

PayPoint Plc
Results for the year ended 31 March 2026

Record profits delivered and reorganisation to deliver next stage of growth

GROUP FINANCIAL HIGHLIGHTS

- **Underlying profit before tax of £69.0 million** (FY25: £68.0 million) increased by £1.0 million (1.5%)
- **Underlying EBITDA of £92.0 million** (FY25: £90.0 million) increased by £2.0 million (2.2%)
- **Net corporate debt of £132.5 million** increased by £35.1 million as expected from opening position of £97.4 million, reflecting strategic investments and ongoing share buyback programme
- **Final dividend of 20.0 pence per share**, an increase of 2.0% vs the prior year of 19.6 pence per share

Year ended 31 March 2026	FY26	FY25	Change
Revenue ¹	£337.0m	£310.7m	8.5%
Net revenue ²	£190.8m	£187.7m	1.7%
Underlying EBITDA ²	£92.0m	£90.0m	2.2%
Underlying profit before tax ³	£69.0m	£68.0m	1.5%
Adjusting items ⁴	£(13.5)m	£(41.7)m	(67.6)%
Profit before tax	£55.5m	£26.3m	111.0%
Diluted underlying earnings per share ⁵	73.6p	69.1p	6.5%
Diluted earnings per share	58.4p	26.3p	122.1%
Net corporate debt ⁶	£(132.5)m	£(97.4)m	36.0%

Nick Wiles, Chief Executive of PayPoint Plc, said:

"We are reporting a year of record profits and enhanced shareholder returns delivered against the background of a generally weak economy, low consumer confidence and some specific business headwinds faced through the course of the year. These results have been achieved through a combination of a resilient performance from the underlying business and encouraging new business growth in a number of key areas. These include Open Banking and digital payments, FMCG, business lending, key wins in the housing association sector, and strong progress in the delivery of our three growth projects: the launch of PayPoint BankLocal, our strategic partnership with Royal Mail and the acceleration of our Love2shop partnership with InComm Payments.

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

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

The evolution to this reorganised business structure is reflected in how we are reporting the performance of the Group, showing both the historical and reorganised results. The reorganisation will result in a number of these businesses operating in a fundamentally different way. First, Network Services will move to a unified operating model organised across four regions, enabling better support to our UK wide network of over 30,000 convenience stores, and underpinning a 'growing retailer value' strategy from better supporting the delivery and adoption of our key products and services into the network and a fundamental reset of our engagement and relationship with our retailer partners. Second, in bringing together our digital payments, Open Banking and real-time credit bureau

¹ Prior year statutory revenue is reported net of a £14.2 million exceptional deduction related to a claim settlement.

² Net revenue is an alternative performance measure. Refer to note 4 to the financial statements for a reconciliation to revenue.

³ Underlying EBITDA (EBITDA excluding adjusting items) is an alternative performance measure. Refer to note 1 to the financial statements for the definition and the Finance Review for a reconciliation to profit before tax.

⁴ Underlying profit before tax (profit before tax excluding adjusting items) is an alternative performance measure. Refer to note 1 to the financial statements for the definition.

⁵ Adjusting items comprises £3.4 million for legal costs related to claims against PayPoint, £2.2 million for restructuring costs, £1.7 million for adjustments in relation to our investment in Aperidata Limited, £1.0 million for organisational framework costs, and amortisation of intangible assets arising on acquisition (£2.1 million for Love2shop and £3.1 million for PayPoint's previous acquisitions). Refer to note 1 to the financial statements for more detail.

⁶ Diluted underlying earnings per share is an alternative performance measure. Refer to notes 1 and 7 to the financial statements.

⁷ Net corporate debt (excluding IFRS 16 liabilities) is an alternative performance measure. Refer to note 1 to the financial statements for a reconciliation to cash and cash equivalents.

capabilities under a single management and operating structure, we will bring the necessary focus to accelerate new business growth, maximise the value of this unique technology platform and support closer integration across the Group. Third, in Love2shop, our focus remains on upgrading and enhancing our technology platform and product capabilities, broadening our distribution channels and maximising the lifetime value of billings in each channel. Fourth, the reset of our strategy in Merchant Services reflects the need to adapt and respond to the changes in a highly competitive card processing market, with a focus on net revenue, improved profitability and a merchant estate managed for value rather than a focus on estate growth. We will also refocus our future sales resource at growing in the mid-market segment where we believe our product and broader range of payment capabilities better positions the business for longer term profitable growth. Net revenue will be the key performance measure for the business and will drive our reward and remuneration programmes for our refocused sales teams. These changes will complement the growth opportunities in both Merchant Rentals and our Business Finance activities.

We believe the actions we are taking position the business to deliver a net revenue target growth rate of 5-8% per annum and provide the foundation for continued strong returns for shareholders through a combination of growing earnings, strong cash generation, dividends and share buybacks.

Our priorities in the first quarter have been to: implement the announced organisational changes; ensure minimal disruption to the trading momentum in the business; and establish a strong foundation to trading early in the year. Early indications are that we have had a positive start to the year with resilient underlying trading and some encouraging new business wins. In terms of profit balance for the current year, we expect a greater weighting towards the second half, reflecting both an accelerating contribution from new business and the positive impact of several of our seasonal businesses. Overall, the Board remains confident in delivering further progress, exceeding the underlying profits achieved in FY26 and achieving results in line with market expectations.”

DIVISIONAL HIGHLIGHTS

HISTORICAL ORGANISATION

Shopping divisional net revenue increased by 1.7% to £66.3 million (FY25: £65.2 million)

- Service fee net revenue increased by 8.7% to £23.7 million, driven by a slight increase in the number of revenue-generating PayPoint One/Mini sites to 20,295 (31 March 2025: 20,275 sites) and the annual RPI service fee increase
- Card payment net revenue decreased by 2.5% overall to £31.6 million, with a good performance in terminal rentals and business lending offset by a reduction in acquiring revenue
- Positive performance for Business Finance via YouLend, with over £33 million of funding provided to businesses, up 39% year on year
- Significant enhancements to merchant proposition over the year, including launch of improved eCommerce proposition, delivery of real-time data insights and tap to pay within the merchant app, and a refresh of our merchant rewards programme
- Strong progress in Merchant Rentals, with a number of additional partnerships including FreedomPay launched in December 2025, with early positive results delivering an additional 1,000 live terminals
- Card processed value decreased by 6.2% overall to £6.4 billion (FY25: £6.9 billion), with the Handepay EVO estate -4.6% and the PayPoint Lloyds Cardnet estate -9.6% versus the prior year
- 40 brand campaigns delivered in the year for major consumer brands via PayPoint Engage, with over 1.1 million vouchers issued and over £80k paid out to retailers through our Retailer Rewards programme
- ATMs – net revenue decreased by 2.6% to £7.6 million (FY25: £7.8 million). Visa, Mastercard and International Card acceptance has now been enabled for rollout in FY27
- UK retail network increased to 30,872 sites (31 March 2025: 30,712), with 70.0% in independent retailer partners and 30.0% in multiple retail groups

E-commerce divisional net revenue decreased by 4.9% to £15.6 million (FY25: £16.4 million)

- Collect+ parcel transactions grew by 1.5% to 135.4 million (FY25: 133.4 million), with continued strong momentum from Royal Mail balanced by the impact of the InPost/Yodel commercial reset early in the year
- Consolidation of Collect+ network at 14,076 sites (31 March 2025: 14,213) with a focus on service compliance and consumer satisfaction
- Royal Mail strategic partnership – 8,500 sites now live with Royal Mail services and the Royal Mail Shop brand, including 3,000 live with over the counter services enabling consumers to buy postage in store as well as collect, send and return parcels. Plans underway to pilot Royal Mail self-serve kiosks in selected locations in H1 FY27
- Amazon – expansion of store network underway from 7,000 to 9,000 locations to enable increased volumes and consumer OOH demand
- InPost/Yodel – new 3-year commercial agreement signed in H1 FY26, with c.4,000 sites live for PUDO services with the rebranded InPost service
- Continued engagement with both our wider carrier partner portfolio and a number of additional new partner

opportunities, focusing on volume growth and driving further consumer adoption of Out of Home

Payments & Banking divisional net revenue increased by 1.8% to £55.4 million (FY25: £54.4 million)

- Total digital net revenue, which includes MultiPay and Open Banking, increased by 25.8% to £19.5 million (FY25: £15.5 million)
- Continued growth through our MultiPay platform, with underlying net revenue increasing by 17.9% to £7.9 million (FY25: £6.7 million)
- Positive year for new business wins in Housing with strong market position now established in the sector serving over 500,000 homes and 1 million tenants. New contract wins with Peabody and Flagship Housing and Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing
- Growth in Open Banking activities with net revenue within the PayPoint business growing to £1.3 million (FY25: £0.8 million), including wins secured with the Department for Work and Pensions, AccessPay, Gousto and the Insolvency Service for Confirmation of Payee and Coventry City Council for OpenPay
- The obconnect business delivered an improved performance in H2 FY26 vs. the first half of the year, contributing £4.4 million net revenue for the year³. The Group has also completed the buyout of the obconnect founders, with the business becoming a wholly owned subsidiary of PayPoint
- New partnership announced with Raidiam and the Retail Energy Code Company (RECCo) to provide a consent framework for the UK energy industry to securely share smart meter data controlled by the consent of end-customers. In addition, as a founding member of the UK Payments Initiative, PayPoint is also closely involved in the rollout of account-to-account (A2A) payments in the UK, including exploring how these services can be made available in-store to support inclusive access for all customers
- Cash payments net revenue decreased by 10.3% to £28.8 million (FY25: £32.1 million) in line with expectations
- Cash through to digital net revenue increased by 4.4% to £7.1 million (FY25: £6.8 million), with continued strong growth in neobank deposits with over £720 million of consumer deposits processed in the period through our extensive network
- PayPoint BankLocal service launched in August 2025 for Lloyds Banking Group customers, enabling consumer cash deposits via app across our extensive network of 30,000 locations. In the year, over £47 million in cash deposits was processed across the network, with the weekly cash deposit run rate growing to c.£3 million by the end of FY26. Deposits via card launched for Lloyds in September 2025 across 3,000 sites, and Nationwide now live from April 2026 for the same service. Plans are underway to enable more High St banks for the service over the course of the next 6 months, with an expansion of card deposit sites to 10,000 locations planned during FY27 and an SME deposit solution also in development for launch in FY28.

