Dear Stakeholders of GoodBox,

We are writing to you as a follow up to the Practice Statement Letter dated the 15th of September 2022, regarding the Restructuring Plan for GoodBox (The Good Box Co Labs LTD, in Administration) as well as the update letter dated the 19th of October 2022 which summarised changes to the initially described plan.

The referenced letters can be found at the links below:

https://www.ngi.systems/GoodBox/NGi-Systems_PSL_GoodBox_Rescue_2022.09.15.pdf

https://www.ngi.systems/GoodBox/NGi-Systems_GoodBox_Rescue_Update_2022.10.19.pdf

The purpose of this letter is to inform you of:

1. The summary of the Restructuring Plan in its proposed form which has been submitted to the Court.
2. The meetings of creditors and members anticipated to be required in connection with the Restructuring Plan.
3. The date of, and further details about, the pending Court hearing, and information about subsequent hearings.
4. The rights of creditors and members to attend the hearings and to vote on the Restructuring Plan.

This letter is being circulated by NGi Systems to all shareholders and creditors with whom NGi Systems has contact. Additionally, NGi Systems has requested that the Administrators of GoodBox circulate this letter to all creditors and members on behalf of the Company.

If any stakeholder has any enquiries in respect of this letter or the Restructuring Plan, they should contact NGi Systems, via email to contact@ngi.systems.

Please note that, further to our previous correspondence, the proposed Plan Administrators are Joanne Elizabeth Milner and David Julian Buchler, both of Buchler Phillips, 64 North Row, Mayfair, London W1K 7DA.

Contents

1. Summary of the Restructuring Plan

1.1 Documents and notices related to this Restructuring Plan will be published on the following website (the Restructuring Plan Website): https://www.ngi.systems/GoodBox-Restructuring/

1.2 Any interested party wishing to receive an additional notification by email when new materials are published on the Restructuring Plan Website may subscribe for such notifications on the same website, noting that this is a best effort 3rd party service and is not a substitute for interested parties checking the Restructuring Plan Website directly from time to time ahead of hearings or meetings.

1.3 A copy of the draft Restructuring Plan which has been filed with the High Court of Justice, Business and Property Courts in Leeds (the "Court") has been published on the Restructuring Plan Website. Whilst this Restructuring Plan is subject to change as the Convening Meeting, Plan Meetings and Sanction Hearing (as defined below) are held, the published draft (dated 17 November 2022) represents the commercial proposal of NGi Systems which it believes represents the best opportunity to rescue the Company as a going concern.

1.4 Based on further feedback and legal advice received, the stakeholder class structure proposed in the Restructuring Plan has been amended to reflect the following composition (as fully detailed in clause 5 of the Restructuring Plan):

1.4.1 **Administration Creditors**: any creditor with claims relating to the Administration period, including the secured Administration funding represented by NGi Systems, as well as the Administrators.

1.4.2 **Convertible Loan Holders**: participants in the UK Future Fund financing round of GoodBox, as listed:

1. The British Business Bank, representing the UK Government Future Fund
2. Q Invest Limited (of Guernsey)
3. Mark Kimber (headroom subscriber)
4. Seedrs Nominee Limited (headroom subscriber)

1.4.3 **Trade Creditors**: All pre-Administration suppliers of the Company.

1.4.4 **Historical Shareholders**: All members of the Company.

1.5 The Restructuring Plan proposes the following compromise terms:

1.5.1 The Historical Shareholders agree to appoint the Company as their agent to approve shareholders' resolutions to:

1. Adopt new Articles of Association for the Company, in a form which will be published on the Restructuring Plan Website as soon as possible and in advance of the Convening Hearing.
2. Appoint a new Board of Directors of the Company, as detailed below.
3. Authorize the Board to issue 139,813,100 new Ordinary Shares of £0.005 each in the Company such that the resulting shareholding of the Historical Shareholders becomes 1% of the post-issue equity structure.

1.5.2 The "Rescue Funders", being a group of current shareholders (including NGi Systems) who, together, have made available to NGi Systems £800,000 to fund the expenses of the Restructuring Plan, and to fund the loan granted by NGi Systems to the Company to pay for the costs of the Administration, will receive 85% of the post share issue equity structure. These shares will be allotted to those Rescue Funders as directed by NGi Systems in exchange for the £800,000 funding which has been made available to the Company by NGi Systems as agent of the Rescue Funders.

