

# Interim Results

Released : 12/07/2023 07:00

RNS Number : 7127F  
ME Group International PLC  
12 July 2023



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.

12 July 2023

**ME GROUP INTERNATIONAL PLC**  
("ME Group" or "the Group" or "the Company")

**Interim Results for the six months ended 30 April 2023**

***Strong first-half performance across all business areas, underpinned by consumer demand and diversification of services***

ME Group International plc (LSE: MEGP), the instant-service equipment group, announces its results for the six months ended 30 April 2023 (the "Period").

## KEY FINANCIALS

|                     | Reported         |                  | Change |
|---------------------|------------------|------------------|--------|
|                     | Six months ended | Six months ended |        |
|                     | 30 April 2023    | 30 April 2022    |        |
| Revenue             | £143.8m          | £115.3m          | +24.7% |
| EBITDA <sup>1</sup> | £46.1m           | £40.2m           | +14.7% |

|                                       |         |        |        |
|---------------------------------------|---------|--------|--------|
| Profit before tax                     | £27.2m  | £19.9m | +36.7% |
| Profit after tax                      | £20.4m  | £16.4m | +24.4% |
| Cash generated from operations        | £36.8m  | £29.8m | +23.5% |
| Gross cash <sup>2</sup>               | £113.1m | £95.8m | +18.1% |
| Net cash <sup>2</sup>                 | £24.4m  | £42.2m | -42.1% |
| Earnings per share (diluted)          | 5.34p   | 4.35p  | +22.8% |
| Dividends:                            |         |        |        |
| - Interim Dividend per ordinary share | 2.97p   | 2.60p  |        |
| - Special Dividend per ordinary share | -       | 6.50p  |        |
| Total dividend per ordinary share     | 2.97p   | 9.10p  | -67.4% |

<sup>1</sup> EBITDA is profit before depreciation, amortisation, other net gains and finance cost and income.

<sup>2</sup> Refer to note 9 for the reconciliation of net cash to cash and cash equivalents per the financial statements. The comparative figures for net cash, and gross cash, have been restated by £(1) million to reflect a change in accounting policy which reclassified certain restricted deposits from cash to debtors. This ensures comparability with the current period balances.

## H1 HIGHLIGHTS

- Strong financial performance, with revenue up 24.7% and profit before tax up 36.7%, driven by progress across all of the Group's key business areas - photobooth, laundry and digital printing services - and in all of its 19 operating markets.
- Photo.ME revenue was up 25.4% to £83.9 million, driven by demand for photo ID and increased activity across all territories, particularly Continental Europe and Asia Pacific.
- Wash.ME revenue was up 37.0% to £37.8 million which was reflected in the growth of the Group's laundry estate - a key focus of investment. Revolution laundry units in operation grew 15.8% and represented 11.5% of total group vending estate - the Group installed new machines at a rate of 50-60 per month in the Period.
- Print.ME revenue up 11.5% at 5.8 million with 183 new kiosks were deployed in France during the Period.
- Food.ME revenue contribution was 4.5% of Group revenue, up 106.5% to £6.4m (H1 2022: £3.1 million).

## OUTLOOK

- Continued focus on the Group's five-year growth strategy to support the development of each principal business area, including M&A activity where the Group has an active pipeline of opportunities, to drive sustainable revenue and profit performance.
- Rollout of next-generation multi-service photobooths is underway and the Group is focused on deploying these across its key territories. The Group aims to install between 1,000 and 1,500 machines in France by the end of October 2023.
- Sustained pace of rollout for Revolution laundry units at between 50-60 per month, as the Group continues to expand its laundry machine estate and deploy new laundry formats, including compact and energy-saving models.
- Continued focus on developing Feed.ME business area to accelerate deployment of the Group's new pizza vending machine in France as well as the extension of fresh fruit juice vending equipment presence in Japan.
- Return to the FTSE 250 index post-period end was a momentous milestone for the Company, supported by the delivery of its diversification growth strategy.
- As previously reported, the Group has continued to see positive trading momentum across its operations. Consequently, the Board expects that results for FY 2023 will be in line with recently revised market expectations<sup>+</sup>, subject to any changes to the broader macroeconomic environment.

*\*Current market expectations are revenue between £300 million and £320 million, EBITDA between £100 million and £110 million and profit before tax between £64 million and £67 million*

Serge Crasnianski, CEO & Deputy Chairman, commented:

"The Group has achieved an extremely strong first-half performance across its key business areas and in all of its 19 operating markets, which delivered significant growth in revenue, EBITDA and profit before tax in the Period. As a result, the Board increased its outlook for the current financial year FY 2023 in early June.

"ME Group is a high-potential business that continues to offer growth opportunities in existing and new geographic markets. We have a dominant market position in most of the markets in which we operate and our long-term customer contracts provide us with good predictability and visibility on revenue

streams. Our operations are highly cash-generative and these cash flows are used to fund growth through product innovation and expansion, and allow us to deliver value to shareholders through growth and dividends. Reflecting our solid business model and continued strategic progress, ME Group has re-entered the FTSE 250 Index.

"Looking ahead, the Board remains confident in the Group's growth strategy and strong financial position which provides us with a platform to fund future growth opportunities."

#### ENQUIRIES:

**ME Group International plc**

**+44 (0) 1372 453 399**

Serge Crasnianski, CEO  
Stéphane Gibon, CFO

**Hudson Sandler**

Wendy Baker / Nick Moore / Ben Wilson

**+44 (0) 20 7796 4133**

[me-group@hudsonsandler.com](mailto:me-group@hudsonsandler.com)

#### 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 the Group. 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 more than 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](http://www.me-group.com)



## CHAIRMAN'S STATEMENT

The Group is pleased to announce it has delivered another strong performance during the Period, across its key business areas and its key operating markets. Consumer demand and activity levels have continued to be strong, particularly for official photo ID and laundry services across all territories, with notable growth in the Asia Pacific region where countries such as Japan had pandemic restrictions eased during the Period.

Driven by strong trading through the first half of the year, as reported in the Group's trading update on 1 June, the Board significantly increased its revenue, EBITDA and Profit before tax expectations for the FY 2023.

### Business model and growth strategy

The Group continues to move from strength to strength, against a challenging consumer backdrop, which we believe is an outcome of our proven and resilient business model where we benefit from a dominant market position, with limited or no competition, in many of the countries in which we operate.

Our growth strategy, which underpins each of our business areas and key operating markets, is focused on diversifying our product portfolio, targeting new markets, expanding the number of units in operation and increasing the yield per unit. Our disciplined approach to minimising production and operational costs underpinned this, enabling us to capitalise on operating leverage.

During the Period we continued to make good progress against our five-year strategy, which is based on five core pillars to support the development of our principal business areas through:

1. **Expansion into new geographic territories** and continuing to build the Group's international presence including recently entered markets of Italy, Finland and Australia.
2. **Entering new market segments** through securing new partnerships with businesses such as supermarkets and smaller retailers.
3. **Ongoing new product and technology innovation** to meet the vending needs of consumers through state-of-the-art user experience, backed by the best technology, and an omnichannel approach.
4. **Continued expansion and diversification of services and revenue growth** through a multi-service instant-service offering and integration of centralised operating systems.
5. **Merger & Acquisition strategy** focused on enabling our growth strategy through bolt-on acquisitions, which meet the Group's return on investment criteria, to extend our geographic footprint, consolidate our market position and increase the breadth of our services available through our portfolio.

Central to delivery of our strategic growth plans are innovation and diversification which continue to underpin our offering, providing the platform to expand into new geographies, enter new market segments and to grow and diversify our services. In July, the Group entered into a binding conditional agreement to buy the automated photobooth business owned and operated by two subsidiaries of FUJIFILM Corporation in Japan. The transaction is expected to complete by the end of September 2023. The Group continues to explore potential acquisitions and we have an active pipeline of opportunities, of which we will provide any updates on in due course.

### Dividends

As previously announced, it is the Group's policy that we will continue to seek to pay annual dividends in excess of 55% of annual profits after tax subject to market and capital requirements. This total will be split between interim dividends (1/3) (generally to be paid in the month of November) and final dividends (2/3) (generally to be paid in the month of May).

### *Special dividend*

On 20 April 2023, the Group was pleased to announce the additional return of £2,268,910 to shareholders by way of a special dividend of 0.6 pence per ordinary share in respect of the 12 months ended 31 October 2022. Following the announcement of its Annual Results, the Board considered the strong financial performance from FY 2022 as well as immediate capital requirements and concluded that a one-off special dividend was an appropriate way to return excess capital to shareholders. The special dividend was paid on May 2023.

### *Interim dividend*

The Board is declaring an interim dividend of 2.97 pence per Ordinary Share (H1 2022: 2.60 pence per Ordinary Share). The dividend will be paid on 23 November 2023 to shareholders on the register on 3 November 2023. The ex-dividend date will be 2 November 2023.

### **Inclusion in the FTSE 250 Index**

We were delighted that the latest quarterly review by FTSE Russell, the global index provider, confirmed that ME Group met the requisite criteria and the Company has once again been included as a constituent of the FTSE 250 Index, with effect from the start of trading on 19 June 2023.

This is a momentous corporate milestone for ME Group and demonstrates the journey that we have been on in recent years to evolve the Group through technological innovation to expand and diversify our operations. This has enabled the Group to bring evermore innovative automated self-service solutions to consumers, delivered through an enhanced and more self-sufficient customer experience every day.

I would like to thank my Board colleagues, the executive team, and every employee across the Group for their continued dedication, commitment and hard work, which has made this achievement possible.

### **Corporate responsibility**

We remain committed to strengthening our Sustainability activity to deliver our goals through inventing eco-responsible local services to support growth by integrating social, environmental, and economic expectations into our strategy and operations. Details of our Sustainability approach and KPIs are available on the Group's website [me-group.com](https://me-group.com).

### **Looking ahead**

The Group has made a very encouraging start to the current financial year, with a strong first-half performance which resulted in the Board upgrading its FY 2023 revenue, EBITDA and profit before tax expectations. This has been achieved despite the ongoing global macro challenges that are impacting so many sectors and markets.