Love2shop divisional net revenue increased by 3.5% to £53.5 million (FY25: £51.7 million)

- Strong performance in Love2shop, with net revenue increased by 3.5% to £53.5 million (FY25: £51.7 million) and billings increased by 5.0% to £385.8 million (FY25: £367.5 million)
- As highlighted in H1 FY26, the strong performance in the second half of the year has reflected the anticipated benefit of the timing of revenue recognition. This is expected to normalise in FY27 with a more balanced contribution between the two halves.
- Positive Love2shop Business performance, with billings increased by 4.9% at £182.0 million (FY25: £173.5 million), driven by strong growth and retention in our established clients
- In-store – continued strong performance in expansion of physical gift card distribution channels, with growth in billings to £13.5 million (FY25: £3.8 million). Partnership with Incomm Payments continuing to deliver strong growth with expanded distribution and product innovation. New Love2shop gift cards are also now being rolled out to further PayPoint retailer network locations, leveraging the strength of the Love2shop brand and reinforcing our expanded multichannel strategy for Love2shop gift card sales across digital and physical channels. Love2shop physical gift cards are now sold in over 8,000 locations and a first to market was delivered in the year with the launch of a digital Mastercard in-store. Plans are already underway to increase our High St footprint and support in-year and seasonal promotions.
- Prepayment – Park Christmas Savings delivered a solid performance for the 2025 season with billings at £164.4 million (FY25: £163.0 million). Good progress delivered in year on enhancing our offer, including multiple campaigns and actions to strengthen our Agent proposition, the launch of Agent Perks and a new Agent App with over 17,000 downloads, improved average order value for returning direct savers, and a more premium fulfilment experience and packaging for customers receiving orders. Platform now established to support expansion into new savings occasions, with new Love2save proposition launching in H1 FY27.
- E-commerce – migration completed to new e-commerce platform, phasing out highstreetvouchers.com and harmonising Love2shop brand leading to the benefits of a single brand domain, increased brand presence and greater consumer awareness in both B2B and B2C channels
- In gift card platforms, we have signed a new agreement with Vanquis to provide an eGift card mall which can be exclusively accessed through their new app supporting their customer loyalty strategy
- New redemption partners onboarded in the year, including Moonpig, Body Shop and Moss

³ £0.3 million of obconnect's total revenue was to other PayPoint entities

NEW ORGANISATION

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

This reorganisation will establish four business units of scale, with clearly defined operating structures, a greater focus on growth opportunities with a more accountable operating culture. This will enable a more focused portfolio of businesses and lead to a better harnessing of the Group's collective capabilities, strengthen execution and go-to-market strategy with better defined areas of co-operation, cost savings, synergy and opportunity between business units to drive growth. Consistent with this reorganisation is a fundamental review of the Group cost base which will lead to an unlocking of cost savings and enable reallocation of investment with a renewed focus on driving enhanced shareholder returns.

The preliminary results for FY26 are also presented in the table below in the new organisation, with further details on each business unit, growth opportunities and key priorities for FY27 outlined in the Chief Executive's Review.

Net revenue (£m)	FY26	FY25	Change
Network Services	92.4	94.3	-2.0%
Digital Payments & Open Banking	13.3	9.3	+43.3%
Love2shop	53.5	51.7	+3.5%
Merchant Services	31.6	32.4	-2.5%
PayPoint Group Total	190.8	187.7	+1.7%

Business unit mix	FY26	FY25	FY24
Network Services	48%	50%	50%
Digital Payments & Open Banking	7%	5%	4%
Love2shop	28%	28%	28%
Merchant Services	17%	17%	18%

CAPITAL ALLOCATION POLICY

The Board believes the current capital allocation and dividend policies remain appropriate and key elements to the value proposition for shareholders, underpinned by the continued strong underlying cash flows. In FY26, through a combination of share buybacks, ordinary and special dividends, the Group has returned more than £90 million in value to shareholders in the year.

As of 31 March 2026, the share buyback/ share consolidation has reduced shares in issue by 16.2% (from 72.7m shares in March 2024 to 60.8m). A continuation of the £30m share buyback over FY27 and FY28 means the business remains on track to deliver a further 10m reduction in shares, representing an overall reduction of shares in issue of c.30% since the commencement of the buyback programme.

The reduction in issued shares to March 2026 has already reduced the cash dividend servicing costs by c.£4.7m per annum. With a further 10m reduction of shares over FY27-FY28, the annualised cost of servicing dividends is projected to reduce by c.£9m. Over the period from July 2024 to March 2028, we project the cumulative dividend cash saving from the share buyback/ consolidation to be c.£17m in aggregate.

The ongoing share buyback programme is materially cash flow enhancing⁴ and a strong driver of EPS growth. The Group's cash generation remains strong and is a key enabler to enhancing shareholder returns.

CAPITAL MARKETS DAY

As previously announced, the Group will be holding a Capital Markets Day later in the year during Q4 2026 to provide an update on strategy, the business reorganisation, a simplified investment case, the synergy between our businesses and how we deliver our services and capabilities to our clients and through our leading network.

Enquiries

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A presentation for analysts is being held at 9.30am today (11 June 2026) via webcast. This announcement, along with details for the webcast, is available on the PayPoint Plc website: paypointbusiness.com/corporate

⁴ Buyback programme is cash flow enhancing given the dividend saving from less shares in issue outweighs the higher interest cost associated with the buyback programme

CHIEF EXECUTIVE'S REVIEW

GROUP UPDATE

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

We are reporting a year of record profits and shareholder returns delivered against the background of a generally weak economy, low consumer confidence and some specific business headwinds faced through the course of the year. These results have been achieved through a combination of a resilient performance from the underlying business, encouraging new business growth in a number of key areas, including Open Banking and digital payments, FMCG, business lending, key wins in the housing association sector, and strong progress in the delivery of our three growth projects: the launch of PayPoint BankLocal, our strategic partnership with Royal Mail and the acceleration of our Love2shop partnership with InComm Payments.

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

STRONG PROGRESS OF KEY GROWTH PROJECTS

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

1. Launch of PayPoint BankLocal with the Lloyds Banking Group

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

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

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

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

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

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

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

3. Love2shop partnership with InComm Payments

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

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

REVIEW BY DIVISION

SHOPPING DIVISION

In Retail Services, it has been an intensive period where we have focused our efforts on supporting our retailer partners to deliver more revenue from PayPoint services and a business-wide effort to deliver the major launches of PayPoint BankLocal and Royal Mail Shops in the first half. Our new Store Growth Specialist team, launched at the beginning of the financial year, had a positive impact with retailers, driven by targeted data and support. The learnings from the success of this team have been directly factored into our 'growing retailer value' strategy focused on increasing revenue per store, improving compliance, widening product penetration and strengthening retailer capability, supported by increasingly sophisticated data analytics.

Key focus areas in the year have been merchandising new Love2shop physical gift card units in over 2,000 sites ahead of the key peak trading period and completing an extensive training and merchandising programme for our BankLocal and Royal Mail Shop rollouts. Over 4,000 site visits were completed in total, with positive retailer partner feedback and successful launches delivered for both services. In our FMCG consumer engagement proposition, PayPoint Engage, 40 campaigns have been delivered for major consumer brands, leveraging our PayPoint One platform, advertising screens and vouchering capability, with over 1.1 million vouchers issued and over £80k paid to retailers out through our Retailer Rewards programme. In ATMs, against the background of continued declining market volumes, we are making progress in optimising the performance of the ATM estate through better operational management and a greater focus on fewer, higher quality sites, with support from our NoteMachine partnership. In addition, we have now enabled Visa, Mastercard and International Card acceptance for rollout in FY27 as an important addition to our ATM capabilities.

In Cards, there was an increasing recognition through the year of the need to refocus strategy and resources, and to move the business away from the onboarding of low value merchants to a focus on revenue rather than absolute merchant estate growth. This will deliver a better performance from the retention of the existing merchant estate, growing higher value merchants, and developing a strong mid-market proposition with a dedicated team and leveraging our USP of broader payment capabilities. Throughout the year, we have made significant enhancements to our merchant proposition, including an updated terminal application enabling split bill and digital receipt functionality and real-time transaction data and Tap to Pay now live in our merchant mobile app. In October 2025, we launched our new e-commerce capabilities, in partnership with Global Payments, including Pay By Link functionality in the merchant app and providing end-to-end payment e-commerce capability for our merchants. In Merchant Rentals, the leading provider of flexible financing and rental options for payment terminals, we are targeting further growth driven by major partnerships with FreedomPay and Lloyds Bank. In particular, the new agreement with FreedomPay, signed in December 2025, underscores Merchant Rentals' commitment to supporting introducers and their clients with innovative financing solutions. The partnership is already yielding early positive results, delivering an additional 1,000 live terminals. This relationship represents significant growth for Merchant Rentals and reinforces its position as a trusted provider of flexible payment technology solutions. In Business Finance, delivered in partnership with YouLend, we continue to deliver strong results with over £33 million in funding provided to businesses over the past year and strong growth demonstrated across the PayPoint and Handepay estates. Plans are well underway to continue this momentum and grow further in FY27.

E-COMMERCE DIVISION

In E-commerce, Collect+ parcel transactions grew by 1.5% to 135.4 million (FY25: 133.4 million), with continued strong momentum from Royal Mail balanced by the impact of the InPost/Yodel commercial reset early in the year. Overall, the second half of the year has proved to be a consolidation period for the business, following the commercial reset of our relationship with InPost/Yodel and the ramp up of volumes with Royal Mail. Collect+ today is well-established as the leading Out of Home (OOH) store network in the UK and, as an open network, we will continue to work closely with our carrier partners to support the increasing consumer adoption of OOH services across the UK and identify new opportunities for growth in the business.

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

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

PAYMENTS & 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 17.9% year on year. We have now established a strong market position in the Housing sector, securing further wins in the year with Peabody and Flagship Housing and Open Banking services now live with Thirteen Group, RHP, Gloucester City Homes and Orwell Housing. There has been a strong focus in the year on increasing opportunities to cross-sell payments services within our existing client base, leveraging our wider multichannel payments platform and Open Banking capabilities. Our Open Banking solutions are unlocking further pipeline opportunities, supporting major clients with cheque replacement solutions via our PayPoint OpenPay service.

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

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

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

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

LOVE2SHOP DIVISION

Love2shop has delivered a positive performance in FY26, with a strong focus on growing billings, expanding distribution channels and optimising profitability with a focus on high-margin Love2shop proprietary products. As highlighted in H1 FY26, the strong performance in the second half of the year has reflected the anticipated benefit of the timing of revenue recognition. This is expected to normalise in FY27 with a more balanced contribution between the two halves.

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

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

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

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

BUSINESS REORGANISATION

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

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

1. Network Services

Delivering a comprehensive community services proposition through a fully integrated retailer network

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

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

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

The key priorities for FY27 are:

- **Launch new 'growing retailer value' strategy and operating model**

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

- **Drive growth and expansion of PayPoint BankLocal and Parcels**

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

- **Grow digital and engagement category**

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

2. Digital Payments and Open Banking

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

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

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

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

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

The key priorities for FY27 are:

- **Deliver further product innovation and new business wins in obconnect**

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

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

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

- **Develop key technology partnerships and collaborations**

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

Payments Initiative, PayPoint is closely involved in the rollout of account-to-account (A2A) payments in the UK, including exploring how these services can be made available in-store to support inclusive access for all customers.

3. Love2shop

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

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

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

The key priorities for FY27 are:

- **Grow new and repeat business**

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

- **Maximise the new Love2shop digital platform**

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

- **Grow physical distribution on the high street**

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

4. Merchant Services

Managing for value in SMB and refocus on mid-market growth in the card acquiring business, combined with partnership growth strategy in Merchant Rentals and Business Finance

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

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

In addition, we are planning a significant shift in our merchant acquiring new business go-to-market strategy. In the PayPoint estate, we will continue to target growth, with greater emphasis on supporting the onboarding and in life management of the network, to ensure new PayPoint merchants become high transacting and profitable additions to the estate. In Handepay, we will create a smaller, focused SMB sales team, a new mid-market team focusing on higher value segments, and new products, partnerships and channels addressing market needs and bringing together Group capabilities (A2A payments, Direct Debit, Love2shop). All of this combined better positions the business for longer term profitable growth.

