

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement, this inside information is now considered to be in the public domain.



3 July 2023

ME Group International plc
(the “Group” or the “Company”)

Entering into a company split agreement with regard to the acquisition of Photobooth Business in Japan (the “Transaction”)

ME Group International plc (LON: MEGP), the instant-service vending equipment group, is pleased to announce that today the Company’s Japanese subsidiary, ME Group Japan K.K. (“ME Group Japan”) entered into a binding conditional agreement to buy the automated-photobooth business owned and operated by two subsidiaries of FUJIFILM Corporation in Japan (the “Business”).

The total Transaction consideration is approximately £5.5 million (Japanese Yen 996 million) and is capped at that amount but may reduce subject to an adjustment mechanism under the binding conditional agreement. The Group expects to fund the Transaction by means of a new local loan facility on commercially advantageous terms. Should this not be available, the Group will fund the Transaction from its existing cash resources. The Group believes that the Transaction will complete by the end of September 2023.

Commenting on the Transaction, Serge Crasnianski, Deputy Chairman and CEO, said:

“We are delighted to announce the significant expansion of our operations in Japan from our current installed estate of approximately 10,500 photobooths in the region today. The transaction fully aligns with our strategy of further consolidating our leading market position in our core markets, as well as making selective bolt-on acquisitions.”

“Demand for Photo ID in Japan remains robust, driven by the Japanese government’s social security and taxation photo ID card scheme. The acquired photobooths will be fully integrated into the Group’s operations in Japan and will benefit from operational synergies under the Group’s ownership.”

“Upon completion, the Group will become the leading operator in the Japanese photobooth market and long-term contracts with site owners will provide ongoing predictable revenue streams.”

Details of the Business

The photobooths being acquired under the Transaction (the “Photobooths”) are traditional photobooths, delivering official photo ID pictures and are located in high-footfall locations, such as travel hubs and shopping centres throughout Japan.

The average annual profit before tax derived from the Photobooths over the previous three financial years ended on 31 March 2023 is approximately £0.29 million (Japanese Yen 45

million) and the valuation of the gross assets on the balance sheet that are the subject of the Transaction as at 31 March 2023 was £2.98 million (Japanese Yen 469 million).

Details of the Transaction

ME Group Japan has entered into a binding conditional absorption-type company split agreement (the "Agreement") with FUJIFILM Imaging Systems Co., Ltd ("FFIS") and N&F Techno Service Co., Ltd. ("NFTS") (together the "Sellers"; both companies are wholly-owned subsidiaries of FUJIFILM Corporation). Completion of the Transaction is subject to standard conditions required to be satisfied before completion such as completion of the company-split type absorption procedure in accordance with Japanese law, and is conditional on certain further consents.

On or after completion, assuming that the agreement becomes unconditional in all respects, ME Group Japan shall pay a maximum consideration of approximately £5.5 million (Japanese Yen 996 million) in aggregate.

The Group expects this Transaction to be earnings-enhancing in the financial year ending 31 October 2024. Should all the Photobooths be acquired, this would increase the Group's Asia Pacific revenue by 20 to 30 per cent and add approximately £2.2 million in profit before tax in the year ending 31 October 2024. Consequently, the Directors believe ME Group Japan would become the market leader in Japan.

Enquiries:

ME Group International plc +44 (0) 1372 453 399 | ir@me-group@hudsonsandler.com

Serge Crasnianski, CEO
Stéphane Gibon, CFO

Hudson Sandler +44 (0) 20 7796 4133 | me-group@hudsonsandler.com

Wendy Baker
Nick Moore
Ben Wilson

NOTES TO EDITORS

ME Group International plc (LSE: MEGP) operates, sells and services a wide range of instant-service vending equipment, primarily aimed at the consumer market.

The Group operates vending units across 19 countries and its technological innovation is focused on four principal areas:

- Photo.ME - Photobooths and integrated biometric identification solutions
- Wash.ME - Unattended laundry services and launderettes
- Print.ME - High-quality digital printing kiosks
- Feed.ME - Vending equipment for the food service market

In addition, the Group operates other vending equipment such as children's rides, amusement machines, and business service equipment.

Whilst the Group both sells and services this equipment, the majority of units are owned, operated and maintained by ME Group International plc. The Group pays the site owner a

commission based on turnover, which varies depending on the country, location and the type of machine.

The Group has built long-term relationships with major site owners and its equipment is generally sited in prime locations in areas of high footfall such as supermarkets, shopping malls (indoors and outdoors), transport hubs, and administration buildings (City Halls, Police etc.). Equipment is maintained and serviced by an established network of 650 field engineers.

In August 2022 the Company changed its listed entity name to ME Group International plc (previously Photo-Me International plc) to better reflect the Group's diversification focus and business strategy.

The Company's shares have been listed on the London Stock Exchange since 1962.

For further information: www.me-group.com