Our core markets have continued to demonstrate strong levels of activity as more consumers turn to ME Group for high quality and highly reliable instant services, that offer diversity and convenience.

The Group remains highly cash generative with a strong financial and liquidity position, providing us with the platform to fund future growth and M&A opportunities.

We continue to make solid progress against our five-year growth strategy, underpinned by our proven business model, further solidifying our market leading position across our key business areas and operating markets. This growth strategy will enable us to continue expanding our operations across Photo.ME, Wash.ME, Print.ME and Feed.ME.

Notwithstanding any major changes to the macroeconomic backdrop, the Board expects the Group to



achieve its FY 2023 expectations, as updated in the Trading Update issued on 1 June 2023, of revenue between £300 million and £320 million, EBITDA between £100 million and £110 million and profit before tax between £64 million and £67 million.

**Sir John Lewis OBE**  
Non-executive Chairman  
11 July 2023

## **CHIEF EXECUTIVE'S BUSINESS AND FINANCIAL REVIEW**

### **Financial performance**

Reported revenue for the six months ended 30 April 2023 was £143.8 million, an increase of 24.7% compared with the six months ended 30 April 2022 ("H1 2022"). This was driven by a strong performance across all of the Group's key business areas as well as its 19 operating markets, and through a combination of a higher consumer demand for the Group's instant-service machines and, to a lesser extent, the company-wide pricing implemented during FY2022.

The performance by geography saw revenue for Continental Europe increase by 23.5% to £93.4 million and operating profit increase by 23.5% to £21.0 million. In the UK & Republic of Ireland, revenue was up 31.7% to £26.2 million and operating profit was up by 33.3% to £5.6 million. Revenue for Asia Pacific increased by 22.2% to £24.2 million driven by a continued recovery in photobooth activity across Japan and China.

Our photobooth business (Photo.ME) performed well in the Period, benefitting from increased demand for photo ID across the Group's key markets, with revenue up 25.4% to £83.9 million whilst EBITDA increased to £29.7 million.

Our laundry operations (Wash.ME) continued to perform strongly, with total laundry revenue up 37.0% at £37.8 million whilst EBITDA increased to £18.3 million. Revolution laundry operations also showed strong growth with revenue up 37.5% at £34.8 million.

Print.ME also demonstrated a good performance, with revenue up 11.5% at £5.8 million, driven predominantly by activity in France. This was supported by continued investment in new machines to upgrade the existing estate as well as expand into new locations. The Group plans to deploy a total of 2,500 new digital kiosks by October 2025.

Reported EBITDA<sup>1</sup> increased by 14.7% to £46.1 million (H1 2022: £40.2 million), which delivered an EBITDA margin of 32.1% (H1 2022: 35.0%). In H1 2022, EBITDA was positively impacted by the disposal of an office building for £7.1 million, which was included in administrative expenses.

Reported profit before tax<sup>2</sup> was up 36.7% at £27.2 million (H1 2022: £19.9 million). Profit after tax increased by 24.4% to £20.4 million (H1 2022: £16.4 million).

The Group remains cash flow positive, with a 23.5% increase in cash generated from operations to £36.8 million during the Period (H1 2022: £29.8 million). We continue to invest across our operations, in all business areas, and remain focused on delivering our five-year growth strategy. As a result, capital

expenditure in the Period was up at £21.1 million (H1 2022: £14.4 million).

## Funding and liquidity

As at 30 April 2023, the Group had gross cash of £113.1 million, up 18.1% compared with H1 2022. The Net cash balance reduced 42.1% to £24.4 million (H1 2022: £42.2m), reflecting an increase in borrowing compared to April 2022. During the last 12 months, the Group has returned £45.3 million to shareholders by way of dividend payments. The Group continues to comply with its banking covenants and remains in a strong financial and liquidity position to fund its future growth strategy.

## Overview of principal business areas

Below is an overview of the Group's four principal business areas which are Photo.ME, Wash.ME, Print.ME and Feed.ME. In addition, the Group operates other vending equipment.

### **Photo.ME**      *Photobooths and integrated biometric identification solutions*

|  | Six months ended<br>30 April 2023 | Six months ended<br>30 April 2022 |
|--|-----------------------------------|-----------------------------------|
| Number of units in operation                               | 27,275                            | 27,617                            |
| Percentage of total group vending estate (number of units) | 62.3%                             | 63.7%                             |
| Revenue  | £83.9m                            | £66.9m                            |
| Capex  | £1.3m                             | £1.4m                             |
| EBITDA   | £29.7m                            | £23.5m                            |

Photobooth operations continues to be our largest business area by number of units, revenue and EBITDA contribution.

During the Period, revenue increased by 25.4% to £83.9 million (H1 2022: £66.9 million), driven by an increase in activity across all the Group's key territories, particularly Europe and Asia, as demand for photo ID continued to grow. The average revenue per machine was up significantly at £6,152 (H1 2022: £4,941) as operations benefitted from an increase in the cost per use implemented across most of the portfolio in FY 2022 alongside an increase in consumer activity levels compared with H1 2022.

Capex remained broadly flat at £1.3 million (H1 2022: £1.4 million). This was largely due to a slower than anticipated rollout of next-generation photobooths explained below.

EBITDA increased to £29.7 million, driven by the strong performance due to the higher consumer demand, and it represented 64.4% of Group EBITDA. EBITDA was 35.4% of the revenue during the Period.

At 30 April 2023, the number of photobooths in operation was slightly down by 1.2% at 27,275 units (H1 2022: 27,617), mainly due to the removal of unprofitable machines which can be relocated to more profitable sites. Photo.ME operations accounted for 62.3% of the Group's total vending units.

### *Strategic progress*

Our photobooths are designed to meet the needs of consumers who require photo ID for official documents such as passports and driving licences. The Group has a market leading proposition through its estate of photobooths, offering a quasi-compulsory service, and has established pricing power. We ensure that the services offered through our photobooth operations maintain relevance through our dedicated approach to continuous innovation with the aim of continuing to expand the services available.

Deployment of our next-generation photobooth remains a key focus and part of the Group's five-year growth strategy. The Group plans to deploy up to 10,000 next-generation photobooth units which is now expected to be completed by the end of FY 2025. While deployment of the machines began in the

Period as scheduled, supplier delays affected delivery so the rollout has been slower than initially expected. Consequently, the Group now expects to install circa 1,000 next-generation photobooths in France by the end of FY 2023. 3,000 next generation photobooths will be deployed in 2024 as well as in 2025

This photobooth is compliant with the Group's digital platform. Greater functionality enhances the consumer experience and provides additional diversified services, such as fun features. The Group's in-house R&D team is continuing to develop new functionalities including biometric identification solutions - fingerprint and eye scanning - as well as printing capabilities similarly offered through our digital kiosks. Furthermore, anti-spoofing patents that we have in place are enabling the Group to make rapid and sustained progress on new ICAO and ISO biometric standards which we expect will become the norm by 2025.

**Wash.ME** *Unattended Revolution laundry services and launderettes*

|  | Six months ended<br>30 April 2023 | Six months ended<br>30 April 2022 |
|--|-----------------------------------|-----------------------------------|
| Total Laundry units deployed (owned, sold and acquisitions)  | 6,239                             | 5,565                             |
| Total revenue from Laundry operations <sup>1</sup>           | £37.8m                            | £27.6m                            |
| Total Laundry EBITDA   | £18.3m                            | £13.2m                            |
| <b>Revolution</b>  |                                   |                                   |
| <i>(excludes Launderettes and B2B):</i>                      |                                   |                                   |
| - Number of Revolutions in operation                         | 5,048                             | 4,360                             |
| - Percentage of total group vending estate (number of units) | 11.5%                             | 10.1%                             |
| - Total revenue from Revolutions                             | £34.8m                            | £25.3m                            |
| - Revolution capex   | £10.8m                            | £8.5m                             |

<sup>1</sup> In the 'Interim Results for the Six Months Ended 2022' issued on 19th July 2022, total revenue from laundry operations was incorrectly reported as £25.9 million, as revenue from sales of laundry machines of £1.8m were omitted in error. The correct figure of £27.6 million is now shown in the comparative column in the above table. Total reported revenue was unaffected.

Total revenue from our laundry operations grew by 37.0% to £37.8 million, driven by an increase in the number of Revolution units in operation alongside a continuation of strong consumer demand. At 30 April 2023, the total number of laundry units deployed (owned, sold and acquired) was up 12.1% at 6,239.

Total laundry EBITDA increased to £18.3 million and contributed 39.7% to Group EBITDA. EBITDA was 48% of revenue in the Period.

*Continued growth of Revolution laundry operations*

Revolution revenue increased by 37.5% to £34.8 million, which represented 24.2% of total Group revenue in the Period. The average revenue per machine (excluding VAT) increased to £15,226 per year (H1 2022: £12,884 per year).

Revolution capex increased to £10.8 million (H1 2022: £8.5 million) reflecting an uptick in production and installation costs, along with the redeployment of selected machines to more profitable locations. Additionally, the Group has entered a period of machine refurbishment and maintenance, the first since laundry operations were launched in 2012. The Group remains focused on expanding its laundry estate, led by the continued deployment of Revolution units. The number of Revolution units in operation grew by 15.8% to 5,048. In line with the Group's strategy, Revolution laundry machines once again increased as a proportion of the total estate and at the Period end accounted for 11.5% of the Group's total estate by number of machines (H1 2022: 10.1%).

### *Strategic progress*

The rate of deployment of Revolution laundry units accelerated to 50-60 machines per month as we continue to expand our presence in the self-service laundry market.

We continue to rollout our newest laundry machine formats - Revolution Compact V3 which offers a more environmentally friendly solution and Revolution Flex which offers a compact format. These new machines will further diversify our laundry offering for the benefit of consumers, whilst enabling the Group to save on costs as well as water and energy consumption.

In June, we started to roll out a new consumer App. This digital tool aims to improve the user experience whilst enabling the Group to better analyse and understand its end consumers in terms of usage and expectations. The App will help to further build consumer loyalty and is expected to boost performance for Wash.ME. The first version was launched in June and includes a 'Revolution laundry finder' function which enables consumers to easily locate their nearest Revolution laundry machines. The App also provides full details of the services available and it rewards consumers through an effective loyalty programme offering promotions. A full roadmap of enhanced App features has been planned.