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

The key priorities for FY27 are:

- **Launch new go-to-market strategy**

Reset of strategy to focus on growing in the mid-market segment, delivering improved net revenue and profitability with a merchant estate managed for value rather than a focus on estate growth. Net revenue will be the key performance measure for the business and will drive our reward and remuneration programmes for our refocused sales teams. Deliver better merchant support and merchant retention, leveraging enhanced data analytics capabilities.

- **Build on positive momentum in Merchant Rentals**

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

- **Grow Business Finance revenue**

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

UPDATE ON CLAIMS AGAINST PAYPOINT

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

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

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

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

OUTLOOK AND DIVIDEND

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

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

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

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

Nick Wiles
Chief Executive
10 June 2026

KEY PERFORMANCE INDICATORS

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

	KPI	Description, purpose and reference	FY26	FY25	FY24
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 Finance review – 'Overview' on page 14)	190.8	187.7	181.0
	Underlying EBITDA (£ million)	This measures our earnings before interest, tax, depreciation and amortisation, net movements in investments 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 Finance review – 'Overview' on page 15)	92.0	90.0	81.3
	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 Finance review – 'Overview' on page 14)	69.0	68.0	61.7
	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 Finance review – 'Group statement of financial position' on page 19)	132.5	97.4	67.5
Shareholder returns	Diluted underlying earnings per share (Pence)	Diluted underlying earnings per share (profit after tax excluding adjusting items) divided by the weighted average number of ordinary shares in issue during the year (including potentially dilutive ordinary shares). Earnings per share is a measure of the profit attributable to each share. (See note 7 to the financial statements)	73.6	69.1	62.6
Non-financial	GHG emissions per employee (Tonnes CO ₂ e)	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)	7.5	10.1	9.4

FINANCE REVIEW

OVERVIEW

£m	Year ended 31 March 2026	Year ended 31 March 2025	Change %
PayPoint segment	178.8	163.6	9.3%
Love2shop segment	158.2	147.1	7.5%
Total revenue	337.0	310.7	8.5%
PayPoint segment	137.3	136.0	1.0%
Love2shop segment	53.5	51.7	3.5%
Total net revenue¹⁵	190.8	187.7	1.7%
PayPoint segment	(86.2)	(82.6)	4.4%
Love2shop segment	(35.6)	(37.1)	(4.0)%
Total costs (excluding adjusting items)	(121.8)	(119.7)	1.8%
PayPoint segment	51.1	53.4	(4.3)%
Love2shop segment	17.9	14.6	22.6%
Underlying profit before tax²⁶	69.0	68.0	1.5%
Adjusting items:			
Amortisation of intangible assets arising on acquisition	(5.2)	(8.7)	(40.2)%
Net movement in investments	(1.2)	(9.6)	(87.5)%
Exceptional items	(7.1)	(23.4)	(69.7)%
Profit before tax	55.5	26.3	111.0%
Underlying EBITDA ³⁷	92.0	90.0	2.2%
Net corporate debt ⁴⁸	(132.5)	(97.4)	36.0%

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

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

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

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

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

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

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

claims, costs associated with the early exit of a properly lease in Love2shop and accelerated amortisation on certain modules of L2s ERP systems.

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

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

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

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

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

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

PAYPOINT SEGMENT

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

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

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

Payments & Banking net revenue increased by £1.0 million (1.8%) to £55.4 million (2025: £54.4 million) including £4.1 million net revenue from obconnect, acquired by the Group in October 2024. Excluding the impact of obconnect, net revenue decreased by £1.3 million compared with the prior period. Cash bill payments and top ups revenue decreased by £2.6 million (10.0%) to £23.3 million (2025: £25.9 million) driven by a 15.0% decrease in transactions arising from reduced usage of cash and the continued switch to digital payments. Digital net revenue, excluding obconnect, increased by £1.7 million (12.4%) to £15.4 million (2025: £13.7 million).

The cost of commission to PayPoint retailers decreased by £0.4 million (1.0%) to £41.3 million (2025: £41.7 million).

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

SECTOR ANALYSIS

SHOPPING

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

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

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

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

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

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

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

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

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

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

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

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

E-COMMERCE

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

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

PAYMENTS & BANKING

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

Payments & Banking divisional net revenue increased by 1.8% to £55.4 million (2025: £54.4 million), benefitting from an additional £2.3 million contribution from obconnect and £1.7 million from MultiPay and direct debits, partially offset by the impact of fewer cash bill payments and top up transactions.

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

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

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

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

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

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

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

LOVE2SHOP SEGMENT

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

Love2shop ('L2s') generated £385.8 million total billings in the period, an increase of 5.0% on prior year. Billings represent the total value of gift cards sold across all formats, including physical cards, digital eCodes and paper vouchers.

The £11.1 million (7.5%) increase in revenue is largely attributable to single-retailer cards and vouchers.

Net revenue for the year was £53.5 million, an increase of £1.8 million (3.5%) on prior year this reflects the first full year of revenue from gift cards sold in-store and improved lifecycle management of gift cards, including non-redemption income

PROFIT BEFORE TAX AND TAXATION

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

GROUP STATEMENT OF FINANCIAL POSITION

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

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

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

GROUP CASH FLOW AND LIQUIDITY

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

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

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

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

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

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

DIVIDENDS

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

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

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

CAPITAL ALLOCATION

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

- Investment in the business through capital expenditure and innovation to drive future revenue streams and improve the resilience and efficiency of our operations;
- Progressive ordinary dividends, targeting a dividend cover of over 2.0 times by FY28;
- Continuation of the share buy-back programme, which returned £20 million over the initial 12 months to 30 June 2025 and will return a further £30 million in each of years 2,3 and 4, depending on business performance, market conditions, cash generation and the overall capital needs of the business;
- 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
10 June 2026

PRINCIPAL RISKS AND UNCERTAINTIES

Our risk management process continues to allow the Group to operate within an appropriate risk framework that supports business operations, strategic objectives, and the identification of new opportunities, while providing the Board with effective oversight. During the year, to address the requirements of Provision 29 of the UK Corporate Governance Code 2024 ("the Code"), further enhancements have been made to our risk management framework to ensure the Group is fully prepared to meet the requirements of the Code for the coming financial year.

Risk Appetite

PayPoint's risk appetite is determined by the Board and aligns the level of risk considered acceptable in achieving our strategic objectives, increasing financial returns 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

Changes to principal risks

Changing risks

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

Emerging Risks

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

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

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

	Risk Trend & Appetite	Potential Impact	Mitigation Strategies	Status
Principal Risks				
1	Competition and markets Trend = Increasing Appetite = High	Market conditions remain challenging for the Group and our competitors alike as cost management becomes an increasing challenge while the anticipated decline in our legacy business continued. In response, the business has continued with its programme of business diversification, with the development of new and innovative services. The current economic conditions of lower consumer spending and overall slow market growth, have	The Executive Board closely monitors the markets in which we operate, competitor activity as well as consumer spending behaviour, regularly re-assessing our existing and potential future markets. Such assessments also include identification of opportunities to further de-risk the legacy business through development of our service offerings and strategic acquisitions or investments, where appropriate.	Risk is increasing as cost-of living pressures have continued to affect consumer activities, particularly in spending behaviours. Economic pressures due to heightened geopolitical tensions, weaker outlook for growth in the UK and increased uncertainties over inflation and interest rates continue to impact costs faced by our consumers, as well as by the business and our competitors alike.

		also continued from the previous fiscal year.	The business will remain agile by looking to adapt to changes in consumer needs and behaviours.	
2	Emerging Technology Trend = Stable Appetite = Medium	Failure to keep up with new and emerging technologies and services remains a risk to the Group whilst some emerging technologies also present an opportunity for potential service advancement through such developments. Pressures on suitable resources to deliver technological solutions to support new and emerging services remains.	We continually review technological developments, including the evolution of AI, to understand how new technologies can be used to support our service offerings and to keep our products relevant and up to date with technological advances. We also develop and implement our own innovative technology, where appropriate. The Executive Board closely monitors the markets in which we operate enabling early identification of potential acquisition targets.	Risk is stable as Group acquisitions, investments and partnerships have helped to mitigate risks associated with emerging technologies. The continuing programme of re-platforming our digital proposition will facilitate the further expansion of our presence in digital payment markets.
3	IT Transformation Trend = Stable Appetite = Medium	The Group continues with the delivery of IT transformation projects as specified in our road map with delivery of these projects recognised as key to delivering our business strategy, enhancing platform resilience as well as supporting key growth in our business as identified in the 3-year plan. Such projects also serve to satisfy increased regulatory requirements in this area.	Delivery plans are in place with appropriate governance structure identified. The Executive Board is accountable for the management and delivery of these projects, with oversight provided by the Group Board to ensure the effective delivery of innovative, robust, and efficient project management of these major programmes.	Risk is stable due to delivery of significant projects within the road map such as the e-commerce platform in Love2Shop. We have a number of significant projects which are currently in the process of being delivered by the Group and significant progress has been delivered over the last year.
4	Client Services Trend = Stable Appetite = Medium	Clients' service expectations are high, as they continue to expect services to provide complex solutions in support of their specific requirements. Clients requirements are increasingly more sophisticated in terms of compliance needs. Client retention and the exposure to clients developing in house solutions as an alternative to our services remains an ongoing risk.	The Group builds and carefully manages strategic relationships with key clients, retailers, redemption partners and suppliers. We continually seek to improve and diversify services through new initiatives, products and technology and our involvement in new and technology driven markets.	Risk is stable. On 30 March 2026, the Group Announced a business reorganisation into four business units, which will enable strong performance ownership, a better harnessing of the Group's collective capabilities, strengthened execution and a more accountable operating culture. We continue to renew contracts and onboard new retailers, clients, merchants, and redemption partners in line with expectations. Collaborating with our clients to continue to understand their requirements and how best we can meet our clients' needs remains a priority and we continue to identify opportunities for our clients to diversify and use more than one of our service provisions.
5	Legal and Regulatory Trend = Stable Appetite = Low	Increased levels of legal and regulatory requirements coupled with significant changes to current legal and regulatory frameworks as well as the continued addition of new service offerings all mean that the legal and regulatory	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	Risk is stable due to the Group's demonstrated ability to adapt quickly to regulatory changes, with the controls and policies put in place to manage such change. We continue to manage legal and regulatory exposures through our

		environment in which we operate has become increasingly more complex. Should a number of significant changes be required to the current regulatory framework, this could impact our current cost and operational model.	complies with all legal and applicable regulatory requirements. Emerging regulations are incorporated into strategic and operational planning, and we engage with regulators to ensure our frameworks are appropriate to support new products and initiatives.	risk management framework which includes key components such as assurance and monitoring reviews, mandatory training programmes and customer engagement. As noted in the annual accounts for the year ended 31 March 2025, a number of companies in the PayPoint Group, including PayPoint Plc, received a claim from Global-365 plc and Global Prepaid Solutions Limited ('G365') on 18 July 2023 concerning PayPoint's prepayment energy business. The Competition Appeal Tribunal handed down its judgment on this claim on 7 May 2026: • It found PayPoint liable for an historical infringement of competition law, which ceased in 2018, concerning certain contracts under which it provided energy OTC prepayment services; • It awarded damages of £169,334 plus interest to G365 in respect of its "loss of a chance" to win contracts with a limited number of small energy suppliers. The CAT's findings confirm that PayPoint's past contracts with energy suppliers were not a significant factor in G365's lack of success. PayPoint remains committed to ensuring its commercial practices meet all regulatory requirements.
6	People Trend = Stable Appetite = Low	People remain a key component in ensuring we continue to deliver our key strategies over the coming years. Our ability to attract, retain and develop those individuals who are instrumental in driving top line growth, along with individuals who will support the operational transformation of our business is essential to our continued success. Key person dependencies, at both Executive and senior management levels, have been noted as an important component of this risk.	The Executive Board continues to monitor this risk, with oversight from the Remuneration and Nomination Committees. Culture is a critical element in ensuring we have the right people in our employ and 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. Employee engagement surveys remain positive and key actions around cost-of-living support, better employee interaction and flexible working remain at the heart of our people management policies. The business has continued with its policy of investing in key employees and ensuring that recognition of high-level performance is at the heart of our people management strategy.

