

DATED 7 November **2022**

- (1) PAYPOINT PLC
- (2) APPRECIATE GROUP PLC

CO-OPERATION AGREEMENT

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THIS AGREEMENT is made on

7 November 2022

BETWEEN:-

- (1) **PAYPOINT PLC**, a public limited company registered in England and Wales with registered number 03581541, whose registered office is at 1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire, AL7 1EL ("**Offeror**"); and
- (2) **APPRECIATE GROUP PLC**, a public limited company registered in England and Wales with registered number 01711939, whose registered office is at Valley Rd, Birkenhead, Merseyside, CH41 7ED ("**Offeree**"),

(each a "**party**" and together the "**parties**").

WHEREAS:-

- (A) The Offeror proposes to announce immediately following execution of this Agreement a firm intention to make a recommended offer for the entire issued and to be issued share capital of the Offeree pursuant to Rule 2.7 of the Takeover Code.
- (B) The Acquisition is intended to be made on the terms and subject to the conditions set out in the Rule 2.7 Announcement.
- (C) The parties intend that the Acquisition will be implemented by way of the Scheme, although the Offeror reserves the right, subject to the terms of this Agreement and the Rule 2.7 Announcement, to implement the Acquisition by way of the Takeover Offer.
- (D) The parties have agreed to take certain steps to effect the completion of the Acquisition (whether by way of the Scheme or the Takeover Offer) and are entering into this Agreement to set out their respective rights, obligations and commitments in relation to such matters.

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (including the recitals but excluding Schedule 1), the terms and expressions listed in this Clause 1.1 shall have the meanings set out in this Clause 1.1. Terms and expressions used in Schedule 1 shall have the meanings given to them in .

"Acceptance Condition" means the acceptance condition to any Takeover Offer

"Acquisition" means the acquisition of the entire issued and to be issued ordinary share capital of the Offeree by the Offeror (other than any Offeree Shares already held by the Offeror Group), to be effected by way of: (i) the Scheme; or (ii) the Takeover Offer (as the case may be)

"Acquisition Document" means: (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Takeover Offer is (or is to be) implemented, the Offer Document

"Agreed Switch" has the meaning given to it in Clause 6.1.1

“AIM Rules”	means the AIM Rules for Companies published by the Exchange
“Business Day”	means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business
“Clearances”	means any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Law, regulations or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case as is necessary and/or (following consultation between the parties) expedient in order for the Regulatory Condition to be satisfied
“Companies Act”	means the Companies Act 2006, as amended from time to time
“Competing Proposal”	means: <ul style="list-style-type: none"> (a) an offer (including a partial offer, exchange or tender offer and any revised offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a possible offer or firm intention to make an offer), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued or to be issued ordinary share capital of the Offeree (when aggregated with the shares already held by the acquirer and any person acting or presumed or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Takeover Code) of the Offeree (in each case, whether or not subject to the satisfaction of waiver of any pre-conditions); (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Offeree Group calculated by reference to any of its revenue, profits or value taken as a whole; (c) a demerger and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Offeree Group calculated by reference to any of its revenue, profits or value taken as a whole; or (d) any other transaction which would be reasonably likely materially to preclude, impede or delay or otherwise prejudice the implementation of the Acquisition,

in each case which is not effected by the Offeror (or a person acting in concert with the Offeror) or at the Offeror's direction or with the Offeror's agreement, and in each case, whether implemented in a single transaction or a series of transactions and whether conditional or otherwise

“Conditions”

means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in part A of appendix 1 to the Rule 2.7 Announcement and to be set out in the Scheme Document; and
- (b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition,

in each case as may be amended by the Offeror with the consent of the Panel and the Offeree and **“Condition”** shall be construed accordingly

“Confidentiality Agreement”

means the confidentiality agreement between the Offeree and the Offeror in relation to the Acquisition dated 2 September 2022

“Costs”

means losses, damages, costs (including reasonable legal costs) and expenses (including taxation), in each case of any nature whatsoever

“Court”

means the High Court of Justice in England and Wales

“Court Hearing”

means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order pursuant to section 896 of the Companies Act, including any adjournment thereof

“Court Meeting”

means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof

“Court Order”

means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act

“Day 39”

means the 21st day prior to Day 60

“Day 60”

has the meaning given to it in Clause 6.2.3

“Effective Date”	means:
	<ul style="list-style-type: none"> (a) the date on which the Scheme becomes effective in accordance with its terms; or (b) if the Acquisition is implemented by way of Takeover Offer, the date that the Takeover Offer becomes or is declared unconditional in all respects in accordance with the requirements of the Takeover Code
“Exchange”	means London Stock Exchange plc
“FCA”	means the Financial Conduct Authority
“FCA Handbook”	means the Financial Conduct Authority Handbook of rules and guidance as amended from time to time
“Group”	means, in relation to any person, that person and any bodies corporate which are subsidiaries or subsidiary undertakings of that person
“Law”	means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Regulatory Authority, or any judicial or administrative interpretation thereof
“Listing Rules”	means the rules and regulations made by the Financial Conduct Authority pursuant to Part 6 of the Financial Services and Markets Act 2000, and referred to in section 73A(2) of that act as set out in the FCA Handbook
“Long Stop Date”	has the meaning given to it in the Rule 2.7 Announcement
“Offer Document”	means, if (following the date of this Agreement) the Offeror elects to implement the Acquisition by way of a Takeover Offer in accordance with the terms of this Agreement, the document to be sent to (among others) Offeree Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer
“Offeree Board”	means the board of directors of the Offeree from time to time
“Offeree Recommendation”	<p>Board means a unanimous and unqualified recommendation from the Offeree Directors to the Offeree Shareholders in respect of the Acquisition:</p> <ul style="list-style-type: none"> (a) to vote in favour of the Offeree Resolutions; or (b) if the Offeror elects to proceed with the Takeover Offer in accordance with the terms of this Agreement, to accept the Takeover Offer

“Offeree Board Recommendation Change” means:

- (a) if the Offeree makes an announcement prior to the publication of the Scheme Document that: (i) the Offeree Board no longer intends to make the Offeree Board Recommendation or intends adversely to modify or qualify such recommendation; (ii) (other than where a Switch has occurred) it will not convene the Court Meeting or the Offeree General Meeting or (iii) (other than where a Switch has occurred) it intends not to post the Scheme Document or (if different) the document convening the Offeree General Meeting;
- (b) if the Offeree makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting or the Offeree General Meeting to a date which is later than the latest date permitted by Condition 2(a)(ii) or Condition 2(b)(ii) respectively in each case without the consent of the Offeror, except where such delay or adjournment is for reasons outside the Offeree’s control;
- (c) (other than where a Switch has occurred) the Offeree Board Recommendation is not included in the Scheme Document;
- (d) the Offeree Board publicly withdraws or adversely modifies or qualifies the Offeree Board Recommendation; or
- (e) if, after the approval of the Offeree Resolutions, the Offeree announces that it will not implement the Scheme (other than: (i) in connection with an announcement of an offer or revised offer by the Offeror for the Offeree; or (ii) because a Condition to the Transaction has failed or become incapable of fulfilment)

“Offeree Directors” means the directors of the Offeree from time to time and **“Offeree Director”** shall be construed accordingly

“Offeree General Meeting” means the general meeting of the Offeree to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof

“Offeree Group” means the Offeree and its subsidiaries and subsidiary undertakings and **“member of the Offeree Group”** shall be construed accordingly

“Offeree Resolutions” means such shareholder resolutions of the Offeree as are necessary to approve, implement and effect the Scheme and the Acquisition and related changes to the Offeree’s articles of association

“Offeree Share Plans”	has the meaning given to it in Schedule 2
“Offeree Shareholders”	means the holders of Offeree Shares from time to time
“Offeree Shares”	means the ordinary shares of 2 (two) pence each in the capital of the Offeree
“Offeror Directors”	means the directors of the Offeror from time to time
“Offeror Group”	means the Offeror and its subsidiaries and subsidiary undertakings and “member of the Offeror Group” shall be construed accordingly
“Offeror Responsible Persons”	means the Offeror Directors and any other person required by the Panel pursuant to Rule 19.2 of the Takeover Code to take responsibility for the information in the Offer Document for which an offeror is required to accept responsibility under the Takeover Code
“Panel”	means the Panel on Takeovers and Mergers
“Regulatory Authority”	means any central bank, ministry, government or governmental, quasi-governmental (including the European Union), supranational, statutory, regulatory or investigative body or authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment review body), any national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, any trade agency, association, institution, any professional or environmental body or any other body or person in any jurisdiction, including, for the avoidance of doubt, the Panel, the Exchange and the FCA
“Regulatory Condition”	means the condition referred to in paragraph 3 of part A of appendix 1 to the Rule 2.7 Announcement
“Regulatory Information Service”	means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements
“Relevant Authority”	means any merger control authority, any court or competition, antitrust, national, supranational or supervisory body or other government, governmental, administrative, ministerial, quasi-governmental, trade, investigative or regulatory agency or body, in each case in any jurisdiction
“Rule 2.7 Announcement”	means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Takeover Code, in substantially the form set out in Schedule 1

“Scheme”	means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between the Offeree and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Offeree and the Offeror
“Scheme Conditions”	means the Conditions referred to in paragraph 2 of part A of appendix 1 to the Rule 2.7 Announcement and to be set out in the Scheme Document
“Scheme Document”	means the document to be sent to (among others) Offeree Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Offeree General Meeting
“Scheme Shareholders”	means the holders of Scheme Shares
“Scheme Shares”	has the meaning given in the Rule 2.7 Announcement
“Significant Interest”	means, in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or the relevant partnership interest
“Switch”	has the meaning given in Clause 6.1
“Takeover Code”	means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel
“Takeover Offer”	means a takeover offer (within the meaning of section 974 of the Companies Act) made by or on behalf of the Offeror to acquire the entire issued and to be issued share capital of the Offeree on the terms and conditions to be set out in the Offer Document, such offer, including any subsequent revision, amendment, variation, extension or renewal
“Wider Offeror Group”	means the Offeror and its subsidiary and associated undertakings and any other body corporate, partnership, joint venture or person in which the Offeror and all such undertakings (aggregating their interests) have a Significant Interest, and “member of the Wider Offeror Group” shall be construed accordingly
“Working Hours”	means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day

1.2 In this Agreement, unless the context otherwise requires:

- 1.2.1 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms;
- 1.2.2 references to a recital, paragraph, Clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;

- 1.2.3 headings do not affect the interpretation of this Agreement, the singular shall include the plural and vice versa, and references to one gender include all genders;
- 1.2.4 a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time;
- 1.2.5 the expressions “**acting in concert**” and “**concert parties**” shall be construed in accordance with the Takeover Code;
- 1.2.6 “**interest**” in shares or securities shall be construed in accordance with the Takeover Code;
- 1.2.7 the expressions “**subsidiary**” and “**subsidiary undertaking**” have the meanings given in the Companies Act;
- 1.2.8 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- 1.2.9 references to a “**person**” include any individual, an individual’s executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- 1.2.10 reference to a “**party**” or to the “**parties**” shall mean a party or the parties to this Agreement;
- 1.2.11 references to time are to London time;
- 1.2.12 any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;
- 1.2.13 references to “**writing**” or “**written**” means any method of reproducing words in a legible form and shall include email but shall exclude writing in a transitory form;
- 1.2.14 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- 1.2.15 any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- 1.2.16 references to “**£**”, “**pounds sterling**”, “**pence**” and “**p**” are references to the lawful currency from time to time of the United Kingdom.

1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. PUBLICATION OF THE RULE 2.7 ANNOUNCEMENT AND THE TERMS OF THE ACQUISITION

2.1 The obligations of the parties under this Agreement, other than this Clause 2 and Clause 1, Clauses 9 to 16 (inclusive) and 19 to 23 (inclusive), shall be conditional on the release of the Rule 2.7 Announcement via a Regulatory Information Service at or before 8.00 a.m. on the next Business Day following the date of this Agreement or such later time and date as the parties may agree (and, where required by the Takeover Code, the Panel may approve). This Clause 2 and Clauses 1, 9 to 16 (inclusive) and 19 to 23 (inclusive) shall take effect on and from execution of this Agreement.

2.2 The principal terms of the Acquisition shall be as set out in the Rule 2.7 Announcement, together with such other terms as may be agreed by the parties in writing and, where required by the Takeover Code, approved by the Panel. The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document.

3. CLEARANCES

3.1 The Offeror undertakes to work co-operatively and reasonably with the Offeree and its advisers to satisfy the Regulatory Condition and take such actions in respect of the Regulatory Condition and certain other regulatory matters as soon as reasonably practicable following the date of this Agreement, and in particular:

3.1.1 to make as promptly as practicable such submissions, filings or notifications (including in draft where applicable) with any Relevant Authority as are necessary or expedient for the implementation of the Acquisition; and

3.1.2 to provide as promptly as practicable such information as any Relevant Authority may require for the purposes of making a submission, filing or notification to such Relevant Authority.

3.2 Each party undertakes to co-operate with the other party in relation to any Clearance and each party, subject to Clause 3.9 and 3.10 below, undertakes to use all reasonable endeavours to secure or to assist to secure (as the case may be) any such Clearance as soon as reasonably practicable following the date of this Agreement and in any event in sufficient time to enable the Effective Date to occur by the Longstop Date.

3.3 Except where otherwise required by Law or a Relevant Authority, the Offeror shall be responsible for the payment of all filing fees required in connection with any Clearance.

3.4 Save to the extent prohibited by Law or a Relevant Authority:

3.4.1 the Offeree undertakes to the Offeror that it shall provide as soon as reasonably practicable, following any request for the same, such information and assistance as may be reasonably required for:

(a) any filings, notifications or submissions that the Offeror (acting reasonably and having consulted the Offeree) considers are necessary to be made to the Relevant Authorities in connection with the obtaining of any Clearance, taking into account all applicable waiting periods, or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and

(b) all such other assistance as may reasonably be required for the purposes of obtaining any Clearance (including assistance in connection with such pre-notification contacts with the Relevant Authorities as the Offeror and the Offeree agree (each acting reasonably) are desirable or appropriate in the circumstances); and

3.4.2 each party undertakes to the other to ensure that all information necessary for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions necessary for the purpose of obtaining any Clearance) or that is otherwise required for the purposes of obtaining any such Clearance, and that is in the possession of, or is reasonably obtainable by such party (including from third parties through the reasonable exercise of contractual rights) is supplied accurately and as promptly as reasonably practicable.

3.5 For the purposes of Clause 3.4, the parties acknowledge that:

- 3.5.1 a party shall not be in breach of Clause 3.4 as a consequence of any inaccuracies in any information originating from a third party (being a person other than a member, officer or employee of the party's Group);
 - 3.5.2 such information and assistance will be supplied in a manner reasonably designed to preserve applicable legal professional privilege; and
 - 3.5.3 the provision of information is subject to Clause 3.9.
- 3.6 Except to the extent that to do so is prohibited by Law and subject to Clause 3.9:
- 3.6.1 the Offeror, to the extent required and reasonably considered necessary or, as may be required by applicable Law, the Offeror and the Offeree jointly, or as reasonably required by the Offeree, the Offeree (as the case may be) shall submit any draft filing, filing, notification or submission (as required) to each Relevant Authority in connection with obtaining any Clearance, subject to each party complying in full with the obligation in Clause 3.6.2, as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time period where it is necessary or expedient to do so to obtain the Clearances;
 - 3.6.2 each party shall provide in a timely manner such cooperation as is reasonably required by the other party in connection with the preparation of all such filings, notifications or submissions (as required) referred to in Clause 3.6.1 and in relation to the preparation of any other submissions, material correspondence or material communications to any Relevant Authority in connection with any Clearance (including at the pre-notification stage);
 - 3.6.3 each party shall provide, or procure the provision of, draft copies of all notifications, filings, submissions, material correspondence and material communications (including, in the case of material non-written communications, reasonably detailed summaries of such communications) intended to be sent or communicated to any Relevant Authority in relation to obtaining any Clearance (including at the pre-notification stage) to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, notifications, submissions, material correspondence and material communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of material non-written communications, reasonably detailed summaries of such communications);
 - 3.6.4 each party shall have regard in good faith to comments made in a timely manner by the other party on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 3.6.3;
 - 3.6.5 each party shall notify the other party, and provide copies (including, in the case of material non-written communications, reasonably detailed summaries of such communications), in a timely manner of any material correspondence or material communication received from any Relevant Authority in relation to obtaining any Clearance (including at the pre-notification stage);
 - 3.6.6 each party shall keep the other party reasonably informed as to the progress of any filing, notification and submission submitted pursuant to Clause 3.6.1 and will reasonably consider requests by the other party and/or its advisers:
 - (a) to attend any meeting or material call with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance (including at the pre-notification stage); and
 - (b) to make reasonable oral submissions at any such meeting or call; and

3.6.7 where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearance (including at the pre-notification stage).