1.5.3 The claims of the Administration Creditors and Trade Creditors are to be paid in full subject to the adjudication process set out in clause 10 in the Restructuring Plan, using a debt facility that will be made available by the Rescue Funders (separate to the £800,000 funding discussed above) with NGi Systems acting as principal lender, arranger, and security agent on their behalf. The debt facility will be implemented as part of the Restructuring Plan and secured by way of a debenture over the Company. The initial amount of the debt facility will be £500,000 but the syndicated nature of the facility will enable the Rescue Funders or any other party to flexibly contribute toward the short- and medium-term funding needs of the Company as may be required in the future. The debt facility to be implemented will fund the working capital needs of the Company to allow it to strategically refinance for further growth. Such funding will be payable flexibly over a 3-year period to not burden the short- and medium-term financial position of the Company. A copy of the proposed debt facility will be published on the Restructuring Plan Website in advance of the Convening Hearing.

1.5.4 The Convertible Loan Holders will convert their respective debt (subject to such claims being upheld under the adjudication process set out in clause 10 the Restructuring Plan) into a pro-rata of 14% of the post share issue equity structure. Shares corresponding to parts of debt claims of the Convertible Loan Holders not upheld during the adjudication shall be allotted proportionally to the remaining stakeholders pursuant to the terms of the Restructuring Plan.

1.6 The appointed Plan Administrators shall be granted a power of attorney by each of the stakeholders under the Restructuring Plan to execute the Plan Documents and any other documents required to implement the Restructuring Plan, as sanctioned by the Court.

1.7 The claims adjudication process shall be managed by the Plan Administrators, in accordance with the terms of the Restructuring Plan, applying insolvency set-off where mutual dealing is established. Any creditor dissatisfied with the decision of the Plan Administrators in respect of its debt will have the right to issue a claim at Court for the determination of its debt, as detailed in clause 10.2(k) of the Restructuring Plan.

1.8 Upon the sanctioning of the Restructuring Plan, the Company will exit from Administration. The current Administrators will vacate their office, and the control of the Company and the business will be passed to the newly appointed Board of Directors.

1.9 The Company is an FCA regulated business and requires FCA approvals and authorisations to trade. As a result of restrictions put in place by the FCA following the Company's entry into administration, the Company is able to service its pre-existing customer base but cannot onboard new ones. David White, the current CEO and proposed CEO of the new Board, is authorised by the FCA to carry on regulated activities. Following sanction of the Restructuring Plan, FCA authorisation will be sought for each director and shareholder not already so authorised to carry on regulated activities. Whilst this authorisation process is undertaken, those shareholders and directors shall have restrictions placed on their voting rights and powers to act, under the Restructuring Plan, new Articles and the Shareholders Agreement until such time as they secure the relevant FCA approvals. If FCA approvals are not obtained for specific shareholders and directors then David White will work with the approved shareholders and other approved directors to propose suitable alternative directors to the FCA and to address any specific concerns regarding the equity structure, under the oversight of the Plan Administrators. This will ensure that at no time does the Company act in contravention of any financial regulations as may apply to the Company.

2. Proposed New Board of Directors

2.1 Working in conjunction with the current CEO of the Company, David White, who was not a member of the previous Board of Directors, a new independent Board of Directors is proposed for appointment as part of the Restructuring Plan as follows:

2.1.1 **David White, CEO**
delivered commercial strategy of profitable unit level economics for GoodBox, oversaw the streamlining and cost optimization of the business

2.1.2 **Davoc Bradley, Technology Director**
experienced CTO, built and operated FCA and PCI regulated payment solutions, experienced in building scalable architectures and platforms

2.1.3 **Markus Hoevekamp, Growth Director**
ex Verifone executive and current CEO of a European merchant services payments company, strong profile to drive the business expansion of GoodBox

3. Administration Update

3.1 The Administrators held the first meeting of the Creditors' Committee on the 1st of November 2022. The committee was formed as published on Companies House on the 21st of September 2022.

3.2 At the meeting the Administrators indicated that the relevant alternative to this Restructuring Plan would be a sale of the business and assets. They confirmed that the sale would not result in a full payout of the secured Administration funding loan and thus not result in distributions to any unsecured pre-Administration creditors of the Company. It follows that there would also be no distributions to shareholders.