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. The emergence of AI-enabled tools has also lowered the barrier to entry for threat actors, making certain attack techniques more accessible, scalable and convincing. A successful cyber incident could result in operational disruption, loss or compromise of sensitive data, regulatory exposure, financial loss and reputational damage. Maintaining a strong control environment and workforce vigilance therefore remains critical.	The Executive Board regularly reviews the Group's cyber security and data protection framework, with detailed oversight provided by the Cyber Security and IT Sub-Committee of the Audit Committee. The Group maintains a layered security control environment, including continuous monitoring, threat detection, incident response processes and regular control review. During the year, the Group continued to invest in cyber security capabilities across people, processes and technology, strengthening its control environment and resilience. Colleagues receive regular cyber security awareness training, supported by phishing simulations and ongoing awareness activity. The Group also engages third-party specialists to assess defences, support assurance activity and strengthen resilience across its own estate and key suppliers. The Group continues to evaluate emerging technologies, including AI-enabled capabilities, where appropriate to support threat detection, analysis and response.	Risk is increasing as the cyber threat landscape continued to evolve during the year. This has been further influenced by the increasing use of AI-enabled tools by adversaries, which is contributing to the pace and complexity of cyber threats. In response, the Group has continued to enhance its architecture, systems, processes and monitoring capabilities. While these actions strengthen resilience, cyber risk remains elevated given the pace of threat evolution and the Group's expanding digital footprint.
8	Business Interruption Trend = Stable Appetite = Low	Failure to provide a stable infrastructure environment or to promptly recover failed services following an incident can lead to loss of service provision, and financial, regulatory, and reputational loss. Interruptions may be caused by system failures, cyber-attack, failure by a third party or failure of an internal process. Recovery of the service can be hampered by lack of appropriate resilience levels.	Our comprehensive and robust business continuity framework is reviewed on a regular basis by the Executive Board, and the Cyber Security and IT sub-Committee of the Audit Committee maintains oversight of the framework and its implementation. Business continuity, disaster recovery and major incident response plans are maintained and tested with failover capabilities across third party data centres and the cloud. Risk from supplier failure is managed through contractual arrangements, alternative supplier arrangements and business continuity plans.	Risk is stable. System disruption is an inherent business risk however we recognise that recent acquisitions, our IT transformation projects and our expansion into different products contribute to increasing complexity of our operations. Better staff training and retention has enhanced our ability to detect and recover from service issues.
9	Credit and Liquidity/ Treasury Management Incorporating Counterparty	The Group has significant exposures to large clients/retailers, redemption partners and other counterparties. Credit control remains a priority for the Group with risks to	The Group has effective credit and operational processes and controls. Ongoing credit reviews, and effective debt management processes are implemented across the Group.	Risk is increasing due to a number of more recent factors. Cost of living pressures may impact our client and retail estate. However, we have robust

	Risk Management Trend = Increasing Appetite = Medium	payment of retailer debt increasing over the last year as the Group has continued its expansion into certain markets as well as prevailing economic pressures. Counterparty management remains a risk to the Group although the level of such risk has decreased over the last year. The Group also operates a number of debt/banking covenants which must be carefully managed. Like most organisations, cash flow management is a key process in the Group's operations.	A number of mitigating controls are in place to effectively manage counter party risk including increased engagement and active monitoring of our significant counter parties. We have effective governance to manage cash flows through our treasury oversight committee and have implemented detailed and effective cash management control processes to support our operations.	monitoring in place to reduce default rates and impacts. We have enhanced and increased our risk controls to ensure effective counterparty risk management. And these remain under constant review The Group has robust financing arrangements in place, and our cash generation remains strong as do our cash management processes.
10	Operational Delivery Trend = Stable Appetite = Low	Planning, forecasting and successful execution of all business functions is key to ensuring operational delivery for the Group. Delivery of key initiatives and strategic objectives, including sales and service delivery growth, remains key to achieving the desired success levels anticipated for the Group. Supply chain management is also a key factor in delivering our operational targets. Failure to manage this risk would hamper our business performance, impact our stakeholders, and may lead to regulatory or legal sanctions.	The Executive Board has implemented a robust and effective reporting suite to ensure management of BAU is supported by timely and accurate business reporting and performance analysis. We continue to develop our Business Intelligence and Management information reporting capabilities to enhance, support and develop our BAU management functions. Our existing processes are continuously reviewed to make sure they are efficient and well controlled and our supply chain is monitored and assessed to ensure continuity of service is maintained.	Risk is stable. We continue to focus on effective integration of recent acquisitions into our business and to develop new services and enhance existing capabilities.
Emerging Risk				
1	ESG and Climate Trend = Stable Appetite = Medium	We continue to be a low-carbon producing company and as such, climate remains as an emerging risk to the group as the risk does not pose any immediate threat. We continue to monitor and assess potential risks to our operations, including our retail network from potential impacts of climate change such as flooding. As a Group, we recognise the importance of ESG matters and acknowledge that our business needs to be environmentally and socially responsible to create shared value for all stakeholders.	The CEO and the Executive Board have overall accountability for PayPoint's climate and social responsibility agendas, and they recommend strategy to the Board. We have embedded a strategy of reducing our carbon emissions, with a goal of becoming fully net-zero by 2040 (2030 for our own operations). We have multiple policies and processes governing our social responsibility strategy and continually assess and evolve our strategy and working practices to ensure the best outcomes for stakeholders and the environment.	Our ESG working group has implemented various measures as we continue to embed low carbon strategies into our working practices and business strategy. The continued roll out of the PayPoint Mini, supports reduction of our carbon footprint through production of lower emissions. We run an employee forum to encourage open communication channels with our employees and continue to engage with our employees on socially responsible initiatives, such as volunteering, work in the community and school mentoring programmes.

VIABILITY STATEMENT

In accordance with the 2024 UK Corporate Governance Code, The Directors have assessed the viability of the Group over a three-year period, taking account of the Group's current financial and trading position, the principal risks and uncertainties (as set out on pages 22 to 26) and the strategic plans that are reviewed at least annually by the Board.

Assessment period

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

Assessment of prospects

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

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

Following the business reorganisation announced in March 2026, the Group has simplified into four business units to create clearer accountability, stronger execution, better use of shared capabilities and a more efficient operating model. This restructure supports the Group's response to a changing economic environment by sharpening focus on higher-value, more resilient revenue streams and aligning propositions more closely to the evolving needs of clients, partners, merchants and retailers. Specific initiatives include the rollout of the 'growing retailer value' strategy, the expansion of PayPoint BankLocal, including the partnership with Nationwide, the rollout of Royal Mail services across the network, growth in Open Banking and digital payments capabilities, including account-to-account and data-sharing solutions, the continued expansion of Love2shop's digital and physical distribution, and the repositioning of Merchant Services towards higher-value merchants, improved retention and partnership-led growth. Together, these actions enhance the relevance of the Group's services, support customer and partner requirements, and strengthen resilience, cash generation and longer-term growth prospects.

The Group's inherent resilience to risk.

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

Expectations of the future economic environment.

The economic environment is expected to remain uncertain, with inflationary pressures, the cost of borrowing and changing consumer behaviour continuing to influence demand across the Group's markets. The Directors believe the Group is well positioned to respond through its diversified portfolio of essential services, strong retailer and client relationships, strategic partnerships and increased focus on higher-value, more resilient revenue streams. This supports the Group's ability to adapt to changing customer and partner requirements while maintaining resilience and cash generation over the assessment period.

The Group's financial position.

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

Assessment of viability

To assess our viability, we modelled different scenarios identified by considering the potential impact of the principal risks (as shown in the table on pages 22 to 26). 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. All ten principal risks were used in our modelling. They were chosen because they combine to represent plausible scenarios covering a range of different operational and financial impacts on the business.

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

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

Conclusion

Having 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, remain solvent and meet its liabilities as they fall due over the three-year assessment period.

Scenario modelled	Linked to principal risks	Assumptions
<u>Scenario A</u> A sharp economic decline in the economy and our markets causes material divergence on planned product growth rates or accelerated declines.	<i>Risk (1) Competition and markets,</i> <i>Risk (2) Emerging technology,</i> <i>Risk (4) Operating model</i> <i>Risk (10) Operational delivery</i>	<u>Transactions/merchants/estate</u> Areas of growth have been reduced or held flat and in areas of decline have been assumed to continue or accelerate those declines. <u>Margins, revenue rates per transaction/merchants or estate</u> Margins and rates have been held in line with planned levels. <u>Costs</u> No cost savings assumed however bonus would not be paid until FY29. All the above are assumed to impact for FY27 with a slow recovery in FY28 back to planned levels in FY29. <u>Dividends and Share Buy-Back</u> Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained.
<u>Scenario B</u> Our transformation and integration projects do not deliver the planned growth	<i>Risk (3) Transformation</i> <i>Risk (6) People</i> <i>Risk (10) Operational delivery</i>	<u>Revenue Growth</u> Planned transformational revenue growth rates are assumed to halve over the life of the plan. <u>Costs</u> Costs linked to transformational revenue growth are assumed to increase by 2% p.a. above planned levels to achieve transformational execution and cover retention issues or unforeseen skills gaps. <u>Dividends and Share Buy-Back</u> Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained
<u>Scenario C</u> A one-off event, such as a legal, regulatory, cyber security or a significant credit loss event	<i>Risk (5) Regulatory and legal (grouping all the one-off hits together)</i> <i>Risk (7) Cyber security,</i> <i>Risk (8) Business interruption</i> <i>Risk (9) Credit and liquidity/Treasury Management</i>	<u>Revenue</u> No impact is assumed as PayPoint would adjust to change or correct any breach so that level of business could continue. <u>Costs</u> It is assumed that an average of all possible fines, £27.3m, is incurred but no other associated costs together with a credit risk of £3m (equivalent to our largest debtor) totalling £30.8m. Given the potential scale of impact and lead time of this impact

		appropriate cost savings would be identified. For cash flow purposes, however, the model assumes a final cash impact of 50% of this amount in FY29, reflecting the likelihood that any fines would be subject to negotiation and/or partial suspension before settlement. <u>Dividends and Share Buy-Back</u> Dividends are assumed to be paused from FY27 interims through to FY28 final, resuming in FY29 back in line with the dividend policy. Share buy-back is maintained
<u>Scenario D</u> Reverse stress test of a one-off impact to breach covenants or exceed funding availability.	N/A	Test D1: Adopting the principles of Scenarios A and B a continuously monthly impact has been modelled to understand when our funding limits would be breached. Test D2: Similarly to Scenario C (a one-off loss event) – assessing the size of this to breach covenant/ funding limits. For test D1, no dividends are proposed across the 3 years, other than the final dividend in respect of FY26. However, the share-buyback is assumed to continue. For test D2, in this reverse stress test, it is assumed no dividends are paid following the final FY26 dividend until FY29 and therefore from a cash perspective, we save c£33.9m in FY28. For both tests, the share buyback is assumed and therefore remains a management 'lever'.