### **Print.ME**      *High-quality digital printing service*

|  | Six months ended<br>30 April 2023 | Six months ended<br>30 April 2022 |
|--|-----------------------------------|-----------------------------------|
| Number of units in operation                               | 4,740                             | 4,848                             |
| Percentage of total group vending estate (number of units) | 10.8%                             | 11.2%                             |
| Revenue  | £5.8m                             | £5.2m                             |
| Capex  | £1.3m                             | £0.1m                             |
| EBITDA   | £2.0m                             | £1.6m                             |

Total revenue increased by 11.5% to £5.8 million (H1 2022: £5.2 million) as the Group benefitted from the replacement of 413 old machines with new digital kiosks.

Print.ME revenue represented 4.0% of Group revenue. EBITDA reduced year on year to £2.0 million and contributed 4.3% of Group EBITDA in the Period.

The average revenue per machine (excluding VAT) was £2,447 per year (H1 2022: £2,172 per year). EBITDA was 34.5% of the revenue in the Period.

Capex during the Period was £1.3 million, a significant increase on the prior year (H1 2022: £0.1 million), as the Group progressed the rollout of new kiosk installations as well as replacing some of its existing machines, the benefit of which is expected to be evident in FY 2023.

At 30 April 2023 the Group had 4,740 kiosks in operation, down 2.2% compared with the prior year (H1 2022: 4,848). Kiosks accounted for 10.8% of the total number of vending units in operation.

### *Strategic progress*

Over recent years the Group has mostly focused investment in the Photo.Me, Wash.ME and Feed.ME businesses, nevertheless, there continues to be demand for high-quality printing services. This is reflected in the Group's stronger revenue performance.

The Group continues to consider opportunities to further extend digital kiosk services offered through its instant-service machine network and remains focused on identifying partnership opportunities within existing territories.

The Group is currently completing the installation of 200 kiosks as part of a major new contract worth 12 million prints a year. Additionally, the Group will continue to replace existing machines with new digital kiosks.

The next-generation photobooth discussed above will have similar functionalities to the Group's digital printing kiosks, thereby expanding the availability of this service to the consumer.

#### **Feed.ME**      *Vending equipment for the food service market*

Our food vending equipment operations remain a key strategic focus for the Group and an area where we believe there to be long-term growth opportunities to meet growing demand. Operations are focused on two areas: i) self-service fresh fruit juice equipment for the B2B market and (ii) pizza vending machines targeted at the B2B hospitality market (restaurants, takeaways).

Revenue solely from the sale of equipment during the Period was £6.4 million (H1 2022: £3.1 million) up 106.5% and contributed 4.5% to Group revenue. During the Period, the Group sold approximately 20 machines per month. Although the installation of pizza machines is not yet at the expected level, the Group's orange juice business in Japan has started to recover post-COVID.

#### *Strategic progress*

Feed.ME remains a core strategic focus of expansion for the Group, albeit progress was slower than expected due to technical adjustments to the Group's new pizza vending machine. As a consequence, the Group has taken steps to bring the manufacturing of the pizza vending equipment in-house during the commercialisation phase, with the aim of increasing production to between 30 and 40 machines per month. This will ensure that these operations have the support and oversight of our expert R&D team whilst also improving quality, control and cost efficiencies.

In Japan, we have restarted our B2B fresh fruit juice vending operations (which includes fulfilment of the oranges for the machines) aimed at end markets such as the hospitality sector. The Group has c.200 machines operating in Japan and plans to continue expanding its estate.

During the Period we began deploying omni-channel software across our pizza vending estate in partnership with a third party. This new technology will offer consumers an easy and integrated solution whilst providing the Group with the capability to manage units remotely.

#### **Other vending equipment**

As at 30 April 2023, the Group operated 6,702 (30 April 2022: 6,460) other vending units in addition to our four principal business areas. This included 2,399 children's rides (Amuse.ME), 3,385 photocopiers (Copy.ME) and 918 other miscellaneous machines.

These machines are typically located in high-footfall locations alongside the Group's principal activities, thereby benefiting from existing site owner relationships and operating synergies. The Group will continue to operate other vending units where profitable.

Other vending equipment accounted for 15.3% of the Group's total vending estate by number of units, down 0.4% compared with the previous year and represented 2.4% of the total Group revenue.



## REVIEW OF PERFORMANCE BY GEOGRAPHY

Commentary on the Group's financial performance is set out below, in line with the segments as operated by the Board and the management of the Group. These segmental breakdowns are consistent with the information prepared to support the Board's decision-making. Although the Group is not managed around product lines, some commentary below relates to the performance of specific products in the relevant geographies.

### Vending units in operation

|                          | At 30 April 2023   |                      | At 30 April 2022   |                      |
|--------------------------|--------------------|----------------------|--------------------|----------------------|
|                          | Number<br>of units | % of total<br>estate | Number<br>of units | % of total<br>estate |
| Continental Europe       | 25,604             | 58.4%                | 25,047             | 57.8%                |
| UK & Republic of Ireland | 6,586              | 15.0%                | 6,874              | 15.9%                |
| Asia Pacific             | 11,621             | 26.5%                | 11,415             | 26.3%                |
| <b>Total</b>             | <b>43,811</b>      | <b>100%</b>          | <b>43,336</b>      | <b>100%</b>          |

The total number of vending units in operation at 30 April 2023 increased slightly by 1.1% to 43,811 compared with the prior year (H1 2022: 43,336), mainly driven by the expansion of laundry operations.

### Key financials

The Group reports its financial performance based on three geographic regions of operation:

(i) Continental Europe; (ii) the UK & Republic of Ireland; and (iii) Asia Pacific.

### Revenue by geographic region

|                          | Six months ended<br>30 April 2023 | Six months ended<br>30 April 2022 |
|--------------------------|-----------------------------------|-----------------------------------|
| Continental Europe       | £93.4m                            | £75.6m                            |
| UK & Republic of Ireland | £26.2m                            | £19.9m                            |
| Asia Pacific             | £24.2m                            | £19.8m                            |
| <b>Total</b>             | <b>£143.8m</b>                    | <b>£115.3m</b>                    |

### Operating profit by geographic region

|                          | Six months ended<br>30 April 2023 | Six months ended<br>30 April 2022 |
|--------------------------|-----------------------------------|-----------------------------------|
| Continental Europe       | £21.0m                            | £17.0m                            |
| UK & Republic of Ireland | £5.6m                             | £4.2m                             |
| Asia Pacific             | £3.3m                             | £1.9m                             |
| Corporate costs          | £(2.3)m                           | £(1.6)m                           |
| <b>Total</b>             | <b>£27.6m</b>                     | <b>£21.5m</b>                     |





## Operating revenue evolution

The table below provides a detailed breakdown of operating revenue evolution by geographic region and business area in H1 2023 vs H1 2022.

|                                     | H1 2022<br>Nov 2022<br>to Apr 2023 |
|-------------------------------------|------------------------------------|
| <b>CONTINENTAL EUROPE</b>           |                                    |
| Photo.ME                            | 32.6%                              |
| Print.ME                            | 14.8%                              |
| Wash.ME                             | 31.6%                              |
| Other Vending Equipment             | 13.4%                              |
| <b>Total</b>                        | <b>30.5%</b>                       |
| <b>UK &amp; REPUBLIC OF IRELAND</b> |                                    |
| Photo.ME                            | 15.1%                              |
| Print.ME                            | -67.9%                             |
| Wash.ME                             | 50.9%                              |
| Other Vending Equipment             | 23.8%                              |
| <b>Total</b>                        | <b>29.1%</b>                       |
| <b>ASIA PACIFIC</b>                 |                                    |
| Photo.ME                            | 14.6%                              |
| Print.ME                            | -8.8%                              |
| Wash.ME                             | 3.9%                               |
| Other Vending Equipment             | 96.3%                              |
| <b>Total</b>                        | <b>22.1%</b>                       |
| <b>TOTAL</b>                        |                                    |
| Photo.ME                            | 25.2%                              |
| Print.ME                            | 11.2%                              |
| Wash.ME                             | 37.3%                              |
| Other Vending Equipment             | 52.4%                              |
| <b>Total</b>                        | <b>28.6%</b>                       |

### Continental Europe

Continental Europe is the Group's largest region by both number of machines and contribution to Group revenue.

Revenue increased by 23.5% to £93.4 million driven in large part by a strong performance in photobooth activity, as demand for photo ID continued to grow, and laundry. In addition, the Group saw the benefit of the consumer price increases introduced for photobooth operations during FY 2022, which were implemented across France and Germany, moving the price from €6 to €8 and €8 to €10 respectively.

Photo.ME and Wash.ME operating revenue significantly grew vs H1 2022, up 32.6% and 31.6% respectively. Print.ME operating revenue increased by 14.8%. The region contributed 65.0% of total Group revenue. Operating profit increased by 23.5% to £21.0 million.

As at 30 April 2023, there were 25,604 units in operation in the region, which represented 58.4% of the Group's total vending estate.

### UK & Republic of Ireland

Revenue in the region increased by 31.7% to £26.2 million and contributed 18.2% to Group revenue. Operating revenue from Photo.ME was up 15.1% This was driven primarily by a very strong performance in photobooths with improved demand for photo ID services for passports and official documents.

Wash.ME performed strongly, with operating revenue up 50.9%, reflecting the ongoing expansion of the Group's laundry operations in the region. Revolution units in operation in the region increased by 11.4% compared with H2 2022.

Print.ME was trialled in the UK and Ireland however, the Group decided to remove the machines and transferred them to France where they were far more profitable.

Other vending equipment, which was also severely impacted by restrictions during the pandemic, saw a significant increase in operating revenue which was up by up 23.8%

Operating profit in the region increased by 33.3% to £5.6 million, driven by the installation of Revolution laundry machines and photobooths performance.

As at 30 April 2023, there were 6,586 units in operation in the region, which represents 15.0% of the Group's total vending estate.