3.3 Finally, the Administrators indicated that further funding would be required to allow the Company to trade and complete the Court procedures for the Restructuring Plan. As noted above, this funding is currently being made available to the Company by NGi Systems (funded by the Rescue Funders). However, this funding arrangement is not sustainable at its current levels and if the Restructuring Plan is not sanctioned that funding will end and the Company will either: (1) have to sell its business and assets with substantially the whole of the proceeds being returned to NGi Systems as secured creditor; or (2) immediately enter liquidation.

4. Restructuring Plan Court Hearings

4.1 NGi Systems has issued an application to the Court for an order that meetings of the creditors and members of GoodBox (the "Plan Meetings") be convened for the purpose of considering and, if thought, fit approving the Restructuring Plan (the "Convening Hearing"). Copies of the Part 8 Claim Form, Details of Claim for that application are published on the Restructuring Plan Website.

4.2 The Convening Hearing will be held for one day on 21st December 2022 in the High Court of Justice, Business and Property Courts in Leeds, 1 Oxford Row, Leeds LS1 3BG. The Convening Hearing will commence at 10:30am. The notice of the Convening Hearing is published on the Restructuring Plan Website. As NGi Systems to do not hold contact details for all of the stakeholders in the Company, it will also request that the Administrators circulate notice of the Convening Hearing to all known creditors and members of the Company.

4.3 Based on the funding situation of the Administration and a relevant alternative of no return to pre-Administration creditors and shareholders and, additionally, given that NGi Systems has actively sought to engage with stakeholders over the previous months, NGi Systems will seek to progress matters as quickly as possible.

4.4 Creditors and shareholders have the right to attend and make representations in person or through counsel at the Convening Hearing, although they are not obliged to do so. At the Convening Hearing, NGi Systems will also draw to the Court's attention any issue raised in response to this letter and previous letters.

4.5 This letter is intended to provide creditors and shareholders with sufficient information regarding the Restructuring Plan so that, should they wish to raise issues that relate to the jurisdiction of the Court to sanction the Restructuring Plan or any other issues in relation to the constitution of the Plan Meetings or which might otherwise affect the conduct of the Plan Meetings, they may attend or be represented before the Court at the Convening Hearing. Creditors are also able to raise other issues at the Convening Hearing, however, consistent with the Court's usual approach, issues relating to the "fairness" of the Restructuring Plans will likely only be considered by the Court at the hearing for the purposes of sanction of the Restructuring Plan (the "Sanction Hearing").

4.6 Creditors should be aware that the Court has previously indicated that issues which may arise as to the constitution of the meetings of creditors, or which otherwise affect the conduct of such meetings should normally be raised at the Convening Hearing. In the normal case, if they do not do so, while Creditors will still be able to appear and raise objections at the Sanction Hearing, the Court would expect them to show good reason why they did not previously raise those issues.

4.7 Specifically, each class of stakeholders, as defined in the Restructuring Plan and summarised in this letter, is anticipated to have its own meeting to consider and vote on the Restructuring Plan. At those meetings, voting will be determined by each stakeholders' proportionate interest in their respective class. In the case of creditors, the percentage of votes allocated to each stakeholder will be relative to their proportionate debt as between the members of that class. In the case of members of the Company, voting will be relative to the proportionate number of shares held by each member of the Company. A class of stakeholders is deemed to have voted in favor of the Restructuring Plan if members of that class representing 75% of the value of the debt/shares corresponding to the votes cast are votes in favour.

4.8 Creditors and shareholders should take legal or other professional advice if they have any concerns in relation to the matters set out in this letter. Any creditors with queries or concerns may also contact NGi Systems, although NGi Systems, will be unable to offer legal advice to creditors or shareholders relating to the Restructuring Plan.

4.9 A draft Explanatory Statement, that is to be put before the Court at the Convening Hearing, will be published on the Restructuring Plan Website at least 14 days before the Convening Hearing and will include further details in relation to the Restructuring Plan, including notice and further details of any issue which according to the Practice Statement for Schemes of Arrangement under Part 26 and Part 26A of the Companies Act 2006 should be brought to the attention of the Court. Should any amendments be required to the Explanatory Statement based on directions received during the Convening Hearing, an amended version will be published shortly after the Convening Hearing on the Restructuring Plan Website.

