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Photo-Me

27 March 2020

Photo-Me International plc
("Photo-Me" or "the Group")

Business Update

Photo-Me International plc (PHTM.L), the instant-service equipment group, announces the following strategic decisions of its board of directors (the Board) in light of the ongoing COVID-19 crisis.

Further to Photo-Me's announcement made on 17 March 2020, the Board has continued to keep the evolving COVID-19 situation under close review. Owing to the scale of uncertainty being caused by the pandemic, the Board has made two important strategic decisions: to cancel the Group's 2020 interim dividend and to change Photo-Me's accounting reference date.

Trading Update

As noted in the announcement of 17 March 2020, the Group's business continues to be impacted by COVID-19. Since the end of February, owing to the severe limitations being imposed on the movement of people across almost all of the regions in which the Group operates, Photo-Me has since seen a significant drop in revenues across its sites. As a result, the Board has taken steps (and continues to do so) to reduce capital and other expenditure and improve cash flow, including by deferring repayment of loans, obtaining additional credit facilities, and furloughing employees, to ensure the Group continues to be well capitalised and has sufficient liquidity during this uncertain period.

Due to these macroeconomic uncertainties, the Board is withdrawing current market guidance and will provide a further update on guidance once more clarity is known around the outlook of the business.

Dividends

On 10 December 2019, the Board announced its intention to pay an interim dividend of 3.71 pence per Ordinary share on 11 May 2020, with a record date of 14 April 2020. The Board has decided to cancel the announced interim dividend. The Board continues to keep the dividend policy under review.

Funding and Liquidity

The Group is complying with all of its banking covenants.

The Board believes that, before taking account of any of the actions detailed above to further reduce expenditure (including the cancellation of the interim dividend), the Group had

sufficient financial resources to ensure that the Group remains well funded until July 2020 assuming that very limited revenue is generated during the period.

The Board remains confident that its actions outlined today and the actions it is currently seeking to implement will ensure that the Group continues to operate should the lockdown on the movement of people continue for an extended duration.

Change of Financial Year End

The Board believes that adhering to the current year-end of 30 April will be challenging to achieve in the current environment owing to the limitations imposed on the movement of people. Therefore, the Board has decided to extend the Group's current financial year end to 31 October 2020, and have 31 October as its accounting reference date going forward. All subsidiary companies in the Group will align their accounting reference dates (or equivalents) accordingly. The Board believes by implementing this action, sufficient time will be given to the Board, management, and the auditor to complete a detailed full-year audit as it is hoped any limitations on the movement of people will be lifted by then.

The Group will therefore prepare and publish an interim statement in respect of the six-month period ending 30 April 2020, which will be published in July 2020.

Our Team

The Board also wishes to take this opportunity to thank the Group's country managers and all the employees of the Group for the sterling efforts they have made and continue to make, and to its other stakeholders for their continued support.

ENQUIRIES

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NOTES TO EDITORS

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

The Group operates approximately 46,900 vending units across 18 countries and its technological innovation is focused on three principal areas:

- Identification: photobooths and integrated biometric identification solutions
- Laundry: unattended laundry services, launderettes, B2B services
- Kiosks: high-quality digital printing

The Group entered the self-service fresh fruit juice equipment market in April 2019, with the acquisition of Sempa. This will become a key business area ('KIS Food') alongside

Identification, Laundry and Kiosks, and will be a significant part of the Group's future growth strategy.

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

Whilst the Group both sells and services this equipment, the vast majority of units are operated and maintained by Photo-Me. Photo-Me pays the site owner a commission based on turnover, which varies depending on the country and location of the 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) and public transport venues. The equipment is maintained and serviced by an established network of 700 field engineers.

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