#### **Asia Pacific**

Revenue in the region increased by 22.2% to £24.2 million, driven by a continued recovery of key markets particularly in China and Japan which lifted pandemic restrictions later than other territories.

Operating revenue for Photo.ME improved by 14.6% as the Group experienced strong demand for photo ID across its Asia operations. There was an increase in operating revenue for Wash.ME, up 3.9%, while operating revenue for other vending equipment improved significantly, up 96.3%.

Operating profit in the region was £3.3 million, an increase of 73.7% which reflects the continued recovery of activity.

The Group continued to successfully expand its fresh fruit operations in Japan with further machines installed.

As at 30 April 2023, there were 11,621 units in operation in the region, an increase of 1.8%, representing 26.5% of the Group's total units in operation.

## PRINCIPAL RISKS

Similar to any business, the Group faces risks and uncertainties that could impact the achievement of the Group's strategy.

These risks are accepted as inherent to the Group's business. The Board recognises that the nature and scope of these risks can change; it therefore regularly reviews the risks faced by the Group as well as the systems and processes to mitigate them.

The table below sets out what the Board believes to be the principal risks and uncertainties, their impact, and actions taken to mitigate them.

### Economic

| Nature of risk                       | Description and impact  | Mitigation   |
|--------------------------------------|---|--|
| Global economic conditions           | Economic growth has a major influence on consumer spending.<br><br>A sustained period of economic recession and a period of high inflation could lead to a decrease in consumer expenditure in discretionary areas. | The Group focuses on maintaining the characteristics and affordability of its needs-driven products.<br><br>Like most businesses around the world, the Group has had to face a significant increase in supply chain and raw material costs, however, its strong position in the markets in which it operates gives the Group significant pricing power.<br><br>The Group has no exposure to the invasion of Ukraine by Russia. |
| Volatility of foreign exchange rates | The majority of the Group's revenue and profit is generated outside the UK, and the Group's financial results could be adversely impacted by an increase in the value of sterling relative to those currencies.     | The Group hedges its exposure to currency fluctuations on transactions, as relevant. However, by its nature, in the Board's opinion, it is very difficult to hedge against currency fluctuations arising from translation in consolidation in a cost-effective manner.   |

### Regulations

| Nature of risk                                | Description and impact  | Mitigation  |
|---|---|---|
| Centralisation of the production of ID photos | In many European countries where the Group operates, if governments were to implement centralised image capture, for biometric passport and other applications, or widen the acceptance of self-made or home-made photographs for official document applications, the Group's revenues and profits could be affected. | The Group has developed new systems that respond to this situation, leveraging 3D technology in ID security standards, and securely linking our booths to the administration repositories. Solutions are in place in France, Ireland, Germany, Switzerland and the UK; discussions are ongoing in Belgium and the Netherlands.<br><br>Furthermore, the Group also ensures that its ID products remain affordable and of a high-quality. |

### Strategic

| Nature of risk  | Description and impact  | Mitigation   |
|---|---|--|
| Identification of new business opportunities                              | The failure to identify new business areas may impact the ability of the Group to grow in the long-term.  | Management teams constantly review demand in existing markets and potential new opportunities. The Group continues to invest in research in new products and technologies. Furthermore, the Group also ensures that its ID products remain affordable and of a high-quality. |
| Inability to deliver anticipated benefits from the launch of new products | The realisation of long-term anticipated benefits depends mainly on the continued growth of the laundry and food businesses and the successful development of integrated secure ID solutions. | The Group regularly monitors the performance of its entire estate of machines. New technology-enabled secure ID solutions are heavily trialled before launch and the performance of operating machines is continually monitored.   |

### Market

| Nature of risk | Description and impact | Mitigation |
|----------------|------------------------|------------|
|----------------|------------------------|------------|

|                          |  |   |
|--------------------------|--|---|
| Commercial relationships | <p>The Group has well-established, long-term relationships with a number of site-owners. The deterioration in the relationship with, or ultimately the loss of, a key account would have an adverse, albeit contained, impact on the Group's results, bearing in mind that the Group's turnover is spread over a large client base and none of the accounts represent more than 2% of Group turnover.</p> <p>To maintain its performance, the Group needs to have the ability to continue trading in good conditions in France and the UK, taking into account the situation in these two countries.</p> | <p>The Group's major key relationships are supported by medium-term contracts. The Group actively manages its site-owner relationships at all levels to ensure a high quality of service.</p> <p>The Group continues to monitor the situation where the main key accounts are operating</p> |
|--------------------------|--|---|

#### Operational

| Nature of risk                                 | Description and impact   | Mitigation   |
|--|--|--|
| Reliance on foreign manufacturers              | The Group sources most of its products from outside the UK. Consequently, the Group is subject to risks associated with international trade.   | Extensive research is conducted into quality and ethics before the Group procures products from any new country or supplier. The Group also maintains very close relationships with both its suppliers and shippers to ensure that risks of disruption to production and supply are managed appropriately. |
| Reliance on one single supplier of consumables | The Group currently buys all its paper for photobooths from one single supplier. The failure of this supplier could have a significant adverse impact on paper procurement.                                | The Board has decided to hold a strategic stock of paper, allowing for 6-9 months' worth of paper consumption, to allow enough time to put in place alternative solutions.   |
| Reputation                                     | The Group's brands are key assets of the business. Failure to protect the Group's reputation and brands could lead to a loss of trust and confidence. This could result in a decline in our customer base. | The protection of the Group's brands in its core markets is sustained with certain unique features. The appearance of the machine is subject to high maintenance standards. Furthermore, the reputational risk is diluted as the Group also operates under a range of brands.                              |
| Product and service quality                    | The Board recognises that the quality and safety of both its products and services are of critical importance and that any major failure will affect consumer confidence.                                  | <p>The Group continues to invest in its existing estate, to ensure that it remains contemporary, and in constant product innovation to meet customer needs.</p> <p>The Group also has a programme in place to regularly train its technicians.</p>   |

#### Technological

| Nature of risk  | Description and impact   | Mitigation   |
|---|--|--|
| Failure to keep up with advances in technology                  | The Group operates in fields where upgrades to new technologies are critical.  | The Group mitigates this risk by continually focusing on R&D.  |
| Cyber risk: Third party attack on secure ID data transfer feeds | The Group operates an increasing number of photobooths capturing ID data and transferring these data directly to government databases. | The Group undertakes an ongoing assessment of the risks and ensures that the infrastructure meets the security requirements. |

**Serge Crasnianski**

Chief Executive Officer & Deputy Chairman

12 July 2023



**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
for the six months ended 30 April 2023

|  |       | Unaudited<br>six<br>months to<br>30 April<br>2023 | Unaudited<br>six months<br>to<br>30 April<br>2022 | Audited<br>12 months<br>to<br>31 October<br>2022 |
|--|-------|---|---|--|
|  | Notes | £ '000  | £ '000  | £ '000   |
| <b>Revenue</b>   | 3     | <b>143,822</b>                                    | 115,261   | 259,780  |
| Cost of Sales  |       | (100,301)   | (85,634)  | (178,377)  |
| <b>Gross Profit</b>  |       | <b>43,521</b>                                     | 29,627  | 81,403   |
| Other Operating Income   |       | 123   | 159   | 7,916  |
| Administrative Expenses  |       | (16,180)  | (8,268)   | (32,638)   |
| <b>Operating Profit</b>  | 3     | <b>27,464</b>                                     | 21,518  | 56,681   |
| Other net gains / (losses)   | 4     | 191   | (462)   | (1,176)  |
| Finance Income   |       | 580   | 19  | -  |
| Finance Cost   |       | (1,050)   | (1,129)   | (2,151)  |
| <b>Profit before Tax</b>   |       | <b>27,185</b>                                     | 19,946  | 53,354   |
| Total Tax Charge   | 5     | (6,797)   | (3,514)   | (14,561)   |
| <b>Profit for the period</b>   |       | <b>20,388</b>                                     | 16,432  | 38,793   |
| <b>Other Comprehensive Income</b>  |       |   |   |  |
| Items that are or may subsequently be classified to Profit and Loss:                             |       |   |   |  |
| Exchange Differences Arising on Translation of Foreign Operations                                |       | 1,195   | 120   | 829  |
| Total Items that are or may subsequently be classified to profit and loss                        |       | 1,195   | 120   | 829  |
| Items that will not be classified to profit and loss:  |       |   |   |  |
| Remeasurement gains in defined benefit obligations and other post-employment benefit obligations |       | -   | -   | 1,151  |
| Deferred tax on remeasurement gains  |       | -   | -   | (248)  |
| Total Items that will not be classified to profit and loss                                       |       | -   | -   | 903  |
| Other comprehensive income / (expense) for the year net of tax                                   |       | 1,195   | 120   | 1,732  |
| Total Comprehensive income for the period  |       | 21,583  | 16,552  | 40,525   |
| <b>Profit for the Period Attributable to:</b>  |       |   |   |  |
| Owners of the Parent   |       | 20,388  | 16,432  | 38,793   |
| Non-controlling interests  |       | -   | -   | -  |
|  |       | 20,388  | 16,432  | 38,793   |
| <b>Total comprehensive income attributable to:</b>   |       |   |   |  |
| Owners of the Parent   |       | 21,583  | 16,552  | 40,525   |
| Non-controlling interests  |       | -   | -   | -  |
|  |       | 21,583  | 16,552  | 40,525   |
| <b>Earnings per Share</b>  |       |   |   |  |
| Basic Earnings per Share   | 7     | 5.39p   | 4.35p   | 10.26p   |
| Diluted Earnings per Share   | 7     | 5.34p   | 4.35p   | 10.23p   |

All results derive from continuing operations.

The accompanying notes form an integral part of these condensed consolidated financial statements.



