

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

This document and any documents incorporated into it by reference should be read in conjunction with the accompanying Form of Acceptance (if you hold Photo-Me Shares in certificated form) which forms part of this document.

If you have sold or otherwise transferred all of your Photo-Me Shares (other than pursuant to the Offer), please send this document, together with the accompanying reply-paid envelope (for use in the UK only), but not the personalised Form of Acceptance, at once to the stockbroker, bank or other agent through whom the sale or transfer was effected (but not into a Restricted Jurisdiction), for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Photo-Me Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Photo-Me Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact the Receiving Agent to obtain a personalised Form of Acceptance.

UNRECOMMENDED MANDATORY CASH OFFER

by

TIBERGEST PTE LTD

(a company wholly-owned by Mr. Serge Crasnianski)

for

PHOTO-ME INTERNATIONAL PLC

The release, publication or distribution of this document and the accompanying Form of Acceptance in, into or from jurisdictions other than the United Kingdom, and the availability of the Offer to Photo-Me Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and the accompanying Form of Acceptance comes should inform themselves about, and observe, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Bidco disclaims any responsibility or liability for the violation of such restrictions by such persons. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

Photo-Me Shareholders should read carefully the whole of this document and (in the case of Photo-Me Shareholders holding Photo-Me Shares in certificated form) the accompanying Form of Acceptance. Your attention is drawn to the letter from the Chair of Photo-Me, which contains the view of the Independent Directors of Photo-Me on the Offer, which is set out on page 19 to page 26 of this document.

The procedure for acceptance of the Offer is set out on pages 13 to 16 of this document and, in respect of Photo-Me Shares in certificated form, in the Form of Acceptance. To accept the Offer in respect of Photo-Me Shares in certificated form, you must complete and return the accompanying Form of Acceptance as soon as possible and, in any event, so as to be received by the Receiving Agent by no later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. Acceptances in respect of Photo-Me Shares in uncertificated form should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

A copy of this document, the information incorporated into this document by reference to another source and the documents listed in paragraph 13 of Appendix IV will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Photo-Me's website at www.photo-me.com/investor-relations/mandatory-offer promptly and in any event by no later than 12 noon on the Business Day following the publication of this document. Unless explicitly stated otherwise, the

content of the website referred to in this document is not incorporated into and does not form part of this document.

Subject to certain restrictions in relation to persons in any Restricted Jurisdiction, you may request a hard copy of this document (and any information incorporated into it by reference to another source) by contacting the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

A hard copy of this document (and any information incorporated into it by reference to another source) will not be sent to you unless you have previously notified Photo-Me's registrars, Link Group, that you wished to receive all documents in hard copy form or unless requested in accordance with the procedure set out above.

Capitalised words and phrases used in this document shall have the meanings given to them in Appendix V.

If you have any questions about this document or the accompanying document(s) or are in any doubt as to how to complete the Form of Acceptance (if you hold Photo-Me Shares in certificated form), please call the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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finnCap Ltd which is regulated in the United Kingdom by the FCA is acting for Photo-Me in relation to the matters described in this document and will not be responsible to anyone other than Photo-Me for providing the protections afforded to clients of finnCap or for providing advice in relation to any other matters referred to in this document. Neither finnCap nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this document, any statement contained in this document or otherwise.

IMPORTANT NOTICE

This document has been prepared in accordance with English law and the Takeover Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

No person has been authorised to make any representations on behalf of Photo-Me or Bidco concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Photo-Me except where otherwise expressly stated. Neither Bidco nor Photo-Me intends, or undertakes any obligation, to update information contained in this document, except as required by applicable law, the Takeover Code or other regulation.

Overseas Shareholders

This document has been prepared in accordance with English law and regulation (including the Takeover Code, the Market Abuse Regulation and the Disclosure and Transparency Rules) and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

The Offer is subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Takeover Code.

The release, publication or distribution of this document in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restriction by any person.

Unless otherwise determined by Bidco or required by the Takeover Code and permitted by applicable law and regulation, the Offer is not being, and will not be, made available, directly or indirectly, in or into, or by use of mails of, or by any other means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet, facsimile, telex or otherwise) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or otherwise or from within any such Restricted Jurisdiction.

Accordingly, unless otherwise determined by Bidco or required by the Takeover Code and permitted by applicable law and regulation, copies of this document and formal documents relating to the Offer will not be, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this document (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send it in, into or from such jurisdiction. Any person (including, without limitation, any agent, custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this document and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

Further information for Overseas Shareholders is set out in paragraph 12 of Part 1 of this document. Any person (including, without limitation, any agent, custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to forward this document, together with the accompanying Form of Acceptance, to any jurisdiction outside the United Kingdom should read that paragraph.

Important Notice to US holders of Photo-Me Shares

The Offer relates to the shares of an English company and is being made by means of a contractual takeover offer under the Takeover Code and under the laws of England and Wales. The Offer is made in the United States pursuant to all applicable laws and regulations, including, to the extent applicable, Section 14(e) and Regulation 14E under the US Exchange Act and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law. The Offer is made in the United States by Bidco and no one else.

Furthermore, the payment and settlement procedures with respect to the Offer comply with the relevant United Kingdom rules, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.

In accordance with, and to the extent permitted by, the Takeover Code and normal UK market practice, BNP Paribas and their respective affiliates may continue to act as exempt principal traders or exempt market makers in Photo-Me Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, as permitted by Rule 14e-5(b)(9) under the US Exchange Act.

In addition, Bidco, its affiliates, their advisers, and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Photo-Me outside the Offer, such as in open market purchases or privately negotiated purchases, during the period in which the Offer remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by Bidco or its affiliates will not be made at prices higher than the price of the Offer provided in this document unless the price of the Offer is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service on www.londonstockexchange.com. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.

The financial statements and all financial information included in this document have been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial statements and information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US (“US GAAP”). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

Neither the Offer nor this document have been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document or the merits of this Offer. Any representation to the contrary is a criminal offence in the US.

The receipt of cash by a US holder as consideration for the transfer of its Photo-Me Shares pursuant to the Offer will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Photo-Me Shares is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to him or her.

Forward-looking statements

This document (including information incorporated by reference in this document), oral statements made regarding the Offer, and other information published by Bidco and Photo-Me contains statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Photo-Me about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Offer on Bidco and Photo-Me (including their future prospects, developments and business strategies), the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “strategy”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy,

losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's or Photo-Me's operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions and governmental regulation on Bidco's or Photo-Me's business. Although Bidco and Photo-Me believes that the expectations reflected in such forward-looking statements are reasonable, Bidco and Photo-Me can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions; changes in general economic and business conditions; the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Photo-Me operate, weak, volatile or illiquid capital and/or credit markets; changes in tax rates; interest rate and currency value fluctuations; the degree of competition in the geographic and business areas in which Bidco and Photo-Me operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Photo-Me, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Bidco nor Photo-Me is under any obligation, and Bidco and Photo-Me expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts, estimates or quantified benefits statements

Other than the FY2021 Profit Estimate, no statement in this document is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Photo-Me for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Photo-Me.

Disclosure requirements of the Takeover Code

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

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

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

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

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

Information relating to Photo-Me Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Photo-Me Shareholders, persons with information rights and other relevant persons for the receipt of communications from Photo-Me may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code.

Rounding

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

ACTION TO BE TAKEN IF YOU WISH TO ACCEPT THE OFFER:

- (A) **IF YOU HOLD PHOTO-ME SHARES IN CERTIFICATED FORM**, YOU SHOULD COMPLETE THE ACCOMPANYING FORM OF ACCEPTANCE IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED THEREON. THE COMPLETED FORM OF ACCEPTANCE, TOGETHER WITH YOUR SHARE CERTIFICATE(S) AND/OR OTHER DOCUMENT(S) OF TITLE SHOULD BE RETURNED AS SOON AS POSSIBLE BY POST OR (DURING NORMAL BUSINESS HOURS ONLY) BY HAND TO THE RECEIVING AGENT AT LINK GROUP, CORPORATE ACTIONS, 10TH FLOOR, CENTRAL SQUARE, 29 WELLINGTON STREET, LEEDS, LS1 4DL, SO AS TO ARRIVE NO LATER THAN 1.00 P.M. ON 8 MARCH 2022. A REPLY-PAID ENVELOPE IS ENCLOSED FOR USE IN THE UNITED KINGDOM. IF YOU ARE POSTING IN THE UNITED KINGDOM, THE ENCLOSED REPLY-PAID ENVELOPE HAS BEEN PROVIDED FOR YOUR CONVENIENCE.
- (B) **IF YOU HOLD YOUR PHOTO-ME SHARES IN UNCERTIFICATED FORM**, THAT IS, IN CREST, YOU SHOULD READ PARAGRAPH 14.2 OF PART 1 OF THIS DOCUMENT AND ENSURE THAT AN ELECTRONIC ACCEPTANCE IS MADE BY YOU OR ON YOUR BEHALF AND THAT SETTLEMENT IS MADE NO LATER THAN 1.00 P.M. ON 8 MARCH 2022. IF YOU HOLD YOUR PHOTO-ME SHARES AS A CREST SPONSORED MEMBER, YOU SHOULD REFER TO YOUR CREST SPONSOR AS ONLY YOUR CREST SPONSOR WILL BE ABLE TO SEND THE NECESSARY TTE INSTRUCTION TO EUROCLEAR.

IF YOU REQUIRE ASSISTANCE IN COMPLETING YOUR FORM OF ACCEPTANCE (OR WISH TO OBTAIN AN ADDITIONAL FORM OF ACCEPTANCE) OR HAVE QUESTIONS IN RELATION TO MAKING AN ELECTRONIC ACCEPTANCE, PLEASE CONTACT THE RECEIVING AGENT, LINK GROUP, CORPORATE ACTIONS ON 0371 664 0321. CALLS ARE CHARGED AT THE STANDARD GEOGRAPHIC RATE AND WILL VARY BY PROVIDER. CALLS OUTSIDE THE UNITED KINGDOM WILL BE CHARGED AT THE APPLICABLE INTERNATIONAL RATE. THE HELPLINE IS OPEN BETWEEN 9 A.M. – 5.30 P.M., MONDAY TO FRIDAY EXCLUDING PUBLIC HOLIDAYS IN ENGLAND AND WALES. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

ALL REFERENCES TO TIME IN THIS DOCUMENT AND IN THE FORM OF ACCEPTANCE ARE TO LONDON TIME.

Settlement

Subject to the Offer becoming or being declared unconditional, settlement for those Photo-Me Shareholders who have validly accepted the Offer will be effected within 14 calendar days of the Offer becoming or being declared unconditional or, in relation to valid acceptances received after this date, within 14 calendar days of receipt of that acceptance.

This page should be read in conjunction with the rest of this document and, in the case of Photo-Me Shares held in certificated form, the Form of Acceptance. Photo-Me Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

THE OFFER WILL REMAIN OPEN FOR ACCEPTANCE UNTIL 1.00 P.M. (LONDON TIME) ON THE UNCONDITIONAL DATE, WHICH IS 8 MARCH 2022 (UNLESS BIDCO HAS SET ASIDE THE ACCELERATION STATEMENT IN ACCORDANCE WITH THE TAKEOVER CODE AS SET OUT IN PARAGRAPH 13 OF PART 1 OF THIS DOCUMENT).

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PART 1: LETTER FROM BIDCO TO PHOTO-ME SHAREHOLDERS

15 February 2022

To Photo-Me Shareholders and, for information only, to persons with information rights and any person who holds PF Options and options under the ESOS

Dear Photo-Me Shareholder

Unrecommended Mandatory Cash Offer for Photo-Me by Bidco, a company wholly-owned by Mr. Serge Crasnianski, the Chief Executive Officer and Deputy Chairman of Photo-Me

1. INTRODUCTION

On 21 January 2022 Tibergest PTE Ltd (“**Bidco**”), a company wholly-owned by Mr. Serge Crasnianski, announced that it had agreed to acquire 29,111,186 Photo-Me Shares from DDF, which completed on 26 January 2022. Following the Acquisition, Bidco and Mr. Serge Crasnianski now hold, in aggregate, 137,948,596 Photo-Me Shares, representing approximately 36.5 per cent. of the existing issued share capital of Photo-Me. As a result of the Acquisition, under Rule 9 of the Takeover Code, Bidco is required to make a mandatory cash offer for the Photo-Me Shares not already held by Bidco.

The attention of Photo-Me Shareholders who are not resident in the United Kingdom or who are citizens or nationals of other countries is drawn to paragraph 12 of this letter and paragraph 7 of Part B, paragraph (b) of Part C and/or paragraph (b) of Part D of Appendix I to this document and to the relevant provisions of the Form of Acceptance.

This letter, Appendix I to this document and, in the case of Photo-Me Shares held in certificated form, the Form of Acceptance, contain the formal terms and conditions of the Offer for your Photo-Me Shares.

To accept the Offer you must complete, sign and return the Form of Acceptance, or make an Electronic Acceptance, as soon as possible and, in any event, so as to be received or settled by no later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022 (unless Bidco has set aside the Acceleration Statement in accordance with the Takeover Code as set out in paragraph 13 of this Part 1).

2. THE OFFER

Bidco hereby offers to acquire, on the terms and subject to the conditions set out in Appendix I to this document and, in the case of Photo-Me Shares held in certificated form, the Form of Acceptance, all of the issued and to be issued shares of Photo-Me not already held by Bidco on the following basis:

For each Photo-Me Share

75 pence in cash

The Offer values the entire issued and to be issued share capital of Photo-Me at approximately £284.5 million. The Offer represents:

- a discount of 1.3 per cent. to the closing price of 76 pence per Photo-Me Share on 11 February 2022 (being the latest practicable date before the publication of this document);
- a discount of approximately 0.8 per cent. to the Closing Price of 75.6 pence per Photo-Me Share on 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period); and
- a premium of approximately 15.9 per cent. to the volume weighted average price of 64.7 pence per Photo-Me Share for the three months ended on 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period).

The Offer extends to all issued Photo-Me Shares not otherwise held by Bidco and any further Photo-Me Shares which are unconditionally allotted or issued and fully paid before the Offer closes.

The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as Bidco may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Photo-Me Shares which, when aggregated with the Photo-Me Shares acquired or agreed to be acquired by Bidco (or any person acting in concert with it) before such time, will result in Bidco and persons acting in concert with it holding Photo-Me Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Photo-Me.

The Photo-Me Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid thereafter.

Bidco reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) or any return of capital which is announced, declared, paid or becomes payable by Photo-Me to the holders of Photo-Me Shares following the date of the announcement of the Offer and prior to the Unconditional Date, in which case any reference in this document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. In such circumstances, the relevant Photo-Me Shareholders will be entitled to retain any such dividend and/or other distribution and/or return of capital.

The Offer Price is equal to the consideration paid pursuant to the latest applicable acquisition of an interest in Photo-Me Shares by Bidco or any person acting in concert with it, being the purchase by Bidco of 3,000,000 Photo-Me Shares on 4 May 2021 (as further described in paragraph 4(c)(ii) of Appendix IV to this document).

3. BACKGROUND TO AND REASONS FOR THE OFFER

Photo-Me's Chief Executive Officer and Deputy Chairman, Mr. Serge Crasnianski, has, directly and indirectly through his wholly-owned company Bidco, held one of the largest shareholdings in Photo-Me for approximately 30 years, since the date of the partnership between Key Independent Systems (KIS) (then controlled by Mr. Serge Crasnianski) and Photo-Me. Bidco wishes to increase its financial interest in Photo-Me and the Offer is a consequence of increasing its interest in Photo-Me Shares to above 30 per cent. of the voting rights of Photo-Me through the Acquisition. The Offer also provides Photo-Me Shareholders with a liquidity opportunity on no less favourable financial terms as those provided to DDF by virtue of the Acquisition.

4. INFORMATION RELATING TO MR. SERGE CRASNIANSKI

Mr. Serge Crasnianski is Chief Executive Officer and Deputy Chairman of Photo-Me. He has sat on the board of Photo-Me since 2009. He also previously served on the board of Photo-Me between 1990 to 2007.

He is the founder of Key Independent Systems (KIS), which created automatic machines to cut keys and engrave bracelets instantaneously, before expanding into film-processing and colour copiers. Mr. Serge Crasnianski trained as a nuclear physicist and has patented more than one hundred inventions.

Mr. Serge Crasnianski is the majority shareholder in several other companies, such as IRFTS SAS, an innovator of solar photovoltaics solutions.

5. INFORMATION RELATING TO BIDCO

Bidco is a private company limited by shares incorporated in the Republic of Singapore. It is wholly-owned by Mr. Serge Crasnianski and was incorporated to hold shares in Photo-Me. It is not a trading business and does not own shares in any company other than Photo-Me.

The current directors of Bidco are Mr. Serge Crasnianski, Lee Khim Chong and Yew Kam Liew. Further information relating to Bidco is set out in Appendix IV to this document.

6. BIDCO'S INTENTIONS REGARDING PHOTO-ME'S BUSINESS, MANAGEMENT AND EMPLOYEES

Bidco does not intend there to be any changes to Photo-Me's business (including research and development) or broader strategic plans, or locations and places of business (including its headquarters and headquarters functions), as a result of the Offer and there is no intention to redeploy any of Photo-Me's fixed assets.

Save as disclosed below in circumstances where Photo-Me is delisted, Bidco does not intend to cause Photo-Me to effect any material change with regard to: (i) the continued employment of its employees and managers and (ii) the conditions of employment or balance of skills and functions of the employees and management of Photo-Me, in each case as a result of the Offer.

Neither Mr. Serge Crasnianski nor Bidco has entered into, or had discussions on proposals to enter into, any form of incentivisation arrangements with any of the other Photo-Me Directors or members of Photo-Me's senior management who are interested in Photo-Me Shares.

Bidco intends that, following completion of the Offer, the existing contractual and employment rights (including Photo-Me's pension schemes) of Photo-Me's management and employees will be respected in accordance with applicable law. Bidco does not intend to make any material changes to the terms and conditions of Photo-Me's pension schemes, including the employer contributions, accrual of benefits for existing members or the rights of admission of new members.

If the Offer becomes unconditional, Bidco does not intend to procure that Photo-Me makes an application to cancel trading in Photo-Me Shares on the London Stock Exchange or the listing of Photo-Me Shares on the Official List. However, the FCA has authority to cancel the listing of Photo-Me Shares in certain circumstances (for example, due to lack of free float in Photo-Me Shares as a result of the Offer). If Photo-Me ceases to be a listed company, certain corporate and support functions relating to Photo-Me's status as a listed company may potentially require limited reductions in headcount and some or all of the non-executive directors of Photo-Me may resign from his or her office as a director of Photo-Me.

No statements in this paragraph 6 constitute post-offer undertakings for the purpose of Rule 19.5 of the Takeover Code.

7. ARRANGEMENT WITH MR. JEAN-MARC JANAILHAC

Mr. Jean-Marc Janailhac is acting as adviser to Mr. Serge Crasnianski and Bidco. In consideration for his role as adviser to Mr. Serge Crasnianski and Bidco, Mr. Jean-Marc Janailhac is entitled to compensation from Bidco in the form of Photo-Me Shares, payable when the Offer lapses or becomes unconditional (as applicable) as follows:

- The level of compensation depends on the success of the Offer. If the Offer lapses, and Bidco is left only with the Photo-Me Shares acquired under the Acquisition, Mr. Jean-Marc Janailhac (or a company controlled by him) will be entitled to receive from Bidco 0.5 per cent. of the Photo-Me Shares acquired under the Acquisition, being 145,556 Photo-Me Shares (representing approximately 0.04 per cent. of Photo-Me's issued share capital).
- If the Offer becomes unconditional, Mr. Jean-Marc Janailhac (or a company controlled by him) will be entitled to receive from Bidco 0.5 per cent. of the number of Photo-Me Shares that Bidco needs to acquire under the Acquisition and the Offer to allow Bidco to satisfy the Acceptance Condition of the Offer. Based on the current issued share capital of Photo-Me (and assuming no further Photo-Me Shares are issued), this would equate to 400,442 Photo-Me Shares (representing approximately 0.11 per cent. of Photo-Me's issued share capital).