Consolidated statement of profit or loss

		Year ended 31 March 2026			Year ended 31 March 2025		
	Note	Underlying £'000	Adjusting items £'000	Total £'000	Underlying £'000	Adjusting items £'000	Total £'000
Revenue	2,3	305,624	-	305,624	294,919	(14,205)	280,714
Other revenue	2,3	31,384	-	31,384	30,000	-	30,000
Total revenue		337,008	-	337,008	324,919	(14,205)	310,714
Cost of revenue		(187,936)	-	(187,936)	(174,283)	-	(174,283)
Gross profit		149,072	-	149,072	150,636	(14,205)	136,431
Administrative expenses - excluding adjusting items		(72,141)	-	(72,141)	(75,522)	-	(75,522)
Operating profit before adjusting items		76,931	-	76,931	75,114	(14,205)	60,909
Adjusting items:							
Exceptional items - administrative expenses	5	-	(7,138)	(7,138)	-	(9,229)	(9,229)
Amortisation of acquired intangible assets		-	(5,223)	(5,223)	-	(8,716)	(8,716)
Movement on convertible loan notes	8	-	(1,000)	(1,000)	-	(10,413)	(10,413)
Movement on other investments	8	-	(200)	(200)	-	805	805
Operating profit		76,931	(13,561)	63,370	75,114	(41,758)	33,356
Finance income		1,232	-	1,232	1,383	-	1,383
Finance costs		(9,126)	-	(9,126)	(8,448)	-	(8,448)
Profit before tax		69,037	(13,561)	55,476	68,049	(41,758)	26,291
Tax	6	(17,647)	3,340	(14,307)	(17,431)	10,440	(6,991)
Profit after tax		51,390	(10,221)	41,169	50,618	(31,318)	19,300
Attributable to:							
Owners of the parent		49,554	(10,221)	39,333	50,509	(31,318)	19,191
Non-controlling interests		1,836	-	1,836	109	-	109
		51,390	(10,221)	41,169	50,618	(31,318)	19,300

	Year ended 31 March 2026	Year ended 31 March 2025
Earnings per share (pence)		
Basic	59.1	26.6
Diluted	58.4	26.3

	Year ended 31 March 2026	Year ended 31 March 2025
Underlying earnings per share – before adjusting items (pence)		
Basic	74.4	70.1
Diluted	73.6	69.1

Consolidated statement of comprehensive income

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Items that will not be reclassified to the consolidated statement of profit or loss:		
Remeasurement of defined benefit pension scheme asset	168	(230)
Deferred tax on remeasurement of defined benefit pension scheme asset	(42)	58
Items that may subsequently be reclassified to the consolidated statement of profit or loss:		
Movement on cash flow hedge reserve	210	(266)
Other comprehensive income / (expense) for the year	336	(438)
Profit for the year	41,169	19,300
Total comprehensive income for the year	41,505	18,862
Attributable to:		
Owners of the parent	39,669	18,753
Non-controlling interests	1,836	109
	41,505	18,862

Consolidated statement of financial position

	Note	31 March 2026 £'000	31 March 2025 £'000
Non-current assets			
Goodwill		129,633	129,633
Other intangible assets		74,507	71,901
Convertible loan notes	8	-	3,159
Other investment	8	2,699	740
Property, plant and equipment		31,289	31,933
Net investment in finance lease receivables		464	189
Retirement benefit asset		2,102	224
Total non-current assets		240,694	237,779
Current assets			
Inventories		6,119	6,162
Trade and other receivables		102,567	110,010
Current tax asset		4,260	9,734
Cash and cash equivalents – corporate		6,176	4,927
Cash and cash equivalents – non-corporate		108,996	28,262
Restricted funds held on deposit (non-corporate)		35,000	111,475
Total current assets		263,118	270,570
Total assets		503,812	508,349
Current liabilities			
Trade and other payables		262,385	272,369
Lease liabilities		881	768
Provisions	10	2,861	11,198
Bank overdraft		7,859	-
Loans and borrowings		260	265
Total current liabilities		274,426	284,600
Non-current liabilities			
Lease liabilities		2,684	2,410
Loans and borrowings		130,526	102,043
Derivative liability		55	264
Deferred tax liability		17,098	17,559
Provisions	10	3,370	4,152
Total non-current liabilities		153,733	126,428
Total liabilities		427,979	411,028
Net assets		75,833	97,321
Equity			
Share capital	11	219	236
Share premium	11	1,000	1,000
Merger reserve	11	18,243	18,243
Share-based payment reserve		3,550	3,471
Capital redemption reserve	11	24	7
Retained earnings		51,059	70,255
Total equity attributable to equity holders of the parent		74,095	93,212
Non-controlling interests		1,738	4,109
Total equity		75,833	97,321

These financial statements on pages 30 to 50 were approved by the Board of Directors and authorised for issue on xx June 2026 and were signed on behalf of the Board of Directors.

Nick Wiles
Chief Executive

10 June 2026

Consolidated statement of changes in equity

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital Redemption reserve £'000	Retained earnings £'000	Total £'000	Non- Controlling Interests £'000	Total equity £'000
At 1 April 2024		242	1,000	18,243	2,992	-	98,683	121,160	-	121,160
Non-controlling interest arising on acquisition		-	-	-	-	-	-	-	4,000	4,000
Profit for the year		-	-	-	-	-	19,191	19,191	109	19,300
Total other comprehensive expense		-	-	-	-	-	(438)	(438)	-	(438)
Total comprehensive income for the year		-	-	-	-	-	18,753	18,753	109	18,862
Issue of shares	11	1	-	-	-	-	-	1	-	1
Purchase of own shares	11	(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
Acquisition of non-controlling interest		-	-	-	-	-	(2,400)	(2,400)	(3,956)	(6,356)
Profit for the year		-	-	-	-	-	39,333	39,333	1,836	41,169
Total other comprehensive income		-	-	-	-	-	336	336	-	336
Total comprehensive income for the year		-	-	-	-	-	39,669	39,669	1,836	41,505
Post-tax gain on part-disposal of subsidiary	9	-	-	-	-	-	34,000	34,000	-	34,000
Purchase of own shares	11	(17)	-	-	-	17	(30,279)	(30,279)	-	(30,279)
Equity-settled share-based payment expense		-	-	-	1,621	-	(1,222)	399	-	399
Vesting of share scheme		-	-	-	(1,542)	-	1,542	-	-	-
Dividends		-	-	-	-	-	(60,506)	(60,506)	(251)	(60,757)
At 31 March 2026		219	1,000	18,243	3,550	24	51,059	74,095	1,738	75,833

Consolidated statement of cash flows

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities			
Cash generated from operations	12	66,205	74,701
Corporation tax paid		(17,094)	(11,383)
Interest received		351	502
Interest paid		(8,312)	(7,848)
Movement in restricted funds held on deposit - non-corporate		76,475	(33,277)
Movement in payables – non-corporate		4,376	1,699
Net cash generated from operating activities		122,001	24,394
Investing activities			
Purchases of property, plant and equipment		(8,075)	(9,248)
Purchases of intangible assets		(13,488)	(9,529)
Acquisitions of subsidiaries net of cash and cash equivalents acquired		-	(8,919)
Purchase of convertible loan notes	8	-	(16,000)
Purchase of other investment	8	-	(200)
Net cash used in investing activities		(21,563)	(43,896)
Financing activities			
Dividends paid to owners of parent		(60,506)	(27,777)
Dividends paid to non-controlling interest	9	(251)	-
Proceeds from part-disposal of subsidiary	9	43,384	-
Acquisition of non-controlling interest		(6,356)	-
Proceeds from issue of share capital		-	1
Payment of lease liabilities		(996)	(889)
Repayments of loans and borrowings		(30,500)	(88,000)
Proceeds from loans and borrowings		59,000	97,500
Purchase of own shares	11	(30,089)	(14,914)
Net cash used in financing activities		(26,314)	(34,079)
Net increase / (decrease) in cash and cash equivalents		74,124	(53,581)
Cash and cash equivalents at the beginning of the year		33,189	86,770
Cash and cash equivalents at the end of the year		107,313	33,189

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

	31 March 2026 £'000	31 March 2025 £'000
Corporate cash	6,176	4,927
Bank overdraft	(7,859)	-
Non-corporate cash	108,996	28,262
Cash and cash equivalents	107,313	33,189

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 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 2026 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 2026:

- Amendments to IAS21 *The Effects of Changes in Foreign Exchange Rates* (effective date 1 January 2025)

The amendment to IAS21 did not have a material impact on the Group's financial statements for the year ended 31 March 2026.

The accounting policies adopted by the Group in the financial statements for the year ended 31 March 2026 are otherwise consistent with those applied to all other years set out in these group financial statements.

New and revised IFRS in issue but not yet effective

No new standards or interpretations have been adopted in the Group's accounting policies in the year ended 31 March 2026.

At the date of authorisation of these financial statements, the new and revised standards issued but not yet effective are set out below.

- Amendment to IFRS7 *Financial instruments: Disclosures* and IFRS9 *Financial instruments* – classification and measurement of financial instruments (effective date 1 January 2026)
- IFRS18 *Presentation and disclosure in financial statements* (effective date 1 January 2027)
- IFRS19 *Subsidiaries without public accountability: Disclosures* (effective date 1 January 2027)

It is anticipated that the adoption of these standards and interpretations in future years will have no material impact on the financial statements of the Group, with the exception of IFRS18. IFRS18 will replace IAS1 *Presentation of financial statements* and will have an impact on the presentation of the Group's Consolidated statement of profit or loss, with new statutory profit or loss sub-totals and income and expenditure classified into Operating, Investing and Financing categories. IFRS18 will also require disclosure of Management-defined Performance measures ('MPMs'), the impact of which is being assessed.

Going concern

The financial statements have been prepared on a going concern basis. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to shareholders through the optimisation of the debt-to-equity balance. The capital structure of the Group consists of debt, cash and cash equivalents, restricted funds held on deposit and equity attributable to equity holders of the parent company comprising capital, reserves and retained earnings.