**GROUP STATEMENT OF FINANCIAL POSITION**  
**as at 30 April 2023**

|                                     |       | Unaudited<br>30 April<br>2023 | Unaudited<br>30 April<br>2022<br>(Restated) | Audited<br>31 October<br>2022<br>(Restated) |
|-------------------------------------|-------|-------------------------------|---|---|
|                                     | Notes | £'000                         | £'000                                       | £'000                                       |
| <b>Assets</b>                       |       |                               |   |   |
| Goodwill                            | 9     | 16,420                        | 19,272                                      | 16,320                                      |
| Other intangible assets             | 9     | 15,569                        | 14,088                                      | 16,434                                      |
| Property, plant & equipment         | 9     | 104,780                       | 88,337                                      | 101,090                                     |
| Investment property                 | 9     | 596                           | 585   | 592   |
| Investment in associates            |       | 21                            | 21  | 21  |
| Financial instruments held at FVTPL | 10    | 5,437                         | 1,501                                       | 5,239                                       |
| Other receivables                   |       | 3,013                         | 2,773                                       | 2,959                                       |
| <b>Non-Current Assets</b>           |       | <b>145,836</b>                | <b>126,577</b>                              | <b>142,655</b>                              |
| Inventories                         | 11    | 33,595                        | 21,737                                      | 25,491                                      |
| Trade and other receivables         |       | 20,767                        | 19,197                                      | 20,050                                      |
| Current tax                         |       | 3,227                         | 3,273                                       | 2,990                                       |
| Cash and cash equivalents           | 12    | 113,057                       | 95,773                                      | 135,200                                     |
| <b>Current assets</b>               |       | <b>170,646</b>                | <b>139,980</b>                              | <b>183,731</b>                              |
| <b>Total assets</b>                 |       | <b>316,482</b>                | <b>266,557</b>                              | <b>326,386</b>                              |
| <b>Equity</b>                       |       |                               |   |   |
| Share capital                       |       | 1,890                         | 1,889                                       | 1,889                                       |
| Share premium                       |       | 10,627                        | 10,599                                      | 10,627                                      |
| Translation reserve                 |       | 9,689                         | 7,785                                       | 8,494                                       |
| Other reserves                      |       | 3,096                         | 1,781                                       | 2,665                                       |
| Retained earnings                   |       | 119,533                       | 121,207                                     | 108,974                                     |
| <b>Total Shareholders' funds</b>    |       | <b>144,835</b>                | <b>143,261</b>                              | <b>132,649</b>                              |
| <b>Liabilities</b>                  |       |                               |   |   |
| Financial liabilities               | 12    | 67,726                        | 45,523                                      | 82,429                                      |
| Post-employment benefit obligations |       | 3,884                         | 4,888                                       | 3,850                                       |
| Deferred tax liabilities            |       | 7,491                         | 7,781                                       | 7,778                                       |
| <b>Non-current liabilities</b>      |       | <b>79,101</b>                 | <b>58,192</b>                               | <b>94,057</b>                               |
| Financial liabilities               | 12    | 34,140                        | 21,665                                      | 35,657                                      |
| Provisions                          |       | 1,607                         | 1,351                                       | 1,567                                       |
| Current tax                         |       | 4,727                         | 668   | 10,208                                      |
| Trade and other payables            |       | 52,072                        | 41,400                                      | 52,248                                      |
| <b>Current liabilities</b>          |       | <b>92,546</b>                 | <b>65,104</b>                               | <b>99,680</b>                               |
| <b>Total equity and liabilities</b> |       | <b>316,482</b>                | <b>266,557</b>                              | <b>326,386</b>                              |

The accompanying notes form an integral part of these condensed consolidated financial statements.

Refer to notes 9 and 12 for details of restatements.





**GROUP CONDENSED STATEMENT OF CASH FLOWS**  
for the six months ended 30 April 2023

|   | Unaudited<br>Six months to<br>30 April<br>2023 | Unaudited<br>Six months to<br>30 April<br>2022<br>(Restated) | Audited<br>12 months to<br>31 October<br>2022<br>(Restated) |
|---|--|--|---|
| Notes   | £'000  | £'000  | £'000   |
| <b>Cash flow from operating activities</b>                    |  |  |   |
| <b>Profit before tax</b>                                      | <b>27,185</b>                                  | <b>19,946</b>  | <b>53,354</b>   |
| Finance costs   | 495  | 404  | 794   |
| Interest of lease liabilities                                 | 555  | 725  | 1,357   |
| Finance income  | (580)  | (19)   | -   |
| Other (gains)/losses  | (191)  | 462  | 1,176   |
| <b>Operating profit</b>                                       | <b>27,464</b>                                  | <b>21,518</b>  | <b>56,681</b>   |
| Amortisation and impairment of intangible assets              | 2,309  | 4,030  | 6,772   |
| Depreciation and impairments of property, plant and equipment | 16,358   | 14,620   | 28,791  |
| Loss / (profit) on sale of property, plant and equipment      | 254  | (7,277)  | (7,490)   |
| Exchange differences  | (498)  | (348)  | (594)   |
| Movements in provisions                                       | 77   | (863)  | (809)   |
| Other non cash items  | (131)  | (812)  | (433)   |
| <b>Changes in working capital:</b>                            |  |  |   |
| Inventories   | (8,104)  | (3,279)  | (7,033)   |
| Trade and other receivables                                   | (772)  | 3,333  | 2,295   |
| Trade and other payables                                      | (176)  | (1,084)  | 9,764   |
| <b>Cash generated from operations</b>                         | <b>36,781</b>                                  | <b>29,837</b>  | <b>87,944</b>   |
| Interest paid   | (1,051)  | (1,129)  | (2,151)   |
| Taxation paid   | (12,802)                                       | (8,839)  | (10,895)  |
| <b>Net cash generated from operating activities</b>           | <b>22,928</b>                                  | <b>19,869</b>  | <b>74,898</b>   |
| <b>Cash flows from investing activities</b>                   |  |  |   |
| Acquisition of subsidiaries                                   | -  | (739)  | (739)   |
| Proceeds from disposal of subsidiaries                        | 209  | 152  | 152   |
| Investment in intangible assets                               | (1,372)  | (1,266)  | (2,486)   |
| Proceeds from sale of intangible assets                       | 41   | -  | 71  |
| Purchase of property, plant and equipment                     | (19,767)                                       | (13,123)   | (32,670)  |
| Proceeds from sale of property, plant and equipment           | 1,079  | 7,945  | 8,997   |
| Investment in financial instruments                           | -  | -  | (4,450)   |
| Interest received   | 580  | 19   | -   |
| <b>Net cash in investing activities</b>                       | <b>(19,230)</b>                                | <b>(7,012)</b>   | <b>(31,125)</b>   |
| <b>Cash flows from financing activities</b>                   |  |  |   |
| Issue of ordinary shares to equity shareholders               | 1  | -  | 28  |
| Acquisition of minority interest                              | -  | (2,985)  | (2,985)   |
| Repayment of principal of leases                              | (2,707)  | (2,105)  | (6,196)   |
| Repayment of borrowings                                       | (16,288)                                       | (9,862)  | (24,622)  |
| Increase in borrowings  | 863  | 186  | 61,773  |
| Dividends paid to owners of the Parent                        | (9,829)  | -  | (35,497)  |
| <b>Net cash utilised in financing activities</b>              | <b>(27,960)</b>                                | <b>(14,766)</b>  | <b>(7,499)</b>  |
| Net (decrease) / increase in cash and cash equivalents        | <b>(24,262)</b>                                | <b>(1,909)</b>   | <b>36,274</b>   |
| Cash and cash equivalents at beginning of year                | 135,200  | 98,378   | 98,378  |
| Exchange gain / (loss) on cash and cash equivalents           | 2,119  | (696)  | 548   |
| <b>Cash and cash equivalents at end of year</b>               | <b>12</b>                                      | <b>113,057</b>   | <b>95,773</b>   |
|   |  |  | <b>135,200</b>  |

The accompanying notes form an integral part of these condensed consolidated financial statements.

**GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 30 April 2023

|   | Share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Other<br>reserves<br>£'000 | Translation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Attributable to<br>owners of the<br>Parent<br>£'000 | No<br>control<br>interests<br>£'000 |
|---|---------------------------|---------------------------|----------------------------|---------------------------------|-------------------------------|---|-------------------------------------|
| At 1 November 2021                              | 1,889                     | 10,599                    | 1,781                      | 7,654                           | 106,051                       | 127,974   | 1,72                                |
| Profit for the period                           | -                         | -                         | -                          | -                               | 16,432                        | 16,432  | -                                   |
| Other comprehensive<br>(expense)/income:        |                           |                           |                            |                                 |                               |   |                                     |
| Exchange differences                            | -                         | -                         | -                          | 131                             | -                             | 131   | (1                                  |
| Total other comprehensive<br>(expense) / income | -                         | -                         | -                          | 131                             | -                             | 131   | (1                                  |
| Total comprehensive<br>(expense) / income       | -                         | -                         | -                          | 131                             | 16,432                        | 16,563  | (1                                  |
| Transactions with owners<br>of the Parent:      |                           |                           |                            |                                 |                               |   |                                     |
| Acquisition of minority                         | -                         | -                         | -                          | -                               | (1,276)                       | (1,276)   | (1,70                               |
| Total transactions with owners of the Parent    | -                         | -                         | -                          | -                               | (1,276)                       | (1,276)   | (1,70                               |
| At 30 April 2022                                | 1,889                     | 10,599                    | 1,781                      | 7,785                           | 121,207                       | 143,261   | -                                   |

  

|   | Share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Other<br>reserves<br>£'000 | Translation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 |
|---|---------------------------|---------------------------|----------------------------|---------------------------------|-------------------------------|
| At 1 November 2022                              | 1,889                     | 10,627                    | 2,665                      | 8,494                           | 108,9                         |
| Profit for the period                           | -                         | -                         | -                          | -                               | 20,3                          |
| Other comprehensive<br>(expense)/income:        |                           |                           |                            |                                 |                               |
| Exchange differences                            | -                         | -                         | -                          | 1,195                           | -                             |
| Total other comprehensive (expense) / income    | -                         | -                         | -                          | 1,195                           | -                             |
| Total comprehensive<br>(expense) / income       | -                         | -                         | -                          | 1,195                           | 20,3                          |
| Transactions with owners<br>of the Parent:      |                           |                           |                            |                                 |                               |
| Shares issued in the period                     | 1                         | -                         | -                          | -                               | -                             |
| Share options                                   | -                         | -                         | 431                        | -                               | -                             |
| Dividends                                       | -                         | -                         | -                          | -                               | (9,82                         |
| Acquisition of minority                         | -                         | -                         | -                          | -                               | -                             |
| Total transactions with<br>owners of the Parent | 1                         | -                         | 431                        | -                               | (9,82                         |
| At 30 April 2023                                | 1,890                     | 10,627                    | 3,096                      | 9,689                           | 119,5                         |

The accompanying notes form an integral part of these condensed consolidated financial statements



## NOTES

### 1. General information and authorization of the Interim Report

Me Group International plc (the "Company") is a public limited company incorporated and registered in England and Wales and whose shares are quoted on the London Stock Exchange, under the symbol MEGP. The registered number of the Company is 735438 and its registered office is at Unit 3B, Blenheim Rd, Epsom, KT19 9AP.