4.10 If any creditor has comments as to the constitution of the Plan Meetings which are proposed, or any other issues which they consider should be raised with the Court, they should in the first instance and as soon as possible contact NGI Systems using the contact details set out below.

4.11 Should any stakeholder wish to attend the Convening Hearing, they should notify NGi Systems of this and identify the legal advisors acting on their behalf, so that NGI Systems' legal advisors can liaise with them to make arrangements for the Convening Hearing.

4.12 Provided that the Court gives its permission to convene the necessary meetings of the creditors and members to vote on the Restructuring Plan, NGi Systems will notify the creditors and members in accordance with the directions of the Court of the time, date and venue of the meetings and set out how creditors may vote at the meetings. This will also be published on the Restructuring Plan Website. It is not anticipated that the Plan Meetings will be held before the 3rd of January 2023.

4.13 Whilst the directions under which the Plan Meetings will be convened are to be determined by the Court, NGI Systems will propose that the Plan Meetings are held virtually. The Plan Administrator, acting as chairman, would chair Plan Meetings which could be attended by stakeholders by video conference. Voting is proposed to be carried out by returning voting forms to the Plan Administrator by email before the meeting with the option of amending the vote at the meeting. Absentee voting is proposed to be permitted.

4.14 If at the Convening Hearing the Court orders the Plan Meetings to be convened, then at the Sanction Hearing the creditors and members will have the opportunity to raise objections as to the fairness or terms of the Restructuring Plan itself, and the Court will decide whether to exercise its discretion to sanction the Restructuring Plan.

4.15 In exercising its discretion to sanction the Restructuring Plan, the Court may utilise the provisions of the Companies Act to authorise a "cross-class cram down". As noted above, a stakeholder class will be deemed to have voted in favour of the Restructuring Plan if participants representing over 75% of the value of that class vote in favour of the Restructuring Plan. However, the Court has the jurisdiction to sanction a restructuring plan which fails to obtain approval by any stakeholder class provided that:

a) the court is satisfied that, if the plan were to be sanctioned, none of the members of the dissenting stakeholder class would be any worse off than they would be in the event of the "relevant alternative". As noted above, in the case of the Company, the "relevant alternative" would be a sale of the business and assets of the Company which is unlikely to result in any distribution to unsecured creditors or members; and

b) at least one class of stakeholders who would receive a payment or have a genuine economic interest in the Company in the event of the "relevant alternative" votes in favour of the plan.

If those circumstances are fulfilled, then the Court may bind a dissenting class of stakeholders to the Restructuring Plan, notwithstanding that class's non-approval of it.

4.16 Creditors and members will be notified of the date of the Sanction Hearing as soon as the details have been confirmed by the Court. As NGi Systems do not hold contact details for all of the stakeholders in the Company, it will also request that the Administrators circulate notice of the Sanction Hearing to all known creditors and members of the Company.

4.17 The documents required for the Restructuring Plan will comprise the Explanatory Statement (which will include the forms to be used for voting on the Restructuring Plan and for evidencing creditor claims), the Restructuring Plan document (and schedules to it) and the notices convening the Plan Meetings (together, the “Plan Documents”). The Plan Documents will be provided to the Court in advance of the Convening Hearing and will also be published on the Restructuring Plan Website.

4.18 Please send any responses to this letter to NGi Systems, via email to contact@ngi.systems, with the subject reference “GoodBox Restructuring Plan”.

4.19 If any amendments or modifications are made to the Plan Documents either by direction of the Court or otherwise, then such amended or modified documents will also be made available to creditors on the Restructuring Plan Website.

5. **Final Considerations**

5.1 For the reasons set out above, NGi Systems considers the Restructuring Plan to be in the best interests of the creditors and members of GoodBox and recommends that creditors vote in favour of the Restructuring Plan at the relevant Plan Meetings.

5.2 Finally, NGi Systems once again reiterates its open and inclusive approach to this rescue and invites anyone interested in participating in co-financing the rescue of GoodBox to reach out and explore this opportunity.

Yours Sincerely,

Daniel Jecan,
Managing Partner
NGi Systems