

Escape Hunt plc (AIM: ESC)

("Escape Hunt", the "Company" or the "Group")

COVID-19 Update

Further to its announcement of 19 March 2020, Escape Hunt provides a further update on mitigating actions taken in response to the COVID-19 pandemic.

As the Board had anticipated in its announcement of 19 March 2020, the UK Government announced measures which required Escape Hunt to close all its UK operated sites with effect from midnight on 20 March 2020. Similar measures are also in place in other countries which affect the vast majority of the Company's international franchise network. The UK Government also announced a number of support measures.

The Board had already commenced measures to dramatically reduce costs and the Company expects to receive UK Government support through several of the schemes announced, namely:

- Coronavirus Job Retention Scheme - to date, 124 staff have been placed on furlough leave receiving 80% of their salary which is expected to be reimbursed through the scheme;
- Business rates relief - the UK Government's decision to offer a rates holiday is welcomed and will make a material difference to our property costs over the next twelve months;
- Grants - we also expect to benefit from the £25,000 grant being made available for commercial properties with rateable values of less than £51,000. We anticipate around half of our sites will benefit from this;
- VAT and other tax deferrals - the Group will take-up the option to defer VAT and other taxes for a period of time which will help cashflow.

In addition to the measures above, the Group has taken a number of further actions:

- Property costs - many of our landlords have been incredibly supportive giving consent to defer rent payments and, in some cases, service charge payments;
- Pay reductions - all staff who have not been furloughed have accepted temporary pay reductions, with senior management accepting a 25% pay reduction and the non-executive Directors waiving all fees whilst the lock-down conditions persist;
- The majority of our third party expenditure, including marketing spend has ceased;
- Capital expenditure has been put on hold.

In aggregate, the initiatives taken have reduced the Group's monthly cash costs by approximately 70%. Approximately 15% of this is deferred expenditure and will need to be caught up in future.

The measures above will allow the Group to quickly re-open sites once permitted.

Whilst the core business is in hibernation, activity has continued in areas where we can continue to make progress. On 6 April 2020, the Company launched its first downloadable, 'play at home' escape game, 'Stolen'. Initial feedback has been positive and the game has shown some encouraging metrics since its launch. 'Stolen' is now also being made available to our franchise network and our creative team is working on other initiatives which are capable of generating revenue in the current environment.

We still have no visibility on when sites will be able to reopen nor how quickly business will return. As a result, the Company has applied for and been granted permission to delay the publication of its audited final results for the year ended 31 December 2019, if so required, until 30 September 2020. In view of this, the Company intends to announce unaudited preliminary results for the year ended 31 December 2019 in May.

The Board continues to monitor closely the Company's cash position and liquidity and will continue to proactively explore all options available.

Enquiries

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About Escape Hunt plc

The Escape Hunt Group is a global leader in providing live escape-the-room experiences with a network of owner-operated sites in the UK and a global network of franchised outlets in six continents. The Company was re-admitted to AIM in May 2017 and has a strategy of creating high quality premium games and experiences, which incorporates branded IP content.