The Group's policy is to borrow centrally to meet anticipated funding requirements. Our cash and borrowing capacity provides sufficient funds to meet the foreseeable needs of the Group. At 31 March 2026, the Group had corporate cash of £6.2 million and bank overdrafts of £7.9 million.

On 11 June 2025, the Group completed an amendment to its borrowing facilities, to manage its working capital requirements and capital allocation. Its borrowing facilities now consist of:

- a £75.0 million non-amortising term loan expiring in June 2029; and
- a £90.0 million unsecured revolving credit facility expiring in June 2029.

At 31 March 2026, £56.5 million (2025: £58.0 million) was drawn down from the £90.0 million revolving credit facility and the outstanding balance of the non-amortising term loan was £75.0 million.

The Group's statement of financial position shows net assets of £75.8 million as at 31 March 2026 (£97.3 million as at 31 March 2025), having made a profit after tax for the year of £41.2 million (2025: £19.3 million) and generated cash from operations of £66.2 million for the year then ended (2025: £74.7 million), offset by the return of capital to shareholders in the year of £90.6 million (2025: £42.7 million). The Group has net current liabilities of £11.1 million as at 31 March 2026 (2025: £14.0 million).

The Directors consider the going concern period as 12 months from the date of signing of these financial statements and have reviewed detailed monthly cash flow forecasts for the Group over this period. In this 'base case' scenario, the cash flow forecasts show considerable liquidity headroom and debt covenants will be met throughout the period. In addition, the Directors have considered and confirm there are no significant or material events that have been identified beyond the going concern period that may cast significant doubt upon the continuing use of the going concern basis.

Additionally, the Directors have carried out an assessment of the principal risks and uncertainties and applied severe but plausible scenarios, together with a reverse stress test, to test further the Group's going concern assumption. These scenarios included a reduction in the volume of transactions caused by a severe economic downturn, transformation and growth plans not delivering intended benefits and material one-off impacts of regulatory, IT or credit loss events. As mitigating actions, we have assumed achievable reductions in expenditure and a reduction in the level of future dividends following the payment of the final dividend of 20.0 pence per share declared in respect of the financial year ended 31 March 2026. The cash flow forecasts included an analysis and stress test for the above scenarios to ensure working capital movements within a reporting period do not trigger a covenant breach.

Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of not less than 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Use of judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgement: reassessment of Open Banking cash generating unit ("CGU")

During the year, management assessed that its Open Banking CGU comprised two components for the purpose of goodwill impairment testing. One component is obconnect Limited, which the Group acquired in October 2024. Goodwill of £12.2 million arose on that acquisition. The other component existed within the Group prior to the acquisition, using obconnect Limited's software platform to generate its revenue.

This judgement reflects the fact that both components generate cash inflows using the same technology platform. The two components together represent the lowest level at which an identifiable group of assets generates cash flows that are largely independent of those of other groups of assets. In accordance with IAS36 *Impairment of assets*, they are therefore treated as a single CGU.

This judgement is critical to the outcome of the goodwill impairment test. The Open Banking CGU, comprising the two components referred to above, gives significant headroom. No reasonably possible changes in any of the discounted cash flow assumptions cause the open banking CGU's carrying value to exceed its recoverable amount. Had obconnect Limited alone been treated as a CGU, the goodwill arising on its acquisition would have been impaired in the current year.

Critical judgement: recognition of cash and cash equivalents and restricted funds held on deposit

The nature of payments and banking services means that PayPoint collects and holds funds on behalf of clients as those funds pass through the settlement process and retains retailer partners' deposits as security for those collections. Following the Love2shop acquisition, it also holds, in trust, gift card voucher deposits on behalf of agents, cardholders and redeemers and prepay savers' cash on behalf of savers.

A critical judgement in this area is whether each of the above categories of funds, and restricted funds held on deposit, are recognised on the consolidated statement of financial position, and whether they are included in cash and cash equivalents for the purpose of the Consolidated statement of 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 2026 are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Corporate cash	6,176	4,927
Bank overdraft	(7,859)	-
Clients' cash	19,895	15,165
Gift card voucher cash	36,366	3,030
Prepay savers' cash	47,149	4,266
Retailer partners' deposits	5,586	5,801
Sub-total: non-corporate cash	108,996	28,262
Total cash and cash equivalents	107,313	33,189
Restricted funds held on deposit (non-corporate)	35,000	111,475

Clients' own funds

Clients' cash held in trust off the Consolidated statement of financial position as at 31 March 2026 is £54.6 million (2025: £54.2 million).

Alternative performance measures

Non-IFRS measures or alternative performance measures are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes. They have remained consistent with the prior year. These measures are included in these financial statements to provide additional useful information on performance and trends to shareholders.

These measures are not defined terms under IFRS and therefore they may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for IFRS measures.

Underlying performance measures (non-IFRS measures)

Underlying performance measures allow shareholders to understand the operational performance in the year, to facilitate comparison with

prior years and to assess trends in financial performance. They usually exclude the impact of one-off, non-recurring and exceptional items and the amortisation of intangible assets arising on acquisition, such as brands and customer relationships.

The adjusting items between the Group's statutory and underlying performance measures are as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Exceptional item - revenue	-	14,205
Exceptional items – legal fees	3,411	6,357
Exceptional item – organisational framework costs	978	-
Exceptional items – restructuring costs	2,247	-
Exceptional items – impairment of receivable	502	-
Exceptional item – accelerated amortisation costs	-	868
Exceptional item – impairment of right-of-use asset related to Chapel St. lease	-	373
Exceptional item – impairment of other Chapel St. assets	-	486
Exceptional item – onerous provision for unavoidable Chapel St. costs	-	1,145
Sub-total: items related to Chapel St. lease	-	2,004
Sub-total: exceptional items – administrative expenses	7,138	9,229
Amortisation of intangible assets arising on acquisition	5,223	8,716
Movement on convertible loan note fair value	1,000	10,413
Movement on other investment fair value	200	(805)
Total adjusting items	13,561	41,758

Love2shop billings (non-IFRS measure relating solely to the Love2shop segment)

Billings represents the value of goods and services shipped and invoiced to customers during the year and is recorded net of VAT, rebates and discounts. Billings is an alternative performance measure, which the directors believe provides an additional measure of the level of activity other than total revenue. This is due to revenue from multi-retailer redemption products being reported on a 'net' basis, whilst revenue from single-retailer redemption products and other goods are reported on a 'gross' basis.

Net revenue (non-IFRS measure)

Net revenue is total underlying revenue less commissions paid (to retailer partners and Park Christmas agents) and the cost of revenue for items where the Group acts in the capacity as principal (including single-retailer vouchers and SIM cards). This reflects the benefit attributable to the Group's performance, eliminating pass-through costs to create comparability of performance under both the agent and principal revenue models. It is a key consistent measure of the overall success of the Group's strategy. A reconciliation from total underlying revenue to net revenue is included in note 4.

Total costs (non-IFRS measure)

Total costs comprise other costs of revenue, administrative expenses, finance income and finance costs. Total costs exclude adjusting items, being exceptional costs, amortisation of intangible assets arising on acquisition and movements on investment fair values.

Earnings before interest, tax, depreciation and amortisation (EBITDA) (non-IFRS measure)

The Group presents EBITDA as it is widely used by investors, analysts and other interested parties to evaluate profitability of companies. This measures earnings before interest, tax, depreciation and amortisation. See page 15 of the Financial review for a reconciliation from profit before tax to EBITDA.

Adjusted earnings before interest, tax, depreciation and amortisation (Underlying EBITDA) (non-IFRS measure)

The Group also presents adjusted EBITDA, which comprises EBITDA, as defined above, excluding exceptional items and net movements on convertible loan notes and other investments. See page 15 of the Financial review for a reconciliation from profit before tax to adjusted

EBITDA.

Underlying earnings per share (non-IFRS measure)

Underlying earnings per share is calculated by dividing the profit after tax before adjusting items attributable to equity holders of the parent by the basic or diluted weighted average number of ordinary shares in issue.

Underlying profit before tax (non-IFRS measure)

Underlying profit before tax represents statutory profit before tax excluding total adjusting items.

Net corporate debt (non-IFRS measure)

Net corporate debt represents corporate cash and cash equivalents less bank overdraft and amounts borrowed under financing facilities (excluding IFRS 16 liabilities). The reconciliation of corporate cash and cash equivalents to net corporate debt is as follows:

	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents – corporate	6,156	4,927
Bank overdraft	(7,859)	-
Less:		
Loans and borrowings (note 25)	(130,786)	(102,308)
Net corporate debt	(132,469)	(97,381)

2. Segmental reporting

Segmental information

The Group considers its Love2shop business to be a separate segment from its legacy PayPoint business, since discrete financial information is prepared for Love2shop and PayPoint and they offer different products and services. Furthermore, the chief operating decision maker ('CODM'), being the Chief Executive supported by the Executive Committee, reviews separate monthly internal management reports (including financial information) for Love2shop and PayPoint to allocate resources and assess performance.

The material products and services offered by each segment are as follows:

PayPoint

- Card payment services to retailers, including leased payment devices.
- ATM cash machines.
- Bill payment services and cash top-ups to individual consumers, through a network of retailers.
- Parcel delivery and collection.
- Retailer service fees.
- Digital payments.
- Open banking services

Love2shop

- Shopping vouchers, cards and e-codes, which customers may redeem with participating retailers. These are either 'single-retailer' or 'multi-retailer'. The former may only be used at the specified retailer, whilst the latter may be redeemed at one or more of over 200 retailers.
- Christmas savings club, to which customers make regular payments throughout the year to help spread the cost of Christmas, before converting to a voucher.

Information related to each reportable segment is set out below. Segment profit / (loss) before tax and adjusting items is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

31 March 2026	PayPoint £'000	Love2shop £'000	Total £'000
Revenue	176,761	128,863	305,624
Other revenue	2,021	29,363	31,384
Segment revenue	178,782	158,226	337,008
Segment profit before tax and adjusting items	51,087	17,950	69,037
Exceptional items	(6,890)	(248)	(7,138)
Amortisation of intangible assets arising on acquisition	(3,111)	(2,112)	(5,223)
Net movement in convertible loan notes	(1,000)	-	(1,000)
Net movement in other investments	(200)	-	(200)
Segment profit before tax	39,886	15,590	55,476
Interest income	780	452	1,232
Interest expense	5,606	3,520	9,126
Depreciation and amortisation	15,797	4,497	20,294
Capital expenditure	16,686	4,877	21,563
Segment assets	317,626	186,186	503,812
Segment liabilities	247,126	180,853	427,979
Segment equity	70,500	5,333	75,833

31 March 2025	PayPoint £'000	Love2shop £'000	Total £'000
Underlying revenue	176,181	118,738	294,919
Exceptional item – revenue	(14,205)	-	(14,205)
Total revenue	161,976	118,738	280,714
Other revenue	1,601	28,399	30,000
Segment revenue	163,577	147,137	310,714
Segment profit before tax and adjusting items	53,381	14,668	68,049
Exceptional items	(20,562)	(2,872)	(23,434)
Amortisation of intangible assets arising on acquisition	(2,919)	(5,797)	(8,716)
Net movement in convertible loan notes	(10,413)	-	(10,413)
Net movement in other investments	805	-	805
Segment profit before tax	20,292	5,999	26,291
Interest income	342	1,041	1,383
Interest expense	7,466	982	8,448
Depreciation and amortisation	14,952	10,340	25,292
Capital expenditure	14,659	4,118	18,777
Segment assets	333,569	174,780	508,349
Segment liabilities	234,901	176,127	411,028
Segment equity	98,668	(1,347)	97,321

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

The £337.0 million total revenue is geographically located in the UK (£334.9 million) and New Zealand (£2.1 million) (2025: £310.7 million in the UK only). The £240.7 million (2025: £237.8 million) non-current assets at 31 March 2026 are geographically located within the UK.