The principal activities of the Group continue to be the operation, sale, and servicing of a wide range of instant-service equipment. The Group operates coin-operated automatic photobooths for identification and fun purposes, and a diverse range of vending equipment, including digital photo kiosks, laundry machines, and business service equipment, and amusement machines.

The condensed consolidated interim financial statements of Me Group International plc (the "Company") for the six months ended 30 April 2023 ("the Interim Report") were approved and authorised for issue by the Board of Directors on 11 July 2023. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together the "Group") and are presented in pounds sterling, rounded to the nearest thousand.

### 2. Basis of preparation and accounting policies

The financial statements have been prepared in accordance with IAS 34. The accounting policies applied are consistent with those that were applied in the Company's consolidated financial statements for the 12 months ended 31 October 2022 and that are expected to be applied in its consolidated financial statements for the year ended 31 October 2023.

#### New accounting standards

##### Adopted by the Group

The Group has adopted the following new standards and amendments for the first time in these financial statements with no material impact.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

##### Not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted by the Group. These new standards and interpretations, which are not expected to have a material effect on the Group, are set out below.

| Description   | Date required to be adopted by the Group |
|---|--|
| IFRS 17 Insurance Contracts   | 1 January 2023                           |
| Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)                 | 1 January 2023                           |
| Definition of Accounting Estimate (Amendments to IAS 8)   | 1 January 2023                           |
| IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023                           |

The condensed consolidated interim financial statements comprise the unaudited financial information for the six months ended 30 April 2023. They do not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the Group's financial statements for the period ended 31 October 2022. The condensed financial statements do not constitute statutory accounts within the meaning of section 434 of the UK Companies Act 2006.

The consolidated financial statements of the Group as at and for the period ended 31 October 2022 are available at [www.me-group.com](http://www.me-group.com) or upon request from the Company's registered office at Unit 3B, Blenheim Rd, Epsom, KT19 9AP, Surrey.

The Interim Report is unaudited but has been reviewed by the auditors and their report to the Company is included in the Interim Report. The comparative figures for the financial period ended 31 October 2022 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors (i) was unmodified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without modifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

#### **Accounting policies and estimates**

The accounting policies applied by the Group in this Interim Report are the same as those applied in the Group's financial statements for the 12 months period ended 31 October 2022.

#### **Estimates and significant judgements**

The preparation of the condensed consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the condensed consolidated financial information. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the financial statements. In future, actual experience may deviate from these estimates and assumptions, which could affect the financial statements as the original estimates and assumptions are modified, as appropriate, in the period in which the circumstances change.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in the same areas as those that applied in the consolidated financial statements as at and for the period ended 31 October 2022.

#### **Use of non-GAAP profit measures**

The Group measures performance using earnings before interest, tax, depreciation and amortisation ("EBITDA"). EBITDA is a common measure used by a number of companies, but is not defined in IFRS.

The Group measures cash on a net cash basis as explained in note 12.

#### **Going Concern**

The Annual Report for the period ended 31 October 2022 provided a full description of the Group's business activities, its financial position, cash flows, funding position and available facilities together with the factors likely to affect its future development, performance and position. It also detailed risks associated with the Group's business. This interim report provides updated information on these subjects for the six months to 30 April 2023.

The Group has at the date of this Interim Report, sufficient financing available for its estimated requirements for at least the next twelve months, together with the proven ability to generate cash from its trading performance. This provides the Directors with confidence that the Group is well placed to manage its business risks successfully in the context of the current financial conditions and the general outlook in the global economy.

After reviewing the Group's annual budgets, plans and financing arrangements, the Directors consider that the Group has adequate resources to continue operating for the foreseeable future. The board considers it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements and has not identified any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from their date of approval.

### **3. Segmental analysis**

IFRS 8 requires operating segments to be identified, based on information presented to the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and monitor performance. The Group reports its segments on a geographical basis: Asia Pacific, Continental Europe and United Kingdom & Ireland. The Group's Continental European operations are predominately based in Western Europe and, with the exception of the Swiss operations, use the Euro as their domestic currency. The Board, being the CODM, believe that the economic characteristics of the European operations, together with the fact that they are similar in terms of operations, use common systems and the nature of the regulatory environment allow them to be aggregated into one reporting segment.

#### Seasonality of operations

Historically, the second half of the financial year is seasonally the strongest for the Group in terms of profits.

Segmental results are reported before intra-group transfer pricing charges.

|   | Asia Pacific | Continental Europe | United Kingdom & Ireland | Corporate | Total    |
|---|--------------|--------------------|--------------------------|-----------|----------|
| Six months to 30 April 2023                         | £'000        | £'000              | £'000                    | £'000     | £'000    |
| Total revenue                                       | 24,235       | 96,130             | 26,172                   | -         | 146,537  |
| Inter segment sales                                 | -            | (2,708)            | (7)                      | -         | (2,715)  |
| Revenue from external customers                     | 24,235       | 93,422             | 26,165                   | -         | 143,822  |
| EBITDA  | 5,794        | 33,322             | 9,126                    | (2,112)   | 46,130   |
| Depreciation, amortisation and impairment           | (2,539)      | (12,363)           | (3,597)                  | (167)     | (18,666) |
| Operating profit                                    | 3,255        | 20,959             | 5,529                    | (2,279)   | 27,464   |
| Operating profit                                    |              |                    |                          |           | 27,465   |
| Other gains   |              |                    |                          |           | 191      |
| Finance income                                      |              |                    |                          |           | 580      |
| Finance costs                                       |              |                    |                          |           | (1,050)  |
| Profit before tax                                   |              |                    |                          |           | 27,185   |
| Tax   |              |                    |                          |           | (6,797)  |
| Profit for the period                               |              |                    |                          |           | 20,388   |
| Capital expenditure (excluding Right of Use assets) | 4,000        | 13,953             | 2,817                    | 369       | 21,139   |





|   | Asia    | Continental | United Kingdom |           |          |
|---|---------|-------------|----------------|-----------|----------|
|   | Pacific | Europe      | & Ireland      | Corporate | Total    |
| Six months to 30 April 2022                         | £'000   | £'000       | £'000          | £'000     | £'000    |
| Total revenue                                       | 19,793  | 80,597      | 19,866         | -         | 120,256  |
| Inter segment sales                                 | -       | (4,994)     | (2)            | -         | (4,996)  |
| Revenue from external customers                     | 19,793  | 75,603      | 19,864         | -         | 115,261  |
| EBITDA  | 4,531   | 29,262      | 7,532          | (1,157)   | 40,168   |
| Depreciation, amortisation and impairment           | (2,638) | (12,266)    | (3,337)        | (409)     | (18,650) |
| Operating profit                                    | 1,893   | 16,996      | 4,195          | (1,566)   | 21,518   |
| Operating profit                                    |         |             |                |           | 21,518   |
| Other losses  |         |             |                |           | (462)    |
| Finance income                                      |         |             |                |           | 19       |
| Finance costs                                       |         |             |                |           | (1,129)  |
| Profit before tax                                   |         |             |                |           | 9,946    |
| Tax   |         |             |                |           | (3,514)  |
| Profit for the period                               |         |             |                |           | 16,432   |
| Capital expenditure (excluding Right of Use assets) | 1,725   | 7,595       | 3,933          | 1,136     | 14,389   |

|   | Asia    | Continental | United Kingdom |           |          |
|---|---------|-------------|----------------|-----------|----------|
|   | Pacific | Europe      | & Ireland      | Corporate | Total    |
| 12 months to 31 October 2022                        | £'000   | £'000       | £'000          | £'000     | £'000    |
| Total revenue                                       | 39,945  | 187,897     | 41,996         | -         | 269,838  |
| Inter segment sales                                 | -       | (10,058)    | -              | -         | 10,058)  |
| Revenue from external customers                     | 39,945  | 177,839     | 41,996         | -         | 259,780  |
| EBITDA  | 9,094   | 75,497      | 15,388         | (7,738)   | 92,241   |
| Depreciation, amortisation and impairment           | (7,136) | (24,234)    | (3,868)        | (322)     | (35,560) |
| Operating profit/loss excluding associates          | 1,958   | 51,263      | 11,520         | (8,060)   | 56,681   |
| Operating profit                                    |         |             |                |           | 56,681   |
| Other losses  |         |             |                |           | (1,176)  |
| Finance income                                      |         |             |                | -         |          |
| s   |         |             |                |           | (2,151)  |
| Profit before tax                                   |         |             |                |           | 53,354   |
| Tax   |         |             |                |           | (14,561) |
| Profit for the period                               |         |             |                |           | 38,793   |
| Capital expenditure (excluding Right of Use assets) | 4,218   | 20,056      | 9,522          | 1,359     | 35,156   |



Total revenue from external customers is analysed below:

|   | Six months to<br>30 April<br>2023<br>£'000 | Six months to<br>30 April<br>2022<br>£'000 | 12 months to<br>31 October<br>2022<br>£'000 |
|---|--|--|---|
| Total revenue from external customers:        |  |  |   |
| Sales of equipment, spare parts & consumables | 9,524                                      | 9,779                                      | 20,459                                      |
| Sales of services                             | 1,546                                      | 1,746                                      | 3,895                                       |
|   | 11,071                                     | 11,525                                     | 24,355                                      |
| Vending revenue                               | 132,751                                    | 103,736                                    | 235,425                                     |
| Total revenue                                 | 143,822                                    | 115,261                                    | 259,780                                     |

There were no key customers in the period ended 30 April 2023 (2022: none).