3.7 Each party undertakes to keep the other party informed as soon as reasonably practicable of:

3.7.1 developments which are material or reasonably likely to be material to the obtaining of any Clearance; and

3.7.2 the satisfaction or waiver of the Regulatory Condition.

3.8 Each party undertakes not to withdraw a filing, submission or notification made to any Relevant Authority in connection with obtaining any Clearance without first notifying the other party in advance and seeking input from that other party, such input to be reasonably taken into account before withdrawing the filing, submission or notification.

3.9 If a provision of this Agreement obliges a party (the "**disclosing party**") to disclose any information to the other:

3.9.1 that is personally identifiable information of a director, partner, officer or employee of the disclosing party or any member of its Group or any of their respective affiliates, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);

3.9.2 which the disclosing party reasonably considers to be commercially or competitively sensitive;

3.9.3 which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or

3.9.4 where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall, to the extent permitted by Law, disclose the relevant information:

(a) to the other party pursuant to appropriate arrangements as may be agreed between the parties to ensure compliance with Law (including, as applicable, competition Law and the practices of any Relevant Authority);

(b) to the other party's legal counsel and, to the extent reasonably necessary in connection with any competition Clearance, its other advisers on an "external counsel only" basis (where applicable, in accordance with the requirements of Practice Statement No 30 published by the Panel); or

(c) where disclosure in a manner contemplated by this Agreement would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to a Relevant Authority (and in such circumstances, the disclosing party shall to the extent reasonably practicable provide, or procure the provision of, to the other party a redacted version of such information).

3.10 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require the Offeror (or any person acting in concert or deemed to be acting in concert with the Offeror) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the Offeror Group or the Offeree Group, or agree to any conditions, measures, commitments or undertakings or any other limitations on the business of the Offeror Group, except as otherwise agreed by the parties.

4. SCHEME DOCUMENT

4.1 Where the Acquisition is being implemented by way of the Scheme, the Offeror agrees:

- 4.1.1 to provide promptly to the Offeree all such information about itself, its directors, its concert parties and the Offeror Group (and, to the extent required by the Panel, any other person connected with the Offeror) as may reasonably be requested or which is required by the Offeree (having regard to the Takeover Code and other Law) for inclusion in the Scheme Document (including any information required under the Takeover Code or other Law);
- 4.1.2 to provide promptly the Offeree with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Takeover Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by the Offeror's relevant professional advisers; and
- 4.1.3 to procure that the Offeror Responsible Persons accept responsibility, in the terms required by the Takeover Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Takeover Code or by other Law to be published in connection with the Scheme relating to the information in the Scheme Document for which an offeror is required to accept responsibility under applicable Law or the Takeover Code.

5. IMPLEMENTATION OF THE ACQUISITION

5.1 The Offeror acknowledges and agree that the expected timetable for implementation of the Acquisition will be contained in the Scheme Document, subject to any revisions required as a result of the availability of Court Hearing dates.

5.2 Where the Acquisition is being implemented by way of the Scheme:

- 5.2.1 the Offeror undertakes that, by no later than 5.00 p.m. on the Business Day immediately preceding the Court Hearing, it shall deliver a notice in writing to the Offeree either:
 - (a) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (b) confirming its intention to invoke a Condition (which will always be subject to the consent of the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which the Offeror reasonably considers entitles it to invoke the Condition; and
- 5.2.2 in circumstances in which the Offeror confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) as contemplated by Clause 5.2.1(a), the Offeror shall instruct counsel to appear on its behalf at the Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to the Offeror.

6. SWITCHING TO A TAKEOVER OFFER

6.1 The parties intend that the Acquisition will be implemented by way of the Scheme. However, the Offeror shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Takeover Offer rather than the Scheme (such election being a "**Switch**") if (and only if):

- 6.1.1 the Offeree provides its prior written consent (such election being an "**Agreed Switch**");
- 6.1.2 a third party announces pursuant to Rule 2.7 of the Takeover Code a firm intention to make an offer for all or part of the issued and to be issued ordinary share capital of the Offeree;
- 6.1.3 an Offeree Board Recommendation Change occurs;

- 6.1.4 a third party announces a possible offer under Rule 2.4 of the Takeover Code for all or part of the issued and to be issued share capital of the Offeree;
- 6.1.5 a bona fide potential offeror acquires interests in securities of the Offeree; or
- 6.1.6 either:
 - (a) the Court Meeting is not held on or before the 22nd after day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed in writing between the Offeror and the Offeree with the consent of the Panel and the approval of the Court (if such approval is required)); or
 - (b) the Offeree General Meeting is not held on or before the 22nd day after the expected date of such meeting as set out in the Scheme Document (or such later date as may be agreed in writing between the Offeror and the Offeree with the consent of the Panel and the approval of the Court (if such approval is required)).

6.2 In the event of an Agreed Switch, unless otherwise agreed with the Offeree or required by the Panel, the parties agree that:

- 6.2.1 the Offeror shall:
 - (a) discuss any announcements relating to the Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Switch with the Offeree in a timely manner;
 - (b) prepare, as soon as reasonably practicable, the Offer Document and related form of acceptance;
 - (c) consult with the Offeree as to the timing of the publication of the Offer Document and the form of acceptance; and
 - (d) consult with the Offeree as to the form and content of the Offer Document and the form of acceptance;
- 6.2.2 the Acceptance Condition shall be set at 75 per cent of the Offeree Shares to which the Takeover Offer relates (or such other percentage as may be agreed between the parties in writing, after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent of the Offeree Shares to which the Takeover Offer relates);
- 6.2.3 the Offeror shall not take any action which would cause the Takeover Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of any Condition, prior to the 60th day after publication of the Offer Document (or such later date as is set in accordance with Rule 31.3 of the Takeover Code) ("**Day 60**"), including, without limitation, by publishing an acceptance condition invocation notice under Rule 31.6 or specifying in the Offer Document an unconditional date which is earlier than Day 60, and the Offeror shall ensure that the Takeover Offer remains open for acceptances until such time;
- 6.2.4 the Offeror shall not, without the prior written consent of the Offeree, make any acceleration statement (as defined in the Takeover Code) unless:
 - (a) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver); and
 - (b) the acceleration statement contains no right for the Offeror to set the statement aside (except with the prior written consent of the Offeree),

and the Offeror undertakes to the Offeree not to take any action or step otherwise to set the acceleration statement aside;

- 6.2.5 if at any time following the publication of the Offer Document it is reasonably expected that any outstanding Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Takeover Code, the Offeror shall, before the 30th day after the publication of the Offer Document in respect of matters or circumstances arising prior to the 30th day after publication of the Offer Document (or such later day as the Offeree may agree) consult with the Offeree and the Panel as to whether (if Day 39 has passed) Day 60 should be extended in accordance with Rule 31.3 of the Takeover Code (or, if applicable, further extended) and, if so, seek the consent of the Panel to such extension to a date agreed with the Offeree and the Panel, provided always that such date shall not be later than the Long Stop Date;
- 6.2.6 the Offeror shall ensure that the only conditions to the Takeover Offer shall be the Conditions, subject to replacing the Scheme Conditions with the Acceptance Condition and any other modifications or amendments to the Conditions as may be required by the Panel or agreed in writing between the parties or which is necessary as a result of an Agreed Switch;
- 6.2.7 the Offeror shall keep the Offeree informed, on a confidential basis within two Business Days following receipt of a written request from the Offeree, of the number of Offeree Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Offeree Shares to which such forms relate; and
- 6.2.8 all provisions of this Agreement (other than this Clause 6) relating to the Scheme, the Scheme Document and its implementation shall apply to the Takeover Offer or its implementation mutatis mutandis.

7. REMUNERATION PROPOSALS

- 7.1 The parties agree that the provisions of Schedule 2 (*Remuneration Proposals*) with respect to certain employee-related matters shall be implemented in accordance with that Schedule.
- 7.2 Each of the parties agrees that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation shall be fixed so far as is possible so as to enable options and awards under the relevant Offeree Share Plans which provide for exercise and/or vesting upon the sanction of the Scheme by the Court to be exercised or vest in sufficient time to enable the resulting Offeree Shares to be bound by the Scheme on the same terms as Offeree Shares held by Offeree Shareholders.

8. TERMINATION

- 8.1 Subject to Clauses 8.2 and 8.3, this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:
- 8.1.1 if agreed in writing between the parties, at any time prior to the Effective Date;
- 8.1.2 if the Rule 2.7 Announcement is not released at or before the time specified in Clause 2.1 (unless prior to that time the Offeree and the Offeror have agreed another time and date in accordance with that Clause);
- 8.1.3 upon service of written notice by the Offeror to the Offeree if an Offeree Board Recommendation Change occurs;
- 8.1.4 if, prior to the Long Stop Date, any Condition has been invoked by the Offeror (where (if permission is required) the invocation of the relevant Condition has been specifically permitted by the Panel);
- 8.1.5 prior to the Long Stop Date, a Competing Proposal is announced which is recommended by the Offeree Board;

- 8.1.6 if the Scheme is not approved by Scheme Shareholders at the Court Meeting or if the Offeree Shareholders do not approve the Offeree Resolutions at the Offeree General Meeting or the Court refuses to sanction the Scheme and the Offeror has not elected, in accordance with Clause 6, to implement the Acquisition by means of a Takeover Offer;
- 8.1.7 if the Acquisition (whether implemented by way of the Scheme or a Takeover Offer) is, with the permission of the Panel, terminated, withdrawn or lapses in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is as a result of the exercise of the Offeror's right to effect a Switch in accordance with the terms of this Agreement); or
- 8.1.8 unless otherwise agreed by the Offeree and the Offeror in writing, if the Effective Date has not occurred on or before the Long Stop Date.

8.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

8.3 Clauses 12 to 16 (inclusive), Clauses 19 to 23 (inclusive), this Clause 8 and all related provisions of Clause 1 shall survive termination of this Agreement.

9. TAKEOVER CODE

9.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Takeover Code, and any uncontested rulings of the Panel as to the application of the Takeover Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

9.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires the Offeree to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision shall have no effect and shall be disregarded.

9.3 Nothing in this Agreement shall oblige the Offeree or any of the Offeree Directors to recommend any Takeover Offer or any Scheme proposed by the Offeror or any member of the Wider Offeror Group.

9.4 Without prejudice to the representations and warranties given by the parties pursuant to Clause 10, nothing in this Agreement shall be taken to restrict the directors of any member of the Offeree Group or the Wider Offeror Group from complying with applicable Law, orders of court or regulations, including the Takeover Code, the Listing Rules, the AIM Rules and the rules and regulations of the Panel, the Exchange and the FCA.

10. REPRESENTATIONS AND WARRANTIES

10.1 Each party represents and warrants to the other party on the date of this Agreement that:

- 10.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- 10.1.2 this Agreement constitutes its binding obligations in accordance with its terms; and
- 10.1.3 the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (a) result in any breach of any provision of its constitutional documents;
 - (b) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
 - (c) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

10.2 Neither party shall have any claim against the other party pursuant to Clause 10.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

10.3 The Offeror acknowledges and agrees that any information and/or assistance provided by any of the Offeree Directors, officers, employees or advisers (each an "**Offeree Representative**") to it and/or any member of the Wider Offeror Group or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement:

10.3.1 pursuant to the obligations of the Offeree under or otherwise in connection with this Agreement; or

10.3.2 in connection with the Acquisition,

shall in each case be (and have been) given on the basis that the relevant Offeree Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any member of the Wider Offeror Group or any of their respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance, save in each case for loss or damage to the extent resulting from the fraud, fraudulent misstatement or fraudulent misrepresentation of the relevant Offeree Representative.

11. ENTIRE AGREEMENT

11.1 Without prejudice to the terms of the Rule 2.7 Announcement or the Acquisition Document, this Agreement, together with the Confidentiality Agreement, set out the entire agreement between the parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.

11.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement or the Confidentiality Agreement.

11.3 Except in the case of fraud, fraudulent misstatement or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.

11.4 For the purposes of this Clause, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

11.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud, fraudulent misstatement or fraudulent misrepresentation.

11.6 Each party agrees to the terms of this Clause 11 on its own behalf.

12. COSTS

Except as otherwise provided in this Agreement, each party shall pay its own Costs incurred in connection with the Acquisition including in connection with negotiating, preparing and completing this Agreement and the other documents referred to in this Agreement and/or which are ancillary or incidental to it.

13. ASSIGNMENT

Unless the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

14. NOTICES

14.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.

14.2 A notice shall be effective upon receipt and shall be deemed to have been received:

14.2.1 at the time of delivery, if delivered by hand, registered post or courier; or

14.2.2 at the time of transmission if delivered by e-mail.

Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

14.3 The addresses and e-mail addresses of the parties for the purpose of Clause 14.1 are:

14.3.1 Offeror:

Address: 1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire, AL7 1EL

E-mail: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute notice) to: Pinsent Masons LLP

Address: 30 Crown Place, Earl Street, London EC2A 4ES

E-mail: [REDACTED]

For the attention of: [REDACTED]

14.3.2 Offeree:

Address: Valley Rd, Birkenhead, Merseyside CH41 7ED

E-mail: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute notice) to: Addleshaw Goddard LLP

Address: Milton Gate, 60 Chiswell Street, London EC1Y 4AG

E-mail: [REDACTED]

[REDACTED]
For the attention of: [REDACTED]

14.4 Each party shall notify the other party in writing of any change to its details in Clause 14.3 from time to time.

15. WAIVERS, RIGHTS AND REMEDIES

15.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by applicable Law or otherwise.

15.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by applicable Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by applicable Law shall not preclude any further exercise of it.

15.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this

Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief, or any combination of these remedies, for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement and no party shall oppose a remedy on the grounds that damages would be an adequate alternative (without prejudice to any right to assert that there has been no breach of the terms of this Agreement).

16. NO PARTNERSHIP OR AGENCY

No provision of this Agreement creates a partnership, agency, association, joint venture or other co-operative enterprise between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

17. TIME OF ESSENCE

Except as otherwise expressly provided, time shall be of the essence in this Agreement both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this Agreement or by agreement in writing between the Offeror and the Offeree.

18. FURTHER ASSURANCE

At its own Cost, each party shall (and shall procure that members of the Offeree Group or the Wider Offeror Group (as applicable) shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as may be necessary for the purpose of giving the full benefit of this Agreement.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy will be an effective mode of delivery.

20. VARIATIONS

20.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

20.2 If this Agreement is varied:

20.2.1 the variation shall not constitute a general waiver of any provisions of this Agreement;

20.2.2 the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and

20.2.3 the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

21. INVALIDITY

21.1 Each of the provisions of this Agreement are severable.

21.2 If and to the extent that any provision or part of any provision of this Agreement:

21.2.1 is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but

21.2.2 would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this Clause 21.2.

22. THIRD PARTY RIGHTS

22.1 Each of the persons to whom Clause 10.3 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clause 10.3. This right is subject to:

22.1.1 the rights of the parties to rescind or vary this Agreement without the consent of any other person; and

22.1.2 the other terms and conditions of this Agreement.

22.2 Except as set out in Clause 22.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

23. GOVERNING LAW AND JURISDICTION

23.1 This Agreement and any dispute or claim arising out of or in connection with it (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

23.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement including, without limitation disputes arising out of or in connection with:

23.2.1 the creation, validity, effect, interpretation, performance or non-performance of, termination or the legal relationships established by, this Agreement; and

23.2.2 any non-contractual obligations arising out of or in connection with this Agreement.