8. EFFECTS OF ACCEPTANCE OF THE OFFER ON BIDCO

Completion of the Offer would result in the earnings, assets and liabilities of the Photo-Me Group being consolidated into the earnings, assets and liabilities of Bidco. This is expected to have a positive impact on the earnings and net assets of Bidco.

9. FINANCING OF THE OFFER

It is estimated that full acceptance of the Offer would require the payment by Bidco, under the terms of the Offer, of a maximum amount of approximately £180.9 million which will be provided by (i) secured debt facilities of £202.0 million provided by Credit Agricole Corporate and Investment Bank pursuant to the Facility Agreement and (ii) Bidco's own cash resources.

In accordance with Rule 24.8 of the Takeover Code, BNP Paribas as financial adviser to Bidco, is satisfied that sufficient cash resources are available to Bidco to satisfy the cash consideration payable to Photo-Me Shareholders in the event of full acceptance of the Offer.

For more information about the Facility Agreement, please see paragraph 7(a) of Appendix IV to this document.

10. SHARES TO WHICH THE OFFER RELATES AND ESOS AND PF OPTIONS

The Offer will extend to any Photo-Me Shares not already held by Bidco and to any Photo-Me Shares transferred or sold from treasury or unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Bidco may, subject to the rules of the Takeover Code or with the consent of the Panel, decide), including Photo-Me Shares issued or transferred from treasury pursuant to the exercise of options granted under the ESOS.

Participants in the ESOS and Mr. Pascal Faucher will be contacted in due course regarding the effect of the Offer on their outstanding options under the ESOS and the PF Options, respectively, and, where relevant, appropriate proposals will be made in respect of their options in accordance with Rule 15 of the Takeover Code. The proposals will be as follows:

- (a) holders of unvested options under the ESOS granted on 19 April 2021 with an exercise price of 61.40 pence which are "in the money" because the exercise price is lower than 75 pence will be able to exercise the options and accept the Offer if the Offer becomes or is declared unconditional; and
- (b) for the PF Options, Mr. Pascal Faucher should wait to exercise the PF Options until their normal vesting date, as they do not become exercisable early as a result of the Offer.

Holders of vested and unvested options under the ESOS where the exercise price is higher than 75 pence (i.e. all options other than those granted on 19 April 2021) will not receive a proposal, as participants would have to pay more per Photo-Me Share to exercise their options than they would receive if they exercised their options and accepted the Offer (which in the case of unvested options, would also only be possible if the Offer becomes or is declared unconditional).

Additionally, neither Mr. Serge Crasnianski nor Mr. Jean-Marc Janailhac will accept the Offer in respect of their own holdings of Photo-Me Shares. None of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski intends to exercise their options under the ESOS should they become exercisable in connection with the Offer.

11. UNITED KINGDOM TAXATION

The attention of Photo-Me Shareholders is drawn to paragraph 5 of Appendix IV to this document which sets out a general guide on certain UK taxation based on current legislation and practice. **If you are in any doubt as to your tax position, you should consult an appropriate independent professional adviser immediately.**

12. OVERSEAS SHAREHOLDERS

The attention of Photo-Me Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 7 of Part B, paragraph (b) of Part C and/or paragraph (b) of Part D of Appendix I to this document and to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The availability of the Offer to Photo-Me Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

13. ACCELERATION STATEMENT

The Offer will remain open for acceptance until 1.00 p.m. on the Unconditional Date, which is 8 March 2022 (unless Bidco has set aside the Acceleration Statement in accordance with the Takeover Code as set out in paragraph 13 of this Part 1).

By specifying an Unconditional Date which is earlier than Day 60, Bidco is treated as having made an acceleration statement to which Rule 31.5 of the Takeover Code applies (the “**Acceleration Statement**”). In accordance with Rule 31.5(e) of the Takeover Code, Bidco reserves the right to set the Acceleration Statement aside:

- (i) with the agreement or consent of the Independent Directors;
- (ii) in the event of an increased or improved offer by Bidco being recommended by the Independent Directors;
- (iii) if a third party announces a possible offer for Photo-Me or there is otherwise an announcement of a possible offer for Photo-Me by a third-party or an announcement which refers to the existence of a new potential offeror for Photo-Me (whether the potential offeror is identified or not);
- (iv) if a third party announces a firm intention to make an offer for Photo-Me;
- (v) if Photo-Me announces a “whitewash” proposal pursuant to the Code; or
- (vi) in wholly exceptional circumstances as provided for by Rule 31.5(e)(ii) of the Takeover Code.

Under Rules 31.5(c) and (d) of the Takeover Code, as a result of the Acceleration Statement being made (and unless the Panel consents otherwise):

- (a) Rule 31.8(a) of the Takeover Code is disapplied and there will therefore be no restriction on the date by which the Independent Directors of Photo-Me may announce any material new information; and
- (b) Rules 2.6(d) and (e) of the Takeover Code are disapplied and there will therefore be no requirement for a potential competing offeror to clarify its position by no later than Day 53 (as defined in the Takeover Code) of the timetable for the Offer.

14. PROCEDURE FOR ACCEPTANCE OF THE OFFER

Photo-Me Shareholders who hold their Photo-Me Shares in certificated form should read this paragraph in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. Photo-Me Shareholders who hold their shares in uncertificated form (that is, through CREST), should read this section in conjunction with Parts B and D of Appendix I to this document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Offer.

You should note that, in the event that Bidco sets aside the Acceleration Statement in accordance with the Takeover Code, Bidco will retain the right to bring forward the date by which the Acceptance Condition must be satisfied (and therefore shorten the period for which the Offer is open for acceptance) by publishing a Subsequent Acceleration Statement in accordance with the requirements of the Takeover Code specifying a new Unconditional Date. Such new Unconditional Date must be no earlier than 8 March 2022 and not less than 14 days from the date on which such Subsequent Acceleration Statement is made.

Bidco also has the right to seek to invoke the Acceptance Condition, so as to cause the Offer to lapse, by publishing a notice of its intention to do so in accordance with the requirements of Rule 31.6 of the Takeover Code (an “**ACIN**”). The ACIN will specify the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse, provided always that such date will not be: (i) earlier than 8 March 2022 or (ii) less than 14 days after the date on which the ACIN is published. In such circumstances, Bidco will make an announcement of

the new date by which the Form of Acceptance must be received in order to be taken into account for purposes of determining the level of acceptances and/or whether the Acceptance Condition has been satisfied.

14.1 **Photo-Me Shares held in certificated form**

14.1.1 **Completion of the Form of Acceptance**

To accept the Offer in respect of Photo-Me Shares held in certificated form (that is, not in CREST), you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Photo-Me Shares held in certificated form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please telephone the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **Additional Forms of Acceptance are available from the Receiving Agent upon request.**

- (a) *To accept the Offer in respect of all your Photo-Me Shares in certificated form* – you must complete Box 1 and sign either Box 2A or Box 2B (as applicable) of the enclosed Form of Acceptance. In all cases, if you are an individual, you must sign Box 2A on the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any Photo-Me Shareholder which is a company should execute Box 2B of the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 1 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of Photo-Me Shares that you hold and you have signed either Box 2A or Box 2B (as applicable), your acceptance will be deemed to be in respect of all the certificated Photo-Me Shares held by you.
- (b) *To accept the Offer in respect of less than all your Photo-Me Shares in certificated form* – you must insert in Box 1 on the enclosed Form of Acceptance such lesser number of Photo-Me Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph (a) above in respect of such lesser number of Photo-Me Shares.

14.1.2 **Return of the Form of Acceptance**

To accept the Offer in respect of Photo-Me Shares held in certificated form, the completed, signed and witnessed Form of Acceptance should be returned by post to the Receiving Agent at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by hand (during normal business hours) to the Receiving Agent at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL together (subject to paragraph 14.1.3 below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in Restricted Jurisdiction or otherwise appearing to Bidco or its agents to have been sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. For further information on Photo-Me Shareholders resident overseas, see paragraph 12 of this Part 1 above.

14.1.3 **Share certificates not readily available or lost**

If your Photo-Me Shares are in certificated form, a completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Form of Acceptance as stated above so as to be received by the Receiving Agent by post at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or by hand (during normal business hours) by the Receiving Agent at Link Group, Corporate Actions, 10th

Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL not later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible. If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Photo-Me's registrars, Link Group, Corporate Actions, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand to the Receiving Agent at the address given above.

14.1.4 Validity of Acceptances

Without prejudice to Parts B and C of Appendix I to this document, subject to the provisions of the Takeover Code, Bidco reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Bidco have been received.

14.2 Photo-Me Shares held in uncertificated form (that is, in CREST)

14.2.1 General

If your Photo-Me Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Photo-Me Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying the Receiving Agent (in its capacity as a CREST participant under the Receiving Agent's participant ID referred to below) as the escrow agent, as soon as possible **and in any event so that the TTE instruction settles not later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational). You should therefore ensure you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph 14.2.1 will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Photo-Me Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Photo-Me Shares.

After settlement of a TTE instruction, you will not be able to access the Photo-Me Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional, the Receiving Agent will transfer the Photo-Me Shares concerned in accordance with paragraph (d) of Part D of Appendix I to this document.

You are recommended to refer to the CREST manual issued by Euroclear for further information on the CREST procedure outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Photo-Me Shares to settle prior to 1.00 p.m. on the Unconditional Date, which is 8 March 2022. In this connection, you are referred in particular to those sections of the CREST manual concerning the practical limitations of the CREST system and timings.

14.2.2 To accept the Offer

To accept the Offer in respect of Photo-Me Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Photo-Me Shares. This is GB0008481250;
- the number of Photo-Me Shares in respect of which you wish to accept the Offer (i.e. the number of Photo-Me Shares to be transferred to escrow);
- your member account ID;
- your participant ID;
- the participant ID of the Receiving Agent. This is RA10;
- the member account ID of the Receiving Agent for the Offer. This is TIBPHO01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on the Unconditional Date;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

14.2.3 Validity of Acceptances

Holders of Photo-Me Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled at or before 1.00 p.m. on that date. A Form of Acceptance which is received in respect of Photo-Me Shares held in uncertificated form may be treated as an invalid acceptance and may be disregarded.

Bidco will make an appropriate announcement if any of the details contained in this paragraph 14.2 alter for any reason.

14.2.4 Overseas Shareholders

The attention of Photo-Me Shareholders holding Photo-Me Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part B and paragraph (b) of Part D of Appendix I to this document.

14.2.5 General

Normal CREST procedures (including timings) apply in relation to any Photo-Me Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Photo-Me Shares or otherwise). Holders of Photo-Me Shares who are proposing so to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on the Unconditional Date, which is 8 March 2022.

If you are in any doubt as to the procedure for acceptance of the Offer, please contact the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

15. SETTLEMENT

Subject to the Offer becoming or being declared unconditional (and except as provided in paragraph 7 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any Photo-Me Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer will be effected: (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional, within 14 calendar days of such date; and (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 calendar days of such receipt, in the following manner:

15.1 Photo-Me Shares in certificated form (that is, not in CREST)

Where a valid acceptance relates to Photo-Me Shares in certificated form, settlement of any cash due will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Photo-Me Shareholders or their appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

15.2 Photo-Me Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to Photo-Me Shares in uncertificated form, the cash consideration to which the accepting Photo-Me Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Photo-Me Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Bidco reserves the right to settle all or any part of the consideration referred to in this paragraph 15.2, for all or any accepting Photo-Me Shareholder(s), in the manner referred to in paragraph 15.1 above, if, for any reason, it wishes to do so.

15.3 General

If the Offer does not become or is not declared unconditional:

15.3.1 in the case of Photo-Me Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 calendar days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at his/her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and

15.3.2 in the case of Photo-Me Shares held in uncertificated form, the Receiving Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Photo-Me Shares held in escrow balances and in relation to which it is the Receiving Agent for the purposes of the Offer to the original available balances of the Photo-Me Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from Photo-Me Shareholders or their appointed agents will be sent at their own risk.

16. FURTHER INFORMATION

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your Photo-Me Shares are in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

17. ACTION TO BE TAKEN

The Offer will remain open for acceptance until 1.00 p.m. (London time) on the Unconditional Date, which is 8 March 2022 (unless Bidco has set aside the Acceleration Statement in accordance with the Takeover Code as set out in paragraph 13 of Part 1 of this document).

To accept the Offer:

- If your Photo-Me Shares are in certificated form (that is, not in CREST), the Form of Acceptance must be completed, signed and returned as soon as possible, (together with your share certificate(s) and/or other document(s) of title) and in any event so as to be received by the Receiving Agent no later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022. A reply-paid envelope is enclosed for your convenience for use in the UK only.
- If your Photo-Me Shares are in uncertificated form (that is, in CREST), you should NOT return the Form of Acceptance but instead ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is no later than 1.00 p.m. on the Unconditional Date, which is 8 March 2022.
- If you do NOT wish to accept the Offer, you should take no action.

If you have any questions relating to acceptance of the Offer, please contact the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully,

for and on behalf of Bidco
Mr. Serge Crasnianski

PART 2: LETTER ON BEHALF OF THE INDEPENDENT DIRECTORS

Photo-Me letterhead

15 February 2022

To Photo-Me Shareholders and, for information only, to persons with information rights and any person who holds PF Options or options under the ESOS

Dear Photo-Me Shareholder,

Unrecommended Mandatory Cash Offer for Photo-Me by Bidco, a company wholly-owned by Mr. Serge Crasnianski, the Chief Executive Officer and Deputy Chairman of Photo-Me

1. INTRODUCTION

On 21 January 2022 Tibergest PTE Ltd (“**Bidco**”), a company wholly-owned by Mr. Serge Crasnianski, announced that it had agreed to acquire 29,111,186 Photo-Me Shares from DDF, which completed on 26 January 2022. Following the Acquisition, Bidco and Mr. Serge Crasnianski now hold, in aggregate, 137,948,596 Photo-Me Shares, representing approximately 36.5 per cent. of the existing issued share capital of Photo-Me. As a result of the Acquisition, under Rule 9 of the Takeover Code, Bidco is required to make a mandatory cash offer for the Photo-Me Shares not already held by Bidco.

Bidco is a private company wholly-owned by Mr. Serge Crasnianski and was incorporated to hold shares in Photo-Me. Further information relating to Bidco and Mr. Serge Crasnianski can be found in paragraphs 4 and 5 of Part 1 of this document and in Appendix IV to this document.

The purpose of this letter is to explain the background to the Offer and the view of the Independent Directors on the Offer. The formal Offer, and the action you may take in order to accept the Offer, should you wish to do so, is set out in Part 1 of this document.

2. SUMMARY TERMS OF THE OFFER

Under the Offer, Bidco is offering to acquire, on the terms and subject to the conditions set out in Appendix I to this document and, in the case of Photo-Me Shares held in certificated form, the Form of Acceptance, all of the issued and to be issued shares of Photo-Me not already held by Bidco on the following basis:

For each Photo-Me Share	75 pence in cash
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The Offer values the entire issued and to be issued share capital of Photo-Me at approximately £284.5 million. The Offer represents:

- a discount of 1.3 per cent. to the closing price of 76 pence per Photo-Me Share on 11 February 2022 (being the latest practicable date before the publication of this document);
- a discount of approximately 0.8 per cent. to the Closing Price of 75.6 pence per Photo-Me Share on 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period); and
- a premium of approximately 15.9 per cent. to the volume weighted average price of 64.7 pence per Photo-Me Share for the three months ended on 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period).

The Offer extends to all issued Photo-Me Shares not otherwise held by Bidco and any further Photo-Me Shares which are unconditionally allotted or issued and fully paid before the Offer closes.

The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as Bidco may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Photo-Me Shares which, when aggregated with the Photo-Me Shares acquired or agreed to be acquired by Bidco (or any person acting in concert with it) before such time, will result in Bidco and persons acting in concert with it holding Photo-Me Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Photo-Me.

The Photo-Me Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid thereafter.

Bidco reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) or any return of capital which is announced, declared, paid or becomes payable by Photo-Me to the holders of Photo-Me Shares following the date of the announcement of the Offer and prior to the Unconditional Date, in which case any reference in this document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. In such circumstances, the relevant Photo-Me Shareholders will be entitled to retain any such dividend and/or other distribution and/or return of capital.

3. INFORMATION ON PHOTO-ME

Photo-Me is a public limited company incorporated in England and Wales and premium listed on the London Stock Exchange.

Photo-Me operates, sells and services a wide range of instant service vending equipment, primarily aimed at the consumer market. They currently have more than 43,800 vending units in operation, the majority of which are operated and maintained by Photo-Me.

Photo-Me operates in more than 18 countries worldwide and its financial performance is reported with regard to three geographic regions: Continental Europe, UK & Republic of Ireland and Asia.

Photo-Me reported global revenues of approximately £310,245,000 and a profit before tax of £492,000 for the 18 months ended 31 October 2020. For the six month period ended 30 April 2021, Photo-Me reported global revenues of approximately £94,581,000 and a profit before tax of approximately £12,007,000.

Mr. Serge Crasnianski is Chief Executive Officer and Deputy Chairman of Photo-Me. Mr. Jean-Marc Janailhac is one of the Executive Officers of Photo-Me and is acting as adviser to Mr. Serge Crasnianski and Bidco in connection with the Offer and is therefore a concert party of Bidco. Mr. Serge Crasnianski's daughter Ms. Tania Crasnianski is also on the board of Photo-Me. Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski are therefore not part of the Independent Directors of Photo-Me considering the terms of the Offer.

Financial information on Photo-Me is set out in Appendix II to this document.

4. CURRENT TRADING AND PROSPECTS

On 2 August 2021, Photo-Me provided the following trading update:

- *“Following a promising recovery in the first half of FY2021, the Group's trading performance in May, June and July (Q3 FY2021) was better than expected, driven by stronger-than-anticipated recovery of photobooth activity, mainly in Continental Europe. Consequently, the Board has revised its expectations for the financial year ending 31 October 2021 and is pleased to announce that it now expects to report revenue of around £210 million (previously around £200 million) and profit before tax of between £25 million to £30 million before exceptional items (previously £21 million to £24 million before exceptional items)”.*

This guidance was further refined by Photo-Me in a trading update issued on 10 December 2021, in which Photo-Me stated:

- *“The Group's better than expected trading momentum in May, June and July continued in the fourth quarter of the financial year ended 31 October 2021, driven by continued recovery in photobooth activity and a strong Laundry performance. Consequently, the Board expects that revenue will be slightly ahead of previous expectations of approximately £210 million, and profit before tax (before exceptional items) will come in towards the upper end of previous expectations of between £25 million and £30 million, subject to completion of the FY21 audit process.”*

As the abovementioned guidance relates to the financial year ended 31 October 2021, at the time of its repetition in this Offer Document it constitutes a profit estimate.

