements in working capital		**84,997**	77,492
Movement in inventories		**(2,902)**	(108)
Movement in trade and other receivables		**(8,536)**	(4,638)
Movement in finance lease receivables		**803**	2,018
Movement in contract assets		**(743)**	(536)
Movement in contract liabilities		**(258)**	(443)
Movement in provisions		**(1,850)**	1,850
Movement in trade and other payables - corporate		**3,190**	(9,929)
Movement in working capital - corporate		**(10,296)**	(11,786)
Cash generated from operations		**74,701**	65,706

12. Contingent liability

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 5-year contract for over-the-counter prepayment services. PayPoint is looking forward to the opportunity to build a more collaborative and mutually supportive relationship with Utilita going forward.

PayPoint remains confident that it will successfully defend the claim by Global 365 at trial. The claim fundamentally misunderstands the energy market and the relationships between the relevant Group companies and the major energy providers, whilst also over-estimating the opportunity available, if any, for the products offered by Global 365. The trial at the Competition Appeal Tribunal, started on 10 June 2025.

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.

13. Events after the reporting date

Conversion of loan note investment in Judge Logistics Ltd
On 17 April 2025 the Company's £15.0 million convertible loan note investment in Judge Logistics Ltd converted to an 3.6% equity share. The conversion was triggered by InPost spa. z.o.o. acquiring a controlling equity share in Judge Logistics Ltd by converting its loan note investment into equity. See note 7.

Share buy-back
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. It will continue to review the programme based on business performance, market conditions, cash generation and the overall capital needs of the business. This is a non-adjusting event, having no impact on the current year financial statements.

Settlement of legal claim
On 13 May 2025 the Group settled the legal claim with Utilita referred to in note 12. The total settlement amount was £14.2 million, recorded in the current year as an exceptional revenue deduction and a provision. See notes 5 and 9.