For such purposes each party irrevocably submits to the exclusive jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction. Each party also irrevocably waives any objection to the recognition or enforcement in the courts of any other country of a judgment delivered by an English court exercising jurisdiction pursuant to this Clause.

IN WITNESS of which the parties have signed this Agreement as a deed on the date set out above.

SCHEDULE 1

RULE 2.7 ANNOUNCEMENT

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS DEEMED BY APPRECIATE GROUP PLC AND PAYPOINT PLC TO CONTAIN INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

7 NOVEMBER 2022

RECOMMENDED OFFER

FOR

APPRECIATE GROUP PLC ("APPRECIATE GROUP")

BY

PAYPOINT PLC ("PAYPOINT")

to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006

Summary

- The boards of directors of PayPoint and Appreciate Group are pleased to announce that they have reached agreement on the terms of a recommended offer pursuant to which PayPoint will acquire the entire issued and to be issued share capital of Appreciate Group (the "Acquisition"). It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Appreciate Group and relevant Appreciate Group Shareholders under Part 26 of the Companies Act 2006 (the "Scheme").
- Under the terms of the Acquisition, Appreciate Group Shareholders will be entitled to receive:

for each Appreciate Group Share: 33 pence in cash

and

0.0190 New PayPoint Shares

- Each Appreciate Group Shareholder will also be entitled to receive and retain a dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect of the six-month period ended 30 September 2022.
- Based on the Closing Price of a PayPoint Share of 580 pence on 4 November 2022, being the last Business Day prior to the date of this Announcement (the "Latest Practicable Date"), the Acquisition values each Appreciate Group Share at 44 pence and the entire issued and to be issued ordinary share capital of Appreciate Group at approximately £83 million on a fully diluted basis. This represents a premium of approximately:

- 68.9 per cent. to the Closing Price of 26.05 pence per Appreciate Group Share on the Latest Practicable Date; and
 - 63.8 per cent. to the volume weighted average price of 26.86 pence per Appreciate Group Share for the three-month period ended on the Latest Practicable Date.
- The Acquisition, based on the price of 580 pence per PayPoint Share on the Latest Practicable Date, implies an enterprise value multiple of approximately 6.2x Appreciate Group's Adjusted EBITDA for the year ended 31 March 2022.
 - Immediately following completion of the Acquisition, existing PayPoint Shareholders will hold approximately 95 per cent. and Appreciate Group Shareholders will hold approximately 5 per cent. of the enlarged issued share capital of PayPoint.

Recommendation

- The Appreciate Group Directors, who have been so advised by Liberum and Herax Partners as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Appreciate Group Directors, Liberum and Herax Partners have taken into account the commercial assessments of the Appreciate Group Directors. Herax Partners is providing independent financial advice to the Appreciate Group Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Appreciate Group Directors intend to recommend unanimously that Appreciate Group Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the Resolution to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control totalling, in aggregate, 101,413 Appreciate Group Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Appreciate Group as at the Latest Practicable Date. Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3.

Irrevocable undertaking and letters of intent

- In addition to the irrevocable undertakings from the Appreciate Group Directors referred to above, PayPoint has received an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting from an Appreciate Group Shareholder in respect of 18,200,000 Appreciate Group Shares, representing approximately 9.8 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.
- In addition, PayPoint has received non-binding letters of intent from Appreciate Group Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the Resolution to be proposed at the General Meeting in respect of 24,986,993 Appreciate Group Shares representing approximately 13.4 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.
- PayPoint has therefore received irrevocable undertakings and letters of intent from Appreciate Group Shareholders in respect of a total number of 43,288,406 Appreciate Group Shares representing, in aggregate, approximately 23.2 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.
- Further details of the irrevocable undertakings and the letters of intent (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3.

Dividends

- Each Appreciate Group Shareholder will be entitled to receive and retain a dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect

of the six-month period ended 30 September 2022 (the “Permitted Dividend”). The Permitted Dividend will be paid to Appreciate Group Shareholders without any reduction in the consideration payable under the terms of the Acquisition. It is anticipated that the Permitted Dividend would be declared and have a record date before the Effective Date and paid to those Appreciate Group Shareholders who are on Appreciate Group’s register of members on a date which is on or prior to the Effective Date.

- If any other dividend or other distribution is authorised, declared, made or paid in respect of Appreciate Group Shares on or after the date of this Announcement and before the Effective Date (other than, or in excess of, the Permitted Dividend), PayPoint reserves the right to reduce the consideration payable under the terms of the Acquisition by an amount up to the amount of such dividend or other distribution, in which case eligible Appreciate Group Shareholders will be entitled to receive or retain such dividend or other distribution.

Acquisition Structure, Timetable and Conditions

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006. However, PayPoint reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer.
- The terms of the Acquisition will be put to Appreciate Group Shareholders at the Court Meeting and at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of Appreciate Group Shareholders present and voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. of the voting rights attaching to the Scheme Shares voted by such Appreciate Group Shareholders (or the relevant class or classes thereof). In addition, at the General Meeting to implement the Scheme, a special resolution to approve all actions necessary for carrying the Scheme into effect and the adoption of the Amended Appreciate Group Articles must be passed by Appreciate Group Shareholders representing at least 75 per cent. of the votes cast on that resolution.
- The Acquisition will be made in accordance with the Takeover Code and on the terms and subject to the Conditions which are set out in Appendix 1 to this Announcement and on the further terms and conditions that will be set out in the Scheme Document.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the Forms of Proxy will be published within 28 days of this Announcement (or such later date as Appreciate Group and PayPoint may, with the consent of the Panel, agree). It is expected that the Scheme will become Effective in the first half of 2023, subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement.

Commenting on the Acquisition, Nick Wiles, Chief Executive of PayPoint, said:

“The PayPoint Board believe the proposed acquisition of Appreciate Group provides a compelling opportunity to acquire a highly complementary business with well-established offerings in prepayment savings and the corporate and consumer gift card and voucher sector.

Appreciate Group brings a well-established technology platform, a strong customer base, a network of popular brand partners and significant headroom for growth across the UK consumer and corporate gifting markets which is valued at more than £8bn in the UK. The Acquisition will strengthen our digital payments offering and create an enhanced retail proposition across our partner network, including more than 28,000 convenience stores, delivering additional growth opportunities for the Enlarged Group.

More specifically, the proposed acquisition would jointly target growth in three broad areas: prepayment saving through Park Christmas Savings to support customers with budgeting tools for Christmas and other events;

an enlarged full-service offering for gifting, employee rewards and benefits to Appreciate Group's corporate clients; and an extended consumer gifting network for the Love2shop brand.

PayPoint's Board believes that Appreciate Group is an earnings enhancing acquisition that will deliver attractive returns for shareholders."

Commenting on the Acquisition, Guy Parsons, Executive Chairman of Appreciate Group, said:

"PayPoint's offer represents an attractive premium for Appreciate Group Shareholders providing an opportunity to exit the majority of their shareholdings for cash, whilst participating in the potential upside of the combined Appreciate Group and PayPoint businesses over the long-term. We believe that all three segments of the Wider Appreciate Group's business can prosper under PayPoint's ownership given PayPoint's capabilities, and that the Acquisition represents a good opportunity for all our stakeholders to benefit from both the immediate cash consideration and the potential future value creation and enhanced capabilities to Appreciate Group's consumer and corporate clients arising as a result of the combination of the businesses."

Advisers

Jefferies is acting as financial adviser and corporate broker to PayPoint in respect of the Acquisition. Pinsent Masons LLP is acting as legal adviser to PayPoint.

Liberum is acting as lead financial adviser, nominated adviser and corporate broker to Appreciate Group.

Herax Partners is acting as joint financial adviser and Rule 3 adviser to Appreciate Group.

Addleshaw Goddard LLP is acting as legal adviser to Appreciate Group.

This summary should be read in conjunction with, and is subject to, the full text of this Announcement and its Appendices. The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains the sources of information and bases of calculations of certain information contained in this Announcement. Appendix 3 contains a summary of the irrevocable undertakings and the letter of intent received in relation to the Acquisition. Appendix 4 contains definitions of certain expressions used in this summary and in this Announcement.

This announcement is being made on behalf of PayPoint plc by Steve O'Neill, Corporate Affairs and Marketing Director of PayPoint plc.

Enquiries:

PayPoint

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Alan Dale, Finance Director	Tel: 07778 043962
Steve O'Neill, Corporate Affairs and Marketing Director	Tel: 07919 488066

Jefferies International Limited (Financial adviser and corporate broker to PayPoint)

Simon Hardy	Tel: 020 7029 8000
James Thomlinson	
William Brown	

FGS Global (Public relations adviser to PayPoint)

Rollo Head	Tel: 0207 251 3801
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James Thompson

Appreciate Group

Guy Parsons, Executive Chairman
Julian Coghlan, Interim Chief Executive Officer

Tel: 020 3128 8193

Liberum Capital Limited (Lead financial adviser, nominated adviser and corporate broker to Appreciate Group)

Richard Crawley
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Important notices

Jefferies International Limited (“Jefferies”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser and corporate broker to PayPoint and no one else in connection with the Acquisition or any matters referred to in this Announcement. In connection with such matters, Jefferies, its affiliates and its or their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than PayPoint for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matter referred to in this Announcement or owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than PayPoint in connection with the matters referred to in this Announcement, or otherwise.

Liberum Capital Limited (“Liberum”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as lead financial adviser, nominated adviser and corporate broker to Appreciate Group and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Appreciate Group for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Liberum nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Liberum in connection with the matters referred to in this Announcement, or otherwise.

Herax Partners LLP (“Herax Partners”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 Adviser to Appreciate Group and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Appreciate Group for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Herax Partners nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in

contract, in tort, under statute or otherwise) to any person who is not a client of Herax Partners in connection with the matters referred to in this Announcement, or otherwise.

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, invitation, solicitation, purchase, sale, issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the offer document containing any Takeover Offer) and the accompanying Forms of Proxy, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the resolution proposed in connection with the Acquisition. Any approval, decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document containing any Takeover Offer).

This Announcement does not constitute a prospectus or prospectus equivalent document. The New PayPoint Shares to be issued pursuant to the Acquisition are not being offered to the public by means of this Announcement.

This Announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the Takeover Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this Announcement should be relied on for any other purpose.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and the release of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date.

Appreciate Group and PayPoint urge Appreciate Group Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition, the New PayPoint Shares and the PayPoint Group.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by the laws and/or regulations of those jurisdictions and therefore persons into whose possession this Announcement comes who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any such applicable restrictions in their jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to vote their Appreciate Group Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to the Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by PayPoint or required by the Takeover Code, and permitted by applicable law and regulation, the New PayPoint Shares to be issued pursuant to the Acquisition to Appreciate Group Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians,

nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone of interstate or foreign commerce of, or any facility of a national state or other securities exchange of any Restricted Jurisdiction) and the Takeover Offer will not be capable of acceptance by any such use, means instrumentality or facilities or from or within any Restricted Jurisdiction.

The availability of the New PayPoint Shares to Appreciate Group Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Appreciate Group Shareholders in the United States should note that the Acquisition relates to the securities of a company incorporated in England and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, PayPoint exercises the right to implement the Acquisition by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act.

Appreciate Group's financial statements, and all financial information that is included in this Announcement or that may be included in the Scheme Document, or any other documents relating to the Acquisition, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The receipt of cash and shares pursuant to the Acquisition by a US holder as consideration for the transfer of its Appreciate Group Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Appreciate Group Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since PayPoint and Appreciate Group are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Neither the Securities Exchange Commission nor any securities commission of any state of the United States has approved the transaction, passed upon the fairness of the transaction or passed upon the adequacy or accuracy of this summary of this Announcement. Any representation to the contrary is a criminal offence in the United States.

If PayPoint were to elect to implement the Acquisition by means of a Takeover Offer, in accordance with normal practice in the UK and consistent with Rule 14e-5(b) of the US Exchange Act, PayPoint, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements

to purchase, shares in Appreciate Group outside the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Notes regarding New PayPoint Shares

The New PayPoint Shares to be issued pursuant to the Scheme have not been and will not be registered under the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in relation to the New PayPoint Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, the New PayPoint Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

The New PayPoint Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. It is expected that the New PayPoint Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 (as amended) provided by Section 3(a)(10) thereof.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by PayPoint or Appreciate Group contain statements about PayPoint and/or Appreciate Group that are or may be deemed to be "forward-looking statements". All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "hopes" "projects", "continue", "schedule" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of PayPoint's or Appreciate Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on PayPoint's or Appreciate Group's business.

These forward-looking statements are not guarantees of future performance. By their nature, such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely. These factors include, but are not limited to, the satisfaction of the conditions to the Acquisition, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer habits, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of any litigation. For a discussion of important factors which could cause actual results to differ from forward-looking statements: (i) in relation to the Wider Appreciate Group, refer to the annual report for Appreciate Group for the financial year ended 31 March 2022; and (ii) in relation to the PayPoint Group, refer to the annual report for PayPoint for the financial year ended 31 March 2022. Neither PayPoint or Appreciate

Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to PayPoint or Appreciate Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. PayPoint and Appreciate Group disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Appreciate Group or PayPoint for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Appreciate Group or PayPoint respectively.

Disclosure requirements of the Takeover Code

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

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

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Right to switch to a Takeover Offer

PayPoint reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Appreciate Group as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if PayPoint so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part B of Appendix 1 to this Announcement.

Publication of this Announcement on website

A copy of this Announcement and the documents required to be published pursuant to Rules 26.1 and 26.2 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Appreciate Group's website at www.appreciategroup.co.uk/investors and on PayPoint's website at corporate.paypoint.com by no later than 12:00 p.m. on the Business Day following this Announcement.

For the avoidance of doubt, the contents of this website and any websites accessible from hyperlinks on this website are not incorporated into and do not form part of this Announcement.

Information relating to Appreciate Group Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Appreciate Group Shareholders, persons with information rights and other relevant persons for the receipt of communications from Appreciate Group may be provided to PayPoint during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Right to receive documents in hard copy form

Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form. Hard copies of such documents, announcements (including this Announcement), and information will not be sent unless requested.

*In accordance with Rule 30.3 of the Takeover Code, Appreciate Group Shareholders, persons with information rights and participants in Appreciate Group Share Plans may request a hard copy of this Announcement by contacting Appreciate Group's registrars, Computershare Investor Services PLC ("**Computershare**") during business hours on +44 (0)370 707 1226 or in writing at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday (except public holidays in England and Wales). Please note that Computershare cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9

For the purposes of Rule 2.9 of the Takeover Code, Appreciate Group confirms that, as at the Latest Practicable Date, it had in issue 186,347,228 ordinary shares of 2 pence each. The International Securities Identification Number ("ISIN") number of the ordinary shares is GB0006710643.

For the purposes of Rule 2.9 of the Takeover Code, PayPoint confirms that, as at the Latest Practicable Date, it had in issue 68,981,053 ordinary shares of 1/3 pence each. The ISIN number of the ordinary shares is GB00B02QND93.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS DEEMED BY APPRECIATE GROUP PLC AND PAYPOINT PLC TO CONTAIN INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

7 NOVEMBER 2022

RECOMMENDED OFFER

FOR

APPRECIATE GROUP PLC ("APPRECIATE GROUP")

BY

PAYPOINT PLC ("PAYPOINT")

to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006

1. Introduction

The boards of directors of PayPoint and Appreciate Group are pleased to announce that they have reached agreement on the terms of a recommended offer pursuant to which PayPoint will acquire the entire issued and to be issued share capital of Appreciate Group (the "**Acquisition**"). The Acquisition is intended to be implemented by means of a Court-sanctioned scheme of arrangement between Appreciate Group and relevant Appreciate Group Shareholders under Part 26 of the Companies Act 2006.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document, Appreciate Group Shareholders will be entitled to receive:

for each Appreciate Group Share: 33 pence in cash
and
0.0190 New PayPoint Shares

Each Appreciate Group Shareholder will also be entitled to receive and retain a dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect of the six-month period ended 30 September 2022.