Furthermore, given that the abovementioned guidance was originally published before Mr. Serge Crasnianski requested formal clearance pursuant to Photo-Me's dealing code from Sir John Lewis OBE, Chairman of Photo-Me, to acquire 29,111,186 Photo-Me Shares from DDF, the requirements of Rule 28.1(c)(i) of the Takeover Code apply in relation to the FY21 Profit Estimate.

Basis of Preparation of the FY21 Profit Estimate

The FY21 Profit Estimate has been prepared based on Photo-Me's unaudited management accounts for the year ended 31 October 2021. The FY21 Profit Estimate has been prepared on a basis consistent with the accounting policies adopted by Photo-Me for the year ended 31 October 2020 and those that will be applicable for the year ended 31 October 2021. These policies are in accordance with IFRS.

Independent Directors' confirmation

The Independent Directors have considered the FY21 Profit Estimate and confirm that:

- (a) it remains valid as at the date of this document; and
- (b) the FY21 Profit Estimate has been properly compiled on a basis of accounting that is consistent with Photo-Me's accounting policies, which are in accordance with IFRS and are those that Photo-Me expects to apply in preparing its annual report and accounts for the financial year ending 31 October 2021.

Further Guidance on Current Trading and Prospects

Further, on 9 February 2022, Photo-Me provided the following trading update:

- *“The Board reports that the previously described recovery in its key markets has continued through the first quarter of FY22, meaning the Group's trading performance has exceeded the Board's previous expectations for that period. This outperformance has been driven, in part, by the impact of the Group reorganisation undertaken by management over the past year, including the hiring of a number of new Senior Managers who have been successful in driving the commercial performance of the business.*

Trading during the period to date is encouraging, although the Board notes that the first quarter is typically the quietest trading quarter in each financial year and hence is mindful that the Group's strongest seasonal trading periods are still to come. Further, there has been an improvement in the Group's trading environment following announcements regarding the progressive relaxation of COVID-19 restrictions in certain of the Group's key trading jurisdictions that were made over the course of January and February 2022. The Board therefore now considers it likely that the Group's performance for the year ending 31 October 2022 will exceed its previous expectations, assuming COVID-19 related restrictions are not reimposed.

The Board looks forward to providing further guidance on full year FY22 expectations later in the financial year.”

5. BACKGROUND TO AND VIEWS OF THE INDEPENDENT DIRECTORS ON THE OFFER

On 12 January 2022, Mr. Serge Crasnianski requested formal clearance pursuant to Photo-Me's dealing code from Sir John Lewis OBE, Chairman of Photo-Me, to acquire 29,111,186 Photo-Me Shares from DDF, resulting in the requirement to make a mandatory cash offer for the Photo-Me Shares not already held by Bidco. In addition, prior to requesting formal clearance pursuant to Photo-Me's dealing code, Mr. Serge Crasnianski requested the Independent Directors' support in seeking a dispensation from the Panel from the requirement to make a mandatory offer at a price of 77.7 pence per share, being the price at which a purchase of 53,000 Photo-Me Shares (representing approximately 0.014 per cent. of Photo-Me's voting rights) was made by Mr. Jean-Marc Janailhac on 11 May 2021 and the highest price paid by Bidco, or any party acting in concert with Bidco for any interest in Photo-Me Shares during the 12 months prior to the announcement of the Offer. Mr. Serge Crasnianski expressed an intention to seek a dispensation from the Panel so that the mandatory cash offer required as a result of the Acquisition would be made at a price of 75 pence per Photo-Me Share, being the highest price paid by Mr. Serge Crasnianski for an interest in Photo-Me Shares during the 12 months prior to the announcement of the Offer. During discussions with Mr. Serge Crasnianski with respect to this request, Mr. Serge Crasnianski confirmed that he would not acquire

the 29,111,186 Photo-Me Shares from DDF unless the Independent Directors supported the request for a dispensation from the Takeover Panel from the requirement to make a mandatory offer at a price of 77.7 pence per Photo-Me Share.

The Independent Directors were, and remain, sympathetic to the fact that the purchase of Photo-Me Shares by Mr. Jean-Marc Janailhac on 11 May 2021 predates any consideration by Mr. Serge Crasnianski to increase his holding in Photo-Me. Furthermore, the Independent Directors recognise that the Photo-Me Shares purchased by Mr. Jean-Marc Janailhac represent a very small proportion (approximately 0.014 per cent.) of Photo-Me's voting rights.

Having considered the request carefully, on 14 December 2021 the Independent Directors provided support for the proposed dispensation on the grounds that the Independent Directors did not wish to deprive Photo-Me Shareholders of the opportunity to accept the mandatory offer that would follow the Acquisition and to realise their investment in Photo-Me at a premium to the prevailing Photo-Me share price at that time of approximately 62 pence per Photo-Me Share. The Independent Directors made it clear to Mr. Serge Crasnianski and the Panel that support for the application for the dispensation did not, at that time, amount to any view or indeed recommendation, in respect of an offer for Photo-Me Shares made at a price of 75 pence.

Financial terms of the Offer

In evaluating the financial terms of the Offer, the Independent Directors have considered the historical trading range of Photo-Me's Shares, the relative valuation of Photo-Me's Shares represented by the Offer Price and share price premia for recent public takeover transactions.

Historical trading range

The Offer Price of 75 pence per Photo-Me Share represents:

- a premium of 6.4 per cent. to the volume weighted average trading price of 70.5 pence per Photo-Me Share and a discount of 0.8 per cent. to the highest closing price of 75.6 pence per Photo-Me Share during the 30 calendar days prior to 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period);
- a premium of 15.9 per cent. to the volume weighted average trading price of 64.7 pence per Photo-Me Share and a discount of 0.8 per cent. to the highest closing price of 75.6 pence per Photo-Me Share during the three months prior to 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period); and
- a premium of 21.7 per cent. to the volume weighted average trading price of 61.6 pence per Photo-Me Share and a discount of 4.8 per cent. to the highest closing price of 78.8 pence per Photo-Me Share during the 12 months prior to 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period).

Whilst the Offer Price is a premium to the volume weighted average trading price per Photo-Me Share during the 12 month period prior to the commencement of the Offer Period, Photo-Me's Shares have traded at a premium to the Offer Price in the same period, with a trading range of 43.7 to 78.8 pence per Photo-Me Share over the same period. Photo-Me Shareholders should also be aware that the Independent Directors consider that the trading price of Photo-Me's Shares in the 12-month period prior to the commencement of the Offer Period has been significantly negatively influenced by the impact that the COVID-19 pandemic has had on Photo-Me's ability to trade optimally.

Over longer time horizons, which the Independent Directors consider to be a more appropriate comparison given such periods capture the pre-COVID-19 pandemic trading ranges for Photo-Me Shares, the Offer Price represents:

- a premium of 11.0 per cent. to the volume weighted average trading price of 67.6 pence per Photo-Me Share during the three years prior to 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period); and
- a discount of 25.9 per cent. to the volume weighted average trading price of 101.2 pence per Photo-Me Share during the five years prior to 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period).

Relative valuation of Photo-Me Shares represented by the Offer Price

The Independent Directors note that the Offer Price implies relative valuation multiples for Photo-Me Shares below those at which the Photo-Me Shares have traded in recent years, which the Independent Directors believe reflects the impact of the COVID-19 pandemic on Photo-Me's operations. Further, Photo-Me Shareholders should be cognisant of the positive trading momentum that Photo-Me has exhibited since the height of the COVID-19 pandemic, with Photo-Me's trading in a number of key markets in which Photo-Me operates having seen recovery approaching pre-COVID 19 pandemic levels. The Independent Directors therefore do not consider that the Offer Price reflects Photo-Me's future prospects.

Photo-Me Shareholders should, however, be mindful that whilst the recovery in Photo-Me's trading performance has been notable, future trading conditions remain uncertain, particularly given the uncertainty of when the lingering impacts of the COVID-19 pandemic will cease, along with the effects of other macro-economic factors, such as interruptions to Photo-Me's supply chain, which have continued to impact Photo-Me's operations.

Analysis of recent public takeover premia

Analysis of recent public takeovers made to offeree shareholders by an existing major shareholder on both a voluntary and mandatory basis by Photo-Me's financial advisers, finnCap, demonstrates that in the majority of those transactions analysed the premium represented by an offer price (when compared with the share price immediately prior to the date that the relevant offer period commenced), is in excess of 30 per cent. This typical share price premium reflects the "control" premium required in order to secure control of the company subject to the offer. By comparison, the Offer Price represents a discount of approximately 0.8 per cent. to the Closing Price of 75.6 pence per Photo-Me Share on 20 January 2022 (being the last Business Day prior to the commencement of the Offer Period). The Independent Directors, therefore, do not consider that the Offer Price reflects an appropriate control premium over the Closing Price.

Other factors that Photo-Me Shareholders should consider in relation to the Offer

In addition to their consideration of the Offer Price, the Independent Directors believe that Photo-Me Shareholders should consider the following when evaluating whether or not they wish to accept the Offer:

- Photo-Me has recently formed a new Executive Committee which will execute the Group's strategy, seek to optimise synergies across the Group and share best practices. The Executive Committee will also support the Group's succession process and is formed of Serge Crasnianski (CEO), Jean-Marc Janailhac (Executive COO), Stephane Gibon (CFO), Alessandra Reitelli (France and Continental Europe), Tania Crasnianski (German area, UK/Ireland, Nordics and Legal Affairs), Christian Autié (Asia), Pascal Faucher (Food Division), Nathalie Lamri (CMO) and Virginie Winkelmuller (HR).
- Liquidity in Photo-Me Shares has reduced following the market purchases by Bidco and Montefiore in 2020. The average daily trading volume of Photo-Me Shares from 1 January 2021 to 20 January 2022 was 243,796, compared to 614,830 between 1 January 2020 and 31 December 2020 and, in the event that the Offer is successful, liquidity may be reduced still further;
- Bidco has already become a 'controlling shareholder' for the purposes of the Listing Rules as a result of its interest having increased to 36.5 per cent. pursuant to the Acquisition. This will require Photo-Me to put in place a legally-binding relationship agreement with Bidco and, going forwards, to adhere to the dual voting procedure for the election or re-election of independent directors by both Photo-Me Shareholders and Photo-Me Shareholders independent of Bidco (which is permitted by the Articles of Association of Photo-Me). Although Photo-Me Shareholders will benefit from the protections afforded by these safeguards, Photo-Me Shareholders should consider the importance of Bidco's potential increased voting power in making their assessment of whether to accept the Offer;
- Photo-Me Shareholders should also be aware that, should Bidco receive sufficient acceptances to increase its interest in Photo-Me Shares to more than 50 per cent. of Photo-Me's voting rights, Bidco would then be able to make further purchases of Photo-Me Shares and increase its holding in Photo-Me without triggering the requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. However, except with the consent of the Panel, neither Bidco nor

any person acting in concert with Bidco may, within six months of the closure of the Offer (if the Offer becomes or is declared unconditional), make a second offer to any Photo-Me Shareholder, or acquire any interest in Photo-Me Shares, on more favourable terms than those made available under the Offer; and

- The Offer, if it becomes or is declared unconditional, will provide a liquidity event for all Photo-Me Shareholders to realise their investment at a price of 75 pence in cash per Photo-Me Share. It cannot be predicted whether any future alternative offer will be forthcoming or whether any such offer which is forthcoming will carry more or less favourable terms. Photo-Me Shareholders who do not accept the Offer should also be aware that, in the event that Bidco (together with its associates) acquires or unconditionally contracts to acquire 90 per cent. in value of the Photo-Me Shares and 90 per cent. of the voting rights carried by the Photo-Me Shares (whether by virtue of acceptances of the Offer or by other permitted acquisitions of Photo-Me Shares), they will be able to require Bidco to acquire their Photo-Me Shares on the same terms as the Offer (or on such other terms as may be agreed) within a period of three months of either the end of the period within which the Offer can be accepted or, if later, the date of any statutory notice of sell-out rights given by Bidco.

6. VIEWS OF THE INDEPENDENT DIRECTORS ON BIDCO'S INTENTIONS FOR PHOTO-ME

The Takeover Code requires the Independent Directors to give their views on the effect of the implementation of the Offer on all of Photo-Me's interests, including, specifically, their views on Bidco's strategic plans for Photo-Me and their likely repercussions on the employment and the locations of Photo-Me's places of business.

The Independent Directors welcome Bidco's confirmation that it has no intention to alter Photo-Me's business (including research and development), broader strategic plans or locations and places of business (including Photo-Me's headquarters and headquarters functions), as a result of the Offer and also that there is no intention to redeploy any of Photo-Me's fixed assets.

Similarly, the Independent Directors also welcome Bidco's confirmation that, save in circumstances where Photo-Me is delisted, it has no intention to cause Photo-Me to effect any material change with regard to: (i) the continued employment of its employees and managers; and (ii) the conditions of employment or balance of skills and functions of the employees and management of Photo-Me, in each case as a result of the Offer.

Furthermore, the Independent Directors welcome Bidco's confirmation that it does not intend to make any alterations to the existing contractual and employment rights of Photo-Me's management and employees and that these will be respected in accordance with applicable law.

The Independent Directors also welcome Bidco's confirmation that it does not intend to make any material changes to the terms and conditions of Photo-Me's pension schemes, including the employer contributions, accrual of benefits for existing members or the rights of admission of new members.

The Independent Directors particularly welcome Bidco's confirmation that it does not intend to procure that Photo-Me makes an application to cancel trading in Photo-Me Shares on the London Stock Exchange or the listing of Photo-Me Shares on the Official List. However, the Independent Directors also note that the FCA has authority to cancel the listing of Photo-Me Shares in certain circumstances (for example, due to a lack of free float in Photo-Me Shares as a result of the Offer). In these circumstances, if Photo-Me ceases to be a listed company, the Independent Directors note that certain corporate and support functions relating to Photo-Me's status as a listed company may potentially require limited reductions in headcount and some or all of the non-executive directors of Photo-Me may resign from their office as a director of Photo-Me.

The Independent Directors note that, at the end of the period of 12 months from the date on which the Offer Period ended, Bidco will be required under the Takeover Code to: (i) confirm in writing to the Panel whether it has taken, or not taken, the course of action it stated in paragraph 6 of Part 1 of this document that it intended to take, or not to take; (ii) publish that confirmation in accordance with the requirements of Rule 30.1 of the Takeover Code. Additionally, the Independent Directors note that if Bidco, during the period of 12 months from the date on which the Offer Period ended, decides either (i) to take a course of action different from its stated intentions in paragraph 6 of Part 1 of this document; or (ii) not to take a course of action which it had stated it intended to take in paragraph 6 of Part 1 of this document, Bidco must consult the Panel. Except with the consent of

the Panel, if such course of action is then taken or not taken, Bidco must promptly make an announcement describing the course of action it has taken, or not taken, and explaining its reasons for taking, or not taking, that course of action.

7. ESOS AND PF OPTIONS

The Offer will extend to any Photo-Me Shares not already held by Bidco and to any Photo-Me Shares transferred or sold from treasury or unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Bidco may, subject to the rules of the Takeover Code or with the consent of the Panel, decide), including Photo-Me Shares issued or transferred from treasury pursuant to the exercise of options granted under the ESOS.

Participants in the ESOS and Mr. Pascal Faucher will be contacted in due course regarding the effect of the Offer on their outstanding options under the ESOS and the PF Options, respectively, and, where relevant, appropriate proposals will be made in respect of their options in accordance with Rule 15 of the Takeover Code. The proposals will be as follows:

- (a) holders of unvested options under the ESOS granted on 19 April 2021 with an exercise price of 61.40 pence which are “in the money” because the exercise price is lower than 75 pence will be able to exercise the options and accept the Offer if the Offer becomes or is declared unconditional; and
- (b) for the PF Options, Mr. Pascal Faucher should wait to exercise the PF Options until their normal vesting date, as they do not become exercisable early as a result of the Offer.

Holders of vested and unvested options under the ESOS where the exercise price is higher than 75 pence (i.e. all options other than those granted on 19 April 2021) will not receive a proposal, as participants would have to pay more per Photo-Me Share to exercise their options than they would receive if they exercised their options and accepted the Offer (which in the case of unvested options, would also only be possible if the Offer becomes or is declared unconditional).

Additionally, neither Mr. Serge Crasnianski nor Mr. Jean-Marc Janailhac will accept the Offer in respect of their own holdings of Photo-Me Shares. None of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski intends to exercise their options under the ESOS should they become exercisable in connection with the Offer.

8. TAXATION

The attention of Photo-Me Shareholders is drawn to paragraph 5 of Appendix IV to this document which sets out a general guide on certain UK taxation based on current legislation and practice. **If you are in any doubt as to your tax position, you should consult an appropriate independent professional adviser immediately.**

9. OVERSEAS SHAREHOLDERS

Photo-Me Shareholders who are not resident in the United Kingdom or who are citizens or nationals of other countries should refer to paragraph 12 of Part 1 of this document.

10. VIEWS OF THE INDEPENDENT DIRECTORS

The Independent Directors are of the view that a price of 75 pence per Photo-Me Share does not reflect an adequate premium for control of Photo-Me and therefore undervalues Photo-Me and its prospects. **Accordingly, the Independent Directors, who have been so advised by finnCap as to the financial terms of the Offer, do not consider the terms of the Offer to be fair and reasonable and therefore unanimously recommend that Photo-Me Shareholders do NOT accept the Offer, just as they will not accept the Offer in respect of their own shareholdings in Photo-Me.**

The Independent Directors are, however, aware that any decision by Photo-Me Shareholders as to whether to accept the Offer will depend upon their individual circumstances. In particular, the Independent Directors note that the Offer, if it becomes or is declared unconditional, will provide Photo-Me Shareholders with a liquidity event to realise value for their Photo-Me Shares. If Photo-Me Shareholders are in any doubt as to what action they should take, they should seek their own independent professional advice.

In providing its financial advice to the Independent Directors, finnCap has taken into account the commercial assessments of the Independent Directors. finnCap is providing independent financial advice for the Independent Directors for the purpose of Rule 3 of the Takeover Code.

11. ACTION TO BE TAKEN SHOULD YOU DECIDE TO ACCEPT THE OFFER

Photo-Me Shareholders should read this document in its entirety before deciding what action, if any, to take.

TO REJECT THE OFFER YOU NEED TO TAKE NO ACTION.

TO ACCEPT THE OFFER YOU SHOULD FOLLOW THE PROCEDURE FOR ACCEPTANCE OF THE OFFER, AS SET OUT IN PARAGRAPH 14 OF PART 1 OF THIS DOCUMENT AND, IF YOU HOLD YOUR PHOTO-ME SHARES IN CERTIFICATED FORM, IN THE FORM OF ACCEPTANCE.

If you are in any doubt as to the procedure for acceptance of the Offer, please contact the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully

Sir John Lewis OBE
Chair

APPENDIX I: CONDITION AND FURTHER TERMS OF THE OFFER

PART A: CONDITION OF THE OFFER

The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as Bidco may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Photo-Me Shares which, when aggregated with the Photo-Me Shares acquired or agreed to be acquired by Bidco or any person acting in concert with Bidco before such time, will result in Bidco and persons acting in concert with it holding Photo-Me Shares carrying more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Photo-Me including for this purpose any such voting rights attaching to Photo-Me Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this condition:

- (i) all percentages of voting rights, share capital and relevant securities are to be calculated by reference to the percentage held and in issue outside treasury; and
- (ii) Photo-Me Shares that have been unconditionally allotted but not issued shall be deemed to carry the voting rights that they will carry upon issue.