#### 4. Other gains and losses

Other gains and losses comprise of transactions relating to financial instruments held at FVTPL, other financial instruments and the disposal of subsidiaries. They have been disclosed separately in order to improve a reader's understanding of the financial statements and are not disclosed within operating profit as they are non-trading in nature.

|  | Six<br>months<br>to<br>30 April<br>2023<br>£'000 | Six months<br>to<br>30 April<br>2022<br>£'000 | 12 months<br>to<br>31 October<br>2022<br>£'000 |
|--|--|---|--|
| <b>Other gains and losses</b>                                |  |   |  |
| Gain/(loss) on disposal of subsidiary                        | 57   | (462)   | (459)  |
| Fair value gain/(loss) on financial instrument held at FVTPL | 111  | -   | (330)  |
| Loss on available for sale financial instruments             | -  | -   | (20)   |
| Other gains/(losses)   | 23   | -   | (367)  |
|  | 191  | (462)   | (1,176)  |

##### Six months to 30 April 2023

The Group generated a profit on disposal of £57,000 from the disposal of its Korean subsidiary Photo-Me Korea Company Limited, recognized in other gains in the income statement.

##### Six months to 30 April 2022

The Group incurred a loss on disposal of £462,000 from the disposal of its Spanish subsidiary La Wash Group, recognized in other losses in the income statement.



## 5. Taxation

|                            | Six<br>months<br>to<br>30 April<br>2023<br>£'000 | Six<br>months to<br>30 April<br>2022<br>£'000 | 12 months<br>to<br>31 October<br>2022<br>£'000 |
|----------------------------|--|---|--|
| Profit / (loss) before tax | 27,185   | 19,946  | 53,354   |
| Total taxation charge      | (6,797)  | (3,514)                                       | (14,561)                                       |
| Effective tax rate         | 25.0%  | 17.6%   | 27.3%  |

The tax charge in the Group Income Statement is based on management's best estimate of the full year effective tax rate based on expected 12 Months profits to 31 October 2023.

The UK main rate of corporation tax increased from 19% to 25% on 1 April 2023.

The Group undertakes business in multiple tax jurisdictions.

## 6. Dividends paid and proposed

|   | 30 April 2023      |        | 31 October 2022    |        |
|---|--------------------|--------|--------------------|--------|
|   | pence per<br>share | £'000  | pence per<br>share | £'000  |
| <b>Dividends Paid</b>                       |                    |        |                    |        |
| <b>Special dividend</b>                     |                    |        |                    |        |
| Approved by the Board on 18 July 2022       | -                  | -      | 6.50               | 24,572 |
| <b>Final dividend</b>                       |                    |        |                    |        |
| 2021 approved at AGM held on 29 April 2022  | -                  | -      | 2.89               | 10,925 |
| <b>Interim dividend</b>                     |                    |        |                    |        |
| 2022 approved by the board on 18 July 2022  | 2.60               | 9,829  | -                  | -      |
|   | 2.60               | 9,829  | 9.39               | 35,497 |
| <b>Dividends Proposed</b>                   |                    |        |                    |        |
| <b>Final dividend</b>                       |                    |        |                    |        |
| 2022 approved at AGM held on 28 April 2023  | 3.00               | 11,345 | -                  | -      |
| <b>Special dividend</b>                     |                    |        |                    |        |
| 2022 approved by the board on 20 April 2023 | 0.60               | 2,269  | -                  | -      |
|   | 3.60               | 13,613 | -                  | -      |

The Board proposed a final dividend of 3.00p per ordinary share in respect of the year ended 31 October 2022, which was approved by shareholders at the Annual General Meeting held on 28 April 2023 and paid on 12 May 2023.

The Board proposed an additional, special dividend of 0.60p per ordinary share in respect of the year ended 31 October 2022, which was approved by the Board on 20 April 2023 and paid on 19 May 2023.

## 7. Earnings per share

Diluted earnings per share amounts are calculated by dividing the net earnings attributable to shareholders of the Parent by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into shares. The Group has only one category of dilutive potential shares being share options granted to senior staff, including directors, as detailed in note 8.

The earnings and weighted average number of shares used in the calculation of earnings per share are set out in the table below:

|  | Six months to<br>30 April<br>2023 | Six months to<br>30 April<br>2022 | 12 months to<br>31 October<br>2022 |
|--|-----------------------------------|-----------------------------------|------------------------------------|
| Basic earnings per share                                 | 5.39                              | 4.35                              | 10.26                              |
| Diluted earnings per share                               | 5.34                              | 4.35                              | 10.23                              |
| Earnings available to shareholders (£'000)               | 20,388                            | 16,432                            | 38,793                             |
| Weighted average number of shares in issue in the period |                                   |                                   |                                    |
| - Basic ('000)   | 378,152                           | 378,012                           | 378,052                            |
| - Including dilutive share options ('000)                | 381,795                           | 378,012                           | 379,100                            |

## 8. Share based payments

The Group grants share options to senior staff, including directors, allowing them to purchase Ordinary shares of 0.5p each. As at 30 April 2023, the total number of options granted and within their vesting period or available to exercise was 11,723,030.

All options can be exercised, in normal circumstances, within a period of four years from the grant date, providing that the performance criterion or performance condition has been achieved. The subscription price for all options is based upon the average market price on the three days prior to the date of grant. Options are restricted, or may lapse, if the grantee leaves the employment of the Group before the first exercise date.

All options are equity settled options.

Options granted after 2005 are covered by the new ME Group Executive Share Option Scheme. The vesting of options is subject to an EPS-based performance condition relating to the extent to which the Company's basic EPS for the third financial year, following the date of grant, reaches a sliding scale of challenging EPS targets. Options are normally granted over shares worth up to 150% of a participant's salary each year. In exceptional cases as part of the terms of attracting senior management, options in excess of that number may be granted.

In accordance with IFRS 2 Share-based Payments, share options granted to senior management including directors after November 2002 have been fair-valued and the Company has used the Black-Scholes option pricing model. This model takes into account the terms and conditions under which the options were granted.

The charge for share-based payments in the six months to 30 April 2023 was £431,000.

## 9. Non-current assets: Goodwill, other intangibles, property, plant and equipment and investment property

|  | Goodwill | Other<br>intangible<br>assets | Property,<br>plant<br>& equipment | Investment<br>property |
|--|----------|-------------------------------|-----------------------------------|------------------------|
|  | £'000    | £'000                         | £'000                             | £'000                  |
| Net book value at 1 November 2021          | 15,305   | 19,988                        | 91,973                            | 597                    |
| Exchange adjustment                        | 159      | (109)                         | 1,092                             | 10                     |
| Additions - photobooths & vending machines | -        | -                             | 27,205                            | -                      |
| Additions - other assets                   | -        | 2,486                         | 5,465                             | -                      |

|   |               |               |                |            |
|---|---------------|---------------|----------------|------------|
| Additions - right of use assets                     | -             | -             | 7,298          | -          |
| Additions - new subsidiaries                        | 1,652         | 98            | 11             | -          |
| Transfers   | -             | -             | -              | -          |
| Amortisation / Depreciation                         | -             | (6,772)       | (32,219)       | (15)       |
| (Impairment) / Reversal of impairment               | -             | -             | 3,443          | -          |
| Disposals at net book value                         | -             | (71)          | (3,178)        | -          |
| <b>Net book value at 31 October 2022</b>            | <b>17,116</b> | <b>15,620</b> | <b>101,090</b> | <b>592</b> |
| Purchase price allocation adjustment (Note 13)      | (796)         | 814           | -              | -          |
| <b>Net book value at 31 October 2022 (restated)</b> | <b>16,320</b> | <b>16,434</b> | <b>101,090</b> | <b>592</b> |
| Exchange adjustment                                 | 100           | 182           | 1,537          | 12         |
| Additions - photobooths & vending machines          | -             | -             | 16,926         | -          |
| Additions - other assets                            | -             | 1,372         | 2,841          | -          |
| Additions - right of use assets                     | -             | -             | -              | -          |
| Additions - new subsidiaries                        | -             | -             | -              | -          |
| Transfers   | -             | (69)          | 69             | -          |
| Amortisation / Depreciation                         | -             | (2,309)       | (16,319)       | (8)        |
| (Impairment) / Reversal of impairment               | -             | -             | (31)           | -          |
| Disposals at net book value                         | -             | (41)          | (1,333)        | -          |
| <b>Net book value at 30 April 2023</b>              | <b>16,420</b> | <b>15,569</b> | <b>104,780</b> | <b>596</b> |

#### 10. Fair values of financial instruments by class

There is no difference between the fair values and the carrying values of financial assets and financial liabilities held in the Group's statement of financial position.

The Group holds an investment in Max Sight Group Holdings Ltd, which as a listed company. This investment is valued at level 1. The Group owns 109,972,500 Max Sight Group Holdings Ltd's shares valued at 0.065 HKD per share as at 30 April 2023, giving a value at that date of £788,643.