Based on the Closing Price of a PayPoint Share of 580 pence on 4 November 2022, being the last Business Day prior to the date of this Announcement (the "**Latest Practicable Date**"), the Acquisition values each Appreciate Group Share at 44 pence and the entire issued and to be issued ordinary share capital of

Appreciate Group at approximately £83 million on a fully diluted basis. This represents a premium of approximately:

- 68.9 per cent. to the Closing Price of 26.05 pence per Appreciate Group Share on the Latest Practicable Date; and
- 63.8 per cent. to the volume weighted average price of 26.86 pence per Appreciate Group Share for the three-month period ended on the Latest Practicable Date.

The Acquisition, based on the price of 580 pence per PayPoint Share on the Latest Practicable Date, implies an enterprise value multiple of approximately 6.2x Appreciate Group's Adjusted EBITDA for the year ended 31 March 2022.

Immediately following completion of the Acquisition, existing PayPoint Shareholders will hold approximately 95 per cent. and Appreciate Group Shareholders will hold approximately 5 per cent. of the enlarged issued share capital of PayPoint.

The New PayPoint Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the PayPoint Shares in issue at the time the New PayPoint Shares are issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Applications will be made to the FCA for the New PayPoint Shares to be issued to Appreciate Group Shareholders under the Scheme to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New PayPoint Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

Dividends

Each Appreciate Group Shareholder will be entitled to receive and retain a dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect of the six-month period ended 30 September 2022 (the "**Permitted Dividend**"). The Permitted Dividend will be paid to Appreciate Group Shareholders without any reduction in the consideration payable under the terms of the Acquisition. It is anticipated that the Permitted Dividend would be declared and have a record date before the Effective Date and paid to those Appreciate Group Shareholders who are on Appreciate Group's register of members on a date which is on or prior to the Effective Date

If any other dividend or other distribution is authorised, declared, made or paid in respect of Appreciate Group Shares on or after the date of this Announcement and before the Effective Date (other than, or in excess of, the Permitted Dividend), PayPoint reserves the right to reduce the consideration payable under the terms of the Acquisition by an amount up to the amount of such dividend or other distribution, in which case eligible Appreciate Group Shareholders will be entitled to receive or retain such dividend or other distribution.

Expected Timetable

It is expected that the Scheme Document will be published within 28 days of this Announcement (or such later date as Appreciate Group and PayPoint may, with the consent of the Panel, agree). Subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement, the Scheme is expected to become Effective in the first half of 2023.

3. Background to and reasons for the Acquisition

Background

The PayPoint Board believe the proposed acquisition of Appreciate Group provides an opportunity to acquire a complementary business with well-established go-to-market offerings in the gift card and voucher sector. Appreciate Group has a well-established technology platform, more than 400,000 customers, a network of popular brand partners and significant headroom for growth across the UK consumer and corporate gifting,

prepayment reward and incentivisation markets. Appreciate Group will enable PayPoint to expand its reach, strengthen its proposition and open up growth, whilst also delivering attractive returns for shareholders.

The gift card and voucher market in the UK is a large and growing market, with an estimated value in excess of £8 billion per annum, split between B2B (67 per cent.) and B2C (33 per cent.). The PayPoint Board believes the corporate gifting, prepayment, reward and incentivisation market in the UK offers some attractive opportunities to enhance the PayPoint retailer proposition for its customers and to build on the existing market presence the Appreciate Group business has in providing gift card solutions to both consumers and corporates.

The combination of PayPoint and Appreciate Group creates an opportunity to jointly grow a currently small market share in three key areas: prepayment savings through Park Christmas Savings to support consumers with budgeting tools for Christmas and other events; a full-service solution for gifting, corporate employee rewards, recognition and incentive solutions through Appreciate Business Services and the further growth and development of the Love2shop product and highstreetvouchers.com channel.

Rationale for the Acquisition

In summary, the PayPoint Board believes the proposed acquisition will:

- strengthen PayPoint's addressable markets, universe and proposition;
- open up growth opportunities in new and existing markets;
- deliver capabilities and operational efficiencies that are highly complementary to both businesses; and
- enhance earnings and deliver attractive returns.

(i) Broaden the universe that PayPoint serves and strengthens the client and retailer proposition

The PayPoint Board believes the proposed acquisition will strengthen and leverage PayPoint's Digital Payments offering in its Payments & Banking division and further enhance the retail partner proposition in its Shopping division.

Within the Payments & Banking division, Appreciate Business Services adds Appreciate Group's strong capability in pre-paid reward, gifting and incentivisation solutions and opens up a range of growth opportunities to PayPoint. The PayPoint Board believes there is a strong opportunity to expand Appreciate Group's B2B and B2C corporate gifting and rewards solutions to its extensive PayPoint and Collect+ client bases, as well as develop them further through building white-label gifting and rewards solutions for corporates in the public and private sector and by opening up the i-movo secure digital vouchering platform as an additional redemption channel for clients. In addition, PayPoint will be able to leverage its well-established channel-agnostic payments platform to take on and optimise Appreciate Group's existing digital payments infrastructure, as well as creating the reciprocal opportunity to cross-sell PayPoint digital payments solutions into the Appreciate Group client base. The PayPoint Board believes there is a further opportunity to leverage its relationships and presence in the UK convenience sector to expand the reach of Love2shop cards, e-codes and vouchers into larger multiple retailers and within PayPoint's extensive retail network of over 28,000 locations.

Within the Shopping division, Park Christmas Savings will enable PayPoint to further enhance its expanded retailer partner proposition and to support expected consumer budgeting behaviour during the current cost of living crisis through prepayment savings. Specifically, the Acquisition creates the opportunity to establish a third distribution channel for the Park prepayment proposition, based on PayPoint's retailer partners acting as community agents; managing groups of individual savers and expanding the geographical reach of the existing proposition through leveraging the extensive PayPoint retail network of over 28,000 stores. This new channel would be enhanced further by the creation of a linked PayPoint card enabling redemption at PayPoint's retailer network, driving spend and supporting local businesses at the heart of communities across the UK. The PayPoint Board believes there will also be opportunities to build on Park Christmas Savings' leading consumer pre-payment proposition by expanding the range of budgeting occasions beyond Christmas to support

consumers including through the cost of living crisis e.g. an everyday proposition, and by developing the overall proposition to offer value back to consumers on redemption, aligning with other supermarket savings schemes in the market. All of this will be underpinned by the appropriate additional technology investment and the introduction of digital tools for new and existing Park agents to improve retention, recruitment and the end-to-end agent experience.

(ii) Opens up growth in new and existing markets

The proposed acquisition of Appreciate Group opens up growth opportunities in a UK consumer and corporate gifting market with an estimated value of circa £8 billion per annum, leveraging the well-established Park, Appreciate Business Services, highstreetvouchers.com and Love2shop brands that deliver high levels of customer satisfaction across both B2B and B2C markets. In the Corporate and B2B segments, Appreciate Business Services market share, estimated at 6.4 per cent., provides significant headroom for expansion, through adding clients, consolidating distribution and building out white-label solutions for delivering employee rewards to public and private sector organisations. The universal appeal of the Appreciate Group's consumer gift cards, e-codes and vouchers also has a strong demographic overlay with the PayPoint and Collect+ consumer segmentation, particularly with PayPoint's bill-paying demographic (50 per cent. C2DE) who will have a strong need for budgeting tools to help manage their finances during the current economic challenges, with opportunities through the Park Christmas Savings prepayment proposition. Furthermore, the Love2shop brand will be a strong addition to PayPoint's retailer proposition, with an impressive portfolio of over 200 retail brands, including Argos, Marks & Spencer, Go Outdoors, Boots, TK Maxx, Costa and Uber Eats, with gift cards proven to drive footfall, loyalty and incremental spend. This creates the further opportunity to tap into a new channel for physical gift cards via PayPoint's retailer network, complementing the existing digital 'pin on receipt' e-code solution and leveraging the distribution success in the market via supermarket 'gift card mall' displays.

(iii) Delivers reciprocal capabilities and operational efficiencies that are highly complementary to both businesses

The Acquisition delivers capabilities that are highly complementary to both businesses, whilst drawing on PayPoint's wide-reaching experience and track record of delivery in a continually developing marketplace. Specifically, there is a strong opportunity to apply the experience and learnings from PayPoint's own transformation journey over the past two years to unlock further value in Appreciate Group and to support their existing management team, including making further enhancements and targeted investments to enhance the Appreciate Group's technology enabled platform to deliver on the significant growth opportunities in the gifting market. The combined business of PayPoint and Appreciate Group creates a strong roster of leading consumer brands and service organisations across both client bases, increasing consumer appeal and opening up opportunities to cross-sell digital payments, consumer vouchering and gifting/reward solutions. Similarly, the skills and experience of the Appreciate Group leadership team will bring benefits to PayPoint's business, including their well-developed consumer marketing capability that can be applied to drive new PayPoint products and consumer services. Appreciate Group's existing headquarters in Liverpool will also help establish a stronger Northern presence for PayPoint.

(iv) Earnings enhancing and a strong financial profile

The PayPoint Board believes that the Enlarged Group is expected to have a strong financial profile increasing the diversification and growth potential of the Group's activities. The Enlarged Group is expected to benefit from cross-selling, clear levers to drive meaningful revenue synergies¹ and to support cash generation. The strong cash flow characteristics of the PayPoint business enhanced by the contribution from Appreciate Group will continue to underpin a strong balance sheet and an unchanged capital allocation policy including ongoing investment in the combined businesses.

The Acquisition is anticipated to deliver a pre-tax return on invested capital in excess of PayPoint's weighted average cost of capital by the end of FY25. The Acquisition is also expected to be earnings enhancing in FY24.

4. Recommendation

¹ Potential financial benefits relating to revenue synergies have not been quantified for reporting under the Takeover Code.

The Appreciate Group Directors, who have been so advised by Liberum and Herax Partners as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Appreciate Group Directors, Liberum and Herax Partners have taken into account the commercial assessments of the Appreciate Group Directors. Herax Partners is providing independent financial advice to the Appreciate Group Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Appreciate Group Directors intend to recommend unanimously that Appreciate Group Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the Resolution to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control of, totalling, in aggregate 101,413 Appreciate Group Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Appreciate Group as at the Latest Practicable Date.

5. Background to and reasons for the recommendation from the Appreciate Group Directors

Under the terms of the Offer, the Acquisition values the entire issued and to be issued share capital of Appreciate Group at approximately £83 million on a fully diluted basis and the price of 44 pence per Appreciate Group Share represents:

- a premium of approximately 68.9 per cent. to the Closing Price of 26.05 pence per Appreciate Group Share on the Latest Practicable Date;
- a premium of approximately 63.8 per cent. to the volume weighted average price of 26.8 pence per Appreciate Group Share for the three-month period ended on the Latest Practicable Date;
- an enterprise value multiple of approximately 6.2x Appreciate Group's Adjusted EBITDA for the year ended 31 March 2022; and
- an opportunity for Appreciate Group Shareholders to realise cash for a substantial proportion of their shareholding and to participate over the long term in the potential upside of the combined Appreciate Group and PayPoint businesses through a holding of PayPoint Shares.

Appreciate Group has a long-standing heritage as a profitable, innovative and growing business, having built strong market positions in its consumer and corporate businesses over many years. In 2018 Appreciate Group initiated a new strategy to accelerate the digitisation of its business and put in place a platform for future growth. A significant amount of change was implemented as a result, including simplifying and streamlining the business, moving to new offices in Liverpool and the disposal of non-core activities.

Although good progress was made in the initial stage of the Appreciate Group's transformation, it was slower than originally anticipated, a factor that was compounded by the Covid-19 pandemic which severely impacted the Appreciate Group's business principally during the first lockdown in Spring 2020. However, the Appreciate Group bounced back from the impact of the pandemic and delivered a return to growth in FY22, driven by continued growth in its Corporate segment, whilst progress was also made in reinvigorating Park Christmas Savings.

Following the appointment of Guy Parsons as Chairman of the Board in 2022, executive board changes were implemented to lead the next stage of the Appreciate Group's growth strategy, whilst management focused on the most profitable billings and reducing costs.

As a result, whilst the Appreciate Group Directors are now confident that Appreciate Group is better positioned for renewed success and that the Appreciate Group has good prospects as an independent AIM quoted entity, they also recognise that there are significant macroeconomic headwinds which represent a greater financial risk to a small business. In addition, smaller companies are increasingly constrained by fundamental issues of share liquidity and limited research coverage.

The Appreciate Group Directors believe there is a strategic logic in becoming part of the PayPoint Group as its capabilities have the potential to enhance the offering to Appreciate Group's consumer and corporate

clients, and that all three segments of the Appreciate Group's business can prosper under new ownership. This includes utilising PayPoint's financial strength to make targeted investments to enhance the Appreciate Group's technology enabled platform to deliver on and accelerate the significant growth opportunities available to it.

Furthermore, the Appreciate Group Directors believe that Appreciate Group's staff will benefit from attractive future employment opportunities across the Wider PayPoint Group.

The Appreciate Group Directors have also consulted with certain of Appreciate Group's leading shareholders who have indicated their support for the Acquisition.

Taking the above into account, and after careful consideration of the merits of the Acquisition, the Appreciate Group Directors believe that the Acquisition represents an attractive premium relative to the standalone prospects of the Appreciate Group and balances Appreciate Group's growth prospects with the risks of the uncertain economic environment in which its business is operating.

In considering the recommendation of the Acquisition to Appreciate Group's Shareholders, the Appreciate Group Directors have given due consideration to PayPoint's intentions regarding the employees of Appreciate Group, consistent with Appreciate Group leadership's current plan.

Accordingly, following careful consideration of the above factors, the Appreciate Group Directors intend unanimously to recommend the Acquisition to Appreciate Group Shareholders.

6. Irrevocable undertakings and letters of intent

PayPoint has received an irrevocable undertaking from those Appreciate Group Directors who are interested in Appreciate Group Shares as described in paragraph 4 above in respect of a total of 101,413 Appreciate Group Shares, representing approximately 0.1 per cent. of the issued share capital of Appreciate Group as at the Latest Practicable Date. These undertakings also contain a non-binding statement that, in the event PayPoint switches to a Takeover Offer, the Appreciate Group Directors intend to accept such offer.

PayPoint has also received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting from an Appreciate Group Shareholder in respect of 18,200,000 Appreciate Group Shares, representing approximately 9.8 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.

In addition, PayPoint has received non-binding letters of intent from Appreciate Group Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the Resolution to be proposed at the General Meeting in respect of 24,986,993 Appreciate Group Shares representing approximately 13.4 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.

PayPoint has therefore received irrevocable undertakings and letters of intent from Appreciate Group Shareholders in respect of a total number of 43,288,406 Appreciate Group Shares representing, in aggregate, approximately 23.2 per cent. of Appreciate Group's issued share capital as at the Latest Practicable Date.

Further details of the irrevocable undertakings and the letters of intent (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3.

7. Information on PayPoint

PayPoint serves a diverse range of organisations from SME and convenience retailer partners to local authorities, multinational service providers and e-commerce brands. Products are split across three core business divisions:

- **Shopping:** PayPoint enhances retailer propositions and customer experiences through EPoS services via PayPoint One, card payment technology, Counter Cash, ATMs and home delivery technology partnerships in over 60,000 SME and retailer partner locations across multiple sectors.

The retail network of over 28,000 convenience stores is larger than all the banks, supermarkets and Post Offices put together;

- **E-commerce:** PayPoint delivers best-in-class customer journeys through Collect+, a tech-based delivery solution that allows parcels to be sent, picked up and dropped off at thousands of local stores; and
- **Payment & Banking:** PayPoint helps companies and their customers make and receive payments quickly and conveniently. This includes PayPoint's digital payments platform, MultiPay, and a digital voucher offering that provides vital consumer access to cash across our extensive retail network. PayPoint also supports its eMoney clients with purchase and redemption of eMoney across its retail network.

8. Information on Appreciate Group

Appreciate Group is one of the UK's leading financial services businesses specialising in gifting, prepayment and corporate engagement and incentivisation solutions, whether for giving, celebrating or rewarding. Its services are delivered through the Love2shop brand which provides access to a wide portfolio of brands which provide solutions for its consumer and corporate customers, with the consumer-facing brands meeting a range of prepayment and gifting needs, while its business solutions help corporate customers reward, incentivise and recognise their employees and clients.