3. Revenue

Disaggregation of revenue

Revenue

			Year ended 31 March 2025	
	Year ended 31 March 2026 £'000	Underlying £'000	Adjusting item £'000	Total £'000
Shopping				
Service fees	23,705	21,754	-	21,754
Cards - acquiring	19,694	21,019	-	21,019
Cards - rentals	10,558	10,590	-	10,590
Cards – lending / other	1,341	812	-	812
ATMs	9,916	10,395	-	10,395
Other shopping	4,106	3,995	-	3,995
Shopping total	69,320	68,565	-	68,565
e-commerce total	40,724	40,409	-	40,409
Payments and banking				
Cash – bill payments	23,275	26,291	(14,205)	12,086
Cash – top-ups	9,295	10,228	-	10,228
Digital (including obconnect)	21,426	17,757	-	17,757
Cash through to digital	8,103	7,593	-	7,593
Other payments and banking	4,618	5,338	-	5,338
Payments and banking total	66,717	67,207	(14,205)	53,002
Love2shop total – voucher and card service fee	128,863	118,738	-	118,738
Revenue	305,624	294,919	(14,205)	280,714

Service fee revenue of £23.7 million (2025: £21.8 million) and management fees, set-up fees and upfront lump sum payments of £1.5 million (2025: £1.1 million) are recognised on a straight-line basis over the period of the contract. Card terminal leasing revenue of £10.6 million (2025: £10.6 million) is recognised over the expected lease term using the sum of digits method for finance leases and on a straight-line basis for operating leases. Multi-retailer voucher, card and e-code service fee revenue is recognised on redemption by the customer. The remainder of revenue is recognised at the point in time when each transaction is processed. The usual timing of payment by PayPoint customers is on 14-day terms. The usual timing of Love2shop's corporate customers is 15-day terms; its consumer customers pay on ordering.

Revenue subject to variable consideration of £12.9 million (2025: £14.1 million) exists where the consideration to which the Group is entitled varies according to transaction volumes processed and rate per transaction. Management estimates the total transaction price using the expected value method at contract inception, which is reassessed at the end of each reporting period, by applying a blended rate per transaction to estimated transaction volumes. Any required adjustment is made against the transaction price in the period 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 2026 £'000	Year ended 31 March 2025 £'000
Payments and banking		
Interest revenue	2,021	1,601
Love2shop		
Interest revenue	6,243	7,246
Non-redemption revenue	23,120	21,153
Love2shop total	29,363	28,399
Total other revenue	31,384	30,000

Other revenue comprises:

- Multi-retailer voucher and card non-redemption revenue recognised on expiry (where the customer has no right of refund) or on expiry and lapse of the refund period (where the customer has a right of refund).
- Interest revenue generated by investing clients' funds, retailer partners' deposits, gift card cash, 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 2026 £'000	Year ended 31 March 2025 £'000
Service revenue - Shopping	69,320	68,565
Service revenue – e-commerce	40,724	40,409
Service revenue – Payments and banking	65,836	66,224
Service revenue – multi-retailer redemption products	17,777	17,747
Service revenue - other	3,084	3,074
Sale of goods – single-retailer redemption products	107,849	97,759
Sale of goods - other	1,034	1,141
Other revenue – multi-retailer non-redemption income	23,120	21,153
Other revenue – interest on clients' funds, retailer partners' deposits, gift card cash, prepay savers' cash and restricted funds held on deposit	8,264	8,847
Total underlying revenue	337,008	324,919
less:		
Retailer partners' commissions	(43,208)	(43,671)
Cost of single-retailer cards and vouchers	(102,842)	(93,476)
Cost of SIM card and e-money sales as principal	(111)	(51)
Total net revenue	190,847	187,721

Total costs excluding adjusting items

Total costs, excluding adjusting items, comprises:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Other costs of revenue	41,775	37,085
Administrative expenses – excluding adjusting items	72,141	75,522
Finance income	(1,232)	(1,383)
Finance costs	9,126	8,448
Total costs excluding adjusting items	121,810	119,672

5. Exceptional items

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Legal fees	3,411	6,357
Organisational framework costs	978	-
Restructuring costs	2,247	-
Impairment of receivable	502	-
Chapel St. lease costs	-	2,004
Accelerated amortisation	-	868
Total exceptional items included in administrative expenses	7,138	9,229
Claim settlement - revenue	-	14,205
Total exceptional items included in profit or loss	7,138	23,434

The tax impact of the exceptional items is £1,785,000 (2025: £5,859,000).

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement categories to assist in the understanding of the performance and financial results of the Group, as they do not form part of the underlying business.

Legal fees

The current and prior period charges relates to the Group's defence of two claims served on a number of its companies in connection with the issue disclosed in note 13.

Organisational framework costs

The current period organisational framework costs are fees to a third party engaged to support the Group deliver greater automation and agility.

Restructuring costs

The current period costs relate to the reorganisation of the Group's business units, which it announced in March 2026. The reorganisation will result in a better integrated and more transparent business and is accompanied by a review of the Group's cost base to improve operational efficiency.

Impairment of receivable

The current period cost relates to a balance due to PayPoint Plc from Aperidata Limited, which the Company does not expect to recover. The Company also holds investments in Aperidata, which it has written down to £nil at 31 March 2026.

Claim settlement

The prior period deduction against revenue relates to the Group's settlement of a claim brought against it by Utilita, as disclosed in note 13.

Chapel St.

The prior period costs arose from the Group's decision to vacate part of its leased Chapel Street, Liverpool premises in February 2025.

ERP system amortisation

The prior period accelerated amortisation costs relate to L2s's ERP system. As part of an e-commerce project initiated in the prior period, certain modules of that system were replaced by 31 March 2025.

6. Tax

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current tax		
Charge for current year	14,534	6,406
Adjustment in respect of prior years	276	904
Current tax charge	14,810	7,310
Deferred tax		
Charge for current year	(458)	190
Adjustment in respect of prior years	(45)	(509)
Deferred tax credit	(503)	(319)
Total income tax charge	14,307	6,991

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Tax charged / (credited) directly to other comprehensive income		
Deferred tax on movement on defined benefit pension scheme asset	42	(58)
Tax charged directly to equity		
Corporation tax on gain on part-disposal of subsidiary	9,383	-

The income tax charge is based on the UK statutory rate of corporation tax for the year of 25% (2025: 25%). Deferred tax has been calculated using the enacted tax rates that are expected to apply when the liability is settled, or the asset realised. Deferred tax has been calculated based on the rate applicable at the date timing differences are expected to reverse.

The income tax charge of £14.3 million (2025: £7.0 million) on profit before tax of £55.5 million (2025: £26.3 million) represents an effective tax rate¹ of 25.8% (2025: 26.6%). This is higher than the UK statutory rate of 25% due to adjustments in respect of disallowable expenses, share-based payments and prior-year adjustments.

The tax charge for the year is reconciled to profit before tax, as set out in the Consolidated statement of profit or loss, as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit before tax	55,476	26,291
Tax at the UK corporation tax rate of 25% (2025: 25%)	13,869	6,573
Tax effects of:		
Disallowable expense	176	186
Adjustments in respect of prior years	231	395
Tax impact of share-based payments	31	(163)
Actual amount of tax charge	14,307	6,991

Given the Group's effective tax rate, its annual revenue and that it has no overseas operations, the Group assesses that the Organisation for Economic Co-operation and Development's Pillar Two tax regime will have no impact on it.

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

7. Earnings per share

Basic and diluted earnings per share are calculated on the following profit and number of shares.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Basic		
Total profit for basic and diluted earnings per share is the net profit attributable to equity holders of the parent	39,333	19,191
Adjusting items (note 1)	13,561	41,758
Tax on adjusting items at 24.6% (2025: 25%)	(3,340)	(10,440)
Underlying		
Underlying profit for basic and diluted earnings per share is the net profit before adjusting items attributable to equity holders of the parent	49,554	50,509

	31 March 2026 Number of shares Thousands	31 March 2025 Number of shares Thousands
Weighted average number of ordinary shares in issue (for basic earnings per share)	66,579	72,053
Potential dilutive ordinary shares:		
Restricted share awards	500	743
Deferred annual bonus scheme	127	188
SIP and other	100	100
Weighted average number of ordinary shares in issue (for diluted earnings per share)	67,306	73,084

The SIP and other dilutive shares only have a passage of time restriction on them, hence are included above but not in the total number of outstanding share awards at the end of the year.

8. Investments

A. Investments in subsidiaries

Movement in investments in subsidiaries

Company	31 March 2026 £'000	31 March 2025 £'000
Balance at the beginning of the year	239,121	221,837
Acquisition of subsidiary	6,358	17,284
Part-disposal of subsidiary	(5,852)	-

Impairment in the year	(4,123)	-
Balance at the end of the year	235,504	239,121

In the prior year, PayPoint Plc acquired 55.3% of the share capital of obconnect Limited for total consideration of £17.3 million. In the current period, PayPoint Plc acquired the remaining 44.7% of the share capital of obconnect Limited in two separate transactions, for aggregate additional consideration of £6.4 million.

In the current year, PayPoint Plc disposed of 49% of its investment in Collect+ Brand Limited. Refer to note 9 for details.

An impairment test was performed on the Company's investments in subsidiaries, which indicated that an impairment of £4.1 million was required against its investment in obconnect Limited. The impairment is sensitive to changes in the revenue growth rate assumption. A decrease of five percentage points in the revenue growth rate assumption would have a c. £5.1 million impact on the impairment. Recoverable amounts for the Company's investments are measured at their value-in-use by discounting the future expected cash flows, derived from the most recent financial budgets approved by the Board which are extended to perpetuity. The estimates of future cash flows are based on past experience, adjusted for management's expectations of future performance.

B. Convertible loan notes

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

Group and Company	Judge Logistics Ltd £'000	Aperidata Ltd £'000	obconnect Ltd £'000	Total £'000
At 31 March 2024	-	-	3,689	3,689
Addition in the year	15,000	1,000	-	16,000
Fair value (loss) / gain through profit or loss account	(12,841)	-	2,428	(10,413)
Conversion into equity	-	-	(6,117)	(6,117)
At 31 March 2025	2,159	1,000	-	3,159
Addition in the year	-	-	-	-
Fair value loss through profit or loss account	-	(1,000)	-	(1,000)
Conversion into equity	(2,159)	-	-	(2,159)
At 31 March 2026	-	-	-	-

Judge Logistics Limited

The Group's £15 million investment in Judge Logistics Limited was purchased in three stages in the prior year. Judge Logistics Limited is the parent company of Yodel Ltd, a customer in the Group's e-commerce parcel business. On 17 April 2025, the Company's loan note converted into equity, following the acquisition of Judge Logistics Limited by InPost sp z.o.o.