Certain Further Terms of the Offer

1. The Offer shall lapse unless the Condition has been fulfilled by the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel). The Condition is not subject to Rule 13.5(a) of the Takeover Code. The Condition cannot be waived.
2. Save as may otherwise be required by the Panel, the Offer will not complete, will lapse or will be withdrawn if on the Long-Stop Date sufficient acceptances have not been received so as to enable the Condition to be satisfied.
3. Photo-Me Shares will be acquired by Bidco pursuant to the Offer fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made thereafter.
4. Bidco reserves the right to reduce the Offer Price by the amount of any dividend (or other distribution) or any return of capital which is announced, declared, paid or becomes payable by Photo-Me to the holders of Photo-Me Shares following the date of the announcement of the Offer and prior to the Unconditional Date, in which case any reference in this document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. In such circumstances, the relevant Photo-Me Shareholders will be entitled to retain any such dividend and/or other distribution and/or return of capital.
5. The Offer shall comply with the applicable rules and regulations of the London Stock Exchange, the Takeover Code and the FCA. The Offer and any acceptances thereunder is governed by English law and will be subject to the jurisdiction of the English courts.
6. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
7. The Offer is not made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or email) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

PART B: FURTHER TERMS OF THE OFFER

The following further terms and conditions apply to the Offer, unless the contrary is expressed or the context requires otherwise.

Unless the context requires otherwise, any reference in Parts B, C or D and in the Form of Acceptance:

- (a) to the “**Acceptance Condition becoming or being satisfied**” means the Acceptance Condition becoming or being declared satisfied and references to “**satisfaction of the Acceptance Condition**” shall be construed accordingly;
- (b) to “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (c) to “**acting in concert with Bidco**” means any such person acting or deemed to be acting in concert with Bidco for the purposes of the Takeover Code and the Offer;
- (d) to “**as may be required by the Takeover Code**” includes as may be required by the Panel;
- (e) to “**Day 46**” and “**Day 60**” mean, respectively, 2 April 2022 and 16 April 2022 or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the Takeover Code;
- (f) to the “**Offer**” includes any revision, variation, renewal or extension of the Offer and includes any election available in connection with the Offer;
- (g) to an “**official authorisation or regulatory clearance**” shall be to that term as referred to in the Takeover Code; and
- (h) to the Offer becoming “**unconditional**” means the Offer becoming or being declared unconditional in accordance with its terms.

1. Offer timetable and acceptance period

- (a) Save as provided in this paragraph 1 of this Part B, the Offer will initially be open for acceptance until 1.00 p.m. on 8 March 2022 (unless Bidco has set aside the Acceleration Statement in accordance with the Takeover Code as set out in paragraph 1(b) of this Part B).
- (b) By specifying an Unconditional Date which is earlier than Day 60, Bidco is treated as having made an acceleration statement to which Rule 31.5 of the Takeover Code applies (the “**Acceleration Statement**”). In accordance with Rule 31.5(e) of the Takeover Code, Bidco reserves the right to set aside the Acceleration Statement:
 - (i) with the agreement or consent of the Independent Directors;
 - (ii) in the event of an increased or improved offer by Bidco being recommended by the Independent Directors;
 - (iii) if a third party announces a possible offer for Photo-Me or there is otherwise an announcement of a possible offer for Photo-Me by a third-party or an announcement which refers to the existence of a new potential offeror for Photo-Me (whether the potential offeror is identified or not);
 - (iv) if a third party announces a firm intention to make an offer for Photo-Me;
 - (v) if Photo-Me announces a “whitewash” proposal pursuant to the Code; or
 - (vi) in wholly exceptional circumstances as provided for by Rule 31.5(e)(ii) of the Takeover Code.

Under Rules 31.5(c) and (d) of the Takeover Code, as a result of the Acceleration Statement being made (and unless the Panel consents otherwise):

- (i) Rule 31.8(a) of the Takeover Code is disapplied and there will therefore be no restriction on the date by which the Independent Directors of Photo-Me may announce any material new information; and
- (ii) Rules 2.6(d) and (e) of the Takeover Code are disapplied and there will therefore be no requirement for a potential competing offeror to clarify its position by no later than Day 53 (as defined in the Takeover Code) of the timetable for the Offer.

- (c) Bidco reserves the right (but shall not be obliged) at any time to seek to invoke the Acceptance Condition so as to cause the Offer to lapse by publishing an ACIN in accordance with the requirements of Rule 31.6 of the Takeover Code. The ACIN will specify the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse (provided always that such date will not be: (i) earlier than 8 March 2022 or (ii) less than 14 days after the date on which the ACIN is published) and the level of acceptances which must be received in order for the Offer not to lapse on such date. Except with the Panel's consent, an ACIN shall be irrevocable. If the required level of acceptances has not been received by 1.00 p.m. on the date specified in the ACIN, the Acceptance Condition will be regarded as being incapable of satisfaction and the Offer will lapse.
- (d) If Bidco sets aside the Acceleration Statement or, where permitted, publishes a Subsequent Acceleration Statement or an ACIN it will make an announcement of the new Unconditional Date, or the date on which it intends to seek to invoke the Acceptance Condition, as applicable, in the manner described in paragraph 2 of this Part B and give oral or written notice of such date to the Receiving Agent.
- (e) Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code) to request at any time that the Panel extends Day 60 (and therefore the period for which the Offer is open for acceptance).
- (f) If Day 60 is extended Bidco will, if required by the Panel, make an announcement of such extension in the manner described in paragraph 2 of this Part B and give oral or written notice of such extension to the Receiving Agent (and, in any announcement of an extension of Day 60 will also specify, to the extent applicable, the new Day 46 and Day 60 of the timetable for the Offer).
- (g) Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as the Panel may permit or as may be required by the Takeover Code) from the date on which the revised offer document is published. Except with the Panel's consent, no revised offer document may be published after Day 46 or, where Bidco has made an acceleration statement in accordance with Rule 31.5 of the Takeover Code, after the date which is 14 days prior to the Unconditional Date.
- (h) Bidco may, if it has reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside a "no increase" statement (as referred to in the Takeover Code) and/or an acceleration statement made in accordance with Rule 31.5 of the Takeover Code, if it would otherwise prevent the publication of an increased or improved offer (as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the Independent Directors of Photo-Me or in other circumstances permitted by the Panel.
- (i) If a competitive situation (as determined by the Panel) arises or further develops after Bidco has made a "no increase" statement (as referred to in the Takeover Code) and/or an acceleration statement in accordance with Rule 31.5 of the Takeover Code, in relation to the Offer, Bidco may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) choose not to be bound by the terms of and set aside that statement, and revise the Offer or extend the Unconditional Date (as appropriate), provided that Bidco complies with the requirements of the Takeover Code and, in particular, that it announces that the statement is set aside and that it is free to revise the Offer or extend the Unconditional Date (as appropriate) as soon as possible (and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation).
- (j) If a competitive situation (as determined by the Panel) is continuing on the Business Day immediately preceding Day 60 and the Offer has not been withdrawn or lapsed, Bidco will enable holders of Photo-Me Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted a competing offer to accept the Offer by a special form of acceptance to take effect on Day 60 (or such other date as may be consented to by the Panel). It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that: (i) it is received by the Receiving Agent on or before Day 60 (or such other date as may be consented to by the Panel); (ii) the relevant Photo-Me Shareholder shall have withdrawn its acceptance of the competing offer but that the Photo-Me Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to a competing offer before Day 60 (or such other date as may be consented to by the Panel) by the escrow agent to the competing

offer; (iii) the Photo-Me Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60 (or such other date as may be consented to by the Panel), but an undertaking is given that they will be so transferred as soon as possible thereafter; and (iv) such acceptance may be treated as a valid acceptance of the Offer in accordance with the Offer and the Takeover Code. Photo-Me Shareholders wishing to use such forms of acceptance should apply to the Receiving Agent, Link Group, Corporate Actions on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notwithstanding the right to use such special form of acceptance, holders of Photo-Me Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purposes of accepting the Offer in respect of such shares.

- (k) Save as may otherwise be required or consented to by the Panel, the Offer shall lapse unless the Acceptance Condition has been satisfied by midnight on the earlier of the Unconditional Date and the Long-Stop Date, provided that Bidco reserves the right to extend Day 60 and/or the Long-Stop Date to a later time(s) and/or date(s) in accordance with paragraphs 1(e) and 1(m) of this Part B respectively.
- (l) If, as a result of a Takeover Code matter remaining outstanding on the Unconditional Date, the Panel consents to the latest time at which the Offer may become unconditional being extended beyond midnight on the Unconditional Date pending the final determination of that outstanding Takeover Code matter, for the purpose of determining whether the Acceptance Condition has been satisfied, acceptances received or purchases of Photo-Me Shares made after 1.00 p.m. on the Unconditional Date may not be taken into account except with the Panel's consent.
- (m) Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code), with the consent of Photo-Me or the consent of the Panel, at any time to extend the Long-Stop Date. In such event, Bidco will make an announcement in the manner described in paragraph 2 of this Part B and give oral or written notice of such extension to the Receiving Agent.
- (n) Except with the Panel's consent, Bidco may not, for the purpose of determining whether the Acceptance Condition has been satisfied, take into account acceptances received or purchases of Photo-Me Shares made after 1.00 p.m. on the Unconditional Date or the Long-Stop Date (as applicable) or, in the context of an ACIN published by Bidco, 1.00 p.m. on the date specified in the ACIN as being the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse. If Day 60 is extended in circumstances other than those set out in paragraphs (a) to (d) of Rule 31.3 of the Takeover Code, acceptances received and purchases of Photo-Me Shares made in respect of which relevant electronic instructions or documents are received by the Receiving Agent after 1.00 p.m. on the relevant date may (except where the Takeover Code permits otherwise) only be taken into account with the Panel's consent.
- (o) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it became unconditional and Bidco will give at least 14 days' notice before the Offer is closed. If the Offer has become unconditional and it is stated by or on behalf of Bidco that the Offer will remain open until further notice, then not less than 14 days' notice in writing will be given, before closing the Offer, to those Photo-Me Shareholders who have not accepted the Offer (and to persons with information rights).

2. Announcements

- (a) Except with the Panel's consent, Bidco shall make an announcement as described in paragraph 2(b) of this Part B by 8.00 a.m. on the Business Day following each of the following dates (or such other time(s) or date(s) as the Panel may require or consent to):
 - (i) 8 March 2022 and (if the Acceleration Statement has been set aside in accordance with the Takeover Code) every seventh day thereafter;
 - (ii) any day on which the Offer is revised;
 - (iii) each day in the period of seven consecutive days leading up to, and including, the Unconditional Date or the Long-Stop Date;

- (iv) any day on which an ACIN expires;
 - (v) any day on which the Offer becomes or is declared unconditional or lapses;
 - (vi) any day on which, as at 5.00 p.m., the total percentage of shares which Bidco may count towards satisfaction of the Acceptance Condition has increased or decreased to, or through, any of the following thresholds:
 - (A) the percentage threshold to which the Acceptance Condition is at that time subject;
 - (B) 75 per cent of the shares carrying voting rights in Photo-Me; and
 - (C) if the threshold in (A) can be reduced to a specified minimum threshold, that threshold.
- (b) The announcements referred to in paragraph 2(a) of this Part B will state (unless otherwise permitted by the Panel):
- (i) the number of Photo-Me Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with Bidco or in respect of Photo-Me Shares which were subject to an irrevocable commitment or a letter of intent procured by Bidco or any person acting in concert with Bidco);
 - (ii) details of any relevant securities of Photo-Me in which Bidco or any person acting in concert with it has an interest or in respect of which either of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
 - (iii) details of any relevant securities of Photo-Me in respect of which Bidco or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
 - (iv) details of any relevant securities of Photo-Me which Bidco or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,
- and will in each case specify the percentage of each class of relevant securities of Photo-Me represented by each of these figures. Any such announcement shall include a prominent statement of the total number of Photo-Me Shares which Bidco may count towards the satisfaction of the Acceptance Condition and the percentage of Photo-Me Shares represented by this figure.
- (c) In calculating the number of Photo-Me Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 5 of this Part B, acceptances and purchases which are not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification, save that those which could not be counted towards satisfaction of the Acceptance Condition under Notes 4, 5 and 6 on Rule 10.1 of the Code shall not (unless otherwise consented to by the Panel) be included.
 - (d) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Bidco include the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service. Unless otherwise consented to by the Panel: (i) an announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service; and (ii) an announcement which is published at a time when the relevant Regulatory Information Service is not open for business shall be distributed to not less than two newswire services operating in the UK and submitted for publication as soon as the relevant Regulatory Information Service re-opens.
 - (e) A copy of any announcement made by Bidco in accordance with this paragraph 2 of this Part B will be available, subject to certain restrictions relating to persons outside the UK, for inspection on Photo-Me's website at <https://photo-me.com/investor-relations/mandatory-offer/> promptly after the making of such announcement and in any event by no later than 12 noon on the Business Day following the announcement.
 - (f) Without limiting the manner in which Bidco may choose to make any public statement and subject to Bidco's obligations under applicable law and regulation and paragraph 2(d) of this Part B, Bidco will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3. Rights of withdrawal

- (a) Acceptances and elections under the Offer are final and binding unless withdrawn in accordance with paragraph 3(b) of this Part B or save or as agreed in writing between Bidco and any particular Photo-Me Shareholder or as otherwise permitted by Bidco (either generally or for any particular Photo-Me Shareholder).
- (b) An accepting Photo-Me Shareholder may withdraw its acceptance of the Offer by written notice received by post or by hand during normal working hours to the Receiving Agent, at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL (or, in the case of Photo-Me Shares held in uncertificated form, in the manner referred to in paragraph 3(f) of this Part B) at any time before the earlier of:
- (i) the time when the Acceptance Condition is satisfied; and
 - (ii) the latest time for the receipt of acceptance on the Unconditional Date.
- (c) If an accepting Photo-Me Shareholder withdraws its acceptance in accordance with this paragraph 3 of this Part B, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within seven days) and the Receiving Agent will immediately give instructions for the release of securities held in escrow.
- (d) In this paragraph 3 of this Part B, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Photo-Me Shareholder(s) or their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Bidco) given by post or by hand (during normal working hours) to the Receiving Agent at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Email or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Bidco or its agents to have been sent from a jurisdiction where the giving of written notice or the withdrawal of an acceptance of the Offer in accordance with the provisions of this paragraph 3 of this Part B would constitute a violation of the relevant laws of such jurisdiction will be treated as valid.
- (e) To be effective, a written notice of withdrawal must be received by the Receiving Agent and must specify the name of the person who has tendered the Photo-Me Shares to be withdrawn and (if share certificates have been tendered) the name of the holder of the relevant Photo-Me Shares if different from the name of the person who tendered the Photo-Me Shares.
- (f) In the case of Photo-Me Shares held in uncertificated form, an accepting Photo-Me Shareholder may withdraw their acceptance through CREST by sending (or, if a CREST sponsored member, procuring that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- the number of Photo-Me Shares in respect of which you wish to accept the Offer (i.e. the number of Photo-Me Shares to be withdrawn with their ISIN number (this is GB0008481250));
 - your member account ID;
 - your participant ID;
 - the participant ID of the Receiving Agent. This is RA10;
 - the member account ID of the Receiving Agent for the Offer. This is TIBPHO01;
 - the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on the Unconditional Date;
 - the corporate action number of the Offer. This is allocated by Euroclear which can be found by viewing the relevant corporate action details in CREST;
 - input with a standard delivery instruction priority of 80; and
 - a contact name and telephone number in the shared note field.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Bidco either reject the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or a receiving agent accept (AEAN) message.

- (g) Photo-Me Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 3 of this Part B may subsequently be re-assented to the Offer following one of the procedures described in paragraph 14 of Part 1 of this document at any time while the Offer remains open for acceptance.
- (h) Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Bidco whose determination (save as the Panel otherwise determines) will be final and binding. None of Bidco, Photo-Me, BNP Paribas, the Receiving Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or will incur any liability for failure to do so.

4. Revisions of the Offer

- (a) Although no revision of the Offer is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents on the date on which it is announced (on such basis as the financial adviser to Bidco may consider appropriate) an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered or in the overall value of the received and/or retained by a Photo-Me Shareholder (under the Offer or otherwise) the benefit of the revised Offer will, subject to paragraphs 4(c), 4(d) and 7 of this Part B, be made available to any Photo-Me Shareholder who has accepted the Offer in its original or any previously revised form(s) and not validly withdrawn such acceptance in accordance with paragraph 3 of this Part B (“**Previous Acceptor**”). The acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 4(c), 4(d) and 7 of this Part B, be treated as an acceptance of the Offer as so revised and shall also constitute the irrevocable and separate appointment of Bidco and each of its directors, the Receiving Agent and BNP Paribas and each of its directors as such Previous Acceptor’s attorney and/or agent with authority:
 - (i) to accept any such revised Offer on behalf of such Previous Acceptor;
 - (ii) if such revised Offer includes alternative forms of consideration, to make on behalf of such Previous Acceptor such elections for and/or accept such alternative forms of consideration in the proportions such attorney and/or agent in their absolute discretion thinks fit; and
 - (iii) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, such attorney and/or agent shall be able to take into account the nature of any previous acceptances made by or on behalf of the Previous Acceptor and such other facts or matters as the attorney and/or agent may reasonably consider relevant. The attorney and/or agent shall not be liable to any Photo-Me Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- (b) Subject to paragraphs 4(c) and 4(d) of this Part B, the powers of attorney and authorities conferred by this paragraph 4 of this Part B and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the Previous Acceptor duly and validly withdraws their acceptance under paragraph 3 of this Part B;
- (c) The deemed acceptance referred to in paragraph 4(a) of this Part B shall not apply, and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:
 - (i) in respect of Photo-Me Shares in certificated form, lodges with the Receiving Agent at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than the date by which elections for alternative forms of consideration must be made (or such other date as Bidco may determine), a Form of Acceptance (or other form validly issued by or on behalf of Bidco) in which the Previous Acceptor validly elects to receive the consideration receivable by them under such revised Offer in some other manner than that set out in their original or any previous acceptance; or

(ii) in respect of Photo-Me Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of Photo-Me Shares in respect of which the changed election is made, together with their ISIN number (this is GB0008481250);
- the member account ID of the Previous Acceptor, together with their participant ID;
- the member account ID of the Receiving Agent included in the relevant Electronic Acceptance (this is RA10 for the Offer);
- the Receiving Agent's participant ID (this is TIBPHO01);
- the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
- the intended settlement date for the changed election;
- the corporate action number for the Offer allocated by Euroclear which can be found by viewing the relevant corporate action details in CREST,

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Receiving Agent relevant to the new election; and
- input with a standard delivery instruction priority of 80.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly the Receiving Agent will on behalf of Bidco reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message as appropriate.

- (d) The deemed acceptance referred to in paragraph 4(a) of this Part B shall not apply, and the authorities conferred by that paragraph shall not be exercised if, as a result thereof, the Previous Acceptor would (on such basis as BNP Paribas may consider appropriate) thereby receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer than they would have received and/or retained (as appropriate) in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by them or on their behalf (unless the Previous Acceptor has previously agreed in writing to receive and/or retain (as appropriate) less in aggregate consideration). The authorities conferred by paragraph 4(a) of this Part B shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph 4(d).
- (e) Bidco and the Receiving Agent reserve the right to treat an executed Form of Acceptance or TTE instruction (in respect of the Offer in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 4(a) of this Part B, *mutatis mutandis*, on behalf of the relevant Photo-Me Shareholder.
- (f) Bidco may (with the consent of the Panel) extend or revise the Offer provided it complies with the requirements of the Takeover Code.