Appreciate Group's brands include Park Christmas Savings, highstreetvouchers.com, Appreciate Business Services and Love2shop, with a strong focus on digital innovation in gifting. Park Christmas Savings is the UK's largest and longest standing family Christmas savings club, helping hundreds of thousands of families budget for Christmas on a short-term or year-round basis. The Love2shop product is available in a physical or digital format and can be spent in store or online at over 200 retail, leisure and lifestyle brands across the UK. Love2shop is also used within Appreciate Business Services, providing over 5,000 corporate customers each year with incentives and rewards for their employees and clients.

Appreciate Group was originally founded in Birkenhead in the late 1960s, it subsequently traded under the Park Foods name and was admitted to trading on the Main Market of the London Stock Exchange as Park Group PLC in 1983. It was subsequently admitted to AIM in 2007 before changing its name to Appreciate Group PLC in 2019. The Appreciate Group now employs approximately 316 staff (including temporary staff) across its three offices (with its head office based in Liverpool) and for the year ended 31 March 2022 reported total billings of approximately £386 million, revenues of £123 million and a profit before tax and exceptional items of £8.4 million.

Appreciate Group Current Trading

On 20 September 2022, Appreciate Group announced in its AGM trading update that overall trading was in line with the Appreciate Group Board's expectations and that the Appreciate Group was strongly set up for its key trading period in the lead up to Christmas. This followed a strong recovery in profitability, together with the maintenance of a solid financial position, in Appreciate Group's financial year ended 31 March 2022 (as reported in June 2022).

Appreciate Group stated that in response to the macroeconomic challenges that everyone is facing, its seasonal bias would be higher this financial year as both corporate and consumer customers reassess their spending habits and look for the best value in the run up to Christmas.

Appreciate Group also stated its focus had been on prioritising driving profitable billings within its highstreetvouchers.com business ahead of volumes, and in Appreciate Business Services' (corporate) on improving the retention levels for corporate clients while increasing the number of new clients purchasing for the first time.

The Park Christmas Savings business was trading strongly and in-line with expectations, underpinned by the highest level of agent and direct customer retention rates. The new Park Christmas Savings 2023 campaign launched in September and there is confidence that this channel can return to growth.

Twenty two new partnerships have been added to the Love2shop brand since the beginning of the financial year and fifty-three exclusive value adding offers have been sent to our customers.

Since the AGM trading update announced on 20 September 2022, the Wider Appreciate Group has continued to trade in line with the Appreciate Group Board's expectations. The Appreciate Group Board currently intends to publish the results for Group for the six months ended 30 September 2022 on 22 November 2022.

9. **Management, employees, research and development, locations of business and pension schemes**

PayPoint believe the proposed acquisition of Appreciate Group provides an opportunity to add a complementary business division with well-established go-to-market products in the gift card and voucher sector, driven by a technology enabled platform. Appreciate Group will help PayPoint to expand its reach, deepen its proposition, and open up growth potential in the UK's consumer and corporate gifting market with an estimated present value of circa £8 billion per annum.

Board, management and employees

PayPoint and Appreciate Group recognise the importance of the skills and experience of the existing management and employees of Appreciate Group. Following completion of the Acquisition, it is intended that the existing employment rights, including pension rights, of the management and employees of the Enlarged Group will be fully safeguarded. PayPoint believes that employees will benefit from greater opportunities within the Enlarged Group following the Acquisition.

Given the complementary nature of PayPoint and Appreciate Group in terms of their respective propositions to customers and the nature of customers that each business addresses, it is anticipated that there will be limited impact from completion of the Acquisition on customers, employees and retail partners. Upon the Acquisition completing, the Enlarged Group intends to move quickly to combine the existing businesses and create a combined business which harnesses the best practices and skilled teams of both companies. It is the intention of PayPoint to initiate a detailed review of the operations of both businesses to determine the most effective and efficient manner to work together. The review is expected to take at least three months following completion of the Acquisition. The review will examine the current operating and organisational structures of both businesses and provide the basis for the development of an integration programme designed to minimise any disruption to customers and employees whilst delivering the expected opportunities and benefits of the Acquisition for the Enlarged Group's stakeholders. PayPoint's preliminary review has shown there to exist a very limited overlap of skills and roles across the two businesses. In the limited cases where these do exist, alternative opportunities to deploy this resource have already been identified. As such, there are no plans for headcount reduction across the Enlarged Group.

The Enlarged Group will draw on the talent and experience in both companies to deliver the enhanced growth strategy for the combined businesses. Following the Acquisition, PayPoint intends:

- that the Non-Executive Directors of Appreciate Group will step down from Appreciate Group upon completion of the Acquisition. The Executive Chairman of Appreciate Group (Guy Parsons) will be appointed to PayPoint's Board as a non-executive director. The Interim Chief Executive Officer of Appreciate Group (Julian Coghlan) will join PayPoint's executive Board. The Interim Chief Finance Officer (Talha Ahmed) will remain as Finance Director of Appreciate Group reporting to the PayPoint Finance Director;
- that the senior leadership team from Appreciate Group will take similar responsibilities in the enlarged business, supporting the existing business, integration plans and delivering the growth opportunities; and

- to consider providing retention incentives for a small number of senior employees in the Enlarged Group, to support in the delivery of the integration of PayPoint and Appreciate Group and in the delivery of the anticipated benefits of the Acquisition. No final decisions have been made on the design or quantum of the incentive, but it is anticipated that any awards would be made in line with existing PayPoint policies.

Save as noted above, PayPoint has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Appreciate Group's management and no such discussions are expected to take place prior to completion of the Acquisition.

Pensions

Defined benefit schemes

Appreciate Group currently has two defined benefit schemes, Park Food Group plc Pension Scheme and Park Group Pension Scheme.

PayPoint intends to continue with the current management's plan with regard Appreciate Group's defined benefit schemes and to maintain existing levels of engagement with the scheme trustees.

Defined contribution schemes

PayPoint does not intend to make any material changes with regard to employer contributions into Appreciate Group's existing defined contribution pension schemes (unless required to do so in order to comply with applicable legislation).

Places of business, headquarters and other matters

Immediately following completion of the Acquisition, the Enlarged Group will continue to operate both PayPoint's offices located in Welwyn Garden City and Haydock and Appreciate Group's offices located in Birkenhead, Newcastle and Liverpool. Given that the enlarged business will be operating out of a number of different offices in the North of England, PayPoint intends to undertake a review of these offices in order to evaluate the optimal footprint with a view to establishing a central northern hub. There is no intention to reduce overall headcount as a direct result of this review.

The headquarters of the Enlarged Group will be at PayPoint's offices in Welwyn Garden City with the headquarters functions all being carried out at that location. PayPoint does not envisage any other changes with respect to the redeployment of Appreciate Group's existing material fixed assets.

Appreciate Group does not have a research and development function and PayPoint has no intention to change this current approach.

Trading facilities

Appreciate Group Shares are currently admitted to trading on AIM, a market operated by the London Stock Exchange. As set out in paragraph 14 below, before the Effective Date, an application will be made to the London Stock Exchange for the cancellation of the admission to trading of Appreciate Group Shares on AIM and to de-list Appreciate Group from AIM, to take effect on the Business Day following the Effective Date. Trading in Appreciate Group Shares is expected to end at the close of business on the Business Day before the Effective Date, assuming that the Scheme has been approved at Court and by Appreciate Group Shareholders.

Other

No statements in this paragraph 9 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

10. Appreciate Group Share Plans

The Acquisition will affect participants in the Appreciate Group Share Plans. In summary, PayPoint and Appreciate Group have agreed that PayPoint will make appropriate proposals to the holders of options and awards under the Appreciate Group Share Plans in accordance with Rule 15 of the Takeover Code. Further details of these proposals will be included in the Scheme Document and communicated to participants in the Appreciate Group Share Plans in due course.

Options and awards which vest and are exercised prior to the Scheme Record Time will be satisfied by the allotment and issue, or transfer, of Appreciate Group Shares prior to the Scheme Record Time and those Appreciate Group Shares will be subject to the Scheme.

Under the proposed amendment to the Appreciate Group Articles described in paragraph 13 (*Structure of the Acquisition*), any Appreciate Group Shares issued after the Scheme Record Time in relation to the exercise of options and awards under the Appreciate Group Share Plans would be automatically transferred to PayPoint on the same terms as the Acquisition (other than terms as to timings and formalities).

11. Financing

PayPoint has entered into an amendment to its existing unsecured loan facility arrangements with effect from 7 November 2022 (the "**Amended Facility Agreement**"), pursuant to which an additional term credit facility is being made available to PayPoint which, together with part of its existing revolving credit facility, will be used to finance the cash payable to Appreciate Group Shareholders under the terms of the Acquisition. Further details in respect of the Amended Facility Agreement and these financing arrangements will be included in the Scheme Document.

Jefferies, in its capacity as financial adviser to PayPoint, is satisfied that sufficient cash resources are available to PayPoint to enable it to satisfy in full the cash consideration payable to Appreciate Group Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

12. Offer-related arrangements

Co-operation Agreement

PayPoint and Appreciate Group have entered into a co-operation agreement on 7 November 2022 (the "**Co-operation Agreement**") pursuant to which (among other things): (i) PayPoint and Appreciate Group have entered into commitments in relation to obtaining regulatory approvals; (ii) PayPoint has agreed to provide Appreciate Group with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (iii) PayPoint and Appreciate Group have agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (iv) PayPoint and Appreciate Group have agreed certain arrangements in respect of employee-related matters and the Appreciate Group Share Plans. The Co-operation Agreement will terminate *inter alia*: (i) if the Acquisition is with the permission of the Panel, withdrawn, or lapses in accordance with its terms; (ii) if, prior to the Long Stop Date, any Condition has been invoked by PayPoint (whether the invocation of the relevant Condition is permitted by the Panel); (iii) upon service of a written notice by PayPoint on Appreciate Group, if the Appreciate Group Directors withdraw, adversely qualify or adversely modify their recommendation of the Acquisition; (iv) unless otherwise agreed by Appreciate Group and PayPoint in writing, if the Scheme does not become Effective in accordance with its terms by the Long Stop Date; (v) if the Scheme is not approved by Scheme Shareholders at the Court Meeting, the Appreciate Group Shareholders do not approve the Resolution at the General Meeting or the Court refuses to sanction the Scheme; or (vi) if agreed in writing between PayPoint and Appreciate Group.

Confidentiality Agreement

PayPoint and Appreciate Group entered into a confidentiality agreement on 1 September 2022 (the "**Confidentiality Agreement**") pursuant to which they both agreed to keep confidential, and to procure that

certain of their respective representatives keep confidential, information relating to the other and/or to the Acquisition, to use such information solely for the agreed purposes in relation to the Acquisition and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. These confidentiality obligations will remain in force until the earlier of: (i) two years from the date of the Confidentiality Agreement; and (ii) the Effective Date. The Confidentiality Agreement includes a customary non-solicit provision which restricts PayPoint and Appreciate Group from soliciting or employing certain employees of the other party for a period of 12 months from the date of the Confidentiality Agreement.

13. **Structure of the Acquisition**

It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement between Appreciate Group and Scheme Shareholders under Part 26 of the Companies Act 2006. PayPoint reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer.

The purpose of the Scheme is to provide for PayPoint to become the holder of the entire issued and to be issued share capital of Appreciate Group. This is to be achieved by the transfer of the Appreciate Group Shares to PayPoint, in consideration for which the Appreciate Group Shareholders will receive 33 pence in cash and 0.0190 New PayPoint Shares on the basis set out in paragraph 2 of this Announcement. In addition, each Appreciate Group Shareholder will also be entitled to receive and retain a dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect of the six-month period ended 30 September 2022.

The New PayPoint Shares will be issued in registered form and will be capable of being held in both certificated and uncertificated form. The New PayPoint Shares will be issued by PayPoint to Scheme Shareholders no later than 14 days after the Effective Date. Fractions of the New PayPoint Shares will not be allotted or issued pursuant to the Acquisition, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New PayPoint Shares and all fractions of New PayPoint Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of broking fees) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Enlarged Group.

The Scheme will also be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as Appreciate Group and PayPoint may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing at least 75 per cent. of the voting rights attaching to the Scheme Shares held by such Scheme Shareholders;
- the Resolution necessary to implement the Scheme is passed by Appreciate Group Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy;
- following the Court Meeting and the General Meeting and once the other Conditions have been satisfied or (where applicable) waived, the Scheme is sanctioned by the Court at the Court Hearing (without modification, or with modification on terms to be agreed by Appreciate Group and PayPoint); and
- following such sanction, the Court Order is delivered to the Registrar of Companies.

PayPoint may only invoke a Condition so as to cause the Acquisition not to proceed, lapse or be withdrawn with the consent of the Panel. Certain Conditions are not subject to this requirement. Further details are set out in Parts A and B of Appendix 1 to this Announcement.

Upon the Scheme becoming Effective, it will be binding on all Appreciate Group Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour of the resolution proposed at such meetings).

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document which, together with the Forms of Proxy, is expected to be dispatched to Appreciate Group Shareholders within 28 days of this Announcement. Subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement, the Scheme is expected to become Effective in the first half of 2023.

14. De-listing and re-registration

It is expected that dealings in Appreciate Group Shares will be suspended at 7.30 a.m. (London time) on the Effective Date. Before the Scheme becomes Effective and in accordance with the AIM Rules, it is intended that an application will be made to the London Stock Exchange for admission of the Appreciate Group Shares to trading on AIM to be cancelled on the Business Day following the Effective Date. The last day of dealings in, and for registration of transfers of, Appreciate Group Shares is therefore expected to be the Business Day before the Effective Date. No dealings in Appreciate Group Shares will be registered after this date.

On the Effective Date, share certificates in respect of Appreciate Group Shares will cease to be valid and should, if so requested by Appreciate Group, be sent to Appreciate Group for cancellation. On the Effective Date, entitlements to Appreciate Group Shares held within the CREST system will be cancelled.

It is also intended that, following the Scheme becoming Effective, Appreciate Group will be re-registered as a private company under the relevant provisions of the Companies Act 2006.

15. Settlement and listing of, and dealings in, New PayPoint Shares

Applications will be made to the FCA for the New PayPoint Shares to be issued to Appreciate Group Shareholders under the Scheme to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New PayPoint Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

It is expected that Admission will become effective and that unconditional dealings in the New PayPoint Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on the first Business Day following the date on which the Scheme becomes Effective.

Details of how Appreciate Group Shareholders can hold, access and trade in PayPoint Shares will be set out in the Scheme Document. Appreciate Group Shareholders resident in the United Kingdom will be able to hold their PayPoint Shares through any of the ways currently available to Appreciate Group Shareholders, including through an intermediary of their own choice should they wish to do so.

16. Disclosure of Interests in Appreciate Group

As at the close of business on the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 6 of this Announcement, neither PayPoint, nor any of its directors, nor, so far as PayPoint is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition had:

- (i) any interest in or right to subscribe for any relevant securities of Appreciate Group; nor
- (ii) any short positions in respect of relevant securities of Appreciate Group (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; nor

- (iii) borrowed or lent any relevant securities of Appreciate Group (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code); nor
- (iv) entered into any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

"**interests in securities**" for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

"**relevant securities of Appreciate Group**" are Appreciate Group Shares or securities convertible or exchangeable into Appreciate Group Shares.

In the interests of secrecy prior to this Announcement, it has not been practicable for PayPoint to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if PayPoint becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in relevant securities of Appreciate Group, all relevant details in respect of PayPoint's concert parties will be included in PayPoint's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code which must, unless there are no such interests of which PayPoint is aware, be made on or before 12 noon (London time) on the 10th Business Day following the date of this Announcement.

17. **Overseas Shareholders**

The availability of the Acquisition and the distribution of this Announcement to Appreciate Group Shareholders who are not resident in the United Kingdom may be affected by the laws and/or regulations of the relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Appreciate Group Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Appreciate Group Shareholders are advised to read carefully the Scheme Document and Forms of Proxy once these have been dispatched.