Aperidata Limited

The Company purchased a convertible loan note from Aperidata Limited in May 2024 for consideration of £1.0 million. The loan converts into a 42.0% equity stake in Aperidata Limited's ordinary shares on 23 May 2027, such that the Company's aggregate equity stake in Aperidata Limited following conversion will be 42.97%, including its diluted equity investment referred to in section C.

The Company has assessed the fair value of the investment as £nil at 31 March 2026, reflecting the trading performance of Aperidata Limited. Accordingly, it has recognised a loss of £1.0 million in the statement of profit or loss, reported within adjusting items.

obconnect Limited

The Company purchased a convertible loan note of nominal amount £3.0 million on 7 July 2022 from obconnect Limited, which provides open banking services to banks and other financial institutions. The Company's loan note converted into an equity stake in obconnect Limited's ordinary shares on the Company's acquisition of a majority shareholding in obconnect Limited on 30 October 2024.

C. Other investments

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

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

At 31 March 2025	540	200	-	740
Fair value loss through profit or loss account	-	(200)	-	(200)
Conversion of loan notes	2,159	-	-	2,159
At 31 March 2026	2,699	-	-	2,699

Judge Logistics Limited

In the prior year, the Company acquired 17.3% of the ordinary share capital of Judge Logistics Limited for consideration of £100, in addition to the convertible loan note in Judge Logistics Limited referred to above. At 31 March 2025, the Company revalued its investment to a fair value of £0.5 million in accordance with IAS32 *Financial Instruments*.

On 17 April 2025, the Company's loan note, valued at £2.2 million, converted into equity, following the acquisition of Judge Logistics Limited by InPost sp z.o.o. The Company's equity investment in Judge thereby increased to £2.7 million. Management remeasured its investment at 31 March 2026, with the fair value unchanged at £2.7 million.

Aperidata Limited

During the prior year, the Company acquired 19.9% of the ordinary share capital of Aperidata Limited for consideration of £0.2 million, in addition to the convertible loan note in Aperidata Limited referred to in B.

The Company has assessed the fair value of the investment as £nil at 31 March 2026. Accordingly, it has recognised a loss of £0.2 million in the Statement of profit or loss, reported within adjusting items.

9. Part-disposal of subsidiary

On 18 July 2025, the Company disposed of 20% of its investment in a wholly owned subsidiary, Collect+ Brand Limited, to International Distribution Services plc ("IDS"), a third-party partner in the Group's e-commerce division. The consideration, net of transaction costs, was £11.9 million.

On 30 September 2025, the Company disposed of a further 29% of its investment in Collect+ Brand Limited to IDS for consideration of £31.5 million, net of transaction costs. Total net consideration received was therefore £43.4 million.

The combined transaction gave rise to a pre-tax gain on disposal of £37.5 million in the Statement of profit or loss of PayPoint Plc, the parent company of Collect+ Brand Limited, represented by the £43.4 million net consideration less £5.9 million cost of investment disposed of. After tax, the gain on disposal in PayPoint Plc was £28.1 million. At a consolidated level, there is no impact on the Consolidated statement of profit or loss. In accordance with IFRS10 Consolidated financial statements, a £34.0 million gain is reported in the Consolidated statement of changes in equity. The £34.0 million represents £43.4 million net consideration less £9.4 million tax.

The Group retains control of Collect+ Brand Limited following the above transactions, due to the rights associated with the Group's remaining 51% ownership. Consequently, the Group continues to account for Collect+ Brand Limited as a subsidiary. It now also recognises a non-controlling interest, to which 49% of Collect+ Brand Limited's post-tax result is attributed in the Consolidated statement of profit or loss. The current year movement in the non-controlling interest is as follows:

	Year ended 31 March 2026 £'000
Balance at the beginning of the year	-
Arising on part-disposal of subsidiary (49% share of net assets of £1)	-
Share of post-tax profit of subsidiary	1,989
Dividend paid to non-controlling interest	(251)
Balance at the end of the year	1,738

Management assesses that the part-disposal of Collect+ Brand Limited has not given rise to any significant restrictions on the Group's ability to access or use the subsidiary's assets.

The Group profit after tax attributable to non-controlling interest of £1.8 million comprises £2.0 million in respect of Collect+ Brand Limited less £0.2 million loss after tax in respect of obconnect Limited (including post-tax amortisation of intangible assets arising on acquisition).

10. Provisions

Group	31 March 2026 £'000	31 March 2025 £'000
Balance at the beginning of the year	15,350	1,850
Recognised in relation to restructuring (note 6)	1,932	-
Utilised in relation to restructuring	-	(1,850)
Recognised in relation to Chapel St. lease costs	-	1,145
Utilised in relation to Chapel St. lease costs (note 6)	(247)	-
Recognised in relation to claim settlement	-	14,205
Utilised in relation to claim settlement (note 6)	(10,875)	-
Discount unwind in relation to claim settlement (note 6)	71	-
Balance at the end of the year	6,231	15,350
	31 March 2026 £'000	31 March 2025 £'000
Disclosed as:		
Current	2,861	11,198
Non-current	3,370	4,152
Total	6,231	15,350

In March 2026, the Group announced a restructuring of its business units – refer to note 5. Consequently, in accordance with IAS37 *Provisions, contingent liabilities and contingent assets*, it recognised a provision of £1.9 million for the cost of the restructuring.

The remaining provision balance at 31 March 2026 for the Chapel St. lease was £0.9 million.

The £10.9 million utilisation in relation to the claim settlement comprises a £10.4 million payment in April 2025 and further utilisation of £0.5 million, leaving a remaining provision at 31 March 2026 for the claim settlement of £3.4 million.

11. Share capital, share premium and merger reserve

	31 March 2026 £'000	31 March 2025 £'000
Called up, allotted and fully paid share capital		
60,781,502 ordinary shares of 0.3611p each (2025: 70,834,160 ordinary shares of 1/3p each)	219	236

On 12 June 2025, the Group announced that the share buy-back programme, which it began on 1 July 2024 for an initial 12-month period, would be extended until the end of March 2028. The Group plans to purchase at least £30 million of shares per annum in an extension to the programme, which began on 1 July 2024. In accordance with IFRS9, the Group therefore recognised an initial liability for the full amount of £30.2 million (including stamp duty and associated costs) in the current period, with a corresponding reduction in retained earnings. A total of 4,891,666 shares were purchased in the period (1,962,216 with a nominal value of 1/3 pence per share and 2,929,450 with a nominal value of 0.3611 pence per share), with a nominal value of £17,000, for total consideration of £30.1 million. This resulted in a reduction in share capital of £17,000 and a corresponding increase in the capital redemption reserve balance from £7,000 to £24,000.

On 17 October 2025, the Group carried out a share consolidation of 12 new ordinary shares for 13 existing ordinary shares, applicable to shareholders on the register on that date, following which the new ordinary shares have a nominal value of 0.3611 pence per share.

Partly offsetting the impact of the share buy-back programme, 140,828 shares of 1/3 pence each were issued in the current year for share awards which vested in the year and 7,432 matching shares of 1/3 pence each were issued under the Employee Share Incentive Plan.

The share premium of £1.0 million (2025: £1.0 million) represents the payment of deferred, contingent share consideration in excess of the nominal value of shares issued in relation to the i-movo acquisition.

The merger reserve of £18.2 million (2025: £18.2 million) comprises £1.0 million initial share consideration in excess of the nominal value of shares issued on the initial acquisition of i-movo and £17.2 million share consideration in excess of the nominal value of shares issued in relation to the Love2shop acquisition.

12. Notes to the statements of cash flow

Group	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit before tax		55,476	26,291
Adjustments for:			
Depreciation of property, plant and equipment		9,412	9,655
Amortisation of intangible assets		10,882	15,637
Cash settlement of provision		(10,400)	-
Exceptional item – non-cash impairment of receivable	5	502	-
Exceptional item – non-cash provision		-	15,350
Adjusting item – non-cash movement on convertible loan note	5	1,000	10,413
Adjusting item – non-cash movement on other investments	5	200	(805)
Loss on disposal of fixed assets		690	187
Finance income		(1,232)	(1,383)
Finance costs		9,126	8,448
Contribution to defined benefit pension scheme		(1,500)	-
Share-based payment charge		1,621	2,018
Share-based payment tax settlements		(1,222)	(814)
Operating cash flows before movements in working capital		74,555	84,997
Movement in inventories		43	(2,902)
Movement in trade and other receivables		4,700	(8,536)
Movement in finance lease receivables		273	803
Movement in contract assets		(431)	(743)
Movement in contract liabilities		(9)	(258)
Movement in provisions		1,281	(1,850)
Movement in trade and other payables - corporate		(14,207)	3,190
Movement in working capital - corporate		(8,350)	(10,296)
Cash generated from operations		66,205	74,701

On 11 February 2026, PayPoint Plc purchased a further 21.4% of the share capital of obconnect Limited for consideration of £3.0 million and on 17 March 2026 the remaining 23.3% for consideration of £3.3 million (i.e. £6.4 million in aggregate). These transactions reduced NCI by £1.9 million and £2.1 million respectively (i.e. £4.0 million in aggregate), with the NCI balance at 31 March 2026 £nil. The £2.4 million difference between the aggregate consideration and NCI reduction is reported directly through equity.

13. Contingent liability update

Ofgem's Statement of Objections

In FY24, a number of companies in the PayPoint Group, including PayPoint Plc, received two claims relating to issues addressed by commitments accepted by Ofgem in November 2021 as a resolution of Ofgem's concerns raised in its Statement of Objections received by the PayPoint Group in September 2020. The Ofgem resolution did not include any infringement findings.

The first claim was served by Utilita Energy Limited and Utilita Services Limited (subsequently renamed Luxion Sales Limited) ("Utilita") on 16 June 2023. The second claim was served by Global-365 plc and Global Prepaid Solution Limited ("Global 365") on 18 July 2023.

On 14 May 2025, PayPoint and Utilita came to a settlement such that Utilita has withdrawn its claim against PayPoint. As part of this settlement, the two parties have agreed to a new five-year contract for over-the-counter prepayment services and have built a more collaborative and mutually supportive relationship.

Global 365's claim was heard at a trial at the Competition Appeal Tribunal between 10 June and 11 July 2025 and judgment was handed down on 7 May 2026 – refer to note 14.

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.

14. Events after the reporting date

Resolution of claim by Global 365 Limited

On 7 May 2026 the Competition Appeal Tribunal ('CAT') handed down its judgment concerning the claim brought by Global-365. The CAT found PayPoint liable for an historical infringement of competition law, which ceased in 2018, concerning certain contracts under which it provided energy prepayment services.

Whilst the CAT awarded damages of £169,334 plus interest to G365 in respect of its "loss of a chance" to win contracts with a limited number of small energy suppliers, its findings confirmed that PayPoint's past contracts with energy suppliers were not a significant factor in G365's lack of success.

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