5. Acceptances and purchases

- (a) Notwithstanding the right reserved by Bidco to treat an acceptance of the Offer as valid (even though, in the case of Photo-Me Shares held in certificated form, the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except as otherwise consented to by the Panel:
- (i) subject to paragraph 5(a)(iv) of this Part B, an acceptance of the Offer shall not be treated as valid for the purposes of the Acceptance Condition unless the requirements of Note 4 and, if applicable, Note 6 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the Photo-Me Shares to which such acceptance relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);

- (ii) subject to paragraph 5(a)(iv) of this Part B, a purchase of Photo-Me Shares by Bidco or its nominees or by any person acting or deemed to be acting in concert with Bidco (or such person's nominee) will only be treated as valid for the purposes of the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the Photo-Me Shares to which such purchase relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);
- (iii) Photo-Me Shares which have been borrowed by Bidco may not be counted towards satisfying the Acceptance Condition; and
- (iv) before the Acceptance Condition can be satisfied or the Offer can lapse as a result of the Acceptance Condition not having been satisfied (or being regarded as incapable of satisfaction), the Receiving Agent must have issued a certificate to Bidco or to BNP Paribas which states:
 - (A) the number of Photo-Me Shares in respect of which acceptances have been received and which are to be treated as valid for the purposes of paragraph 5(a) of this Part B; and
 - (B) the number of Photo-Me Shares otherwise acquired, whether before or during the Offer Period, which are to be treated as valid for the purposes of paragraph 5(b) of this Part B.

Copies of such certificate will be sent to the Panel and to Photo-Me's financial adviser as soon as possible after it is issued.

- (b) For the purpose of determining at any particular time whether the Acceptance Condition has been satisfied, Bidco is not bound (unless otherwise required by the Takeover Code) to take into account any Photo-Me Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of subscription or conversion rights before the determination takes place unless written notice of such allotment, issue, subscription or conversion, containing all the relevant details, has been received before that time by the Receiving Agent from Photo-Me or its agents at the address specified in paragraph 3(b) of this Part B.

6. General

- (a) It is intended that the Offer will be implemented by way of a takeover offer within the meaning of the 2006 Act.
- (b) Photo-Me Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them as at 21 January 2022 subsequently attaching or accruing to them, including voting rights and (subject to paragraph 6(c) of this Part B) the right to receive and retain, in full, all dividends and other distributions (if any) declared, paid or made thereafter.
- (c) If, after the date of the Announcement and before the Unconditional Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Photo-Me Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Offer for the Photo-Me Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital. If (but only to the extent) Bidco exercises this right to make such a reduction in respect of a dividend and/or distribution and/or return of capital, Photo-Me Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital, and references in this document to the consideration payable under the terms of the Offer will be deemed to be references to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph 6(c) of this Part B. Any exercise by Bidco of its rights referred to in this paragraph 6(c) shall not be regarded as constituting any revision or variation of the Offer of this Part B.
- (d) Except with the Panel's consent, settlement of the consideration to which any Photo-Me Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Bidco or BNP Paribas may otherwise be, or claim to be, entitled as against such Photo-Me Shareholder and will be effected in the manner described in this document.

- (e) The Offer is made on 15 February 2022 and is capable of acceptance from that date. Copies of this document, the Form of Acceptance and any related documents are available (subject to certain restrictions relating to persons outside the UK) for inspection at <https://photo-me.com/investor-relations/mandatory-offer/> and from the Receiving Agent at the address set out in paragraph 3(b) of this Part B.
- (f) In respect of Photo-Me Shares in certificated form, the terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. The provisions of this Appendix I shall be deemed to be incorporated in and form part of each Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- (g) The Offer, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Photo-Me Shareholder and Bidco, BNP Paribas or the Receiving Agent shall be governed by and interpreted in accordance with English law.
- (h) Subject to paragraph 6(i) of this Part B, the Courts of England have exclusive jurisdiction to decide any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of a Photo-Me Shareholder constitutes such Photo-Me Shareholder's irrevocable submission to the jurisdiction of the English Courts.
- (i) The agreement in paragraph 6(h) of this Part B is included for the benefit of Bidco, BNP Paribas and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in that paragraph, Bidco, BNP Paribas and the Receiving Agent shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of a Photo-Me Shareholder constitutes such Photo-Me Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.
- (j) Any omission or failure to despatch this document or (where relevant) the Form of Acceptance or any other document relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part B, the Offer extends to any such person and to all Photo-Me Shareholders to whom this document, (where relevant) the Form of Acceptance and any related documents may not be despatched and who may not receive such documents, and such persons may (subject to certain restrictions relating to persons outside the UK) collect copies of those documents from the Receiving Agent at the address set out in paragraph 3(b) of this Part B or inspect the Offer Document at <https://photo-me.com/investor-relations/mandatory-offer/> while the Offer remains open for acceptances.
- (k) If the Offer lapses for any reason or is withdrawn:
 - (i) it will cease to be capable of further acceptance;
 - (ii) Bidco and accepting Photo-Me Shareholders will cease to be bound by: (A) in the case of Photo-Me Shares held in certificated form, Forms of Acceptance submitted; and (B) in the case of Photo-Me Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
 - (iii) in respect of Photo-Me Shares held in certificated form, Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as the Panel may approve) within seven days of the Offer lapsing, at the risk of the Photo-Me Shareholder concerned, to the person or agent whose name and address is set out in the relevant Box of the Form of Acceptance or, if none is set out, to the first-named holder at such holder's registered address. No such documents will be sent to an address in any Restricted Jurisdiction; and

- (iv) in respect of Photo-Me Shares held in uncertificated form, the Receiving Agent will, immediately after the Offer lapses (or within such longer period as the Panel may permit), give TFE instructions to Euroclear to transfer all Photo-Me Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Offer to the original available balances of the Photo-Me Shareholders concerned.
- (l) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the Photo-Me Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with Section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw their acceptance in accordance with paragraph 3 of this Part B and duly and validly does so.
- (m) Without prejudice to any other provisions of this Part B and subject to the requirements of the Takeover Code, Bidco, BNP Paribas and the Receiving Agent reserve the right to treat acceptances of the Offer as valid (in whole or in part) if not entirely in order or not accompanied by the relevant TTE instruction or (as applicable) relevant share certificate(s) and/or other document(s) of title or if received by or on behalf of any of them at any place or places or in any manner determined by any of them or otherwise than as set out in this document or, in respect of Photo-Me Shares held in certificated form, in the Form of Acceptance. In that event, no settlement or consideration of the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Bidco have been received by the Receiving Agent.
- (n) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Photo-Me Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of Bidco.
- (o) If Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, both 90 per cent. or more in value of the Photo-Me Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by those shares, Bidco intends to exercise its rights in accordance with Chapter 3 of Part 28 of the 2006 Act to acquire compulsorily the remaining Photo-Me Shares on the same terms as the Offer.
- (p) Any reference in this Appendix I to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this document).
- (q) In relation to any acceptance of the Offer in respect of a holding of Photo-Me Shares which are in uncertificated form, Bidco reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeover Code or are otherwise made with the Panel's consent.
- (r) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (s) Neither Bidco nor any person acting on behalf of Bidco, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- (t) The Offer is subject to applicable requirements of the FCA, the London Stock Exchange and the Takeover Code. In the event of any conflict or inconsistency between the terms and conditions of the Offer and the Takeover Code, the provisions of the Takeover Code shall prevail, and Bidco reserves the right to (and shall if required by the Panel) make such alterations, additions or modifications to the terms and conditions of the Offer so that any such conflict or inconsistency is removed.

- (u) Any question as to the validity (including time of receipt) of any acceptance of the Offer and any question as to, or the acceptance of, any words or markings on a Form of Acceptance will be determined by Bidco, whose determination (save as the Panel otherwise determines) will be final and binding. None of Bidco, BNP Paribas, the Receiving Agent or any other person will be under any duty to give notification of any defect or irregularity in any purported acceptance of the Offer or will incur any liability for failure to do so or for any determination under this paragraph 6(u) of this Part B.

7. Overseas Shareholders

- (a) The making of the Offer to Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the UK may treat the same as constituting an invitation or offer to them, nor should they in any event use such Form of Acceptance if, in the relevant jurisdiction, such invitation or offer cannot lawfully be made to them or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or Form of Acceptance are sent for information only. It is the responsibility of such Overseas Shareholder receiving a copy of this document and/or Form of Acceptance and wishing to accept the Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and Bidco and BNP Paribas (and any person acting on behalf of either of them) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties as Bidco or BNP Paribas (and any person acting on behalf of either of them) may be required to pay.

If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.

- (b) In particular, the Offer is not being made, directly or indirectly, in or into, and is not capable of acceptance in or from a Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction.

Persons receiving such documents (including without limitation, custodians, trustees and nominees) must not mail or otherwise forward, distribute or send them, directly or indirectly, in, into or from a Restricted Jurisdiction or use Restricted Jurisdiction mails or any such means or instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer must not use such mails or any such means or instrumentality or facility directly or indirectly for any purpose directly or indirectly related to acceptance of the Offer.

Envelopes containing a Form of Acceptance, evidence of title or any other document relating to the Offer should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all accepting Photo-Me Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

- (c) A Photo-Me Shareholder will be deemed not to have validly accepted the Offer if:
 - (i) such Photo-Me Shareholder puts “NO” in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (b) of Part C of this Appendix I;
 - (ii) having inserted in or having completed Box 3 of the Form of Acceptance with a registered address in a Restricted Jurisdiction, such Photo-Me Shareholder does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom such Photo-Me Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;

- (iii) such Photo-Me Shareholder inserts in Box 4 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom such Photo-Me Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;
- (iv) in any case, the Form of Acceptance is received in an envelope postmarked in, or which otherwise appears to Bidco or its agent to have been sent from, a Restricted Jurisdiction;
- (v) such Photo-Me Shareholder inserts in Box 3 of the Form of Acceptance a telephone number in a Restricted Jurisdiction; or
- (vi) such Photo-Me Shareholder makes a Restricted Escrow Transfer (as defined in paragraph 7(h)(i) of this Part B) pursuant to paragraph 7(h) of this Part B unless they also make a related Restricted ESA instruction (as defined in paragraph 7(h)(ii) of this Part B) which is accepted by the Receiving Agent.

Bidco reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C of this Appendix I or (as the case may be) paragraph (b) of Part D of this Appendix I could have been truthfully given by the relevant Photo-Me Shareholder and, if such investigation is made and, as a result, Bidco cannot satisfy itself that such representation and warranty was true and correct, the acceptance shall not be valid.

- (d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 7 of this Part B.
- (e) If any written notice from a Photo-Me Shareholder withdrawing such Photo-Me Shareholder's acceptance in accordance with paragraph 3 of this Part B is received in an envelope postmarked in, or which otherwise appears to Bidco or its agents to have been sent from, a Restricted Jurisdiction, Bidco reserves the right in its absolute discretion to treat that notice as invalid.
- (f) **Any acceptance of the Offer by Photo-Me Shareholders who are unable to give the representations and warranties set out in paragraph (b) of Part C of this Appendix I or (as the case may be) paragraph (b) of Part D of this Appendix I is liable to be disregarded.**
- (g) Bidco reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- (h) If a Photo-Me Shareholder holding Photo-Me Shares in uncertificated form cannot give the representations and warranties set out in paragraph (b) of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to Bidco that they can accept the Offer in compliance with all relevant legal and regulatory requirements, such Photo-Me Shareholder may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that their CREST sponsor sends) both:
 - (i) a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and
 - (ii) one or more valid ESA instructions (a "**Restricted ESA instruction**") which specify the form of consideration which such Photo-Me Shareholder wishes to receive (consistent with the alternatives offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Bidco decides, in its absolute discretion, to exercise its right described in paragraph 7(i) of this Part B to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such

acceptance to be made, in each case during the period for which the Offer is open for acceptance. If Bidco accordingly decides to permit such acceptance to be made, the Receiving Agent will, on behalf of Bidco, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will, on behalf of Bidco, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Photo-Me Shares. This is GB0008481250;
- the number of Photo-Me Shares in uncertificated form in respect of which you wish to accept the Offer (i.e. the number of Photo-Me Shares to be transferred to escrow);
- the participant ID of the Receiving Agent (this is RA10) specific to a Restricted Escrow Transfer (this is RESTRICT);
- the member account ID of the Receiving Agent for the Offer. This is TIBPHO01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on the Unconditional Date;
- the corporate action reference of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Photo-Me Shares (this is GB0008481250);
- the number of Photo-Me Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting Photo-Me Shareholder;
- the member account ID and participant ID of the Receiving Agent set out in the Restricted Escrow Transfer;
- the participant ID (this is RA10) and the member account ID (this is TIBPHO01) of the Receiving Agent relevant to the form of consideration required;
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on the Unconditional Date; and
- input with a standard delivery instruction priority of 80.

- (i) These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Photo-Me Shareholders or on a general basis by Bidco in its absolute discretion. Subject thereto, the provisions of this paragraph 7 of this Part B supersede any terms of the Offer inconsistent with them. References in this paragraph 7 of this Part B to a Photo-Me Shareholder include references to the person or persons executing a Form of Acceptance and, if more than one person executes the Form of Acceptance, the provisions of this paragraph 7 of this Part B shall apply to them jointly and severally.

- (j) Bidco reserves the right to notify any matter, including the making of the Offer, to all or any Photo-Me Shareholders:
- (i) with a registered address outside the United Kingdom; or
 - (ii) whom Bidco knows to be a custodian, trustee or nominee holding Photo-Me Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,
- by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such Photo-Me Shareholder to receive or see that notice.
- (k) A reference in this document to a notice or the provision of information in writing by or on behalf of Bidco is to be construed accordingly. No such document shall be sent to an address in a Restricted Jurisdiction.

PART C: FORM OF ACCEPTANCE

This Part C applies only to Photo-Me Shares held in certificated form. If you hold all of your Photo-Me Shares in uncertificated form, you should ignore this Part C and instead read Part D of this Appendix I.

For the purposes of Part C of this Appendix I and the Form of Acceptance, the phrase “**Photo-Me Shares in certificated form comprised in the acceptance**” shall mean the number of Photo-Me Shares inserted in Box 1 of the Form of Acceptance or, if no number is inserted (or a number greater than the relevant Photo-Me Shareholder’s holding of Photo-Me Shares), the greater of:

- the relevant Photo-Me Shareholder’s entire holding of Photo-Me Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;
- the relevant Photo-Me Shareholder’s entire holding of Photo-Me Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is unconditional; and
- the number of Photo-Me Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Each Photo-Me Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to the Receiving Agent (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Bidco, BNP Paribas and the Receiving Agent (so as to bind such Photo-Me Shareholder and such Photo-Me Shareholder’s personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance whether or not any Boxes are completed and whether or not the Form of Acceptance is validly executed as a deed shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Photo-Me Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part C of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with such Photo-Me Shareholder’s acceptance of the Offer,in each case on and subject to the terms and conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable provided that if:
 - (i) Box 1 or any other Box is not completed; or
 - (ii) the total number of Photo-Me Shares inserted in Box 1 is greater than the relevant Photo-Me Shareholder’s holding of Photo-Me Shares; or
 - (iii) the acceptance is otherwise completed incorrectly,but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of the total number of Photo-Me Shares in certificated form registered in the Photo-Me Shareholder’s name.
- (b) unless “NO” is put in Box 5 of the Form of Acceptance, that such Photo-Me Shareholder:
 - (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction;
 - (ii) has not, in connection with the Offer or the execution or delivery of the Form of Acceptance, used, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission email, telephone, internet or otherwise) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, a Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was executed, mailed, sent or delivered;

- (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - (v) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Bidco, BNP Paribas or any other person acting on behalf of them in breach of the legal or regulatory requirements of, or be liable for any issue, transfer or other taxes or duties or other payments in, any such jurisdiction in connection with the Offer or such Photo-Me Shareholder's acceptance thereof.
- (c) that, in relation to Photo-Me Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes (subject to the Offer becoming unconditional in accordance with its terms and to an accepting Photo-Me Shareholder not having validly withdrawn their acceptance) the irrevocable and separate appointment of each of Bidco and/or BNP Paribas and/or the Receiving Agent and any director of, or any person authorised, by them as such shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney to:
- (i) complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Photo-Me Shares in certificated form comprised in the acceptance in favour of Bidco or such other person or persons as Bidco or its agents may direct;
 - (ii) deliver such form(s) of transfer, renunciation and/or other document(s) in the attorney's discretion and/or the certificate(s) and/or other document(s) of title relating to such Photo-Me Shares for registration within six months of the offer becoming unconditional; and
 - (iii) execute all such other documents and do all such other acts and things as may, in the attorney's opinion, be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Bidco (or its nominees) the full legal title and beneficial ownership of the Photo-Me Shares in certificated form comprised in the acceptance;
- (d) that, in relation to Photo-Me Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes (subject to the Offer becoming unconditional and to an accepting Photo-Me Shareholder not having validly withdrawn their acceptance) an irrevocable authority and request, subject to the provisions of paragraph 5 of Part B of this Appendix I:
- (i) to Photo-Me or its agents to procure the registration of the transfer of the Photo-Me Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Photo-Me Shares to Bidco or as it may direct; and
 - (ii) subject to the provisions of paragraph 7 of Part B of this Appendix I, to Bidco, BNP Paribas and the Receiving Agent or their respective agents to procure the despatch by post (or by such other method as the Panel may approve) of the cheque for the cash consideration to which an accepting Photo-Me Shareholder is entitled to under the Offer, at the risk of such shareholder, to the person or agent whose name and address is set out in Box 3 or Box 4 of the Form of Acceptance (outside a Restricted Jurisdiction), or if none is set out, to the first-named holder at such holder's registered address (outside a Restricted Jurisdiction);
- (e) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes the giving of a separate authority to each of Bidco, BNP Paribas and the Receiving Agent and any director or agent of, or any person authorised by, any of them as their agent and/or attorney within the terms set out of paragraph 4 Part B of this Appendix I in respect of the Photo-Me Shares in certificated form comprised in the acceptance;
- (f) that, unless the Panel otherwise consents, subject to the Offer becoming or being declared unconditional (or if the Offer will become unconditional or lapse immediately upon the outcome of the resolution in question), in respect of Photo-Me Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Bidco or as it may direct:

- (i) Bidco or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Photo-Me or of any class of its shareholders) attaching to the Photo-Me Shares in certificated form comprised or deemed to be comprised in such acceptance; and
- (ii) the execution of a Form of Acceptance by a Photo-Me Shareholder shall constitute with regard to such Photo-Me Shares in certificated form comprised in the acceptance:
 - (A) an authority to Photo-Me and its agents to send any notice, circular, warrant, document or other communication which may be required to be sent to such Photo-Me Shareholder as a member of Photo-Me (including any share certificate(s) or other document(s) of title) to Bidco at its registered office;
 - (B) an irrevocable authority to Bidco or any director of, or any person authorised by, Bidco to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Photo-Me Shares held by such Photo-Me Shareholder in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Photo-Me Shareholder's attorney and/or agent and on such Photo-Me Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Photo-Me Shares appointing any person nominated by Bidco to attend general and separate class meetings of Photo-Me (and any adjournments thereof) and to exercise the votes attaching to such shares on such Photo-Me Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
 - (C) the agreement of such Photo-Me Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such Photo-Me Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting of Photo-Me, save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (g) that such Photo-Me Shareholder will deliver to the Receiving Agent, or procure the delivery to the Receiving Agent at the address referred to in paragraph 3(b) of Part B of this Appendix I of, share certificate(s) or other document(s) of title in respect of those Photo-Me Shares in certificated form comprised in the acceptance and not validly withdrawn, or an indemnity acceptable to Bidco in lieu thereof, as soon as possible, and in any event within six months of the Offer becoming unconditional;
- (h) that such Photo-Me Shareholder is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Photo-Me Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them on or after 21 January 2022, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, paid or made thereafter;
- (i) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
- (j) that, if such Photo-Me Shareholder accepts the Offer, they will do all such acts and things as shall be necessary or expedient to vest the Photo-Me Shares in certificated form comprised in the acceptance in Bidco or its nominee(s) or such other persons as Bidco may decide;
- (k) that such Photo-Me Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, BNP Paribas or the Receiving Agent or any of their respective directors or agents or persons authorised by them, as the case may be, in the exercise of any of any such person's powers and/or authorities under this document;
- (l) that the execution of the Form of Acceptance constitutes such Photo-Me Shareholder's agreement to the terms of paragraphs 6(h) and 6(i) of Part B of this Appendix I;
- (m) that the Form of Acceptance shall be deemed to be delivered on its date of execution and shall take effect as a deed on such date;

- (n) that if any provision of Parts B or C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Bidco, BNP Paribas or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit or authority expressed to be given therein, such Photo-Me Shareholder shall, with all practicable speed, do all such acts and things and execute all such documents as may be required to enable Bidco, BNP Paribas and/or the Receiving Agent and any of their respective directors, agents or persons authorised by them to secure the full benefits of Parts B and C of this Appendix I; and
- (o) that such Photo-Me Shareholder is not a client (as defined in the FCA Handbook) of BNP Paribas in connection with the Offer.