18. **General**

The Acquisition will be made subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix 2 to this Announcement. A summary of the irrevocable undertakings and the letters of intent given in relation to the Acquisition is contained in Appendix 3 to this Announcement. Certain terms used in this Announcement are defined in Appendix 4 to this Announcement.

PayPoint reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Appreciate Group, as an alternative to the Scheme. In such an event, such offer will be implemented on the same terms (subject to appropriate amendments as described in Part B of Appendix 1), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, PayPoint intends to make a request to the London Stock Exchange to cancel admission of the Appreciate Group Shares to trading on AIM and exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Appreciate Group Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.

Jefferies has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

Liberum has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

Herax Partners has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

19. Documents available on website

Copies of the following documents will be made available on Appreciate Group's website at www.appreciategroup.co.uk/investors and on PayPoint's website at corporate.paypoint.com by no later than 12 noon London time on the Business Day following this Announcement until the end of the Acquisition:

- a copy of this Announcement;
- the irrevocable undertakings and the letters of intent referred to in paragraph 6 above and summarised in Appendix 3 to this Announcement;
- the Co-operation Agreement;
- the Confidentiality Agreement referred to in paragraph 12 above;
- the Amended Facility Agreement; and
- the written consents of Jefferies, Liberum and Herax Partners.

Copies of the documents required to be made available under Rule 26.3 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Appreciate Group's website at www.appreciategroup.co.uk/Investors and on PayPoint's website at corporate.paypoint.com from the time the Scheme Document is published until the end of the Acquisition.

Advisers

Jefferies is acting as financial adviser and corporate broker to PayPoint in respect of the Acquisition.

Pinsent Masons LLP is acting as legal adviser to PayPoint.

Liberum is acting as lead financial adviser, nominated adviser and corporate broker to Appreciate Group.

Herax Partners is acting as joint financial adviser and Rule 3 adviser to Appreciate Group.

Addleshaw Goddard LLP is acting as legal adviser to Appreciate Group.

This announcement is being made on behalf of Appreciate Group by Gareth Griffiths, Company Secretary of Appreciate Group.

Enquiries:

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Important notices

Jefferies International Limited ("Jefferies"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser and corporate broker to PayPoint and no one else in connection with the Acquisition or any matters referred to in this Announcement. In connection with such matters, Jefferies, its affiliates and its or their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than PayPoint for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matter referred to in this Announcement or owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than PayPoint in connection with the matters referred to in this Announcement, or otherwise.

Liberum Capital Limited ("Liberum"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as lead financial adviser, nominated adviser and corporate broker to Appreciate Group and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Appreciate Group for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters

referred to in this Announcement. Neither Liberum nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Liberum in connection with the matters referred to in this Announcement, or otherwise.

*Herax Partners LLP (“**Herax Partners**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 Adviser to Appreciate Group and for no one else in connection with the Acquisition or any matters referred to in this Announcement and will not be responsible to anyone other than Appreciate Group for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Herax Partners nor any of its affiliates, respective directors, officers, employees and agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Herax Partners in connection with the matters referred to in this Announcement, or otherwise.*

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer to sell or an invitation to purchase any securities or a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, invitation, solicitation, purchase, sale, issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the offer document containing any Takeover Offer) and the accompanying Forms of Proxy, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the resolution proposed in connection with the Acquisition. Any approval, decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document containing any Takeover Offer).

This Announcement does not constitute a prospectus or prospectus equivalent document. The New PayPoint Shares to be issued pursuant to the Acquisition are not being offered to the public by means of this Announcement.

This Announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the Takeover Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this Announcement should be relied on for any other purpose.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and the release of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date.

Appreciate Group and PayPoint urge Appreciate Group Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition, the New PayPoint Shares and the PayPoint Group.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by the laws and/or regulations of those jurisdictions and therefore persons into whose possession this Announcement comes who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any such applicable restrictions in their jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to vote their Appreciate Group Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to the Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons

involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by PayPoint or required by the Takeover Code, and permitted by applicable law and regulation, the New PayPoint Shares to be issued pursuant to the Acquisition to Appreciate Group Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone of interstate or foreign commerce of, or any facility of a national state or other securities exchange of any Restricted Jurisdiction) and the Takeover Offer will not be capable of acceptance by any such use, means instrumentality or facilities or from or within any Restricted Jurisdiction.

The availability of the New PayPoint Shares to Appreciate Group Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Appreciate Group Shareholders in the United States should note that the Acquisition relates to the securities of a company incorporated in England and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, PayPoint exercises the right to implement the Acquisition by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act.

Appreciate Group's financial statements, and all financial information that is included in this Announcement or that may be included in the Scheme Document, or any other documents relating to the Acquisition, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The receipt of cash and shares pursuant to the Acquisition by a US holder as consideration for the transfer of its Appreciate Group Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Appreciate Group Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since PayPoint and Appreciate Group are located in countries other than the US, and some or all of their

officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

If PayPoint were to elect to implement the Acquisition by means of a Takeover Offer, in accordance with normal practice in the UK and consistent with Rule 14e-5(b) of the US Exchange Act, PayPoint, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Appreciate Group outside the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Notes regarding New PayPoint Shares

The New PayPoint Shares to be issued pursuant to the Scheme have not been and will not be registered under the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in relation to the New PayPoint Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, the New PayPoint Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements or otherwise in compliance with all applicable laws).

The New PayPoint Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. It is expected that the New PayPoint Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 (as amended) provided by Section 3(a)(10) thereof.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by PayPoint or Appreciate Group contain statements about PayPoint and/or Appreciate Group that are or may be deemed to be "forward-looking statements". All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "hopes" "projects", "continue", "schedule" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of PayPoint's or Appreciate Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on PayPoint's or Appreciate Group's business.

These forward-looking statements are not guarantees of future performance. By their nature, such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely. These factors include, but are not limited to, the satisfaction of the conditions to the Acquisition, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees,

changes in customer habits, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of any litigation. For a discussion of important factors which could cause actual results to differ from forward-looking statements: (i) in relation to the Wider Appreciate Group, refer to the annual report for Appreciate Group for the financial year ended 31 March 2022; and (ii) in relation to the PayPoint Group, refer to the annual report for PayPoint for the financial year ended 31 March 2022. Neither PayPoint or Appreciate Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to PayPoint or Appreciate Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. PayPoint and Appreciate Group disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Appreciate Group or PayPoint for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Appreciate Group or PayPoint respectively.

Disclosure requirements of the Takeover Code

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

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

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Right to switch to a Takeover Offer

PayPoint reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Appreciate Group as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if PayPoint so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part B of Appendix 1 to this Announcement.

Publication of this Announcement on website

A copy of this Announcement and the documents required to be published pursuant to Rules 26.1 and 26.2 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Appreciate Group's website at www.appreciategroup.co.uk/investors and on PayPoint's website at corporate.paypoint.com by no later than 12:00 p.m. on the Business Day following this Announcement.

For the avoidance of doubt, the contents of this website and any websites accessible from hyperlinks on this website are not incorporated into and do not form part of this Announcement.

Information relating to Appreciate Group Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Appreciate Group Shareholders, persons with information rights and other relevant persons for the receipt of communications from Appreciate Group may be provided to PayPoint during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Right to receive documents in hard copy form

Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents in hard copy form free of charge. A person may also request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form. Hard copies of such documents, announcements (including this Announcement), and information will not be sent unless requested.

In accordance with Rule 30.3 of the Takeover Code, Appreciate Group Shareholders, persons with information rights and participants in Appreciate Group Share Plans may request a hard copy of this Announcement by contacting Appreciate Group's registrars, Computershare Investor Services PLC ("Computershare") during business hours on +44 (0)370 707 1226 or in writing at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday (except public holidays in England and Wales). Please note that Computershare cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9

For the purposes of Rule 2.9 of the Takeover Code, Appreciate Group confirms that, as at the Latest Practicable Date, it had in issue 186,347,228 ordinary shares of 2 pence each. The International Securities Identification Number ("ISIN") number of the ordinary shares is GB0006710643.

For the purposes of Rule 2.9 of the Takeover Code, PayPoint confirms that, as at the Latest Practicable Date, it had in issue 68,981,053 ordinary shares of 1/3 pence each. The ISIN number of the ordinary shares is GB00B02QND93.

APPENDIX 1

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION

Long Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the Takeover Code, by not later than 11.59 p.m. on the Long Stop Date or such later date (if any) as PayPoint and Appreciate Group may, with the consent of the Panel, agree and (if required) the Court may allow.

Scheme approval

2. The Scheme will be conditional upon:
 - (a)
 - (i) its approval by a majority in number of the Scheme Shareholders representing at least 75 per cent. of the voting rights attaching to the Scheme Shares voted by those Scheme Shareholders (or relevant classes thereof) who are on the register of members of Appreciate Group at the Scheme Voting Record Time and who are present and vote, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of that meeting); and
 - (ii) such Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as may be agreed by PayPoint and Appreciate Group, with the consent of the Panel and as the Court may allow).
 - (b)
 - (i) the resolution required to approve actions necessary to implement the Scheme and adopt the Amended Appreciate Group Articles being duly passed by the requisite majority or majorities of Appreciate Group Shareholders at the General Meeting (or at any adjournment thereof); and
 - (ii) the General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the General Meeting as set out in the Scheme Document (or such later date (if any) as may be agreed by PayPoint and Appreciate Group, with the consent of the Panel and as the Court may allow).
 - (c)
 - (i) the sanction of the Scheme by the Court (with or without modification but subject to any such modification being on terms acceptable to Appreciate Group and PayPoint) and the delivery of a copy of the Court Order to the Registrar of Companies; and
 - (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as may be agreed by PayPoint and Appreciate Group, with the consent of the Panel and as the Court may allow).

In addition, subject as stated in Part B below, and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions for the Scheme to become Effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

FCA change in control

3. the FCA:
 - (a) giving written notice in accordance with section 189(4) or 189(7) of FSMA of its approval of the acquisition of control (within the meaning of section 181 of FSMA) of the Appreciate Group Regulated Entity either unconditionally or with conditions satisfactory to PayPoint; or
 - (b) being treated as having given such approval pursuant to section 189(6) of FSMA;
4. **Admission of New PayPoint Shares**
 - (a) the FCA having acknowledged to PayPoint or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New PayPoint Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and
 - (b) the London Stock Exchange having acknowledged to PayPoint or its agent (and such acknowledgement not having been withdrawn) that the New PayPoint Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities;

Notifications, waiting periods and authorisations

5. all filings, or applications and/or notifications which are deemed by PayPoint to be necessary or appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Scheme, the Acquisition, its implementation or the acquisition by any member of the Wider PayPoint Group of any shares or other securities in, or control of, Appreciate Group and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals which are deemed necessary or appropriate by PayPoint or any member of the Wider PayPoint Group for or in respect of the Acquisition including without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Appreciate Group or any member of the Wider Appreciate Group by any member of the Wider PayPoint Group having been obtained in terms and in a form satisfactory to PayPoint from all appropriate Third Parties or persons or bodies with whom any member of the Wider Appreciate Group or Wider PayPoint Group has entered into contractual arrangements and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals which are deemed by PayPoint to be necessary or appropriate to carry on the business of any member of the Wider Appreciate Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals would be unlawful in any relevant jurisdiction or have an adverse effect on the Wider Appreciate Group, any member of the Wider PayPoint Group or the ability of PayPoint to implement the Scheme and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise Effective and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

General antitrust and regulatory

6. no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or might reasonably be expected to:
- (a) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider PayPoint Group or any member of the Wider Appreciate Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them or any part thereof) or to own, control or manage any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider PayPoint Group or the Wider Appreciate Group in either case taken as a whole;
 - (b) require, prevent or delay the divestiture by any member of the Wider PayPoint Group of any shares or other securities in Appreciate Group;
 - (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider PayPoint Group directly or indirectly to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Appreciate Group or the Wider PayPoint Group or on the ability of any member of the Wider Appreciate Group or any member of the Wider PayPoint Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over any such member;
 - (d) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider PayPoint Group or of any member of the Wider Appreciate Group to an extent which is material in the context of the Wider PayPoint Group or the Wider Appreciate Group in either case taken as a whole;
 - (e) make the Acquisition or its implementation, or the acquisition or proposed acquisition by PayPoint or any member of the Wider PayPoint Group of any shares or other securities in, or under the control of Appreciate Group void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
 - (f) except pursuant to the implementation of the Acquisition, require any member of the Wider PayPoint Group or the Wider Appreciate Group to acquire or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Appreciate Group or the Wider PayPoint Group owned by any third party;
 - (g) impose any limitation on the ability of any member of the Wider Appreciate Group or the Wider PayPoint Group to conduct, integrate or coordinate its business, or any part of it, with their respective businesses with all or any part of their respective businesses with any other member of the Wider Appreciate Group and/or the Wider PayPoint Group which is adverse to the Wider PayPoint Group or the Wider Appreciate Group, in either case taken as a whole or in the context of the Acquisition; or
 - (h) result in any member of the Wider Appreciate Group or the Wider PayPoint Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any action, proceeding, suit,

investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Appreciate Group Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

7. save as Disclosed, there being no provision of any agreement, arrangement, licence, permit, franchise, lease or other instrument to which any member of the Wider Appreciate Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any event or circumstance, which as a consequence of the Acquisition or the proposed acquisition by any member of the Wider PayPoint Group of any shares or other securities (or equivalent) in Appreciate Group or because of a change in the control or management of any member of the Wider Appreciate Group or otherwise, could or might reasonably be expected to result in any of the following to an extent which is material and adverse in the context of the Wider Appreciate Group, or the Wider PayPoint Group, in either case taken as a whole:
- (a) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (b) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (c) any asset or interest of, or any asset the use of which is enjoyed by, any member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member other than in the ordinary course of business;
 - (d) the creation or enforcement of any mortgage, charge, encumbrance or other security interest over the whole or any part of the business, property, assets or interest of any such member;
 - (e) the rights, liabilities, obligations or interests of any such member under any such agreement, arrangement, licence, permit or instrument or the business of any such member with, any person, firm, company or body (or any agreement or arrangement relating to any such interest or business) being or becoming capable of being terminated, adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
 - (f) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - (g) any such member ceasing to be able to carry on business under any name under which it presently does so;
 - (h) the creation or acceleration of any liability, actual or contingent, by any such member other than trade creditors or other liabilities incurred in the ordinary course of business; or
 - (i) the business, assets, value, financial or trading position, profits, prospects or operational performance of any such member being prejudiced or adversely affected.