On 27 October 2022, the Group subscribed to 500,000 convertible bonds in Energy Observer Developments SAS, a privately held company. This investment is valued at level 3 as its value is linked to the equity value of Energy Observer Developments SAS, which is not observable market data. At 30 April 2023 the investment is valued at €5,127,000 (£4,648,000), being the €5,000,000 principal plus accrued interest. In the absence of observable relevant market data, the bond's issue price plus accrued interest is deemed to be the best measure of fair value. There are no material Level 2 investments held by the Group or Company

## Financial instruments by category

The tables below show financial instruments by category held by the Group.

| At 30 April 2023  | Fair Value               |                          |                |
|---|--------------------------|--------------------------|----------------|
|   | Loans and<br>receivables | Through<br>Profit & Loss | Total          |
|   | £'000                    | £'000                    | £'000          |
| <b>Assets per<br/>statement of<br/>financial<br/>position</b> |                          |                          |                |
| Financial<br>instruments<br>held at FVTPL                     | -                        | 5,437                    | 5,437          |
| Financial assets<br>- held at<br>amortised cost:              |                          |                          |                |
| Trade and other<br>receivables                                | 11,924                   | -                        | 11,924         |
| Cash and cash<br>equivalents                                  | 113,057                  | -                        | 113,057        |
|   | <b>124,981</b>           | <b>5,437</b>             | <b>130,418</b> |

|  | Other<br>financial<br>liabilities at<br>amortised<br>cost | Total          |
|--|---|----------------|
|  | £'000   | £'000          |
| <b>Liabilities per<br/>statement of<br/>financial<br/>position</b> |   |                |
| Borrowings   | 88,649  | 88,649         |
| Leases   | 13,216  | 13,216         |
| Trade and other<br>payables  | 52,072  | 52,072         |
|  | <b>153,937</b>  | <b>153,937</b> |

| At 30 April 2022  | Fair Value                                 |                             |                     |
|---|--|-----------------------------|---------------------|
|   | Loans and<br>receivables<br><br>(Restated) | Through<br>Profit &<br>Loss | Total<br>(Restated) |
|   | £'000                                      | £'000                       | £'000               |
| <b>Assets per<br/>statement of<br/>financial<br/>position</b> |  |                             |                     |
| Financial<br>instruments held<br>at FVTPL                     | -  | 1,501                       | 1,501               |



|                  |         |       |         |
|------------------|---------|-------|---------|
| Financial assets |         |       |         |
| - held at        |         |       |         |
| amortised cost:  |         |       |         |
| Trade and other  |         |       |         |
| receivables      | 18,423  | -     | 18,423  |
| Cash and cash    |         |       |         |
| equivalents      | 95,773  | -     | 95,773  |
|                  | 114,196 | 1,501 | 115,697 |

|  |  |                       |              |
|--|--|-----------------------|--------------|
|  |  | <b>Other</b>          | <b>Total</b> |
|  |  | <b>financial</b>      |              |
|  |  | <b>liabilities at</b> |              |
|  |  | <b>amortised</b>      |              |
|  |  | <b>cost</b>           |              |
|  |  | <b>£'000</b>          | <b>£'000</b> |

**Liabilities per  
statement of  
financial  
position**

|                 |         |         |
|-----------------|---------|---------|
| Borrowings      | 53,603  | 53,603  |
| Leases          | 13,585  | 13,585  |
| Trade and other |         |         |
| payables        | 41,400  | 41,400  |
|                 | 108,588 | 108,588 |

**At 31 October  
2022**

|  |                    |                          |                   |
|--|--------------------|--------------------------|-------------------|
|  |                    | <b>Fair Value</b>        |                   |
|  | <b>Loans and</b>   | <b>Through</b>           | <b>Total</b>      |
|  | <b>receivables</b> | <b>Profit &amp; Loss</b> | <b>(Restated)</b> |
|  | <b>(Restated)</b>  |                          |                   |
|  | <b>£'000</b>       | <b>£'000</b>             | <b>£'000</b>      |

**Assets per  
statement of  
financial  
position**

|                  |         |       |         |
|------------------|---------|-------|---------|
| Financial        |         |       |         |
| instruments      | -       | 5,239 | 5,239   |
| held at FVTPL    |         |       |         |
| Financial        |         |       |         |
| assets - held at |         |       |         |
| amortised cost:  |         |       |         |
| Trade and other  |         |       |         |
| receivables      | 11,434  | -     | 11,434  |
| Cash and cash    |         |       |         |
| equivalents      | 135,200 | -     | 135,200 |
|                  | 146,634 | 5,239 | 151,873 |

|  |  |                       |              |
|--|--|-----------------------|--------------|
|  |  | <b>Other</b>          | <b>Total</b> |
|  |  | <b>financial</b>      |              |
|  |  | <b>liabilities at</b> |              |
|  |  | <b>amortised</b>      |              |
|  |  | <b>cost</b>           |              |
|  |  | <b>£'000</b>          | <b>£'000</b> |

**Liabilities per**

**statement of  
financial  
position**

|                          |                |                |
|--------------------------|----------------|----------------|
| Borrowings               | 102,163        | 102,163        |
| Leases                   | 15,923         | 15,923         |
| Trade and other payables | 52,248         | 52,248         |
|                          | <b>170,334</b> | <b>170,334</b> |

**11. Inventories**

|                               | <b>Unaudited<br/>30 April<br/>2023<br/>£'000</b> | Unaudited<br>30 April<br>2022<br>£'000 | Audited<br>31 October<br>2022<br>£'000 |
|-------------------------------|--|--|--|
| Raw materials and consumables | <b>24,884</b>                                    | 15,857                                 | 18,774                                 |
| Finished goods                | <b>8,711</b>                                     | 5,880                                  | 6,717                                  |
|                               | <b>33,595</b>                                    | 21,737                                 | 25,491                                 |

At 30 April 2023 the Group held a high volume of spare parts and materials, in preparation for upcoming machine upgrades and refurbishments. Inventory of new machines also increased versus 30 April 2022 and 31 October 2022 levels.

**12. Net cash**

|   | <b>Unaudited<br/>30 April<br/>2023<br/>£'000</b> | Unaudited<br>30 April<br>2022<br>(Restated)<br>£'000 | Audited<br>31 October<br>2022<br>(Restated)<br>£'000 |
|---|--|--|--|
| Cash and cash equivalents per statement of financial position | <b>113,057</b>                                   | 95,773   | 135,200  |
| Non-current borrowings  | <b>(59,836)</b>                                  | (34,673)   | (72,365)   |
| Current borrowings  | <b>(28,813)</b>                                  | (18,930)   | (29,799)   |
| Net cash  | <b>24,408</b>                                    | 42,170   | 33,036   |

At 30 April 2022 and 31 October 2022 certain restricted deposits were included in net cash which have now been reclassified to other receivables. Comparative figures have been restated to show net cash excluding the restricted deposits. The value of restricted deposits reclassified out of net cash was £984,000 at 30 April 2022 and £985,000 at 31 October 2022. The value of restricted deposits included in other receivables at 30 April 2023 was £985,000. The restatement had no impact on opening retained earnings or prior period EPS.

Cash and cash equivalents per the cash flow comprise cash at bank and in hand and short-term deposit accounts with an original maturity of less than three months, less bank overdrafts.

Net cash is a non-GAAP measure since it is not defined in accordance with IFRS but is a key indicator used by management in assessing operational performance and financial position strength. The inclusion of items in net cash as defined by the Group may not be comparable with other companies' measurement of net cash/debt. The Group includes in net cash: cash and cash equivalents and certain financial assets (mainly deposits), less instalments on loans and other borrowings.

The table above, which is not currently required by IFRS, reconcile the Group's net cash to the Group's statement of cash flows. Management believes the presentation of the tables will be of assistance to shareholders.

### **13. IFRS3 Business Combinations**

#### **Dreammakers**

On 31 March 2022 the Group acquired 100% of the issued share capital of Dreammakers for a consideration of €3,900,000 (£3,274,000), obtaining control of the company on that date.

Dreammakers, which operates under the trading name 'VIP BOX', is a France based, market leader in the rental and sale of selfie stations for private and professional events. This acquisition supports the Group's strategic aim of product diversification. The acquisition was funded from the Group's cash resources.

Due to the proximity of the transaction to the prior period reporting date, the purchase price allocation, including determination of the fair value of intangible assets recognised on consolidation, had not been finalised when the prior period financial statements were approved.

With the purchase price allocation now complete, the Group has during the period adjusted the provisional amounts that were recorded in the prior period financial statements by increasing intangible assets by €929,000 (£814,000) and reducing goodwill by the same amount (see note 9).

As part of the purchase price allocation, the Group has recognised separately identifiable acquired intangible assets in accordance with IAS38 and had their fair values assessed by an independent expert. The fair value adjustments in respect of acquired intangible assets are due to the recognition of €255,000 (£223,000) in respect of Dreammakers' marketing database; €190,000 (£166,000) in respect of contractual customer relationships and order backlog; and €484,000 (£425,000) in respect of brand related assets. The balance of residual goodwill is €1,060,000 (£929,000).

A deferred tax liability of €21,000 (£18,000), in respect of the order backlog intangible asset, has been recognised and reflected in the adjusted goodwill value.

### **14. Changes to the composition of the Group**

#### **Disposal of Photo-Me Korea**

On 30 November 2022 the group disposed of its South Korean subsidiary, Photo-Me Korea Company Limited. This was for consideration of £209,000. The group generated a profit of £57,000 which has been recognised in other gains in the income statement.

### **15. Events after statement of financial position date**

On 3 July 2023, the Group's Japanese subsidiary, ME Group Japan K.K. entered into a binding conditional agreement to buy the automated-photobooth business owned and operated by two subsidiaries of FUJIFILM Corporation in Japan.

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





## **RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT**

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- The Interim Management Report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Sir John Lewis OBE (Non-executive Chairman)

Serge Crasnianski (Chief Executive Officer and Deputy Chairman)

12 July 2023



## **INDEPENDENT REVIEW REPORT**

We have been engaged by Me Group International PLC ("the Company") to review the financial information for the six months ended 30th April 2023 which comprises the Group Condensed Statement of Comprehensive Income, the Group Condensed Statement of Financial Position, the Group Condensed Statement of Cash Flows and the Group Condensed Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

### **The purpose of our review work and to whom we owe our responsibilities**

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board and our Engagement Letter dated 5th July 2023. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

### **Responsibilities of directors**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with International Accounting Standard 34, 'Interim Financial Reporting', in accordance with Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority which requires that the interim report must be prepared and presented in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Responsibilities of auditors**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial information in the interim report does not give a true and fair view of the financial position of the Company as at 30th April 2023 and of its financial performance and its cash flows for the six months then ended, in accordance with International Accounting Standard 34, 'Interim Financial Reporting and Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Signed:

Mazars LLP  
Chartered Accountants  
30 Old Bailey  
London  
EC4M 7AU  
Date: 12 July 2023



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR EAXFFDNDEFA