References in this Part C to a Photo-Me Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them.

PART D: ELECTRONIC ACCEPTANCE

This Part D applies only to Photo-Me Shares held in uncertificated form. If you hold all of your Photo-Me Shares in certificated form, you should ignore this Part D and instead read Part C of this Appendix I.

For the purposes of this Part D of this Appendix I, the phrase “**Photo-Me Shares in uncertificated form comprised in the acceptance**” shall mean the number of Photo-Me Shares which are transferred by the relevant Photo-Me Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Each Photo-Me Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Bidco, BNP Paribas and the Receiving Agent (so as to bind such Photo-Me Shareholder and such Photo-Me Shareholder’s personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Photo-Me Shares in uncertificated form to which a TTE instruction relates; and
 - (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part D of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, each such acceptance and election shall be irrevocable;
- (b) that such Photo-Me Shareholder:
 - (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction;
 - (ii) has not otherwise used in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission email, TTE instruction, telephone, internet or otherwise) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction;
 - (iii) is accepting the offer from outside any Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);
 - (iv) in respect of the Photo-Me Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - (v) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Bidco, BNP Paribas or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Photo-Me Shareholder’s acceptance thereof;
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Photo-Me Shareholder not having validly withdrawn their acceptance, the irrevocable appointment of each of Bidco, BNP Paribas and the Receiving Agent and any director of, or any person authorised by, them as such shareholder’s attorney and/or agent and an irrevocable instruction and authorisation to the attorney to execute all such documents and do all such acts and things as may in the attorney’s opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Bidco (or its nominees) the full legal title and beneficial ownership of Photo-Me Shares in uncertificated form comprised in the acceptance;

- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as escrow agent for the purposes of the Offer and an irrevocable instruction and authorisation:
- (i) subject to the Offer becoming unconditional in accordance with its terms and to an accepting Photo-Me Shareholder not having validly withdrawn their acceptance, to transfer to Bidco (or to such other person or persons as Bidco or its agents may direct) by means of CREST all or any of the Photo-Me Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and
 - (ii) if the Offer does not become unconditional, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit), to transfer all such Photo-Me Shares to the original available balance of the accepting Photo-Me Shareholder;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional and to an accepting Photo-Me Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request to Bidco or its agents to procure the making of a CREST payment obligation in favour of the Photo-Me Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled, provided that:
- (i) Bidco may (if, for reasons, outside its reasonable control, it is not able to effect settlement through CREST) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post; and
 - (ii) if the Photo-Me Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such shareholder is entitled may be paid by cheque despatched by post,
- in any case at the risk of such shareholder, and such cheque shall be despatched to the first-named holder at such holder's registered address outside a Restricted Jurisdiction or as otherwise determined by Bidco;
- (f) that the Electronic Acceptance constitutes the giving of a separate authority to each of Bidco, BNP Paribas and the Receiving Agent and their respective directors, partners and agents within the terms of paragraph 4 of Part B of this Appendix I in respect of the Photo-Me Shares in uncertificated form comprised in the acceptance;
- (g) that, unless the Panel otherwise consents, subject to the Offer becoming or being declared unconditional (or if the Offer will become unconditional or lapse immediately upon the outcome of the resolution in question), in respect of Photo-Me Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Bidco or as it may direct:
- (i) Bidco or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Photo-Me or of any class of its shareholders) attaching to the Photo-Me Shares in uncertificated form comprised or deemed to be comprised in the acceptance; and
 - (ii) an Electronic Acceptance by a Photo-Me Shareholder shall constitute with regard to such Photo-Me Shares in uncertificated form comprised in the acceptance:
 - (A) an authority to Photo-Me and its agents to send any notice, circular, warrant, document or other communication which may be required to be sent to such Photo-Me Shareholder as a member of Photo-Me (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Photo-Me Shares into certificated form) to Bidco at its registered office;
 - (B) an irrevocable authority to Bidco or any director of, or any other person authorised by, Bidco to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Photo-Me Shares held by such Photo-Me Shareholder in uncertificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Photo-Me Shareholder's attorney and/or agent and on such Photo-Me Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Photo-Me Shares appointing any person nominated by

Bidco to attend general and separate class meetings of Photo-Me (and any adjournments thereof) and to exercise the votes attaching to such shares on such Photo-Me Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and

- (C) the agreement of such Photo-Me Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such Photo-Me Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting,

save that this authority will cease to be valid if the acceptance is validly withdrawn;

- (h) that such Photo-Me Shareholder is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Photo-Me Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid with full title guarantee and free from all liens, charges, equities, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever and together with all rights attaching to them on or after 21 January 2022, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, paid or made thereafter;
- (i) that such Photo-Me Shareholder will do all such acts and things as shall, in the opinion of Bidco, be necessary or expedient to vest in Bidco (or its nominee(s)) the Photo-Me Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable the Receiving Agent to perform its function as escrow agent for the purposes of the Offer;
- (j) that such Photo-Me Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, BNP Paribas or the Receiving Agent or any of their respective directors, agents or persons authorised by them, as the case may be, in the exercise of any of such person's powers and/or authorities under this document;
- (k) that if, for any reason, any Photo-Me Shares in respect of which a TTE instruction has been effected in accordance with paragraph 14.1 of Part 1 of this document are converted to certificated form, such Photo-Me Shareholder will (without prejudice to paragraph (g)(ii)(A) of this Part D) immediately deliver, or procure the immediate delivery of, the share certificate(s) or other document(s) of title in respect of all such Photo-Me Shares as so converted to the Receiving Agent at the address referred to in paragraph 3(b) of Part B of this Appendix I or to Bidco at its registered office or as Bidco or its agents may direct; and such Photo-Me Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such Photo-Me Shares without prejudice to the application of this Part D as far as Bidco deems appropriate;
- (l) that the creation of a CREST payment obligation in favour of such Photo-Me Shareholder's payment bank in accordance with the CREST payment arrangements referred to in paragraph (e) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Bidco, BNP Paribas or the Receiving Agent to pay such Photo-Me Shareholder the cash consideration to which they are entitled pursuant to the Offer;
- (m) that the making of an Electronic Acceptance constitutes such Photo-Me Shareholder's agreement to the terms of paragraphs 6(h) and 6(i) of Part B of this Appendix I;
- (n) that, by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Photo-Me Shareholder in the terms of all the powers and authorities expressed to be given by Part B, Part C (where applicable by virtue of paragraph (k) of this Part D) and this Part D of this Appendix I to Bidco, the Receiving Agent and BNP Paribas and any of their respective directors or agents;
- (o) that if any provision of Part B or this Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Bidco, BNP Paribas or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit or authority expressed to be given therein, such Photo-Me Shareholder shall, with all practicable speed, do all such acts and things and execute all such documents that may be required to enable Bidco, BNP Paribas or the Receiving Agent or any of their respective directors, agents or persons authorised by them to secure the full benefits of Part B and this Part D of this Appendix I; and
- (p) that such Photo-Me Shareholder is not a client (as defined in the FCA Handbook) of BNP Paribas in connection with the Offer.

References in this Part D to a Photo-Me Shareholder shall include references to the person or persons making an Electronic Acceptance and, if more than one makes an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and to each of them.

APPENDIX II: FINANCIAL INFORMATION

1. FINANCIAL INFORMATION RELATING TO BIDCO

1.1 The following sets out the financial information in respect of Bidco as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- (a) Audited accounts of Bidco for the 12 months ended 31 December 2020, which are available free of charge on Photo-Me's website at www.photo-me.com/investor-relations/mandatory-offer.
- (b) Audited accounts of Bidco for the 12 months ended 31 December 2019, which are available free of charge on Photo-Me's website at www.photo-me.com/investor-relations/mandatory-offer.

2. FINANCIAL INFORMATION RELATING TO PHOTO-ME

2.1 The following sets out the financial information in respect of Photo-Me as required by Rule 24.3 of the Takeover Code. The documents referred to below, the contents of which have been previously announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- (a) Audited consolidated accounts of Photo-Me for the 18 months ended 31 October 2020 are set out on pages 92 to 98 (inclusive) of the annual report, which is available free of charge on Photo-Me's website at https://photo-me.com/investor-relations/financial-information/#results_reports_presentations.
- (b) Audited consolidated accounts of Photo-Me for the financial year ended 30 April 2019 are set out on pages 74 to 79 (inclusive) of the annual report, which is available free of charge on Photo-Me's website at https://photo-me.com/investor-relations/financial-information/#results_reports_presentations.
- (c) Interim results of Photo-Me for the 26 weeks to 30 April 2021, which are available free of charge on Photo-Me's website at https://photo-me.com/investor-relations/financial-information/#results_reports_presentations.

2.2 You may request a hard copy of the information set out in paragraph 2.1 of this Appendix II that is incorporated into this document by contacting the Photo-Me's registrars, Link Group, Corporate Actions, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. A hard copy of the information incorporated into this document by reference will not be sent to you unless requested in accordance with the instructions above. For the avoidance of doubt, neither the content of Photo-Me's website nor the content of any website accessible from hyperlinks on Photo-Me's website, is incorporated by reference into, or forms part of, this document.

APPENDIX III: BASES OF CALCULATION AND SOURCES OF INFORMATION

Unless otherwise stated in this document:

1. As at 11 February 2022 (being the latest practicable date before the publication of this document), there were 378,011,637 Photo-Me Shares in issue.
2. Any references to the issued and to be issued share capital of Photo-Me are based on:
3. the 378,011,637 Photo-Me Shares in issue referred to in paragraph 1, of this Appendix III above; and
4. up to 1,265,000 Photo-Me Shares which may be issued on or after 11 February 2022, the latest practicable date before the publication of this document, to satisfy the exercise of options granted or agreed to be granted under the ESOS (excluding the PF Options, any options that have an exercise price that is higher than the Offer Price and the options under the ESOS held by Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski (which none of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski intend to exercise)).
5. Except where otherwise disclosed at paragraph 8 below, all Closing Prices have been derived from Factset and all volumes have also been derived from Factset using the prices and volumes of Photo-Me Shares traded on the premium listing of the London Stock Exchange.
6. Except where otherwise disclosed at paragraph 8 below, all volume weighted average prices have been derived from Factset using the prices and volumes of Photo-Me Shares traded on the premium listing of the London Stock Exchange.
7. All financial information relating to Photo-Me is extracted from Photo-Me's: (i) audited financial statements for the 18 months ended 31 October 2020; (ii) interim results for the 26 weeks ended 30 April 2021; (iii) and any other public notifications since 30 April 2021 made by Photo-Me.
8. Data to support any statement with respect to bid premia in Part 2, Paragraph 5 (*Background to and Views of the Independent Directors on the Offer*) has been sourced from Mergermarket and comprises twenty-three transactions each with a deal value of less than £500m, each occurring on or between 1 January 2017 and 31 December 2021 and representing a public offer where the offeror is a major shareholder (defined as having a pre-offer shareholding of at least twenty per cent.).

APPENDIX IV: ADDITIONAL INFORMATION

1. Responsibility

- (a) The Bidco Directors whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraphs 1(b) and 1(c) below. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Independent Directors of Photo-Me whose names are set out in the first section of paragraph 2(b) below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Photo-Me Group, persons acting in concert with the Photo-Me Group, the Independent Directors of Photo-Me and their close relatives and related trusts and companies, including any information (including any expressions of opinion) relating to the FY2021 Profit Estimate and the Independent Directors of Photo-Me's confirmatory statements relating to the FY2021 Profit Estimate set out in paragraph 4 of Part 2 of this document. To the best of the knowledge and belief of the Independent Directors of Photo-Me (who have taken all reasonable care to ensure that such is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The Photo-Me Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the factual information contained in this document relating to the Photo-Me Group. To the best of the knowledge and belief of the Photo-Me Directors (who have taken all reasonable care to ensure that such is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (d) Each of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski is a Photo-Me Director. Jean-Marc Janailhac and Ms. Tania Crasnianski are acting or deemed to be acting in concert with Bidco in connection with the Offer. Immediately after Bidco approached Photo-Me in respect to its possible intention to make the Acquisition and the Offer, the Photo-Me Board formed the Independent Committee, to which the Photo-Me Board has delegated responsibility for considering all matters relating to the Offer on behalf of Photo-Me. None of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac or Ms. Tania Crasnianski has participated in the Independent Committee's consideration of the Offer. Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski remain as Photo-Me Directors and have continued to participate in Photo-Me Board meetings to the extent they related to matters other than the Offer. Due to the imposition of such restrictions, Mr. Serge Crasnianski, as a Bidco Director and a Photo-Me Director, only accepts responsibility for the information contained in this document to the extent set out in paragraph 1(a) and 1(c) above, and Mr. Jean-Marc Janailhac and Ms. Tania Crasnianski, as Photo-Me Directors, only accept responsibility for the information contained in this document to the extent set out in paragraph 1(c) above and do not accept responsibility for any other information (including any expressions of opinion) in this document as they are not Bidco Directors or Independent Directors of Photo-Me. For the avoidance of doubt, none of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac or Ms. Tania Crasnianski accepts responsibility for (i) the views and opinions of the members of the Independent Committee in relation to the Offer as set out in Part 2 of this document, or (ii) any expressions of expectation on the part of the members of the Independent Committee set out in this document.

2. Directors

(a) The Bidco Directors and their positions in Bidco are as follows:

Name	Position
Mr. Serge Crasnianski	Director
Lee Khim Chong	Director
Yew Kam Liew	Director

The registered office of Bidco and the business address of each of the Bidco Directors is 135 Cecil Street, #10-01, Singapore 069536.

(b) The Photo-Me Directors and their positions in Photo-Me are as follows:

Independent Directors (for purpose of the Offer)

Name	Position
Sir John Lewis OBE	Chairman
Ms. Camille Claverie	Non-executive director
Ms. Françoise Coutaz-Replan	Non-executive director
Mr. Jean-Marcel Denis	Non-executive director
Mr. Sigieri Diaz Della Vittoria Pallavicini	Non-executive director
Mr. Emmanuel Olympitis	Non-executive director
Mr. René Proglio	Non-executive director

Non-Independent Directors (for purpose of the Offer)

Name	Position
Mr. Serge Crasnianski	Chief Executive and Deputy Chairman
Mr. Jean-Marc Janailhac	Executive director
Ms. Tania Crasnianski	Executive director

The registered office of Photo-Me and the business address of each of the Photo-Me Directors is Unit 3b, Blenheim Road, Epsom KT19 9AP.

3. Market quotations

Set out below are the Closing Prices of Photo-Me Shares taken from the Daily Official List on:

- the first dealing day in each of the six months immediately before the date of this document;
- 20 January 2022 (the last dealing day before the commencement of the Offer Period); and
- 11 February 2022 (the latest practicable date before the publication of this document).

Date	Closing Price of Photo-Me Shares (pence)
2 August 2021	77.5
1 September 2021	69.0
1 October 2021	60.2
1 November 2021	67.6
1 December 2021	57.0
4 January 2022	65.6
20 January 2022	75.6
1 February 2022	74.6
11 February 2022	76.0

4. Interests and dealings

For the purposes of this paragraph 4 of this Appendix IV.

“**acting in concert**” with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the Takeover Code and/or the Offer. Persons who will be presumed to be acting in concert with other persons include:

- (i) a company, its parent, subsidiaries and fellow subsidiaries and their associated companies and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. of more of the equity share capital of a company is regarded as the test of associated company status);
- (ii) a company with its directors (together with their close relatives and the related trusts of any of them);
- (iii) connected advisers (and persons controlling, controlled by or under the same control as such connected advisers) with their clients; and
- (iv) the pension schemes of the company or any company described in (i) above;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

“**connected advisers**” includes an organisation which: (i) is advising Bidco or (as the case may be) Photo-Me in relation to the Offer; (ii) is corporate broker to Bidco or (as the case may be) Photo-Me; (iii) is advising a person acting in concert with Bidco or (as the case may be) Photo-Me in relation to the Offer or in relation to the matter which is the reason for that person being a member of the concert party; or (iv) is advising a relevant company in relation to the Offer;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give *de facto* control;

“**dealing**” includes: (i) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities; (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities; (iii) subscribing or agreeing to subscribe for securities; (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights; (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he/she has a short position;

“**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure date**” means the latest practicable date before the publication of this document, which is 11 February 2022;

“**disclosure period**” means the period commencing on 21 January 2021 (the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

A person has an “**interest**” or is “**interested**” in securities if he/she has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he/she only has a short position in such securities) and in particular covers: (i) legal title and beneficial ownership (i.e. the ability to exercise, or control the exercise of, voting rights); (ii) the right, option or obligation to acquire, call for or take delivery of securities under an option or derivative; and (iii) the situation where a person holds a derivative referenced to, or which may result in, a long position in securities; and

“**relevant securities**” includes (i) Photo-Me Shares and any other securities of Photo-Me conferring voting rights; (ii) equity share capital of Photo-Me; and (iii) securities of Photo-Me carrying conversion or subscription rights into any of the foregoing.

(a) *Persons acting in concert with Bidco and/or Mr. Serge Crasnianski*

In addition to Bidco Directors (together with their close relatives and related trusts) and other associated companies of Bidco (and their related pension schemes), the persons who are acting in concert with Bidco for the purposes of the Offer and which are required to be disclosed are:

Name	Type of company/Title	Registered office	Relationship with Bidco/ Mr. Serge Crasnianski
BNP Paribas	Financial Services	10 Harewood Avenue, London NW1 6AA	Financial adviser
Mr. Jean-Marc Janailhac	Executive Director of Photo-Me	N/A	Adviser to Bidco
Ms. Tania Crasnianski	Executive Director of Photo-Me	N/A	Close relative of Mr. Serge Crasnianski

(b) *Persons acting in concert with Photo-Me*

In addition to the Independent Directors (together with their close relatives and related trusts) and members of the Photo-Me Group (and their related pension schemes), the persons acting in concert with Photo-Me for the purposes of the Offer and which are required to be disclosed are:

Name	Type of company	Registered office	Relationship with Photo-Me
finnCap Limited	Financial Services	1 Bartholomew Cl, London, EC1A 7BL	Rule 3 adviser

(c) *Interests and dealings in relevant securities of Photo-Me*

- (i) As at the close of business on the disclosure date, the interests, rights to subscribe and short positions in respect of relevant securities of Photo-Me held by Bidco, Bidco Directors and persons acting in concert with Bidco and persons with whom Bidco or any person acting in concert with Bidco (as the case may be) has any arrangement were as follows:

Holdings in Photo-Me Shares

Name	Number of Photo-Me Shares	Percentage of Photo-Me's existing share capital
Bidco	137,884,846	36.48
Mr. Serge Crasnianski*	63,750	0.02
Mr. Jean-Marc Janailhac*	80,000	0.02

* Neither Mr. Serge Crasnianski nor Mr. Jean-Marc Janailhac will accept the Offer in respect of their own holdings of Photo-Me Shares.