Certain events occurring since 31 March 2022

8. save as Disclosed, no member of the Wider Appreciate Group having, since 31 March 2022:
- (a) save as between Appreciate Group and wholly-owned subsidiaries of Appreciate Group or for Appreciate Group Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Appreciate Group Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (b) save as between Appreciate Group and wholly-owned subsidiaries of Appreciate Group or for the grant of options and awards and other rights granted before the date of this Announcement under the Appreciate Group Share Plans or the In-Year Awards, issued or agreed to issue, authorised or proposed the issue of securities or securities convertible into, or exchangeable for, shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Appreciate Group Shares out of treasury;
 - (c) other than to Appreciate Group or another member of the Wider Appreciate Group and save in respect of the Permitted Dividend, recommended, declared, paid or made or resolved to recommend, declare, pay or make any dividend or other distribution (whether payable in cash or otherwise or made by way of bonus issue);
 - (d) save for intra-Wider Appreciate Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider Appreciate Group taken as a whole or the Acquisition;
 - (e) save as between Appreciate Group and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Appreciate Group when taken as a whole;
 - (f) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-Wider Appreciate Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
 - (g) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (a) or (b) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider Appreciate Group when taken as a whole;
 - (h) save for intra-Wider Appreciate Group transactions, implemented, effected, authorised, proposed or announced its intention to implement any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
 - (i) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider Appreciate Group taken as a whole;

- (j) (other than in respect of a member of the Wider Appreciate Group which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider Appreciate Group taken as a whole;
- (k) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Appreciate Group or the Wider PayPoint Group other than of a nature and extent which is normal in the context of the business concerned;
- (l) waived, compromised or settled any claim or regulatory proceeding (whether actual or threatened) otherwise than in the ordinary course of business;
- (m) except pursuant to the implementation of the Acquisition, made any material alteration to its memorandum or articles of association or other incorporation documents;
- (n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (o) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 8;
- (p) (A) made, proposed or agreed or consented to or procured any change to or the custodian or trustee of any scheme having made a change to: (i) the terms of the trust deeds, rules, policy or other governing documents constituting the pension scheme(s) or other retirement or death benefit arrangement established by any member of the Wider Appreciate Group for its directors, employees, former employees or their dependents (a "Relevant Pension Plan"); (ii) the contributions payable to a Relevant Pension Plan or to the benefits which accrue or to the pensions which are payable thereunder; (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined under any Relevant Pension Plan; (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made; or (v) the manner in which the assets of such pension schemes are invested, in each case, to the extent which is or might reasonably be expected to be material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition; (B) entered into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (C) carried out any act: (i) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (ii) which would or might create a material debt owned by an employer to any Relevant Pension Plan; (iii) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (iv) which would or might give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to a Relevant Pension Plan;
- (q) changed the trustee of any Relevant Pension Plan;

- (r) proposed, agreed to provide or modified the terms of any of the Appreciate Group Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Appreciate Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Appreciate Group, save as agreed by the Panel (if required) and by PayPoint, or entered into or changed the terms of any contract with any director or senior executive of any member of the Wider Appreciate Group; or
- (s) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Appreciate Group Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No adverse change, litigation, regulatory enquiry or similar

9. save as Disclosed, since 31 March 2022:

- (a) no adverse change or deterioration having occurred, and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration, in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Appreciate Group which, in any such case, is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Appreciate Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Appreciate Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Appreciate Group which in any such case has had or might reasonably be expected to have a material adverse effect on the Wider Appreciate Group taken as a whole or material in the context of the Acquisition;
- (c) no contingent or other liability of any member of the Wider Appreciate Group having arisen or become apparent to PayPoint or increased which has had or might reasonably be expected to have a material adverse effect on the Wider Appreciate Group taken as a whole or material in the context of the Acquisition;
- (d) no enquiry, review or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider Appreciate Group which in any case is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition;
- (e) no member of the Wider Appreciate Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider Appreciate Group as a whole or material in the context of the Acquisition; and
- (f) no steps having been taken, and no omissions have been made, which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Appreciate Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect on the Wider Appreciate Group taken as a whole or in the context of the Acquisition;

No discovery of certain matters

10. save as Disclosed, PayPoint not having discovered:

- (a) that any financial, business or other information concerning the Wider Appreciate Group disclosed at any time by or on behalf of any member of the Wider Appreciate Group, whether publicly, to any member of the Wider PayPoint Group or to any of their advisers or otherwise is misleading, contains any misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to PayPoint or its professional advisers, in each case, to the extent which is material in the context of the Wider Appreciate Group taken as a whole or is material in the context of the Acquisition;
- (b) that any member of the Wider Appreciate Group is subject to any liability (contingent or otherwise) in each case, to the extent which is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition; or
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Appreciate Group and which is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition;

11. save as Disclosed, PayPoint not having discovered that:

- (a) any past or present member of the Wider Appreciate Group has failed to comply in all material respect with any and/or all applicable legislation or regulation or other requirements, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability including any penalty for non-compliance (actual or contingent) or cost on the part of any member of the Wider Appreciate Group and which is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition; or
- (b) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Appreciate Group to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Appreciate Group (or on its behalf) or by any person for which a member of the Wider Appreciate Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider Appreciate Group taken as a whole or material in the context of the Acquisition; and

12. save as Disclosed, PayPoint not having discovered that:

- (a) (A) any past or present member, director, officer or employee of the Wider Appreciate Group is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation (B) any person that performs or has performed services for or on behalf of the Wider Appreciate Group is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt

Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation;

- (b) any asset of any member of the Wider Appreciate Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Appreciate Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (c) any past or present member, director, officer or employee of the Wider Appreciate Group, or any other person for whom any such person may be liable or responsible including any person that performs or has performed services for or on behalf of any such person, is or at any time has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
 - (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states or any other governmental or supranational body or authority in any jurisdiction;
- (d) any past or present member, director, officer or employee of the Wider Appreciate Group, or any other person for whom any such person may be liable or responsible including any person that performs or has performed services for or on behalf of any such person:
 - (i) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (ii) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (iii) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - (iv) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or

- (e) any member of the Wider Appreciate Group is or has been engaged in any transaction which would cause any member of the Wider PayPoint Group to be in breach of any law or regulation upon its Acquisition of Appreciate Group, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any other relevant government authority, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom or the European Union or any of its member states or any other governmental or supranational body or authority in any jurisdiction.

PART B: CERTAIN FURTHER TERMS OF THE ACQUISITION

1. To the extent permitted by law and subject to the requirements of the Panel in accordance with the Takeover Code, PayPoint reserves the right to waive in whole or in part any of the Conditions set out in Part A above, except Conditions 2(a)(i), 2(b)(i), 2(c)(i), 3 and 4 which cannot be waived. If any of the Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, PayPoint will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Appreciate Group to extend the deadline in relation to the relevant Condition.
2. Conditions 2(a)(i), 2(b)(i) and 3 to 12 (inclusive) in Part A above must be fulfilled or (if capable of waiver) waived by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing (or such later date as PayPoint, Appreciate Group, the Panel and, if required, the Court may allow), failing which the Acquisition will lapse.
3. Under Rule 13.5(a) of the Takeover Code, PayPoint may not invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code so as to cause the Acquisition not to proceed, to lapse or any offer to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to PayPoint in the context of the Acquisition. PayPoint may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by PayPoint. Conditions in paragraphs 1 and 2(a)(i), 2(b)(i), 2(c)(i), 3 and 4 in Part A (and any Takeover Offer acceptance condition adopted on the basis specified in paragraphs 5 or 10 of this Part B) are not subject to this provision of the Takeover Code.
4. Under Rule 13.6 of the Takeover Code, Appreciate Group may not invoke, or cause or permit PayPoint to invoke, any condition to the Acquisition, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Appreciate Group Shareholders in the context of the Acquisition.
5. If PayPoint is required by the Panel to make a Takeover Offer for Appreciate Group Shares under the provisions of Rule 9 of the Takeover Code, PayPoint may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
6. PayPoint will be under no obligation to waive (if capable of waiver) or to treat as fulfilled any of the Conditions by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
7. The Appreciate Group Shares to be acquired pursuant to the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.

8. The Permitted Dividend may be paid to Appreciate Group Shareholders without any reduction in the consideration payable under the terms of the Acquisition. It is anticipated that the Permitted Dividend would be declared before the Effective Date and paid to those Appreciate Group Shareholders who are on Appreciate Group's register of members on a date which is on or prior to the Effective Date.
9. Subject to the terms of the Scheme and other than in respect to the Permitted Dividend, if, on or after the date of this Announcement and on or prior to the Effective Date, any other dividend or distribution is announced, PayPoint reserves the right (without prejudice to any right of PayPoint to invoke Condition 8(c) in Part A of this Appendix 1) to reduce the consideration payable under the terms of the Acquisition by the amount of any such dividend or other distribution, in which case: (a) any reference in this Announcement or in the Scheme Document to the consideration payable under the terms of the Acquisition for the Appreciate Group Shares will be deemed to be a reference to the consideration payable under the terms of the Acquisition as so reduced; and (b) the relevant eligible Appreciate Group Shareholders will be entitled to receive and retain such dividend or distribution. To the extent that any such dividend or distribution announced, declared or paid is: (x) transferred pursuant to the Acquisition on a basis which entitles PayPoint to receive the dividend or distribution and to retain it; or (y) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by PayPoint of its rights referred to in this paragraph shall be the subject of an announcement and the consent of the Panel and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
10. PayPoint reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms (subject to appropriate amendments, including (without limitation) an acceptance condition set at 75 per cent. (or such lesser percentage, being more than 50 per cent., as PayPoint may decide) of the shares to which such offer relates, so far as applicable) as those which would apply to the Scheme. In the event that the Acquisition is implemented by way of a Takeover Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Takeover Offer have either been satisfied or (if capable of waiver) waived.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction.
13. The Scheme will be governed by laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix 1. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.
14. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.
15. The availability of the New PayPoint Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.
16. The New PayPoint Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the PayPoint Shares in issue at the time the New PayPoint Shares are

issued pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date..

17. Fractions of the New PayPoint Shares will not be allotted or issued pursuant to the Acquisition, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New PayPoint Shares and all fractions of New PayPoint Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of broking fees and other sale costs and expenses, together with any tax or foreign exchange conversion fees payable on the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Enlarged Group.

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATION

1. The value placed by the Acquisition on the existing issued and to be issued share capital of Appreciate Group on a fully diluted basis is based upon:
 - (a) 186,347,228 Appreciate Group Shares in issue as at the Latest Practicable Date (and assuming no Appreciate Group Shares held in treasury); and
 - (b) up to 2,779,088² Appreciate Group Shares that may be issued pursuant to the Appreciate Group Share Plans.
2. The number of Appreciate Group Shares eligible to vote on:
 - (a) the Scheme at the Court Meeting is 186,347,228 Appreciate Group Shares; and
 - (b) the Resolution to be proposed at the General Meeting is 186,347,228 Appreciate Group Shares.
3. The Closing Prices for PayPoint Shares and Appreciate Group Shares have been derived from Bloomberg.
4. Volume-weighted average prices have been derived from Bloomberg.
5. The enterprise value is calculated by reference to the fully diluted equity value minus net cash of £20 million as at 31 March 2022.
6. The implied enterprise value multiple of approximately 6.2x Appreciate Group's Adjusted EBITDA is calculated on the basis of Appreciate Group's Adjusted EBITDA for the 12 months to 31 March 2022 of approximately £10 million.
7. Immediately following completion of the Acquisition, existing PayPoint Shareholders will hold approximately 95 per cent. and Appreciate Group Shareholders will hold approximately 5 per cent. of the enlarged issued share capital of PayPoint based on the existing issued share capital of PayPoint and the fully diluted share capital of Appreciate Group as calculated in accordance with paragraph 1 above.
8. Unless otherwise stated, the financial information relating to Appreciate Group is extracted from the audited consolidated financial statements of Appreciate Group for the financial year ended 31 March 2022, prepared in accordance with IFRS.
9. Unless otherwise stated, the financial information relating to PayPoint is extracted from the audited consolidated financial statements of PayPoint for the financial year ended 31 March 2022, prepared in accordance with IFRS.

² This number reflects: (i) with respect to the IP, the maximum number of Appreciate Group Shares which could be issued pursuant to outstanding options, together with an estimate of the maximum number Appreciate Group Shares which could be issued pursuant to options granted in connection with the In-year Awards, assuming a Appreciate Group Share price of 28 pence at the time of option grant; and (ii) with respect to the SAYE, this number assumes pro-rating as at 31 January 2024, based on the participants' contributions to that date.

APPENDIX 3

IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

1. Summary of Irrevocable Undertakings and Letters of Intent received

Name of beneficial holder	Number of Appreciate Group Shares in respect of which undertaking/letter of intent is given	Percentage of issued share capital of Appreciate Group %
Irrevocable Undertakings		
Appreciate Group Directors		
Guy Parsons	56,413	0.03
John Gittins	10,000	0.01
Sally Cabrini	35,000	0.02
Other Appreciate Group Shareholders		
North Atlantic Smaller Companies Investment Trust plc	18,200,000	9.77
Letters of Intent		
Schroder Investment Management Limited	17,500,693	9.39
The Ramsey Partnership Fund Limited	7,486,300	4.02
Total irrevocable Undertakings and Letters of Intent	43,288,406	23.23

2. Irrevocable Undertakings from the Appreciate Group Directors

Each of Guy Parsons, John Gittins and Sally Cabrini have given an irrevocable undertaking to vote or procure the votes to approve the Scheme at the Court Meeting and to vote or procure the votes in favour of the Resolution at the General Meeting in respect of their own beneficial holdings totalling 101,413 Appreciate Group Shares in aggregate, representing approximately 0.1 per cent. of the issued share capital of Appreciate Group as at the Latest Practicable Date.

These irrevocable undertakings remain binding in the event a higher competing offer is made for Appreciate Group and will only cease to be binding if:

- immediately if the Scheme Document (as the case may be) is not published within 28 days of the date of publication of this Announcement (or within such longer period as PayPoint and Appreciate Group may agree, with the consent of the Panel);

- immediately if PayPoint announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition;
- immediately if the Scheme does not become wholly unconditional before 11.59 p.m. on the Long Stop Date; and
- on and from the time and date on which the Acquisition is withdrawn, lapses or otherwise terminates in accordance with its terms.

In the event that PayPoint exercises its right to implement the Acquisition by way of a Takeover Offer, the Appreciate Group Directors have stated that they intend to accept or procure the acceptance of such offer.

3. **Further Appreciate Group Shareholder Irrevocable Undertaking**

North Atlantic Smaller Companies Investment Trust plc has given an irrevocable undertaking to vote or procure the votes to approve the Scheme at the Court Meeting and to vote or procure the votes in favour of the Resolution at the General Meeting in respect of their own beneficial holdings totalling 18,200,000 Appreciate Group Shares in aggregate, representing approximately 9.8 per cent. of the issued share capital of Appreciate Group as at the Latest Practicable Date.

The irrevocable undertaking will cease to be binding if:

- immediately if the Scheme Document (as the case may be) is not published within 28 days of the date of publication of this Announcement (or within such longer period as PayPoint and Appreciate Group may agree, with the consent of the Panel);
- immediately if PayPoint announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition;
- immediately if the Scheme does not become wholly unconditional before 11.59 p.m. on the Long Stop Date;
- prior to either (i), where the Acquisition is being implemented by way of a Scheme, the holding of the Court Meeting, or (ii) where the Acquisition is being implemented by way of an Offer, the Offer being declared unconditional as to acceptances:
 - a third party announces a firm intention to make an offer (or revised offer) (in accordance with Rule 2.7 of the Takeover Code) to acquire the Appreciate Group Shares;
 - such third party offer exceeds the offer price by at least 10 per cent. at the time that the third party offer is announced (a Higher Competing Offer); and
 - a period of five days has elapsed from the rule 2.7 announcement in respect of the Higher Competing Offer without PayPoint having revised the terms of the Acquisition to increase the Offer Price to an amount equal to or exceeding the value of the consideration per Appreciate Group Share of the Higher Competing Offer,

then all obligations pursuant to this undertaking shall immediately lapse at 11.59 p.m. on the fourteenth day following the date of the announcement of a Higher Competing Offer; and

- on and from the time and date on which the Acquisition is withdrawn, lapses or otherwise terminates in accordance with its terms.

