

4 November 2020



This announcement contains inside information.

Escape Hunt plc (AIM: ESC)

("Escape Hunt" or the "Company")

Update on UK owner-operated estate

Escape Hunt, a global leader in the growing escape rooms sector, announces an update on its UK owner operated estate in advance of the second period of nationally enforced lockdown announced by the UK Government and due to come into force on 5 November 2020 ("Lockdown").

Progress on site roll-out

Escape Hunt is pleased to announce that it has exchanged contracts for a site at the previous Intu centre in Watford. Contracts are expected to complete within the next week. The Watford site will be the Company's fourteenth owner operated site, after the Brewery Quarter in Cheltenham and the recent acquisition of the former franchisee site in Dubai.

Games for the Watford site have been manufactured and are currently in transit for installation. Fit-out is expected to commence later this month and, under the guidance currently available, the Company does not expect any significant impact on timing as a result of the Lockdown.

Fit-out at the Company's site at Brewery Quarter in Cheltenham is substantially complete and, subject to any further COVID-related restrictions, progress is not expected to be impacted by Lockdown. The site was due to open during November 2020 but will now open as soon as practicable once the Lockdown restrictions are lifted.

Recent trading

Revenue over the week beginning 26 October 2020 which coincided with schools' half term week, including the sales from new sites and digital products, was 25% ahead of the same period last year. On a like-for-like basis, the Company's eight mature UK sites traded at 96% of the 2019 level, despite four of the sites being adversely affected by either the Government's tier 2, tier 3 or the Scottish COVID-related restrictions. As previously announced, Basingstoke opened to the public on 29 October 2020 and initial trading has been the strongest in any of the Company's new sites to date. The other recently opened site in Norwich delivered sales usually associated with a fully mature site, despite it being only five weeks old. In all the Company's UK owner-operated sites, the EBITDA conversion ratios have been substantially better than in prior periods, assisted by more efficient labour usage and benefitting from the flexible furlough scheme and VAT reductions.

Digital and remote-play products have also begun to contribute meaningfully. Their turnover in recent weeks has been growing strongly and the resultant EBITDA contribution has exceeded the equivalent EBITDA from of a separate, mature site.

In the six weeks prior to half term week, trading at the Company's UK owner-operated sites subject to the lowest level of government restrictions had continued to enjoy an encouraging performance. In contrast, sites which were subject to tier 2 or, in particular tier 3 or the Scottish restrictions had seen an impact through reduced turnover albeit that the higher EBITDA conversion rates had resulted in positive EBITDA contribution from the estate (before central costs) with overall performance ahead of management's expectations.

The impact of lockdown

Following the strong half term trading, it is particularly frustrating that under the new restrictions expected to come into effect on Thursday 5 November, Escape Hunt's UK owner-operated sites will be required to close during the Lockdown which is currently anticipated to end on 2 December 2020.

However, staff will be eligible for the Government's furlough scheme, which the Chancellor of the Exchequer has confirmed will continue until 2 December. This, combined with stringent cost control measures already in place, will facilitate the Company's ability to manage cash during the lockdown period as was the case earlier this year.

Commenting on the site developments and recent trading, Richard Harpham, Escape Hunt's CEO said:

"Recent trading gives us cause for optimism in relation to our UK owner-operated site strategy and our ability to recover once lockdown restrictions are lifted. We have been enormously encouraged by the performance of sites which have not been subject to the most severe restrictions and, in particular, our new sites in Norwich and Basingstoke, which have both traded strongly since opening, vindicating our site choices.

We are delighted to have exchanged contracts on a site in the former Intu centre in Watford which we believe has the potential to be a very strong performer. Unless further changes are announced, we do not expect the lockdown to have a significant impact on our ability to fit-out the site. Whilst the opening of Cheltenham will be delayed due to the lockdown, fit-out should be completed and the site is expected to open as soon as practicable once the lockdown restrictions are lifted.

Whilst it is hugely disappointing to be forced to close once again, we enter the second lockdown with a suite of digital and remote play options that did not exist six months ago, that are beginning to contribute, and to which we will shift our focus during this period of closure."

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Notes to Editors

About Escape Hunt plc

The Escape Hunt Group is a global leader in providing escape-the-room experiences delivered through a network of owner-operated sites in the UK, an international network of franchised outlets in five continents, and through digitally delivered games which can be played remotely. Its products enjoy consistent premium customer ratings and cater for leisure or teambuilding, in small groups or large, and are suitable for consumers, businesses and other organisations. Having been re-admitted to AIM in May 2017, the Company has a strategy of creating high quality premium games and experiences delivered through multiple formats and which can incorporate branded IP content. (<https://escapehunt.com/>)

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