Options under ESOS

Name	Number of Photo-Me Shares under option	Date of grant	Exercise price per Photo-Me Share (pence)	Exercise period/ Vesting period
Mr. Serge Crasnianski	816,509	27 August 2019	101.4	27 August 2022 – 26 August 2026
Mr. Serge Crasnianski	1,000,000	5 August 2021	77.5	5 August 2024 – 4 August 2028
Mr. Jean-Marc Janailhac	400,000	5 August 2021	77.5	5 August 2024 – 4 August 2028
Ms. Tania Crasnianski	96,774	5 August 2021	77.5	5 August 2024 – 4 August 2028

None of Mr. Serge Crasnianski, Mr. Jean-Marc Janailhac nor Ms. Tania Crasnianski intends to exercise their options under the ESOS should they become exercisable in connection with the Offer.

- (ii) As at the close of business on the disclosure date, the following dealings in relevant securities of Photo-Me by Bidco, Bidco Directors and persons acting in concert with Bidco and persons with whom Bidco or any person acting in concert with Bidco (as the case may be) has any arrangement, have taken place during the disclosure period:

Name	Date	Transaction	Number of Photo-Me Shares	Price (per Photo-Me Share (pence))
Bidco	11 March 2021	Purchase	282,029	51.11
Bidco	12 March 2021	Purchase	250,000	51.35
Bidco	30 March 2021	Purchase	200,000	55.0
Bidco	4 May 2021	Purchase	3,000,000	75.0
Mr. Jean-Marc Janailhac*	11 May 2021	Purchase	53,000*	77.7*
Mr. Serge Crasnianski	5 August 2021	Grant of options under ESOS	1,000,000	Nil
Mr. Jean-Marc Janailhac	5 August 2021	Grant of options under ESOS	400,000	Nil
Ms. Tania Crasnianski	5 August 2021	Grant of options under ESOS	96,774	Nil
Bidco	26 January 2022	Purchase	29,111,186	70.0

* ***Prior dealings and Rule 9.5 dispensation***

Mr. Jean-Marc Janailhac acquired 53,000 Photo-Me Shares (representing approximately 0.01 per cent. of Photo-Me's existing issued ordinary share capital) at the price of 77.7 pence per share on 11 May 2021, prior to becoming aware of Mr. Serge Crasnianski's intention to make the Acquisition and the Offer. Bidco, with the support of the Independent Directors of Photo-Me, has received a dispensation from the Panel in respect of the minimum price of the Offer under Note 3 to Rule 9.5 in relation to the foregoing dealings, so that the Offer may be made at a price of 75 pence per Photo-Me Share.

- (iii) As set out in paragraph 7 of Part 1, Mr. Jean-Marc Janailhac is acting as adviser to Mr. Serge Crasnianski and Bidco. In consideration for his role as adviser to Mr. Serge Crasnianski and Bidco, Mr. Jean-Marc Janailhac is entitled to compensation from Bidco in the form of Photo-Me Shares, payable when the Offer lapses or becomes unconditional (as applicable) as follows:
- The level of compensation depends on the success of the Offer. If the Offer lapses, and Bidco is left only with the Photo-Me Shares acquired under the Acquisition, Mr. Jean-Marc Janailhac (or a company controlled by him) will be entitled to receive from Bidco 0.5 per cent. of the Photo-Me Shares acquired under the Acquisition, being 145,556 Photo-Me Shares (representing approximately 0.04 per cent. of Photo-Me's issued share capital).
 - If the Offer becomes unconditional, Mr. Jean-Marc Janailhac (or a company controlled by him) will be entitled to receive from Bidco 0.5 per cent. of the number of Photo-Me Shares that Bidco needs to acquire under the Acquisition and the Offer to allow Bidco to satisfy the acceptance condition of the Offer. Based on the current issued share capital of Photo-Me (and assuming no further Photo-Me Shares are issued), this would equate to 400,442 Photo-Me Shares (representing approximately 0.11 per cent. of Photo-Me's issued share capital).
- (iv) As at the close of business on the disclosure date, the interests, rights to subscribe and short positions in respect of relevant securities of Photo-Me held by persons acting in concert with Photo-Me were as follows:

Holdings in Photo-Me Shares

Name	Number of Photo-Me Shares	Percentage of Photo-Me's existing share capital
Ms. Françoise Coutaz-Replan	200,000	0.05
Mr. Emmanuel Olympitis	45,000	0.01
Sir John Lewis OBE	25,000	0.01

Share Options

Name	Scheme	Number of Photo-Me Shares under option	Date of grant	Exercise price per Photo-Me Share (pence)	Exercise period/ Vesting period
Ms. Françoise Coutaz-Replan	ESOS	212,600	9 July 2015	133.33	9 July 2018 – 8 July 2022

- (v) As at the close of business on the disclosure date, there have been no dealings in relevant securities of Photo-Me by Photo-Me or persons acting in concert with Photo-Me or persons with whom Photo-Me or any person acting in concert with Photo-Me (as the case may be) has any arrangement, during the disclosure period.
- (d) *General*
- (i) Save as disclosed above, none of Bidco, any of the directors of Bidco, any members of such directors' close relatives or any related trusts or companies, nor any person acting in concert with Bidco, nor any person with whom Bidco or any person acting in concert with Bidco has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant securities on the disclosure date nor has any such person dealt in any relevant securities during the disclosure period.

- (ii) Save as disclosed above, none of Photo-Me, any Independent Directors of Photo-Me, any members of such directors' close relatives or any related trusts or companies, nor any person acting in concert with Photo-Me, nor any person with whom Photo-Me or any person acting in concert with Photo-Me has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant securities on the disclosure date, nor has any such person dealt in any relevant securities during the Offer Period.
- (iii) Save as disclosed above, neither Bidco nor any person acting in concert with Bidco has borrowed or lent any relevant securities of Photo-Me during the disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (iv) Save as disclosed above, none of Photo-Me, any directors of Photo-Me, any members of such directors' immediate families, close relatives or any related trusts or companies, nor any person deemed to be acting in concert with Photo-Me was interested in, had any rights to subscribe or had any short positions in respect of any relevant securities of Bidco on the disclosure date, nor has any such person dealt in any relevant securities of Bidco during the Offer Period.
- (v) Save as disclosed above, neither Photo-Me nor any person acting in concert with Photo-Me has borrowed or lent any relevant securities of Photo-Me during the disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (vi) Save as disclosed above, neither Bidco nor any person acting in concert with Bidco has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of Photo-Me during the disclosure period.
- (vii) Save as disclosed above, neither Photo-Me nor any person acting in concert with Photo-Me has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of Photo-Me during the disclosure period.

5. United Kingdom taxation

The comments below are intended only as a general guide to the current tax position under UK law and HM Revenue & Customs' published practice in respect of Photo-Me Shareholders who, unless express reference is made to non-United Kingdom residents, are resident in the United Kingdom for tax purposes and who hold their Photo-Me Shares as investments and not on trading account. The comments do not deal with certain types of Photo-Me Shareholder such as charities, trustees, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Photo-Me Shares by reason of their employment or as carried interest, collective investment schemes, persons subject to United Kingdom tax on the remittance basis and insurance companies. Photo-Me Shareholders are encouraged to consult their professional adviser with respect to their tax affairs, particularly those shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom.

(a) Taxation of chargeable gains

Photo-Me Shareholders who are resident or ordinarily resident in the UK for tax purposes and who receive cash for their Photo-Me Shares under the Offer will be treated as having made a disposal of their Photo-Me Shares for the purposes of UK taxation of chargeable gains. Any such disposal may, depending on the Photo-Me Shareholder's circumstances and subject to any available exemptions or reliefs (including taper relief), give rise to a liability to UK tax on chargeable gains.

Individual Photo-Me Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Photo-Me Shares by an individual UK holder will be subject to UK capital gains tax at the rate of 10 per cent. or 20 per cent. (for the 2021/2022 tax year) depending on the individual's personal circumstances, including other taxable income and gains in the relevant tax year. The capital gains tax annual exempt amount may, however, be available to individual UK Photo-Me Shareholders to offset against chargeable gains realised on the disposal of their Photo-Me Shares.

Corporate Photo-Me Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Photo-Me Shares by a Photo-Me Shareholder within the charge to UK corporation tax will be subject to UK corporation tax at the rate of 19 per cent. (for the 2021/2022 tax year, expected to rise to 25 per cent. with effect from 1 April 2023 (the “**main rate**”) for companies with profits in excess of £250,000, with a small profits rate of 19 per cent. applying to companies with profits of £50,000 or less and companies with profits between £50,000 and £250,000 being required to pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate).

(b) Stamp Duty and SDRT

No stamp duty or SDRT should generally be payable by Photo-Me Shareholders as a result of accepting the Offer.

6. Bases of calculation and sources of information

In this document, unless otherwise stated or the context otherwise requires, the bases and sources used are as described in Appendix III to this document.

7. Material contracts

(a) Bidco

Save as disclosed below and the Confidentiality Agreement, Bidco has not entered into any contract during the period commencing on 21 January 2020 (the date two years before the commencement of the Offer Period) and ended on 11 February 2022 (the latest practicable date before the date of this document) which are outside the ordinary course of business and which are or may be considered material:

Share Purchase Agreement

On 21 January 2022, Bidco and DDF entered into the SPA pursuant to which Bidco acquired 29,111,186 Photo-Me Shares from DDF at a price of 70 pence per share. The Acquisition completed on 26 January 2022.

Financing arrangements

It is estimated that full acceptance of the Offer would require the payment by Bidco, under the basic terms of the Offer, of a maximum amount of approximately £180.9 million in cash which will be provided pursuant to (i) secured debt facilities of £202 million provided by Credit Agricole Corporate and Investment Bank (“**CACIB**”) pursuant to a facility agreement dated 20 January 2022 (the “**Facility Agreement**”) and (ii) Bidco’s own cash resources.

Under the terms of the Facility Agreement, CACIB has agreed to make available to Bidco two term loan facilities in an amount equal to £110 million (“**Facility 1**”) and £92 million (“**Facility 2**”, together with Facility 1, the “**Facilities**”) respectively, with an aggregate total commitment amount of £202 million.

The proceeds of loans drawn by Bidco under both Facilities are to be applied towards financing or refinancing the cash consideration payable by Bidco for the acquisition of Photo-Me Shares (including pursuant to the Acquisition, the Offer or other market purchases outside of the Offer) and the payment of associated fees, costs and expenses and stamp, registration and other taxes incurred by Bidco in connection with the Offer, the Acquisition or documentation relating to the Offer, the Acquisition and the financing.

The Facilities are available to be drawn, subject to the satisfaction of the conditions precedent set out in the Facility Agreement, from the date of the Facility Agreement to and including the last day of the Certain Funds Period (as defined below) (the “**Availability Period**”). Facility 2 can only be drawn once Facility 1 has been utilised in full.

Under the Facility Agreement, “**Certain Funds Period**” is defined as the period commencing on (and including) 20 January 2022 (the “**Facility Signing Date**”) and ending on (and including) the earlier to occur of (i) the date which falls 30 days after the later of (A) the date on which the Offer is declared or becomes unconditional; and (B) the date on which the Offer is closed

for further acceptances; (ii) the date on which the Offer lapses or is withdrawn, in each case, in accordance with the terms in the offer press release or this document and with the consent of the Panel where required; and (iii) 11.59 p.m. (London time) on 30 June 2022.

Loans are available under the Facilities on a certain funds basis pursuant to which only a breach of specified representations, undertakings and events of default, or the occurrence of an illegality event or a change of control would entitle CACIB to refuse to make a loan available. The certain funds basis applies for the duration of the Certain Funds Period.

The Facility Agreement also includes customary cancellation provisions relating to the Offer, pursuant to which the Facilities will be cancelled at 11.59 p.m. (London time) on the last day of the Availability Period or, if earlier, if this document is not posted within 28 days of issuing the offer press release (or such longer period as Bidco and the Panel may agree).

The final maturity date of the Facilities is the date falling six months after the Facility Signing Date (the “**Facility Termination Date**”). The Facility Termination Date may be extended by a further six months at the request of Bidco by the exercise of an extension option any time during the period starting 60 days prior to the Facility Termination Date and ending 15 days prior to the Facility Termination Date and subject to the payment of an extension fee.

Each loan drawn under the Facilities is repayable in full on the applicable termination date. The Facilities may also be voluntarily prepaid and/or cancelled by Bidco upon not less than five business days’ prior notice. The Facility Agreement contains customary mandatory prepayment events in case of illegality and change of control.

The Facility Agreement also includes mandatory prepayment provisions pursuant to the following proceeds received by Bidco must be used to prepay (or in cancellation of) the Facilities:

- any cash transferred to Bidco by Opal Investments International Limited or Headly Properties Limited (the “**Entities**”);
- any net cash proceeds (after deduction of reasonable expenses and any taxes) received by Bidco in respect of any capital raising and any financial indebtedness (including shareholder loans in excess of an aggregate threshold amount, convertible bonds or other debt instruments), in each case, financed directly or indirectly by Mr. Serge Crasnianski or any Entity (the “**Owner Proceeds**”);
- any net cash proceeds (after deduction of reasonable expenses and any taxes) received by Bidco in respect of any capital raising or financial indebtedness (other than arising under the Facilities and including shareholder loans, convertible bonds or other debt instrument), in each case, financed by any party other than Mr. Serge Crasnianski or any Entity (the “**Third Party Proceeds**”);
- any dividends or other distributions received by Bidco from Photo-Me (the “**Dividends**”); and
- any net cash proceeds (after deduction of reasonable expenses and any taxes) received by Bidco in respect of any sale, transfer, loan or other disposal of Photo-Me Shares (the “**Disposal Proceeds**”).

Any cash received from the Entities or Owner Proceeds are first applied in cancellation and then prepayment of Facility 1 before being applied in cancellation and then prepayment of Facility 2. Any Dividends, Third Party Proceeds or Disposal Proceeds are first applied in cancellation and then prepayment of Facility 2 before being applied in cancellation and then prepayment of Facility 1.

The rate of interest for each loan drawn under the Facilities is the aggregate of the applicable margin and the Compounded Reference Rate (being the percentage rate per annum which is calculated by reference to the SONIA daily rate (subject to a zero floor) and compounded in accordance with the methodology set out in the Facility Agreement) for that day. The margin in relation to any loan is (i) in respect of Facility 1: (A) from (and including) the Facility Signing Date to (and including) the date falling six months after the Facility Signing Date, 0.50 per cent. per annum; and (B) from (but excluding) the date falling six months after the Facility Signing Date until Facility 1 is repaid in full, 1.50 per cent. per annum; and (ii) in respect of Facility 2: (A) from (and including) the Facility Signing Date to (and including) the date falling three

months after the Facility Signing Date, 1.50 per cent. per annum; (B) from (but excluding) the date falling three months after the Facility Signing Date to (and including) the date falling six months after the Facility Signing Date, 2.00 per cent. per annum; and (C) from (but excluding) the date falling six months after the Facility Signing Date until Facility 2 is repaid in full, 2.50 per cent. per annum.

Commitment fees, upfront fees and utilisation fees are also payable under the terms of the Facility Agreement.

Bidco's obligations under the Facility Agreement are guaranteed by Mr. Serge Crasnianski, who is party to the Facility Agreement as a guarantor. In addition, the following security has been provided in connection with the Facility Agreement (i) a Singapore law security agreement granted by Mr. Serge Crasnianski over shares in Bidco; and (ii) a Luxembourg law account pledge agreement granted by Bidco in respect of account(s) in which all present and future Photo-Me Shares held by Bidco and all Dividends, Owner Proceeds, Third Party Proceeds, Disposal Proceeds and cash transferred to Bidco by the Entities have been or will be credited. A Luxembourg law first demand guarantee has also been issued by CA Indosuez Wealth (Europe) in favour of CACIB.

The Facility Agreement contains representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, permitted holding company activity, dividends and share redemption, acquisitions, mergers and sanctions and corruption), indemnities and events of default, subject to agreed carve-outs and materiality thresholds applicable to the transaction obligors (and, in respect of certain specific provisions, any subsidiaries of Bidco and the Entities). In particular, it includes specific undertakings in relation to the Offer, including that:

- Bidco shall not, unless required to do so by the Takeover Code, the Panel or any applicable law or regulation, (i) extend the closing date for acceptance of the Offer; (ii) amend, vary, waive, withdraw or fail to enforce any term or condition of the Offer; or (iii) issue or make any press release or other publicity which refers to any Facility, any finance document or the lender under the Facility Agreement;
- Bidco shall ensure that no action is taken which may require an increase in the price payable for the Photo-Me Shares or the maximum total consideration payable for all the Photo-Me Shares, to which the Offer relates, without the consent of CACIB; and
- Bidco shall not, without the consent of CACIB, (i) exercise its rights to implement any squeeze-out procedure; or (ii) take any action or step to voluntarily de-list the Photo-Me Shares or re-register Photo-Me as a private company, unless required to do so by the Takeover Code, the Panel, the FCA, the Listing Rules or any applicable law or regulation.

The Facility Agreement does not include any financial covenants.

(b) *Photo-Me*

Save for the Confidentiality Agreement, there have been no contracts entered into by Photo-Me or any of its subsidiaries during the period commencing on 21 January 2020 (the date two years before the commencement of the Offer Period) and ending on 11 February 2022 (the latest practicable date before the date of this document) which are outside the ordinary course of business and which are or may be considered material.

8. Offer-related arrangements

Confidentiality Agreement

On 14 December 2021, Bidco and Photo-Me entered into the Confidentiality Agreement. Pursuant to the Confidentiality Agreement, Bidco and Photo-Me have undertaken to (i) keep confidential information relating to, *inter alia*, the Offer and not to disclose it to third parties (other than to certain permitted persons) and (ii) use the confidential information only for the purpose of the Offer.

These confidentiality obligations shall remain in force for a period of 24 months from the date of the Confidentiality Agreement.

9. Service Contracts and Remuneration

Save as disclosed below, there are no service contracts in force between any director or proposed director of Photo-Me and Photo-Me or any of its subsidiaries and no such contract has been entered into or amended during the six months preceding the date of this document:

- Mr. Serge Crasnianski entered into a service agreement with Photo-Me dated May 2010 with an effective start date of 1 May 2010, later transferred to Photo-Me Limited (“PML”), a wholly-owned subsidiary of Photo-Me. His appointment is terminable on twelve months’ notice from PML and six months’ notice from Mr. Serge Crasnianski. Mr. Serge Crasnianski also has consultancy agreement with a service company, Realin Ltd, dated 22 July 2010 with an effective start date of 1 May 2010. Mr Serge Crasnianski’s appointment under the consultancy agreement with Realin Ltd is terminable on twelve months’ notice from Photo-Me and six months’ notice from the Company. Mr Serge Crasnianski’s salary under the service contract and fees under the consultancy agreement amount to £560,211 per annum in total. He is entitled to a performance bonus under the company bonus scheme in the absolute discretion of Photo-Me. Mr. Serge Crasnianski is entitled to receive contributions totalling 15 per cent. of his total salary and fees (the value of this benefit for the last financial year, the twelve months ended 31 October 2021, was £18,732.96 (for example: 12x £1,561.08)). Mr. Serge Crasnianski is entitled to participate in Photo-Me’s private medical insurance scheme. Mr. Serge Crasnianski is entitled to sick pay of six months’ full pay in any twelve-month period. Photo-Me may opt at its discretion to make a payment in lieu of notice to Mr. Serge Crasnianski equivalent to basic salary for his notice period or the balance of his notice period. The service agreement also contains summary termination events. Photo-Me has the benefit of one restrictive covenant which applies for twelve months after termination of employment in respect of, among other things, the non-solicitation of ‘Key Workers’ as therein defined. Additionally, confidential information provisions apply post-termination and without limitation unless the information enters the public domain other than through the fault of Mr. Crasnianski.
- Mr. Jean-Marc Janailhac entered into a service agreement with PML, a wholly-owned subsidiary of Photo-Me dated 19 June 2020. His appointment is terminable on six months’ notice from either party or earlier in case of default by Mr. Jean-Marc Janailhac. Mr. Jean-Marc Janailhac’s also has a consultancy agreement with his service company, JMG Partners S.A. dated 19 June 2020 with an effective start date of 1 July 2020. Mr Jean-Marc Janailhac’s appointment under the consultancy agreement with JMG Partners S.A. is terminable on six months’ notice from either party to the other. Mr Jean-Marc Janailhac’s total salary under the service agreement and consultancy agreement is £45,000 per annum plus additional fees of €216,000 per annum respectively. He is entitled to a performance bonus under the company bonus scheme in the absolute discretion of Photo-Me. Photo-Me may opt at its discretion to make a payment in lieu of notice to Mr. Jean-Marc Janailhac equivalent to basic salary for his notice period or the balance of his notice period. The service agreement also contains summary termination events. Photo-Me has the benefit of one restrictive covenant which applies for two years after termination of employment in respect of the non-solicitation of custom of any person, form or corporation with whom or which they may have dealt in respect of services of a type which at (or within twelve months prior to) the termination of the service agreement were supplied by the Client Group as therein defined. Mr. Janailhac must also refrain from interfering with the continuance of supplies to the Client Group for a period of two years after termination of his employment. Confidential information provisions apply post-termination and without limitation of time.
- Ms. Tania Crasnianski entered into a service agreement with Photomaton France SAS and PML dated 1 October 2020 and 23 June 2020 respectively. Ms. Tania Crasnianski’s appointment under the service contract with Photomaton France SAS is terminable on three months’ notice from either party. Ms. Tania Crasnianski’s appointment under the service contract with PML is terminable on twelve months’ notice from PML and six months’ notice from Ms. Tania Crasnianski or earlier in case of her own default. Ms. Tania Crasnianski’s total salary under the service agreements is £50,000 per annum plus €230,000 per annum. She is entitled to a performance bonus under the company bonus scheme in the absolute discretion of Photo-Me. Ms. Tania Crasnianski is entitled to sick pay of six months’ full pay in any twelve-month period. Photo-Me may opt at its discretion to make a payment in lieu of notice to Ms. Tania Crasnianski equivalent to basic salary for her notice period or the balance of her notice period. The service agreement also contains summary termination events. Photo-Me has the benefit of

one restrictive covenant which applies for twelve months after termination of employment in respect of, among other things, 'Key Workers' as therein defined. Additionally, confidential information provisions apply post-termination and without limitation unless the information enters the public domain other than through the fault of Ms. Crasnianski.

- Sir John Lewis OBE is engaged under a letter of appointment with Photo-Me dated 26 July 2010 and his services are also made available through a service company, Blakeney Holdings Limited dated 26 July 2010. The appointment may be terminated by either party giving six months' notice or earlier in case of default by Sir John Lewis OBE. The appointment letter states that his appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment and consulting agreement, Sir John Lewis OBE receives an annual salary plus fee totalling of £132,000.
- Mr. Emmanuel Olympitis is engaged under a letter of appointment with Photo-Me dated 11 November 2009. The appointment may be terminated earlier by either party giving three months' notice or earlier in case of default by Mr. Emmanuel Olympitis. The appointment letter states that his appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Mr. Emmanuel Olympitis receives an annual salary of £55,000.
- Mr. Jean-Marcel Denis was originally engaged under a letter of appointment with Photo-Me dated 1 March 2012. The appointment may be terminated by either party giving three months' notice or earlier in case of default by Mr. Jean-Marcel Denis. The appointment letter states that his appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Mr. Jean-Marcel Denis receives an annual fee of £49,500.
- Mr. Rene Proglío's services are made available to Photo-Me through a service company, R. Proglío Consulting SAS, under an agreement with PML effective from 23 June 2021. The appointment may be terminated earlier by either party giving three months' notice or earlier in case of default by Mr. Rene Proglío. The appointment letter states that his appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Mr. Rene Proglío receives an annual fee of £45,000.
- Mr. Sigieri Diaz Della Vittoria Pallavicini is engaged under a letter of appointment with PML dated 23 June 2021. The appointment may be terminated earlier by either party giving three months' notice or earlier in case of default by Mr. Sigieri Diaz Della Vittoria Pallavicini. The appointment letter states that his appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Mr. Sigieri Diaz Della Vittoria Pallavicini receives an annual salary of £45,000.
- Ms. Camille Claverie is engaged under a letter of appointment with PML dated 23 June 2021. The appointment may be terminated earlier by either party giving three months' notice or earlier in case of default by Ms. Camille Claverie. The appointment letter states that her appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Ms. Camille Claverie receives neither a salary nor fee.
- Ms. Françoise Coutaz-Replan is engaged under a letter of appointment with Photo-Me dated 27 August 2015. The appointment may be terminated earlier by either party giving three months' notice. The appointment letter states that her appointment is subject to the articles of association which require one third of the directors to retire by rotation and seek re-election at each annual general meeting. Under the terms of the letter of appointment, Ms. Françoise Coutaz-Replan receives an annual salary of £44,000.

The Non-Executive Directors are also subject to confidentiality undertakings without limitation in time. No restrictive covenants apply to the Non-Executive Directors.

The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment other than in respect of fees and expenses accrued to the termination date and are not entitled to participate in any bonus or pension schemes except Françoise Coutaz-Replan who holds options under the ESOS as a result of historical awards. Françoise Coutaz-Replan's options are currently vested and she may exercise under her options at any time until 8 July 2022.

The Non-Executive Directors are not party to any commission or profit sharing arrangements.

Photo-Me has directors' and officers' indemnity insurance in place in respect of the Non-Executive Directors.

Payment obligations under the contracts with Sir John Lewis OBE; Messrs Crasnianski, Olympitis and Denis; and Ms. Françoise Coutaz-Replan, and where relevant any of their respective service companies, are satisfied by PML.

10. Ratings

As at the commencement of the Offer Period, neither Bidco nor Photo-Me had any current ratings and outlooks publicly accorded to either of them by ratings agencies.

11. Other Information

- (a) Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Mr. Serge Crasnianski, Bidco or any concert party of Bidco or Mr. Serge Crasnianski and any of the directors, recent directors, shareholders or recent shareholders of Photo-Me or any person interested or recently interested in shares of Photo-Me having any connection with or dependence on the Offer.
- (b) Except as disclosed in this document, neither Bidco, nor Mr. Serge Crasnianski nor any person acting in concert with it has procured an irrevocable undertaking or letter of intent to accept the terms of the Offer.
- (c) Except as disclosed in this document, no agreement, arrangement or understanding of whatever nature whether formal or informal (including indemnity or option arrangements) relating to relevant securities which may be an inducement to deal or refrain from dealing exists between Bidco or any concert party of Bidco and any other person.
- (d) Except as disclosed in this document, no agreement, arrangement or understanding of whatever nature whether formal or informal (including indemnity or option arrangements) relating to relevant securities which may be an inducement to deal or refrain from dealing exists between Photo-Me or any concert party of Photo-Me and any other person.
- (e) Except as disclosed in this document, there is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Offer will be transferred to any other person.
- (f) BNP Paribas has given and not withdrawn its consent to the issue of this document with the inclusion of their advice in the form and context in which it appears.
- (g) finnCap has given and not withdrawn its consent to the issue of this document with the inclusion of their advice in the form and context in which it appears.
- (h) Except as disclosed in this document, there has been no significant change in the financial or trading position of Photo-Me since 30 April 2021 (the date to which the interim accounts of Photo-Me were prepared).

12. Fees and Expenses

- (a) The aggregate fees and expenses which are expected to be incurred by Bidco and Mr. Serge Crasnianski in connection with the Offer are estimated to amount to c. £4.25 million, plus applicable VAT and other taxes. Set out below are the estimates of fees and expenses expected to be incurred in relation to:

Category	Amount (excluding applicable VAT) (£'000)
Financing arrangements	639
Financial and corporate broking advice ⁽¹⁾	1,350
Legal advice ⁽²⁾	1,122
Other costs and expenses ⁽³⁾	1,139
Total	4,250

(1) The total amount payable includes a discretionary element or otherwise depends on whether the Offer becomes unconditional.

(2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to 11 February 2022, the latest practicable date before the publication of this document, and an estimate of the further time required.

(3) Includes, among other things, amounts related to stamp duty tax payable in connection with the Offer, Receiving Agent fees, printers fees and document fees payable to the Panel.

- (b) The aggregate fees and expenses which are expected to be incurred by Photo-Me in connection with the Offer are estimated to amount to c. £1.055 million, plus applicable VAT and other taxes. Set out below are the estimates of fees and expenses expected to be incurred in relation to:

Category	Amount (excluding applicable VAT) (£'000)
Financial and corporate broking advice	775
Legal advice ⁽¹⁾	280
Total	1,055

(1) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to 11 February 2022, the latest practicable date before the publication of this document, and an estimate of the further time required.

13. Documents

Copies of the following documents are available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Photo-Me's website at www.photo-me.com/investor-relations/mandatory-offer until the end of the Offer (including any related competition reference period):

- (a) this document;
- (b) the Announcement;
- (c) a copy of the Form of Acceptance;
- (d) the constitutional documents of Bidco;
- (e) the memorandum and articles of association of Photo-Me;
- (f) the Facility Agreement;
- (g) any security documents entered into in relation to the Facility Agreement;

- (h) the SPA;
- (i) the Confidentiality Agreement;
- (j) the written consent from each of BNP Paribas and finnCap referred to in paragraphs 11(f) and 11(g) of this Appendix IV;
- (k) the interim results of Photo-Me for the 26 weeks to 30 April 2021;
- (l) the audited consolidated accounts of Photo-Me for the 18 months ended 31 October 2020;
- (m) the audited consolidated accounts of Photo-Me for the financial year ended 30 April 2019;
- (n) the audited accounts of Bidco for the 12 months ended 31 December 2020; and
- (o) the audited accounts of Bidco for the 12 months ended 31 December 2019.

Save as expressly referred to in this document, the contents of websites referred to in this document are not incorporated into and do not form part of this document.

APPENDIX V: DEFINITIONS

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

“2006 Act”	the Companies Act 2006, as amended from time to time
“Acceleration Statement”	the statement made by Bidco, as set out in paragraph 13 of Part 1 of this document, to which Rule 31.5 of the Takeover Code applies, which Bidco is treated as having made by specifying an Unconditional Date in this document which is earlier than Day 60
“Acceptance Condition”	the level of acceptances for the Offer received by Bidco to allow Bidco to declare the Offer unconditional as described in Appendix I to this document
“ACIN”	a notice in which Bidco gives notice of its intention to invoke the Acceptance Condition so as to cause the Offer to lapse in accordance with the requirements of Rule 31.6 of the Takeover Code
“Acquisition”	Tibergest PTE Ltd’s acquisition of 29,111,186 Photo-Me Shares from DDF
“Announcement”	the announcement dated 21 January 2022 setting out details of Bidco’s mandatory cash offer for Photo-Me
“Bidco”	Tibergest PTE Ltd, a private company limited by shares incorporated in the Republic of Singapore
“Bidco Directors”	the directors of Bidco
“BNP Paribas”	BNP Paribas, London branch, sole financial adviser to Bidco
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London
“CACIB”	Credit Agricole Corporate and Investment Bank
“Cash Offer TTE instruction”	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Photo-Me Shares in uncertificated form meeting the requirements set out in paragraph 14.2 of Part 1 of this document
“certificated” or “certificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
“Chair”	Sir John Lewis OBE in his capacity as chairman of Photo-Me
“Closing Price”	the closing middle market price of Photo-Me Shares traded on the premium listing of the London Stock Exchange
“Condition”	the Condition to the Offer set out in Part A of Appendix I to this document
“Confidentiality Agreement”	the confidentiality agreement between Bidco and Photo-Me dated 14 December 2021
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in CREST)
“CREST member”	a person who is, in relation to CREST, a system member (as defined in the Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
“CREST payment”	has the meaning given in the CREST manual issued by Euroclear
“CREST sponsor”	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations)

“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor
“Daily Official List”	means the daily official list of the London Stock Exchange
“Day 46”	2 April 2022 or such other date as may otherwise be set as being Day 46 of the timetable of the Offer in accordance with the Takeover Code
“Day 60”	16 April 2022 or such other date as may otherwise be set as being Day 60 of the timetable of the Offer in accordance with the Takeover Code
“DDF”	the Dan David Foundation
“Disclosure and Transparency Rules”	the disclosure guidance and transparency rules, made by the FCA, as amended from time to time
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
“ESA instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear)
“ESOS”	the Photo-Me Executive Share Option Scheme (2014)
“Euroclear”	Euroclear UK & International
“Facility Agreement”	the facility agreement between Bidco, Mr. Serge Crasnianski as the owner and CACIB dated 20 January 2022
“FCA”	the UK Financial Conduct Authority
“FCA Handbook”	the FCA’s Handbook of rules and guidance as amended from time to time
“finnCap”	finnCap Limited, Rule 3 adviser to Photo-Me
“Form of Acceptance”	the form of acceptance, authority and election for use by Photo-Me Shareholders in connection with the Offer
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time)
“FY21 Profit Estimate”	the profit estimate which was announced on 10 December 2021 in relation to the financial year ended 31 October 2021 (reproduced in paragraph 4 of Part 2 of this document), which refined the profit forecast made on 2 August 2021 (also reproduced in paragraph 4 of Part 2 of this document)
“IFRS”	international accounting standards and international financial reporting standards and interpretations thereof, approved or published by the International Accounting Standards Board and adopted by the European Union
“Independent Directors”	the independent directors of Photo-Me as set out in paragraph 2(b) of Appendix IV to this document
“Link Group”	Link Group, a trading name of Link Market Services Limited
“Listing Rules”	means the rules and regulations made by the FCA under Part VI of the FSMA, as amended, and contained in the FCA’s publication of the same name (as amended from time to time)
“London Stock Exchange”	London Stock Exchange Group PLC
“Long-Stop Date”	23:59 p.m. on Day 60 or such later date (if any) as Bidco may, with the consent of Photo-Me or with the consent of the Panel, specify
“Market Abuse Regulation”	the Market Abuse Regulation (EU) No 596/2014, as it forms part of UK law pursuant to the European Union (Withdrawal) Act 2018

“member account ID”	the identification code or number attached to any member account in CREST
“Offer”	the mandatory offer made by Bidco to acquire all the Photo-Me Shares not already owned by or on behalf of Bidco on the terms and subject to the conditions set out in this document and the Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer and includes any election available in connection with it
“Offer Document”	this document, despatched on behalf of Bidco containing the terms and condition of the Offer and, where appropriate, any other document(s) containing terms and condition of the Offer constituting the full terms and condition of the Offer
“Offer Period”	the period commencing on (and including) 21 January 2022 and ending on the earlier of the date on which (i) the Offer has been withdrawn or has lapsed or (ii) an announcement is made that the Offer has become or has been declared unconditional
“Offer Price”	75 pence per Photo-Me Share
“Official List”	means the official list maintained by the FCA
“Opening Position Disclosure”	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position
“Overseas Shareholders”	Photo-Me Shareholders resident in, or to nationals or citizens of, jurisdictions outside the United Kingdom or to nominees of, or custodians or trustees for, citizens or nationals of other countries
“Panel”	the Panel on Takeovers and Mergers
“participant ID”	the identification code or membership number used in CREST to identify a CREST member or other CREST participant
“PF Options”	means the options over 3,000,000 Photo-Me Shares in aggregate granted to Mr. Pascal Faucher by Photo-Me on 4 October 2019, 5 October 2020 and 5 October 2021 respectively
“Photo-Me”	Photo-Me International plc, a public limited company incorporated in England and Wales with registered number 00735438
“Photo-Me Directors”	the directors of Photo-Me
“Photo-Me Group”	Photo-Me and its subsidiary undertakings and where the context permits, each of them
“Photo-Me Shareholders”	holders of Photo-Me Shares, and “Photo-Me Shareholder” shall be construed accordingly
“Photo-Me Shares”	the unconditionally allotted or issued ordinary shares of 0.5 pence each in the capital of Photo-Me, and ” Photo-Me Share” shall be construed accordingly
“PRA”	Prudential Regulation Authority or its successor from time to time
“Receiving Agent”	Link Group, in its capacity as escrow agent (as described in the CREST manual issued by Euroclear)
“Regulations”	the Uncertificated Securities Regulations 2001
“Regulatory Information Service”	any of the services authorised from time to time by the FCA for the purposes of disseminating regulatory announcements
“Restricted Jurisdiction”	any jurisdiction where the extension of the Offer or the release, publication or distribution in whole or in part of the Offer Document, Announcement or any document relating to the Offer would constitute a

	violation of the relevant laws or regulations of the jurisdiction or may result in significant risk of civil, regulatory or criminal exposure or other formality which Bidco regards as unduly onerous
“SDRT”	Stamp Duty Reserve Tax
“SONIA”	the sterling overnight index average reference rate, displayed on the relevant screen of any authorised distributor of that reference rate
“SPA”	the share purchase agreement between Bidco and DDF dated 21 January 2022
“Subsequent Acceleration Statement”	any further statement made subsequent to the Acceleration Statement being set aside in which Bidco, in accordance with Rule 31.5 of the Takeover Code, brings forward the latest date by which the Acceptance Condition must be satisfied
“subsidiary”, “subsidiary undertaking” and “undertaking”	shall be construed in accordance with the 2006 Act
“Takeover Code”	the City Code on Takeovers and Mergers
“TFE instruction”	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear)
“Transaction”	the proposed acquisition by Bidco of the entire issued and to be issued share capital of Photo-Me not already owned by Bidco
“TTE instruction”	a Cash Offer TTE instruction or other Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) (as the context requires)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST
“Unconditional Date”	8 March 2022 or if, where permitted, Bidco has set aside the Acceleration Statement in accordance with the Takeover Code, either Day 60 or such other date as may otherwise be set in accordance with the Takeover Code
“US Exchange Act”	the US Securities and Exchange Act of 1934
“VAT”	means value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the United Kingdom (instead of or in addition to value added tax) or elsewhere from time to time

All references to time in this document and in the form of acceptance are to London time.