4. **Appreciate Group Shareholder Letters of Intent**

PayPoint has obtained the following non-binding letters of intent to vote in favour of the resolutions relating to the Acquisition at the Court Meeting and the General Meeting in respect of their own beneficial and connected holdings of Appreciate Group Shares:

Name	Number of Appreciate Group Shares in respect of which letter of intent is given	Percentage of issued share capital of Appreciate Group
Schroder Investment Management Limited	17,500,693	9.4%
The Ramsey Partnership Fund Limited	7,486,300	4.0

APPENDIX 4

DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise:

"Acquisition"	the proposed direct or indirect recommended acquisition by PayPoint of the entire issued and to be issued share capital of Appreciate Group, to be implemented by means of the Scheme (or by way of a Takeover Offer under certain circumstances described in this Announcement) and, where the context requires, any subsequent revision, variation, extension or renewal thereof;
"Adjusted EBITDA"	earnings before interest, tax, depreciation and amortisation adjusted for exceptional items;
"Admission"	admission of the New PayPoint Shares to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange;
"AIM" or "AIM Market"	AIM, a market of the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
"Amended Appreciate Group Articles"	the Appreciate Group Articles, as amended to include provisions, in terms approved by PayPoint, that avoid any person (other than PayPoint or its nominee) remaining as a holder of Appreciate Group Shares after the Effective Date, such proposed amendment to be set out in full in the notice of the General Meeting;
"Amended Facility Agreement"	the amended and restated term and revolving facilities agreement entered into between, among others, PayPoint, the arrangers and original lenders listed therein and Lloyds Bank plc as agent on 7 November 2022;
"Announcement"	this announcement;
"Appreciate Group"	Appreciate Group plc a public company limited by shares incorporated in England and Wales with registered number 01711939 and which has its registered office at Valley Rd, Birkenhead, Merseyside, CH41 7ED;
"Appreciate Group Articles"	the articles of association of Appreciate Group as at the date of this Announcement;
"Appreciate Group Directors" or "Appreciate Group Board"	the directors of Appreciate Group;
"Appreciate Group Regulated Entity"	means Park Card Services Limited;
"Appreciate Group Share Plans"	the IP and SAYE;
"Appreciate Group Shareholders"	the holders of Appreciate Group Shares;

"Appreciate Group Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of 2 (two) pence each in the capital of Appreciate Group and any further such ordinary shares which are unconditionally allotted or issued before the Effective Date;
"B2B"	business-to-business;
"B2C"	business-to-consumer;
"Business Day"	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are generally open for normal business in the City of London;
"C2DE"	the NRS social grades C2 (skilled working class), D (working class) and E (non-working);
"Closing Price"	the closing middle market price of a Appreciate Group Share or a PayPoint Share (as relevant) on a particular trading day as derived from the Daily Official List;
"Conditions"	the conditions to the implementation of the Acquisition, as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document, and " Condition " means any one of them;
"Confidentiality Agreement"	the confidentiality agreement between PayPoint and Appreciate Group dated 1 September 2022, a summary of which is set out in paragraph 12 of this Announcement;
"Co-operation Agreement"	the co-operation agreement between PayPoint and Appreciate Group dated 7 November 2022, a summary of which is set out in paragraph 12 of this Announcement;
"Court"	the High Court of Justice in England and Wales;
"Court Hearing"	the hearing at which the Court sanctions the Scheme under section 899 of the Companies Act 2006;
"Court Meeting"	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act 2006, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
"Court Order"	the order of the Court sanctioning the Scheme;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
"Daily Official List"	the Daily Official List published by the London Stock Exchange;
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;

"Disclosed"	the information which has been fairly disclosed by, or on behalf of Appreciate Group: (i) in the information made available to PayPoint (or PayPoint's advisers) in the data room established by Appreciate Group for the purposes of the Acquisition prior to the date of the Announcement; (ii) in the annual report of Appreciate Group for the financial year ended 31 March 2022; (iii) in this Announcement; (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, Appreciate Group before the date of this Announcement; or (v) as otherwise fairly disclosed by or on behalf of Appreciate Group to PayPoint (or their respective officers, employees, agents or advisers) before the date of this Announcement;
"Disclosure Guidance and Transparency Rules"	and the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA;
"Effective Date"	the date on which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) (if PayPoint elects to implement the Acquisition by way of a Takeover Offer), the date on which such Takeover Offer becomes or is declared unconditional in all respects in accordance with the requirements of the Takeover Code, and "Effective" shall be construed accordingly;
"EpoS"	electric point of sale;
"Enlarged Group"	the enlarged group following the Acquisition comprising the PayPoint Group and the Wider Appreciate Group;
"Euroclear"	Euroclear UK and International Limited;
"Excluded Shares"	any Appreciate Group Shares registered in the name of or beneficially held by PayPoint or any other member of the Wider PayPoint Group or any of their respective members or nominees; any Appreciate Group Shares held in Treasury; and any other Appreciate Group Shares which PayPoint and Appreciate Group agree will not be subject to the Scheme;
"FCA" or "Financial Authority"	Conduct the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000, or any successor regulatory body;
"Forms of Proxy"	the forms of proxy in connection with each of the Court Meeting and General Meeting which will accompany the Scheme Document;
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time;
"General Meeting"	the general meeting of Appreciate Group Shareholders (including any adjournment thereof) to be convened for the purposes of seeking approval of the Resolution to be adopted in connection with the Scheme, notice of which will be set out in the Scheme Document;
"Herax Partners"	Herax Partners LLP;

"IFRS"	International Financial Reporting Standards;
"In-Year Awards"	means incentive awards granted or to be granted under the IP with a performance period relating to the 1 April 2022 - 31 March 2023 financial year of Appreciate Group;
"IP"	the Appreciate Group Incentive Plan, adopted on 14 January 2021;
"ISIN"	International Securities Identification Number;
"Jefferies"	Jefferies International Limited;
"Latest Practicable Date"	4 November 2022;
"Liberum"	Liberum Capital Limited;
"London Stock Exchange"	London Stock Exchange plc;
"Long Stop Date"	5 June 2023 or such later date as may be agreed by Appreciate Group and PayPoint (with the Panel's consent);
"Market Abuse Regulation"	the UK version of EU Regulation No. 596/2014, which has effect in English law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019;
"New PayPoint Shares"	the new PayPoint Shares, to be allotted and issued pursuant to the Scheme and the Acquisition (as the context so requires);
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Appreciate Group, which commenced on the date of this Announcement;
"Official List"	the official list maintained by the FCA pursuant to Part 6 of the FSMA;
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Takeover Code;
"Overseas Shareholders"	Appreciate Group Shareholders (or nominees of, or custodians or trustees for Appreciate Group Shareholders) not resident in, or nationals or citizens of the United Kingdom;
"Panel"	the Panel on Takeovers and Mergers;
"PayPoint"	PayPoint plc, a public limited company registered in England and Wales with registered number 03581541, whose registered office is at 1 The Boulevard, Shire Park, Welwyn Garden City, Hertfordshire, AL7 1EL;
"PayPoint Directors" or "PayPoint Board"	the board of directors of PayPoint from time to time and "PayPoint Director" shall mean any one of them;
"PayPoint Group"	PayPoint and its subsidiary undertakings and, where the context permits, each of them;
"PayPoint Shareholders"	holders of PayPoint Shares from time to time;

"PayPoint Shares"	ordinary shares of 1/3 pence each in PayPoint from time to time;
"Permitted Dividend"	any interim dividend of up to 0.8 pence per Appreciate Group Share which is declared by the board of Appreciate Group and paid in respect of the six-month period ending 30 September 2022;
"Regulatory Information Service"	a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange's website;
"Relevant Pension Plans"	means the Park Food Group plc Pension Scheme and Park Group Pension Scheme;
"Resolution"	such shareholder resolution of Appreciate Group as is necessary to approve, implement and effect the Scheme and the Acquisition, including (without limitation) the resolution to approve the Amended Appreciate Group Articles;
"Restricted Jurisdiction"	any jurisdiction into which, or from which, making the Acquisition or this Announcement available would violate the laws of that jurisdiction;
"SAYE"	means the Appreciate Group SAYE Plan;
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Appreciate Group and Appreciate Group Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Appreciate Group and PayPoint;
"Scheme Document"	the document to be sent to Appreciate Group Shareholders containing, amongst other things, the full terms and conditions of the Scheme and the notices convening the Court Meeting and General Meeting;
"Scheme Record Time"	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date;
"Scheme Shareholder"	a holder of Scheme Shares;
"Scheme Shares"	all Appreciate Group Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and before the Scheme Voting Record Time; and (iii) (if any) issued at or after the Scheme Voting Record Time but on or before the Scheme Record Time either on terms that the original or any subsequent holders thereof are bound by the Scheme or in respect of which such holders are, or shall have agreed in writing to be, so bound,

and, in each case (where the context requires), remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;

"Scheme Voting Record Time"	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Court Meeting;
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent, or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act 2006) of such undertaking or the relevant partnership interest;
"SME"	small and medium enterprise;
"Takeover Code"	the City Code on Takeovers and Mergers;
"Takeover Offer"	a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006;
"Third Party"	any relevant central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body, any entity owned or controlled by any relevant government or state or any body or person whatsoever in any jurisdiction;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United Nations"	the international organisation founded in 1945 with 193 Member States;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof;
"US Exchange Act"	the United States Securities Exchange Act of 1933, and the rules and regulations promulgated thereunder;
"Wider Appreciate Group"	Appreciate Group and its subsidiary and associated undertakings and any other body corporate, partnership, joint venture or person in which Appreciate Group and all such undertakings (aggregating their interests) have a Significant Interest; and
"Wider PayPoint Group"	PayPoint and its subsidiary and associated undertakings and any other body corporate, partnership, joint venture or person in which PayPoint and all such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**associated undertaking**" have the respective meanings given thereto by the Companies Act 2006.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All the times referred to in this Announcement are London (UK) times unless otherwise stated.

References to the singular include the plural and vice versa.

SCHEDULE 2

THE OFFEREE SHARE PLANS

The Offeror and the Offeree agree that the following arrangements will, where appropriate and, subject to the Scheme (or, as applicable, the Takeover Offer) becoming Effective, apply to the Offeree Share Plans and certain other employment incentive arrangements.

1 DEFINITIONS

1.1 For the purposes of this Schedule 2, the following words shall have the following meanings:

"Cash Payment" means a right to receive cash pursuant to an Incentive Award

"Effective" means either:

(a) the Scheme becoming effective in accordance with its terms upon delivery of the court order to the registrar of companies; or

(b) if the Offeror elects to implement the Acquisition by means of a Takeover Offer in accordance with clause 4.1, the Takeover Offer becoming or being declared unconditional in all respects in accordance with its terms;

"In-year Awards" means Incentive Awards granted or to be granted under the IP with a performance period relating to the 1 April 2022 - 31 March 2023 financial year.

"Incentive Award" means a right to receive a Cash Payment and a share award under the IP

"IP" means the Church Incentive Plan, adopted on 14 January 2021

"Offeree Share Plans" means the IP and the SAYE

"Option" means a right to Offeree Shares granted under the IP

"SAYE" means the Church SAYE Plan

"Scheme Record Time" means such time as the Offeror and Offeree agree is the scheme record time for the purposes of the Scheme

1.2 Capitalised words and terms used but not defined in this Schedule 2 shall have the meaning given to them in the Agreement of which this Schedule forms part. Capitalised terms used in this Schedule 2 and not defined elsewhere in this Agreement, shall, unless the context requires otherwise, have the same meanings as are given to them in the relevant Offeree Share Plan.

2 OUTSTANDING OPTIONS

2.1 The Offeree confirms that the following options are outstanding under the Offeree Share Plans as at the date of this Agreement:

(a) under the IP, nil cost Options over 1,495,689 Offeree Shares

(b) under the SAYE, options over 752,546 Offeree Shares with an exercise price of 25.43p

2.2 The Offeror acknowledges that on the Court Order being granted:

- (a) Options granted under the IP will vest and become exercisable; and
- (b) SAYE options will become exercisable

in each case as provided for under the rules of the relevant Offeree Share Plan.

- 2.3 The Offeree confirms that there are no subsisting options or awards over Church Shares under any other incentive plans or arrangements adopted by the Offeree or any member of its Group.
- 2.4 For the avoidance of doubt, there will be no restrictions on the vesting or exercise of any options under the Offeree Share Plans prior to the Scheme Record Time, subject to any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which the Offeree seeks to comply
- 2.5 The Offeree confirms that it is currently intended that any dividend equivalents due in respect of the Options on vesting will be paid in cash.
- 2.6 To the extent that any Offeree Shares are issued or allotted to any participant in respect of such participant's entitlement under the Offeree Share Plans prior to the Scheme Record Time, the Offeree shall procure that such Offeree Shares are recorded in the Offeree register of members prior to the Scheme Record Time.
- 2.7 Offeree Shareholder approval will be sought for an amendment to the articles of association of the Offeree by the adoption and inclusion of a new article (to be set out in the notice of the Offeree General Meeting) under which any Offeree Shares issued on or after the Effective Date will be automatically transferred to, or to the order of, the Offeror for the same consideration payable per Offeree Share under the Scheme.

3 IN-YEAR AWARDS

- 3.1 The Offeree intends to make the following Incentive Awards under the IP, to be communicated to participants at or around the end of November. The Incentive Awards will have two components, a right to receive a Cash Payment and a right to receive a share award which is usually granted in the form of a nil-cost Option, in each case if certain performance conditions are met.

Individual	Cash award ¹	Share award ²	Maximum value of shares under award at £0.28 share price
Person A	50%	75%	602,679
Person B	40%	50%	267,857

- 3.2 On the Court Order being granted, the In-year Awards will be dealt with in accordance with the rules of the IP. In particular, the provisions of rule 2.10 of the IP will apply.

¹ Maximum Cash Payment as a percentage of reference salary

² Maximum value of Offeree shares under award as a percentage of reference salary

4 **OPERATION OF THE OFFEREE SHARE PLANS**

The Offeror acknowledges that, prior to the Effective Date:

- (a) the Offeree may continue to grant awards under the Offeree Share Plans, and otherwise continue to operate the Offeree Share Plans, in accordance with the rules of the relevant plan, the Offeree's normal practice and any other applicable terms; and
- (b) the Offeree may amend the rules of the Offeree Share Plans, and any other terms applicable to awards or other rights under them, if the Remuneration Committee of the Offeree considers that such amendments are necessary or desirable to implement the Scheme, to facilitate the treatment of outstanding awards under the Offeree Share Plans in connection with the Scheme, to facilitate the administration of the Offeree Share Plans or to obtain or maintain favourable tax treatment for participants, for the Offeree or for any company in the Offeree Group.

5 **EMPLOYEE BENEFIT TRUST**

- 5.1 The Offeror confirms that the Church Employee Benefit Trust currently does not hold any Offer Shares, nor does it have any loans outstanding with the Offeree or any member of its Group.

6 **RETENTION BONUSES**

- 6.1 The Offeror and Offeree note that a joint submission to the Panel has been made setting out proposals regarding certain retention bonuses and agree that the Offeree will notify the Offeror of, and consult with the Offeror regarding, any additional such bonuses that it proposes to make, noting that this will not fetter the discretion of the Remuneration Committee of the Offeree.

7 **RULE 15 LETTERS**

The Offeror and the Offeree intend to make communications (or, if applicable, multiple sets of communications) to each of the participants in the Offeree Share Plans to enable the Offeree to satisfy its obligations under Rule 15 of the Code in respect of the Offeree Share Plans and to send, or arrange for the sending of, such communications to the participants at to be sent at or around the same date as the Offer Document is published. It is intended that the proposals made to participants of Offeree Share Plans will provide participants with the opportunity to exercise their Options or SAYE options (as applicable), with the exercise to take effect on the Court Order being granted, such that any Offeree Shares the participants acquire on exercise will be acquired by the Offeror pursuant to the Scheme.

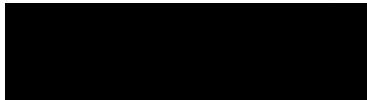
8 **PANEL SUBMISSIONS**

The Offeror acknowledges that the Offeree may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2, having consulted with the Offeror before making any such submission. The Offeree shall consider any comments or responses made by the Offeror on such submission in good faith, and the Offeror agrees to co-operate as soon as possible and in good faith in the making of any such submission.

9 **TAKEOVER OFFER**

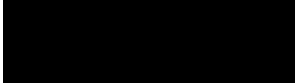
- 9.1 For the avoidance of doubt, should the Acquisition proceed by way of a Takeover Offer (rather than by way of Scheme), the provisions of this Schedule shall apply as far as possible on the same terms and conditions to such Takeover Offer (as applicable).

EXECUTED and delivered as a deed by
PAYPOINT PLC

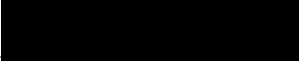


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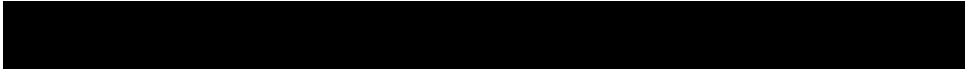
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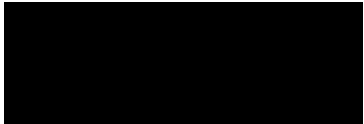
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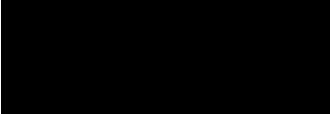


EXECUTED and delivered as a deed by
APPRECIATE GROUP PLC



acting by Guy Parsons)
in the presence of:)
.....)

Witness's signature



Name:



Address:

