

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser, in each case who specialises in advising on the acquisition of shares and other securities. An investment in the Company involves a significant degree of risk and may not be suitable for all recipients of this document. Investors should consider carefully the Risk Factors which are set out in Part 2 of this document. If you have sold or transferred all your ordinary shares in the Company, you should send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale was affected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain these documents.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares on or before the date the shares were marked “ex” the entitlement to the Open Offer, please send this document and accompanying Form of Proxy and Application Form as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares on or before the date the shares were marked “ex” the entitlement to the Open Offer, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

The maximum amount to be raised under the Open Offer will be less than €8 million (or an equivalent amount in pounds sterling). In addition, the offer of transferable securities under the Placing is only being made to qualified investors (as defined under the Prospectus Regulation). Therefore, in accordance with section 86(1)(aa) and (e) of FSMA, neither the Placing nor the Open Offer requires the issue of a prospectus for the purposes of the Prospectus Regulation Rules. Neither the Placing nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA (and is not required to be so approved under paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)). Applications in respect of the Open Offer from persons not falling within such exemption will be rejected and the Open Offer contained in this document is not capable of acceptance by such persons. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Directors, whose names and functions are set out on page 9 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM, the market operated by the London Stock Exchange. Application will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 23 November 2021.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.



ESCAPE HUNT PLC

(Incorporated in England and Wales under the Companies Act 2006—No. 10184316)

**PROPOSED ACQUISITION OF BOOM BATTLE BARS,
PLACING OF 49,250,000 PLACING SHARES AT 30 PENCE PER SHARE,
SUBSCRIPTION OF 750,000 SUBSCRIPTION SHARES AT 30 PENCE PER SHARE,
OPEN OFFER OF 7,385,007 OPEN OFFER SHARES AT 30 PENCE PER SHARE,
CHANGE OF NAME TO XP FACTORY PLC,
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF GENERAL MEETING**



SHORE CAPITAL
CAPITAL MARKETS

Nominated Adviser and Broker

This document should be read as a whole and in conjunction with the accompanying Form of Proxy and Application Form. Your attention is drawn, in particular, to the letter from the Chairman of Escape Hunt Plc set out in Part 1 of this document, which provides details of the Proposals and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below, and to the Risk Factors in Part 2 of this document which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company. Part 3 of this document contains details of the Open Offer.

When issued, the New Ordinary Shares being issued pursuant to the Proposals will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company.

Set out at the end of this document is a Notice of General Meeting of the Company. We are keen to welcome Shareholders in person to the General Meeting, particularly given the constraints we have all faced throughout 2020 and 2021 due to the Covid-19 pandemic. We therefore propose for the General Meeting to be held at the offices of Shore Capital at Cassini House, 57 St James's Street, London SW1 1LD at 10.00 a.m. on 22 November 2021. A Form of Proxy for use at the General Meeting is enclosed. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's registrars, Equiniti Limited, by not later than 10.00 a.m. on 18 November 2021. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the time by which a Shareholder must be entered in the register of members in order to have the right to attend and vote at the meeting is 6.30 p.m. on 18 November 2021.

The Company continues to monitor developments relating to the outbreak of Covid-19, including the related public health guidance and legislation issued by the UK Government. At present, companies can hold physical General Meetings. It is therefore expected that a physical General Meeting will be held and it is the intention to welcome the maximum number of Shareholders we are able to within safety constraints and in accordance with currently applicable Government guidelines. Currently, there are no legal restrictions on gatherings (including General Meetings) in England. On 14 July 2021, the Health Protection (Coronavirus, Restrictions) (Steps etc) (England) (Revocation and Amendment) Regulations 2021 (SI 2021/848) ("**Revocation and Amendment Regulations**") were made, which came into effect at 11.55 p.m. on 18 July 2021. The effect of the Revocation and Amendments Regulations were that they revoked previous regulations that imposed lockdown restrictions and face covering requirements in England. They also had the effect of removing restrictions on all social contacts and gatherings in England, which includes General Meetings.

Attendance at the meeting

Rules around capacity at the venue and changes in health and safety requirements may mean Shareholders cannot ultimately attend the meeting, although at the time of writing there are no legal restrictions on gatherings (including General Meetings) in England.

Despite these developments, we nonetheless sympathise that Shareholders may not feel comfortable attending the physical General Meeting that is being proposed. Therefore, whilst we encourage you to attend the physical meeting if you are able and willing to do so, we have enclosed a Form of Proxy for use at the General Meeting which appoints the Chair of the meeting as your proxy if you would prefer not to attend. Please see above for details on how to validly complete the Form of Proxy.

Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for Shareholders to attend the meeting, we will adopt contingency plans and notify Shareholders of the change via an announcement through a Regulatory Information Service as early as is possible before the date of the meeting. Any updates to the position will also be included on our website at www.escapehunt.com/investors/. Should we have to change the arrangements in this way, it is likely that we will not be in a position to accommodate Shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee shareholders.

If tighter restrictions are introduced by the UK Government due to a change in the situation with the COVID-19 pandemic resulting in Shareholders no longer being able to attend the physical meeting

or resulting in uncertainty as to whether Shareholders can attend in person, in such circumstances we would encourage all Shareholders to complete and return the accompanying Form of Proxy appointing the Chair of the meeting as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting. Please note the deadline for the receipt of proxy forms by our registrar, Equiniti Limited, is 10.00 a.m. on 18 November 2021. Proxy appointments should be submitted in accordance with the Notes to the General Meeting Notice at the end of this document.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. **The latest time and date for application and payment in full under the Open Offer is 11.00 a.m. on 19 November 2021** and the procedure for application and payment is set out in Part 3 of this document.

Shore Capital and Corporate Limited (“**Shore Capital and Corporate**”) is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Proposals (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser for the purpose of the AIM Rules for Companies. Shore Capital will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Proposals and Admission or the contents of this document.

Shore Capital Stockbrokers Limited (“**Shore Capital Stockbrokers**”, and/or Shore Capital and Corporate as appropriate “**Shore Capital**”) is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Proposals (whether or not a recipient of this document), and is acting exclusively for the Company as broker for the purpose of the AIM Rules for Companies. Shore Capital Stockbrokers will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Proposals and Admission or the contents of this document.

Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Shore Capital as to the contents of this document. No liability whatsoever is accepted by Shore Capital for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which they are not responsible.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, South Africa, New Zealand or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) (“**US Person**”) or to any national, resident or citizen of Canada, Australia, South Africa, New Zealand or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia, New Zealand or Japan, nor may it be distributed directly or indirectly to any US Person or to any persons with addresses in Canada, Australia, South Africa, New Zealand or Japan (the “**Excluded Territories**”), or to any corporation, partnership or other entity created or organised under the laws thereof, or in any country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this document for the period ending one month after Admission and will also be available on its website, www.escapehunt.com. The information contained in this document has been prepared solely for the purposes of the Proposals and is not intended to inform or be

relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to any such persons.

NOTICE TO OVERSEAS SHAREHOLDERS

The New Ordinary Shares have not been and will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories except pursuant to an applicable exemption from such Excluded Territory's registration or qualification requirements.

Subject to certain exceptions in compliance with the Securities Act and the rules promulgated thereunder or any applicable laws in the Excluded Territories, this document will not be published, released, or distributed, directly or indirectly; and must not be sent, in whole or in part: (i) in or into any Excluded Territory; (ii) to any person within the United States; or (iii) to any person in any jurisdiction where to do so might constitute a violation of local securities laws or regulation.

The New Ordinary Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly to or within the United States or to any US Person, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (the SEC), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

No action has been taken by the Company or Shore Capital that would permit an offer of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than the United Kingdom. Neither of the Company, Shore Capital or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer. This document does not constitute an offer to sell the New Ordinary Shares to any person in any jurisdiction. The Company reserves the right, in its sole and absolute discretion, to reject any subscription or purchase of the New Ordinary Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

FORWARD LOOKING STATEMENTS

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of Admission, the expected timing of Admission and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as "intends", "anticipates", "targets", "estimates", "believes", "should", "plans", "will", "expects" and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Escape Hunt and are subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are also a number of other factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither of Escape Hunt, Shore Capital 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 by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), neither of Escape Hunt or Shore Capital is under any obligation, and each of them 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.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021

Record Date for entitlements under the Open Offer	6.00 p.m. on 2 November
Announcement of the Proposals released	3 November
Ex-entitlement Date for the Open Offer	8.00 a.m. on 4 November
Publication of this document, the Application Form and Form of Proxy	4 November
Basic Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	as soon as practicable after 8.00 a.m. on 5 November
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 15 November
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 16 November
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 November
Latest time and date for receipt of completed Forms of Proxy for the General Meeting	10.00 a.m. on 18 November
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 19 November
Announcement of result of Open Offer	by 7.00 a.m. on 22 November
General Meeting	10.00 a.m. on 22 November
Announcement of result of General Meeting	22 November
Allotment and issue of EIS Placing Shares	11.59 p.m. on 22 November
Allotment and issue of VCT Placing Shares	7.30 a.m. on 23 November
Admission effective, commencement of dealings in the Placing Shares, the Subscription Shares and the Open Offer Shares on AIM and completion of the Acquisition	8.00 a.m. on 23 November
CREST stock accounts credited for Placing Shares and Open Offer Shares in uncertificated form (excluding the VCT Placing Shares)	8.00 a.m. on 23 November
Despatch of definitive certificates for the Placing Shares, the Subscription Shares and the Open Offer Shares in certificated form	week commencing 6 December

Notes:

- 1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or located or resident in countries outside the UK (particularly the Restricted Jurisdictions), details of which are set out in paragraph 5 of Section A of Part 3 of this document. Subject to certain exceptions, Application Forms will not be despatched, and Basic Entitlements and Excess Entitlements will not be credited, to the stock accounts in CREST of Shareholders with registered addresses in any of the Restricted Jurisdictions.
- 2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified by an announcement through a Regulatory Information Service.
- 3) References to times in this document are to London times unless otherwise stated.
- 4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
Events set out in the above timetable are conditional, among other things, on the Resolutions in the Notice of General Meeting being duly passed.
- 5) If you require assistance, please contact Equiniti on 0371 384 2050 if calling within the United Kingdom or on +44 371 384 2050 if calling from outside the United Kingdom. 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 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

ISSUE STATISTICS

Number of Existing Ordinary Shares	88,620,091
Maximum number of Consideration Shares to be issued by the Company pursuant to the Acquisition	25,000,000
Number of Placing Shares being issued by the Company pursuant to the Placing	49,250,000
Number of Subscription Shares being issued by the Company pursuant to the Subscription	750,000
Maximum number of Open Offer Shares available to Qualifying Shareholders pursuant to the Open Offer	7,385,007
Basis of Open Offer	1 Open Offer Share for every 12 Existing Ordinary Shares
10 day average closing middle market price per Ordinary Share to 2 November 2021	34.6 pence
Issue Price	30 pence
Discount to the 10 day average closing middle market price per Ordinary Share	approximately 13 per cent.
Enlarged Share Capital, being the number of Ordinary Shares in issue immediately following Admission* aggregated with the maximum number of Consideration Shares	171,005,098
Aggregate number of New Ordinary Shares* (including the maximum number of Consideration Shares that may be issued)	82,385,007
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares*	48 per cent.
Gross proceeds of the Placing Shares	£14.775 million
Gross proceeds of the Subscription	£0.225 million
Gross proceeds of the Fundraising* receivable by the Company	£17.20 million
Estimated net proceeds of the Fundraising* receivable by the Company	£16.08 million
Market capitalisation of the Company on Admission at the Issue Price*	£43.8 million
Basic Entitlement ISIN	GB00BMDV1220
Excess Entitlement ISIN	GB00BMDV1337
EPIC/TDIM	ESC
ISIN	GB00BDB79J29
SEDOL	BDB79J2
LEI number	213800CMIYV5Q38P2487

* Assuming the maximum number of Open Offer Shares are issued pursuant to the Open Offer on Admission.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Richard Sidney Rose (Non-Executive Chairman) Richard John Harpham (Group Chief Executive Officer) Graham John Bird (Group Chief Financial Officer) Karen Bach (Non-Executive and Senior Independent Director)
Secretary:	Graham John Bird
Registered office:	Belmont House Station Way Crawley RH10 1JA
Websites:	Current website: www.escapehunt.com New website from Admission: www.xpfactory.com
Nominated adviser to the Company:	Shore Capital and Corporate Limited Cassini House 57 St James's Street London SW1A 1LD
Broker to the Company:	Shore Capital Stockbrokers Limited Cassini House 57 St James's Street London SW1A 1LD
Placing Agent to the Company:	KK Advisory Ltd Prince Frederick House 35-39 Maddox Street London W1S 2PP
Solicitors to the Company:	Irwin Mitchell LLP 40 Holborn Viaduct London EC1N 2PZ
Solicitors to Shore Capital:	Bryan Cave Leighton Paisner LLP Governors House 5 Laurence Pountney Hill London EC4R 0BR
Registrars and Receiving Agent:	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART 1

LETTER FROM THE CHAIRMAN OF ESCAPE HUNT PLC

(Incorporated in England and Wales under the Companies Act 2006 – No. 10184316)

Directors:

Richard Sidney Rose (Non-Executive Chairman)
Richard John Harpham (Group Chief Executive Officer)
Graham John Bird (Group Chief Financial Officer)
Karen Bach (Non-Executive and Senior Independent Director)

Registered Office:

Belmont House
Station Way
Crawley
RH10 1JA

4 November 2021

To the Shareholders and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

**PROPOSED ACQUISITION OF BOOM BATTLE BARS,
PLACING OF 49,250,000 PLACING SHARES AT 30 PENCE PER SHARE,
SUBSCRIPTION OF 750,000 SUBSCRIPTION SHARES AT 30 PENCE
PER SHARE,
OPEN OFFER OF 7,385,007 OPEN OFFER SHARES AT 30 PENCE
PER SHARE,
CHANGE OF NAME TO XP FACTORY PLC
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

1. INTRODUCTION

On 3 November 2021, the Company announced the proposed acquisition of Boom Battle Bars from MFT Capital Ltd, the holding company for the group of companies which operates the Boom Battle Bars brand and IP, for a total consideration of £17.38 million to be satisfied by the initial payment of £9.88 million in cash and deferred consideration through the issue of up to 25,000,000 Consideration Shares subject to an earn-out, further details of which are set out below; a placing of new ordinary shares to raise £14.775 million for the Company at the Issue Price of which £9.88 million will be used to satisfy the cash element of the consideration payable for the Acquisition; a subscription of new ordinary shares to raise £0.225 million for the Company at the Issue Price; and an open offer to raise up to a further approximately £2.2 million for the Company on the basis of 1 Open Offer Share for every 12 Ordinary Shares held on the Record Date at the Issue Price. The Acquisition is expected to be significantly earnings accretive and profitable in the first half of 2022.

In addition, alongside the Acquisition Agreement, the Company has been granted a two-year exclusivity period by MFT Capital Ltd to negotiate final terms to acquire Flip Out, a family focused leisure entertainment business and one of the UK's leading adventure park operators, for an amount determined by reference to the trading performance of Flip Out in the twelve months prior to its acquisition, details of which are set out below, and subject to a minimum enterprise value of £40.0 million. If the Company proceeds with the acquisition of Flip Out, the consideration for the acquisition, which may require Shareholder approval at the time, is expected to be satisfied by the issue of new Ordinary Shares.

The Proposals are conditional, amongst other things, upon the passing of Resolutions 1 and 2 at the General Meeting to be held at the offices of Shore Capital at Cassini House, 57 St James's Street, London SW1 1LD at 10.00 a.m. on 22 November 2021, and Admission taking place. If Resolutions 1 and 2 are passed at the General Meeting, it is expected that Completion and Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 23 November 2021.

This document contains information about the Acquisition and the Fundraising, amongst other things, and explains why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole, and recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

The issue to the Seller of up to 25,000,000 Consideration Shares is conditional on the performance of the Boom Battle Bars Group following Completion. The Consideration Shares are subject to an earn-out and will only be issued if the performance of the Boom Battle Bars Group in the financial year ending 31 December 2022 meets a combination of turnover and site roll-out targets. The Consideration Shares are expected to be issued during the first half of 2023 and will be subject to a customary lock-in until 15 July 2023. Further details are set out in paragraph 4 below.

Assuming issue of the maximum number of Consideration Shares, it is expected that the Seller will hold, in aggregate, 25,000,000 Ordinary Shares, representing approximately 14.6 per cent, of the Enlarged Share Capital (on the basis that no Open Offer Shares are taken up in the Open Offer and assuming no further issues of new Ordinary Shares).

Under the Placing, 49,250,000 Placing Shares have been conditionally placed with the Placees (being certain new and existing institutional and other investors) at the Issue Price, thereby raising gross proceeds of approximately £14.775 million for the Company, of which approximately £9.88 million will be used to satisfy the cash consideration under the Acquisition Agreement.

Shore Capital has conditionally agreed, pursuant to the terms of the Placing and Open Offer Agreement, to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing is not underwritten.

The Company also announced that each Director, or an associate of each Director, participated in the Fundraising. In aggregate, Directors' and their associates' participations total £485,000 (excluding any participation in the Open Offer).

In addition, the Company announced that it would carry out an Open Offer to raise gross proceeds of up to an additional £2.2 million. The Open Offer provides Qualifying Shareholders with an opportunity to participate in the Fundraising at the Issue Price.

The net proceeds of the Fundraising will be used to fund the cash element of the consideration payable for the Acquisition, for operational improvements/integration of Boom Battle Bars, for new sites, related costs and expenses of the Proposals and for general working capital purposes.

The Issue Price represents a discount of approximately 13 per cent. to the 10 day average closing middle market price per Ordinary Share to 2 November 2021, being the last business day prior to the release of the Announcement.

The Acquisition, Placing and Open Offer are each conditional, *inter alia*, on:

- the passing of Resolutions 1 and 2 by Shareholders at the General Meeting, which is being convened for 10.00 a.m. on 22 November 2021;
- the Acquisition Agreement having become unconditional in accordance with its terms save for any condition relating to Admission having occurred or to the Placing and Open Offer Agreement having become unconditional;
- the Placing and Open Offer Agreement having become unconditional in all respects (save for the condition relating to Admission) and it not having been terminated in accordance with its terms; and
- Admission taking place by no later than 8.00 a.m. on 23 November 2021 (or such later date, not being later than 30 November 2021, as the Company and Shore Capital may agree).

Application will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares, the Subscription Shares and the Open Offer Shares will commence at 8.00 a.m. on 23 November 2021 (or such later date, not being later than 30 November 2021, as the Company and Shore Capital may agree).

If the conditions relating to the Placing are not satisfied, or the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company

will not receive the related placing monies. The Placing, the Subscription, the Open Offer and the Acquisition are each conditional amongst other things, upon the passing of Resolutions 1 and 2 in order to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares and complete the Acquisition.

The Acquisition is also conditional on the Placing and Open Offer Agreement becoming unconditional in all respects.

Further details of the Fundraising are set out in paragraph 8 below and further details of the Open Offer are set out in Part 3 of this document.

You should read the whole of this document, which provides additional information on the Company and the Proposals, and not just rely on the summaries, or individual parts only, of this document. In particular, you should consider carefully the “Risk Factors” set out in Part 2 of this document.

2. INFORMATION ON THE BOOM BATTLE BARS GROUP

Boom Battle Bars, a fast growing experiential leisure business offering competitive socialising activities combined with theatrical cocktails and street food, currently comprises 1 owner-operated venue and 5 franchised venues in the UK. In addition, 1 owner-operated site and 1 franchise venue are in build, while contracts have been exchanged on a further 2 owner-operated sites and 6 franchise sites. The advanced pipeline, which includes sites in build, those where contracts have been exchanged and sites for which legal documentation is well advanced, meaning contracts are expected to be exchanged within 90 days, totals 4 owner-operated sites and 17 franchise sites. The total pipeline of sites in active discussions, including the advanced pipeline, referred to above, totals 39 sites comprised of 11 owner-operated and 28 franchise prospects. Boom Battle Bars also has a well-developed pipeline of franchisees, with 18 franchisees having signed franchise agreements. The Boom Battle Bars owner-operated site is located at the Lakeside shopping centre in Thurrock, Essex, which opened on 16 July 2021 and is co-located with a Escape Hunt site which opened to the public on 29 October 2021.

Boom Battle Bars is focused on the growing trend of ‘competitive socialising’ offering activities, drinks and food in a casual cocktail bar setting. The venues house a wide range of games to play with friends, family or work colleagues and include activities such as ‘crazier golf’, Bavarian axe throwing, augmented reality darts, shuffleboard, electric table tennis, pool, beer pong, Karaoke, ice curling, ‘hammerschlaggen’, arcades and others. The venues are heavily themed around an eclectic urban environment offering a licensed bar and street style food. The sites are expected typically to be 5,000 – 15,000 square feet in size and situated within busy shopping centres or high street leisure developments.

The core target customer is aged 18-40 years old, and the concept caters for corporate events, social nights out, date nights and special occasions as well as general leisure.

As set out above, Boom Battle Bars currently has 5 franchise sites and 1 owner-operated site. The first two franchise sites opened in Norwich and Cardiff in July 2020 and November 2020, respectively, but due to COVID-19 restrictions were only open at brief intervals in the latter part of 2020. A third franchise site opened in Liverpool on 20 May 2021; the fourth site, in Eastbourne, opened on 4 August 2021; and the fifth site opened in Swindon on 15 October 2021. As set out above, Boom Battle Bars’ first owner-operated site opened in the Lakeside shopping centre in Essex on 16 July 2021. Further details of the pipeline of Boom Battle Bars sites are set out below.

Owner-operated sites

Revenue at a Boom Battle Bars venue is derived from a combination of games, drinks and food. Games revenue is expected to be a core revenue stream, although the mix will vary from site to site. In the 10 weeks of trading from 2 August 2021 to 10 October 2021, games revenue constituted an average of 38 per cent. of total revenue across Boom Battle Bars’ owner operated site in Lakeside and the four franchise sites which were open. This is skewed by the franchise site in Cardiff which has a very high proportion of total sales from drinks. Excluding Cardiff, the average revenue contribution from games was approximately 44 per cent., ranging from a low of 35 per cent. to a high of 55 per cent. Customers are charged for a fixed time period during which they have access to the relevant game, with game pricing set at differing levels. Reservations can be made in advance or on an *ad hoc* basis through the Boom Battle Bars Group’s customer contact

centre, website or in person at the venue. Game revenue is driven by the number of visits, games played and price per game.

Boom Battle Bars venues offer a wide range of beers, spirits and cocktails and a street food style menu. In the 10 weeks of trading from 2 August 2021 to 10 October 2021, drinks revenue constituted an average of 56 per cent. and food approximately 5 per cent. of total Boom Battle Bars revenue across the owner operated site and its four franchise sites which were open. Excluding Cardiff, the average proportion of revenue from drinks was 51 per cent. and 5 per cent. from food, with a range of 43 per cent. to 57 per cent. for drinks and 2 per cent. to 6 per cent. for food. The bars are typically themed with various 'fun' props and mood lighting with an urban futuristic décor

Whilst performance of individual sites and the size of venue is expected to vary, the Directors expect a typical Boom Battle Bars site to generate between approximately £1.2 million and £2.5 million of revenue per annum. The capital set-up cost of a typical Boom Battle Bars site is expected to be approximately £0.5 million to £0.75 million, although at larger sites this could be considerably higher. The pipeline of potential sites includes significant landlord contributions, which in some cases have been sufficient to cover the substantial majority of the build cost.

The Directors expect that revenue at a typical Boom Battle Bars venue will be derived from the various sources broadly as follows:

Type of revenue	Price	Expected % of total revenue
Game sessions	£6 – £75 per session	35% – 55%
Food sales	£8 per head	5% – 10%
Drinks sales	£12 per head	35% – 60%
Total Revenue		£1.2m – £2.5m

Principal operating costs at site level comprise staffing; cost of goods; property costs, including rent, service charge and rates; marketing costs; and utilities and maintenance. The Directors would expect a typical site's costs when operating at a typical annual turnover to represent the following:

Type of Cost	% of revenue
Staffing	30% – 35%
Cost of goods	c.10% – 15%
Property costs	c.15% – 20%
Marketing	c.5%
Utilities and maintenance	c.5% – 10%
Total Costs	c.70% – 85%

The Directors target a pre-IFRS16 EBITDA margin of between 15 per cent. and 30 per cent., with an owner-operated site delivering pre-IFRS16 EBITDA of between £0.3 million and £0.5 million per annum. The Directors target a cash return on investment in excess of 30 per cent. per annum (before landlord capital contributions). Set up costs are typically expected to be between £0.5 million and £0.75 million, although they may be higher in the larger, premium locations.

Franchise

The Directors expect a franchise site to perform similarly, as a business unit, to an owner-operated site, but the Enlarged Group's economic return will be lower. Franchisees pay an up-front territory fee of £25,000 plus an £18,000 legal completion fee and a training fee of £6,000 on the establishment of the franchise. Once operating, franchisees pay Boom Battle Bars a 10 per cent. revenue share, and a central marketing fee of 1 per cent of net sales. In addition, Boom Battle Bars receives up to a 20 per cent. rebate on equipment installed at the site from the equipment suppliers.

Boom Battle Bars targets franchisees with a minimum liquidity of £200,000, typically a previous business owner or high net worth professional aged between 30 and 55. Franchisees are sourced through a variety of channels, including by exhibiting at franchise shows, advertising in trade publications, inbound contacts and through industry contacts.

Boom Battle Bars will typically act as guarantor on the lease or sign a joint tenancy agreement. Boom Battle Bars has been able to secure a number of property deals which come with substantial landlord capital contributions and rent-free periods. The benefit of this is generally passed on to the franchisee. In return Boom Battle Bars will obtain personal guarantees and retain full step-in rights for franchise sites in the event that the franchisee is unable to operate the site or defaults on any aspect of the agreement.

A typical franchise site is expected to generate EBITDA contribution through franchise fees of between £0.1 million and £0.2 million per annum.

Pipeline of prospective sites

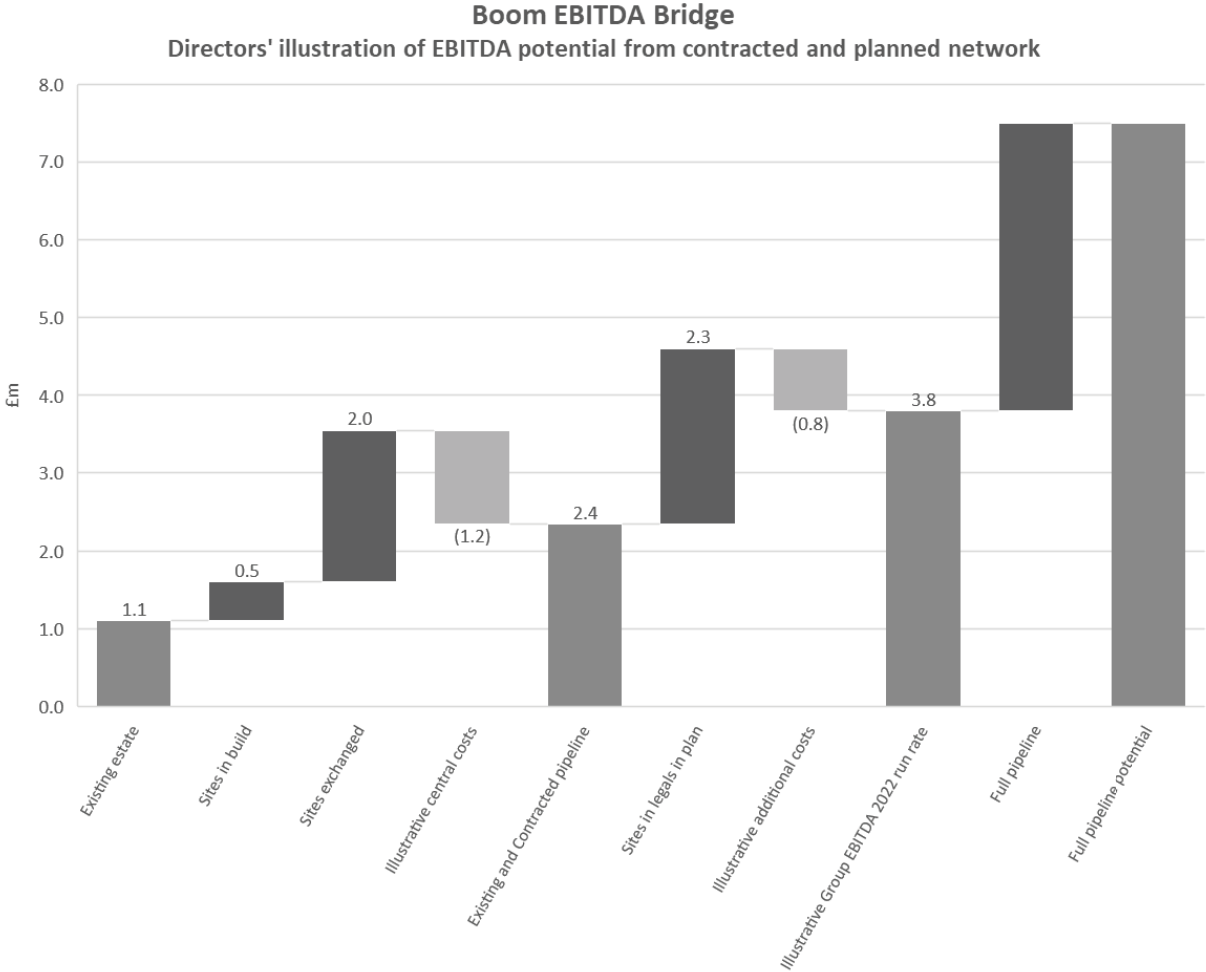
In addition to the existing sites, Boom Battle Bars has an advanced pipeline of 21 sites, being sites in build, or in respect of which contracts have been exchanged or where legal documentation is well advanced and exchange of contracts is expected within 90 days. Boom Battle Bars also has a further pipeline of 18 other sites under discussion.

	Existing sites and Advanced Pipeline	Owner- operated (O-O) / Franchise (FS)	Size (sqft)	Date opened / planned	Legal status
	Norwich	FS	11,688	Jun-20	Open
	Cardiff	FS	5,528	Oct-20	Open
	Liverpool	FS	10,796	May-21	Open
	Lakeside	O-O	14,508	Jul-21	Open
	Eastbourne	FS	7,947	Jul-21	Open
	Swindon	FS	15,000	Oct-21	Open
1	O2 Arena	O-O	17,728	Q4 2021	In Build
2	Edinburgh	O-O	9,500	Q1 2022	Exchanged
3	Oxford Street	O-O	15,000	Q2 2022	Exchanged
4	Exeter	O-O	10,000	Q2 2022	Adv. Legals
5	Wandsworth Rams Q	FS	10,140	Q4 2021	In Build
6	Bath	FS	8,500	Q1 2022	Exchanged
7	Glasgow	FS	10,485	Q1 2022	Exchanged
8	Watford	FS	6,635	Q1 2022	Exchanged
9	Coventry	FS	7,481	Q2 2022	Exchanged
10	Ealing	FS	10,000	Q2 2022	Exchanged
11	Aldgate East	FS	8,011	Q2 2022	Exchanged
12	Manchester	FS	8,802		Adv. Legals
13	Oxford	FS	10,359		Adv. Legals
14	Bournemouth	FS	11,000		Adv. Legals
15	Leeds	FS	7,000		Adv. Legals
16	Ipswich	FS	9,000		Adv. Legals
17	Southampton	FS	5,156		Adv. Legals
18	Hull	FS	34,053		Adv. Legals
19	Reading	FS	7,679		Adv. Legals
20	Sheffield	FS	7,920		Adv. Legals
21	Chelmsford	FS	9,963		Adv. Legals

The full pipeline of 39 sites includes a further 7 potential owner-operated sites and 11 potential franchise sites.

Illustrative potential EBITDA contribution

Based on the Directors’ expectation of EBITDA contribution from Boom Battle Bars owner-operated and franchise sites respectively, the Directors believe that an illustrative pre-IFRS16 EBITDA run rate from the advanced pipeline of potential sites is approximately £3.8 million per annum. Based on this illustrative run-rate EBITDA, the price being paid by the Company for Boom Battle Bars represents a multiple of 4.57x the illustrative run-rate EBITDA.



As set out above, Boom Battle Bars’ existing sites comprise 1 owner operated and 5 franchise sites. 1 owner-operated site and 1 franchise site are in build; contracts have been exchanged on 2 owner operated sites (including Oxford Street which would be regarded as a ‘super site’ by the Directors) and 6 franchise sites. In total, the Directors plan to have at least 7 owner-operated sites and 20 franchise sites open by the end of 2022. These plans are more than covered by potential sites within the existing pipeline set out above. As a result, the Directors do not expect the acquisition of appropriate sites to be a constraining factor in the short to medium term.

Boom Battle Bars’ competitive positioning

The Directors are not aware of any other competing competitive socialising bar concepts available for franchise in the UK. The Directors therefore believe that Boom Battle Bars will prove to be attractive to potential franchisees, as evidenced by 18 franchisees having signed franchise agreements for new sites, including some existing franchisees for multiple sites, and that this will enable the concept to grow its presence rapidly, quickly establishing a national franchised network alongside an owner-operated network.

The Directors believe the combination of games available at Boom Battle Bars venues provides an additional attraction for customers compared to certain of its competitors. However, the Directors believe the most important differentiators will be location of the Boom Battle Bars sites and customer experience.

3. BACKGROUND TO AND REASONS FOR THE ACQUISITION

In July 2020, the Company completed a fundraising of £4.3 million (before expenses) by way of a placing, open offer, share subscription and convertible loan note issue. At that time, the Directors set out a five point plan to build shareholder value, including a medium term target of 20 owner-operated sites within its portfolio by the end of June 2022. Since then, the Directors believe that the Company has made substantial progress on the objectives set out at that time. Inclusive of the acquisitions of the Company's Middle Eastern, French and Belgian master franchises, the Group currently has 18 owner-operated sites, of which 15 are located in the UK. 14 of these were able to re-open on 17 May 2021 when COVID-19 restrictions imposed during the most recent UK Government lockdown were lifted, whilst the newest site, located at the Lakeside shopping centre in Thurrock and is co-located with a Boom Battle Bars site, opened on 29 October 2021. In addition, games have been delivered and the strip out / fit out has started at a site in Milton Keynes where the Company recently signed a lease agreement. Once opened, this will take the Company's total owner-operated estate to 19 sites. In addition, there is a pipeline of several further opportunities, including a number that could be co-located with Boom Battle Bars. In particular, the Company intends to open a site in Oxford Street with Boom Battle Bars, where Boom Battle Bars has already exchanged contracts on a 15,000 square feet site in a prime location a short walk from Oxford Circus. If the Company is able to open the two further owner-operated sites set out above by the end of Q1 2022, it would mean that the Company will have met its target set in July 2020 comfortably ahead of schedule.

The Directors believe that there is now an opportunity to build on the progress made and to accelerate the Group's progress beyond escape rooms into other experiential leisure activities. The Directors believe this opportunity derives from an unprecedented combination of favourable commercial property market conditions and a positive outlook for spending on experiences as follows:-

- The experiential leisure market was experiencing strong growth prior to the onset of COVID-19;
- The trading performance in the UK since re-opening on 17 May 2021 has been stronger than the Board expected and as a result, the Directors believe that consumer desire for experiences will continue, reinforcing the trends seen previously; and
- Sentiment surveys show consumers prioritising 'going out' and other 'experiential leisure' activities. In addition, the Directors believe there has been a significant increase in activity-based social entertainment.

Since the Company's fundraising in July 2020, referred to above, the Directors believe the impact of the COVID-19 pandemic on the retail commercial property market and leisure industry has become more evident.

- The closure of a number of well-known high street large format stores such as BHS, Debenhams, Top Shop and a number of John Lewis stores has created voids in many shopping centres;
- The leisure industry has also witnessed a number of casualties with several well-known casual dining businesses, such as Bella Italia, Café Rouge, Chiquito, Frankie & Benny, Carluccio's, Byron Burger, ASK, Zizzi, Pizza Express, Wahaca and Gourmet Burger Kitchen closing down or dramatically reducing their footprint; and
- The impact of COVID-19 has increased pressure on landlords at a time when they were already struggling to occupy empty units.

As a result, many shopping centres and other retail destinations are experiencing significant voids and the Directors believe that this offers an attractive once in a generation opportunity for expansion of the Enlarged Group.

- Institutional landlords are increasingly considering alternative use options, including leisure, to fill these voids in what were historically shops or casual dining restaurants;
- Typically, the larger the size of the vacant unit, the fewer the number of operators who are prepared to occupy the site. In the Directors' experience, landlords prioritise letting of large units to anchor tenants, as flagship sites lying vacant can devalue the entire scheme; and

- As a result, many landlords are prepared to offer substantial financial incentives to potential anchor tenants by way of up-front capital contributions and/or lengthy rent free periods. These incentives significantly reduce the cash requirements for operators to establish and operate sites, improving the potential returns that can be generated and the ability to attract franchisees.

Boom Battle Bars is able to operate from larger format venues than Escape Hunt and, as such, has been able to secure deals with landlords on terms which the Directors believe are very attractive and, to the knowledge of the Directors, which were not generally available prior to the onset of COVID-19. The Directors believe that many of these venues would benefit from having multiple experiential leisure brands, which provides the opportunity to locate Escape Hunt escape rooms within or close to the venues which are or will be occupied by a Boom Battle Bars. The first example of such a shared venue will be in the Lakeside shopping centre in Thurrock, Essex which is the first owner-operated Boom Battle Bars and will also comprise a Escape Hunt. The site opened with a full Boom Battle Bars offering on 16 July 2021, whilst the escape rooms at the same venue opened on 29 October 2021.

As a consequence, the Directors believe that the Acquisition presents an unprecedented opportunity to benefit from the trends in experiential leisure and take advantage of the conditions in the retail commercial property market to create in the Enlarged Group a business which has the potential to become one of the UK's pre-eminent experiential leisure businesses. Furthermore, they believe that the opportunity for growth, cash generation and profitability is greater for the combined businesses than for the individual constituents and that there is the potential to generate operational synergies, principally from the following four areas:-

1. *Co-location of sites:*

- Increased scale and buying power are expected to reduce the cost of a site fit-out; and
- Services at a site, such as reception areas, food and beverage offering and maintenance, can be shared across the two formats.

2. *Cross marketing*

- The Directors believe that there will be a significant cross-over of target markets between Escape Hunt and Boom Battle Bars, giving rise to the potential to cross market, create loyalty and reward schemes, and multi-buy tickets;
- Shared consumer databases are expected to increase the number of people to whom the Enlarged Group can market directly; and
- The Directors are exploring the opportunity for a wider corporate events service which can cover escape room experiences, digital team building, team nights out and conference activities.

3. *Management*

- The Directors believe that the existing management teams of Boom Battle Bars and Escape Hunt are highly complementary. The Boom Battle Bars Group has reached a stage in its growth at which it would be looking to invest more heavily in senior management resources and governance. Escape Hunt has these structures, processes and procedures in place which can be leveraged effectively across the Enlarged Group.
- Conversely, the Directors believe that the pace of execution and creativity demonstrated by the Boom Battle Bars Group will benefit the existing Escape Hunt business.
- The Directors believe that the Enlarged Group's central resources and operational teams will be better leveraged, setting the foundations for a company which can grow quickly and efficiently.

4. *Central costs*

- The Directors expect the Enlarged Group will benefit from shared central services such as group finance, marketing, legal, human resources, information technology, and company secretarial.

4. MARKET OPPORTUNITY AND GROWTH STRATEGY FOR THE ENLARGED GROUP

Market overview

The Directors plan to expand the business rapidly over the coming years, in part taking advantage of certain market dynamics which are set out below.

1. *Consumer Trends*

Expenditure on experiences has seen significant growth over the last 20 years, and this progression is expected to continue. According to the Bureau of Economic Analysis, by 2030 the share of discretionary expenditure spent on experiences and experiential products is expected to have risen to 48 per cent., and a recent Eventbrite study showed that 65 per cent. of millennials would sooner choose a desirable experience over a desirable product¹.

In particular, millennial customers no longer value traditional measures of success as highly, such as the ownership of property, and instead place higher value on experiences which they can have and share more broadly².

The Directors believe that consumers have an innate desire for togetherness and memory making, and following a 15 month period of forced social inactivity brought about by COVID-19, expect there to be pent up demand for the Enlarged Group's services. More broadly, the Directors believe that the Enlarged Group is particularly well positioned to take advantage of the macro shift towards the experience economy.

2. *Availability of sites*

The Directors are seeing a significant number of potential sites becoming available on substantially better terms than would have been available pre-COVID-19.

Moreover, the incentives on offer through rent free periods and/or capital contributions made available by commercial property landlords have increased materially. The Directors believe that this may be due to nervousness by landlords that it might be hard to find tenants in the short to medium term.

With the impact of rent arrears and debt burdens not yet fully crystallised, the Directors expect future creditor voluntary arrangements and administrations to further increase the availability of desirable potential sites on attractive terms.

The Directors believe that the Acquisition provides immediate access to a network of existing trading sites and a well-developed pipeline of new sites which have either been signed or are in negotiation, many of which come with substantial landlord contributions. In addition, a number of contracts have been signed with franchisees ahead of opening new sites. Further details of the pipeline are set out below. As such, the Directors believe that the Acquisition provides access to a network of both established and potential sites which can be fitted out at minimal cost to the Enlarged Group (net of landlord contributions) which together will provide a substantial, invested asset base from which the Enlarged Group has the opportunity to generate significant revenue in future.

3. *Decreased competition*

The pressures of 2020 have been significant on the leisure industry and the Directors expect that a number of competitors will struggle to survive.

There have already been a number of closures in the leisure industry generally, and the Directors expect there to be more as the effect of the unwinding of UK Government support is felt.

Growth Strategy

In July 2020, at the time of its fundraising referred to above, Escape Hunt set out a five point plan to build shareholder value. The Directors believe that the Acquisition is highly complementary and, as such, the growth strategy remains broadly the same for the Enlarged Group as it was for the Group just over a year ago.

¹ <https://www.lek.com/insights/ei/consumer-leisure-spending-growth>

² <https://medium.com/the-forge-institute/the-experience-economy-millennials-paving-a-new-way-forward-for-marketing-fc508483e80>

The Directors have established a four point plan to build shareholder value in the Enlarged Group, details of which are set out below:-

1. *Maximise the UK footprint by rolling out each brand, either through direct investment into owner-operated sites or through franchises*

The Directors have set the following UK targets for each of the brands within the Enlarged Group:-

	<u>ESCAPE HUNT</u>	<u>BOOM BATTLE BAR</u>
Existing sites	15 UK sites	1 owner operated 5 franchise
Short term target: End 2021	16 UK owner operated	2 UK owner operated 6 franchise
Target: 6 – 18 months (end 2022)	21 UK owner operated	7 UK owner operated 20 franchise
Potential sites (long term – 5yrs+)	50+	100+
Primary operating model	O+O	Franchise
Expected approximate split (Franchise vs Owner-operated)	1/5 vs 4/5	2/3 vs 1/3

The targets for the Escape Hunt brand have not changed materially, although the Directors believe that a number of new sites in future will be co-located with a Boom Battle Bars. As set out above, the Directors have a long term ambition of 50 Escape Hunt sites in the UK. In the short term, with access to the net funds from the Fundraising, the target is to open a further site in the UK in Milton Keynes by the end of 2021, and a further 5 in the 12 months thereafter, including on Oxford Street in Q1 2022.

The Directors consider that the short term focus for the Boom Battle Bars brand is to increase rapidly the number of sites in the UK, taking advantage of the prevailing favourable commercial property market conditions and an exciting competitive socialising concept. Short term plans are to have 8 sites open in the UK by the end of 2021 and 27 by the end of 2022. The Directors believe that this provides an opportunity to build a substantial network of sites over the longer term.

Further details of the pipeline of potential new sites for Boom Battle Bars are set out above.

Franchise versus owner-operated

Whilst for the Escape Hunt brand, the UK roll-out to date has been restricted to owner-operated sites, Boom Battle Bars has a combination of 5 franchise sites and 1 owner-operated site with a further 17 franchise sites and 4 owner-operated sites in the advanced pipeline.

There are benefits of expanding through franchises, such as lower capital investment, reduced involvement in day-to-day operations, the ability to grow the network faster, and that in many cases, local ownership and know-how can lead to a more motivated and effective local management. However, the total profit and return that can be earned by the Enlarged Group from a franchise site is lower than from a well-managed owner-operated site.

The Enlarged Group's strategy in the UK is therefore to grow through a combination of franchise and owner-operated venues. In the case of the Escape Hunt brand, the default in the UK will be owner-operated, but, in time, franchise sites in the UK are likely as the Directors expect that, in future, some franchisees may seek to co-locate Escape Hunt alongside a Boom Battle Bars as is planned for certain venues (such as the Lakeside shopping centre in Thurrock, Essex, and Oxford Street in central London) in the Enlarged Group's owner-operated estate going forward. The Directors would expect a Escape Hunt network split of approximately 20 per cent. franchise sites and 80 per cent. owner-operated sites in the UK.

In the case of Boom Battle Bars, the default option in the UK will be franchised sites. However, each potential venue will be assessed on its own merits. Certain strategically important locations will be owner-operated and, where suitable sites are available on attractive terms, they will be developed as owner-operated sites if a suitable franchisee is not available.

The Directors anticipate in the longer term that, of the Boom Battle Bars sites in the UK, approximately one-third will be owner-operated and approximately two-thirds will be franchised.

However, Shareholders and potential investors should note that in all cases, as set out above, because Boom Battle Bars typically guarantees the lease obligation for the franchised venue, franchises will not be established in venues unless the senior management of Boom Battle Bars would themselves be prepared to operate the site and believe that it would be successful.

The plans to expand the Boom Battle Bars network in the UK are underpinned by the pipeline of sites in discussion as set out above.

2. *Accelerate growth in international territories, predominantly through franchises*

The Directors believe that there is a significant opportunity for each brand internationally, although the immediacy of international growth will differ for each business. Ultimately however, it is the Directors' current intention that a predominantly franchise strategy will underpin any expansion throughout international territories.

For Escape Hunt, the plans are as previously set out. The Directors plan to continue to focus on growing the US business in partnership with PCH. A number of 'Discovery Days' are expected to be held and prospective franchisees are being vetted. A 'super centre' has been established in Houston, Texas which has received its next two catalogue games for installation which is currently in progress. The Group is also exploring opportunities to develop the franchise network in the Middle East following the acquisition of the master franchise in the region in September 2020.

For Boom Battle Bars, the focus will initially be on the UK. In the mid-term, international franchise opportunities will be explored, which the Directors expect to be done by leveraging the relationships of the Boom Battle Bars management team and more broadly of the Enlarged Group.

In time, the Directors believe that the proposition will become increasingly attractive since multi-brand deals are expected to allow franchisees to fill larger spaces resulting in lower property costs per square foot and improved operating leverage.

3. *Continue to develop new products and markets which facilitate the growth of B2B sales*

The Enlarged Group will continue to innovate and develop products that provide access to a broader range of customer markets. In June 2021, the Board identified four customer segments which it would target as part of the strategy articulated at the time. The Directors believe that these four customer segments remain highly relevant to the Enlarged Group, highlighting how well the Directors believe the entities fit together.

The four target segments identified, together with the anticipated product mix are:

	For Business	For Education	For Brands	For Retail
Escape Hunt	<ul style="list-style-type: none"> ● Digital offerings for global teams ● L&D, Training 	<ul style="list-style-type: none"> ● Gamification of learning and assessment 	<ul style="list-style-type: none"> ● Activations for TV / Film studios ● Brand licenses 	<ul style="list-style-type: none"> ● Social entertainment experiences ● Physical, virtual, indoor and outdoor
Boom Battle Bars	<ul style="list-style-type: none"> ● Team building ● Corporate socials 	—	<ul style="list-style-type: none"> ● Brand endorsements and sponsorship 	<ul style="list-style-type: none"> ● Competitive socialising between friends

4. *Integrate the businesses, exploit the synergies where possible, and develop an infrastructure that supports scale and future growth*

Once fully integrated, the Directors believe the Enlarged Group has the potential to become one of the UK's leading experiential leisure companies.

The Directors have identified four areas of focus for the integration of the businesses:

Embrace each other's culture

The Directors aim to build an environment where the companies' respective cultures are allowed to flourish. To do this, they aim to identify and embrace the respective DNA and values which underpin the success of each business.

Exploit the market opportunity

The Directors aim to use enhanced scale and breadth to capitalise on the current commercial property market conditions. The Directors aim to become landlords' "go-to" operator for any space between 3,000 and 20,000 square feet, and to leverage that advantage in the lifetime rental costs of properties in the network.

Leverage operating synergies

Where possible, the Directors plan to co-locate brands and to introduce cross-marketing initiatives between customer pools.

The Directors plan to flex the corporate sales team across each business to grow the 'for Business' proposition across the Enlarged Group.

Invest in back office

The Directors have identified a number of systems and processes which can be applied across the Enlarged Group and plan to consolidate all underlying systems and processes for maximum efficiency. One such example will be a move to a single finance system for consistency across the reporting entities.

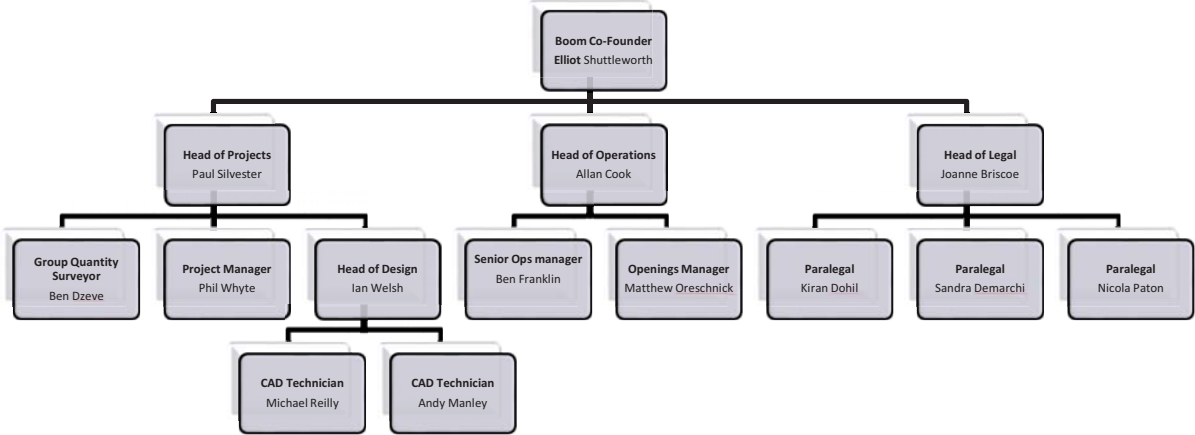
In addition, the Directors aim to rebuild the Enlarged Group's web and digital presence to allow fluid customer journeys between brands.

Impact on employees

The Directors believe that the businesses of Escape Hunt and Boom Battle Bars are highly complementary. Both are relatively young brands which have been expanding and the Enlarged Group's strategy, as set out above, is to continue to grow organically by expanding the network of their respective sites in the UK and internationally and by developing new products and target markets.

The Directors do not expect any redundancies to arise from the Acquisition. The plans in place to combine Escape Hunt's head office and central functions with those of the Boom Battle Bars Group and to operate as the Enlarged Group, are expected to generate operational efficiencies in future and to provide new career development opportunities for employees at all levels in the Enlarged Group.

The Boom Battle Bars resource transferring as part of the Acquisition includes:



5. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION

On 3 November 2021, the Company entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the Boom Battle Bars Group. The consideration is to be satisfied by:-

- (i) £9.88 million in cash (raised through the Placing); and
- (ii) conditional on the performance of the Boom Battle Bars Group following Completion, the issue of some or all of the Consideration Shares to the Seller; and

At the Issue Price, the Consideration Shares (together with the cash) imply a value of approximately £17.38 million for the entire issued share capital of Boom Battle Bars.

Completion of the Acquisition is conditional, amongst other things, upon:

- Shareholder approval of the Resolutions numbered 1 and 2 in the Notice of General Meeting;
- the Placing and Open Offer Agreement having become unconditional in all respects; and
- Admission.

The Seller has given customary warranties (and the Seller has given certain indemnities) pursuant to the Acquisition Agreement.

The issue of the Consideration Shares is conditional on the performance of the Boom Battle Bars Group following Completion. The Consideration Shares are subject to an earn-out and will only be issued if the performance of the Boom Battle Bars Group in the financial year ending 31 December 2022 meets a combination of the turnover and site roll-out targets set out below. The Consideration Shares are expected to be issued during the first half of 2023 and will be subject to a customary lock-in until 15 July 2023.

The turnover component comprises 66.7 per cent. of the earn-out calculation and the site roll-out plan makes up the balance of 33.3 per cent, (with 20 per cent. linked to owner operated sites and 13.3 per cent. linked to franchise sites). There is a limited ability for an over-performance against one target to compensate for potential under-performance against another such that the turnover component can comprise a maximum of 75% of the earn-out calculation, if the turnover target is exceeded but the site roll-out target is not achieved, and the site roll-out plan a maximum of 40% of the earn-out calculation, if the site roll-out plan is exceeded but the turnover earn-out target is not achieved.

The earn-out target numbers are:

- £10.96 million combined turnover from the owner-operated sites and from the franchise revenue share in the year to 31 December 2022;
- 7 owner operated sites open by 31 December 2022; and

- 20 franchise sites open by 31 December 2022.

If each of these earn-out targets is achieved in full then the maximum number of Consideration Shares will be issued to the Seller.

If the earn-out targets are not satisfied in full then there is a reducing straight line sliding scale for the partial achievement of each component of the earn-out down to the minimum criteria. If the minimum criteria are not met in every element of the earn-out then no Consideration Shares will be issued. The minimum criteria for each element of the earn-out are:

- £8.15 million combined turnover from the owner-operated sites and from the franchise revenue share in the year to 31 December 2022;
- 13 franchise sites open by 31 December 2022; and
- 5 owner operated sites open by 31 December 2022.

In addition, alongside the Acquisition Agreement, the Company has been granted a two year exclusivity period by MFT Capital to negotiate final terms to acquire Flip Out, a family focused leisure entertainment business and the UK's largest trampoline operator by number of sites, for an amount determined with reference to the trading performance of Flip Out in the twelve months prior to the acquisition, subject to a minimum enterprise value of £40 million. If the Company proceeds with the acquisition of Flip Out, the consideration for the acquisition, which may require Shareholder approval at the time, is expected to be satisfied by the issue of new Ordinary Shares, although it may be paid in cash at the Seller's option, conditional on funding..

Flip Out is the UK's largest trampoline operator by number of sites, with an existing portfolio of 28 trampoline and adventure parks. Nine are owner-operated and 19 are operated by franchisees across the UK, in each case under the Flip Out franchise brand. Historically, the adventure parks have been located predominantly in out-of-town industrial estates or multi-use leisure parks. However, more recently there has been a shift into shopping centres, supported by demand for experience-led offerings within shopping centre schemes and availability of retail space on terms which the Directors believe to be attractive. The adventure parks are designed with wall-to-wall activities which may include trampolines, assault courses, slides, climbing, laser tag, inflatables, ice rinks, bumper cars, laser maze, soft play and others. Each site has an onsite cafe and family games arcades. The target market is typically children from age 4 – 14.

The MFT Capital group currently owns the rights to the Flip Out brand in the UK and all other international territories other than in Australia and New Zealand.

Any decision to acquire Flip Out will be conditional on agreeing the detailed terms of such acquisition and on any regulatory and/or Shareholder approvals which may be required at the time.

The acquisition of Flip Out is entirely at Escape Hunt's discretion. The value of the consideration will be determined by a formula, summarised as follows:

The target will be valued at an enterprise value which will be calculated at the higher of:

- £40 million; and
- the value determined by a pricing mechanism which will apply to both franchise sites (recurring revenue only) and owner operated sites. The principle is to apply reducing multiples of EBITDA to different components of the business:
 - a. 7.5x actual EBITDA³ for sites that have been open for 12 months, net of head office costs
 - b. For owner operated or franchise sites that have traded for 9 – 12 months; 5.5x grossed up EBITDA (seasonally adjusted);
 - c. For owner operated or franchise sites that have traded for 6 – 9 months; 4.5x grossed up EBITDA (seasonally adjusted);
 - d. Franchise and owner-operated sites that are not opened or have opened within 6 months; 4.5x forecast EBITDA from the first 12 months of operation. This is conditional on the enterprise value of the Flip Out group being determined to be greater than

³ EBITDA is before exceptional items which are non-trading and defined as exceptional by the auditors.

£40 million at the time of acquisition. The consideration in relation to these sites, insofar as it renders the total enterprise value to be more than £40 million will be retained (the "Retention") and will be released as soon as reasonably practicable after the last site in relation to which such Retention has been held has completed 12 months of trading. The Retention in relation to each site will then be recalculated. Provided that in aggregate the sites have met or exceeded their forecasts, the full amount of the Retention will be paid. However, if the forecasts are not achieved, the payment from the Retention will be reduced by 4.5x the amount by which the actual performance is less than the forecast provided that such reduction will not reduce the overall enterprise value below £40 million; and

- e. For franchise agreements signed but not open, 0.25x future (as yet not paid) upfront exclusivity fees and equipment rebates.

The consideration paid for Flip Out will be the enterprise value, less the net debt in the business at the date of acquisition.

The Directors expect the application of the above formula to result in a valuation of approximately 6x the run-rate pre-IFRS16 EBITDA of Flip Out on the date of acquisition.

6. UNAUDITED INTERIM RESULTS OF ESCAPE HUNT FOR THE SIX MONTHS ENDED 30 JUNE 2021

On 28 September 2021, the Company released its unaudited interim results for the six months ended 30 June 2021.

Group revenue in the first half was £1,178k (H1 2020: £1,306k) comprising £936k (H1 2020: £1,017k) from owner-operated sites and £242k (H1 2020: £287k) from the franchise network reflecting a period when across the estate, many franchise sites were closed. Downloadable print and play games together with remote play and digital games contributed £151k to revenue (H1 2020: £53k). Whilst gross profit margin was lower than the comparable period in the prior year, this was largely as a result of direct labour training costs incurred prior to re-opening and the cumulative, although relatively small, costs not covered by furlough payments during lockdown.

Site level EBITDA from the Group's owner-operated sites was £199k (H1 2020: £254k) reflecting modest cost reductions helped by furlough, and the benefit received from Government support schemes during lockdown. The P&L benefit from the Government rates holiday and rates-related grants totalled £432k in the period of which £341k was received in cash grants and the balance being the benefit of the rates holiday.

Central costs, including costs allocated to owner-operated sites and the franchise network in aggregate fell 9% to £1,237k (H1 2019: £1,359k). Much of this can be attributed to the success of all our head office staff working from home, which led to a decision to exercise a break clause in our head office property lease which terminated in Q1 2021. This is expected to lead to annualised savings of over £100k per annum. We have been successfully making use of more flexible working arrangements whilst providing a location in central London for colleagues to meet and work together when necessary. The overall cost reflects a 30% reduction compared to central costs in the same period in 2019 illustrating the impact of a number of enduring cost cuts. As the Group resumes its planned growth trajectory, central costs are expected to rise, although at a significantly lower rate than turnover and gross profit as we expect a substantial operational gearing benefit.

Group Adjusted EBITDA loss reduced to £796k (H1 2020: £816k).

	Six months ended June 2021 £'000	Six months ended June 2020 £'000
Adjusted EBITDA	(796)	(816)
Amortisation of intangibles	(216)	(1,078)
Depreciation	(1,038)	(1,111)
Rent credits recognised	25	—
Loss on disposal of tangible assets	(18)	—
Branch closure costs and other exceptional costs	(147)	—
Foreign currency gains / (losses)	(6)	—
Share-based payment expense	(26)	(5)
Operating loss	<u>(2,222)</u>	<u>(3,010)</u>

Group operating loss reduced by 27% to £2,222k (H1 2020: £3,010k) and the total comprehensive loss for the period was £2,390k (H1 2020: £3,073k). Branch closure and other exceptional costs include costs associated with the acquisition of the French and Belgian master franchise, and provision against the remaining balance on a loan made to a franchisee several years ago.

The Company continued to manage cash carefully, with net cash used in operating activities of £100k (H1 2020: £94k). The movement was helped by £836k of positive working capital movements.

The Group had £2,414k cash on hand at the end of the period (31 Dec 2020: £2,722k). Cash was boosted by the £1.4m fund raising which completed on 28 January 2021.

In September 2021, the Group received £1.2m cash (£950k net of associated fees) in respect of research and development grants from HMRC. The grant will be recognised in H2 and is in addition to the £256k (£207k net of fees) recognised in 2020. The cash receipt has further boosted the Group's cash reserves.

Cash on hand at 30 September 2021 was £3.5 million.

7. CURRENT TRADING AND PROSPECTS OF THE ENLARGED GROUP

Escape Hunt

Consumer demand returned strongly as COVID restrictions lifted in both the UK and many of the other regions in which Escape Hunt operates. The Board was optimistic that that demand would return in the UK and Europe once sites were allowed to re-open and were delighted to see that it continued to build through July and August to record levels of performance. The Board believes that Escape Rooms have entered the consumer psyche and it is now becoming a natural consideration of 'things to do' alongside more traditional leisure activities and believes this is part of a broader growth trend in experiential leisure.

One aspect of the recent performance has been the five-star TripAdvisor ratings and / or number one TripAdvisor™ ranking all the sites in the UK enjoy including the newly opened sites. In August 2021, all the UK sites which had been open for more than a year, and therefore eligible for consideration, received the prestigious TripAdvisor™ Travellers' Choice awards, placing them in the top 10% of businesses listed on TripAdvisor™. The Board believes this has been helped by the performance of the staff at sites.

The Company made further strategic progress in the period. The acquisition the former French and Belgian master franchise added to the owner operated estate bringing an owner operated site in each of Paris and Brussels. The Group also opened two new owner operated sites in the UK in Watford and Kingston respectively and is in the process of building two further sites – one at the Lakeside shopping centre in Essex and one in Milton Keynes. The Board believes the returns being generated at the new UK sites are attractive to Shareholders and is actively evaluating a number of further sites helped by favourable property conditions.

The performance of the owner operated estate since re-opening has further demonstrated the what the Board believes to be an attractive business model. The estate as a whole has outperformed against the target 'box economics', whilst still showing growth. The Board believes that the site level EBITDA margins achieved, notwithstanding the short-term help from a lower VAT rate and business rates holiday, have been particularly encouraging.

Within the franchise estate, different countries have been affected in different ways. However, overall, the estate performed well and, whilst a small number of sites have been forced to close as a result of financial hardship under COVID, those that have survived have been performing again with a number registering record weekly revenue performances.

The Board believes that there is a significant opportunity both in the UK and more widely in the retail property market and that Escape Hunt is well positioned to take advantage of the more attractive terms on offer. In turn, the Board expects this to make future sites even more financially attractive than before.

OWNER OPERATED SITES

UK

The Company's UK estate re-opened to the public on 17 May 2021, following a protracted COVID lockdown enforced by the UK Government. The Board believes that, since re-opening, trading at the Company's UK sites has been very encouraging.

Revenue and EBITDA from the UK owner operated estate was significantly ahead of the Board's expectations in the 19 weeks between 17 May 2021 and 26 September 2021. Revenue for the 8 sites which were open in the same period in 2019 was up 17% compared to the same period in 2019. At an EBITDA level, the performance reflected an important milestone with each of July, August and September being profitable at group EBITDA level. In the 19 weeks of trading to 26 September 2021, site level EBITDA from the eight sites that were open in the same period in 2019 was 177% higher than in the same period in 2019.

Across all UK sites, including the sites not open in the comparable period in 2019, revenue in the 19-week period to 26 September 2021 grew by 92% compared to 2019, and site level EBITDA grew by 329%.

Five of the six newest UK sites performed in line with high performing, more mature sites. The sixth site has shown good growth and traded profitably, albeit operating at reduced capacity whilst awaiting its full complement of games.

Dubai

The site in Dubai was open throughout the six months to 30 June 2021, although trading was impacted to some extent by COVID restrictions. Nevertheless, the Dubai site delivered a performance over the period which was marginally ahead of the Board's expectations. Following a strong performance in July 2021 and profitable months in August 2021 and September 2021, the profits generated from Dubai since its acquisition in October 2020 have more than covered the acquisition cost, inclusive of fees, leading to a payback of significantly less than one year.

The team in Dubai has recently won a tender to participate in the 'Riyadh Season', which is an Expo funded by the government of Saudi Arabia to promote tourism and leisure. The Expo runs for a number of months from 1 October 2021 and Escape Hunt will be present with both physical and VR games. The costs are all covered by the Expo's promoters and the Board believes that the event provides an excellent opportunity to test the new modular designed games whilst promoting the brand to both consumers and potential franchisees. The event is expected to generate a meaningful contribution for the Middle East business in the current financial year.

France and Belgium

The acquisition of the master franchise for France and Belgium completed on 8 March 2021. Excluding earnout, the consideration represented approximately 1x the business' historic EBITDA and was funded using a portion of the proceeds from a placing of 8 million shares at 17.5p per share which was announced on 28 January 2021. As a condition of the deal, the Group's six leading franchisees in France all signed new franchise agreements, extending for a further six years on renewed terms. with them.

Lockdown in both Belgium and France was extended until early June 2021. However, both France and Belgium have seen a resumption of business and, taking into account the delayed re-opening, have been performing in line with our expectations. The Board remains confident of generating a very good return on capital from the acquisition and in building on the progress made in the region by the previous owners.

FRANCHISE OPERATIONS

International franchise

Whilst Australia enjoyed a period of relative freedom from COVID in Q1 and Q2 2021, a number of Australian sites had to close again in August due to renewed lockdowns. France and other northern European countries all endured long lockdown periods which until June 2021. When sites have been open, its performance has demonstrated that there is considerable consumer demand, so the Board is confident that the estate will return to previous performance levels. The Board has been going through a process to refresh the franchise relationships increasingly interacting directly rather than through a master franchisee and the Board believes this approach is paying off. Significant progress has been made towards developing the games catalogue, which is designed to deliver higher quality games and associated collateral to the franchise network.

US franchise

Progress in the US has been impacted by COVID notably through the effects on travel. The Group's area representative in the USA, PCH, is establishing a 'super centre' in Houston which is intended to serve as the hub from which they can showcase an Escape Hunt site to prospective franchisees. New modular design games have been built, have been delivered to Houston and, following delays due to travel restrictions, are now being installed.

OUTLOOK

Trading since 30 June 2021 has been significantly stronger than the Board had expected as COVID restrictions have been relaxed.

The newly acquired businesses in Dubai, France and Belgium are likewise performing satisfactorily. Whilst a number of Australian cities went back into lockdown in August, all sites in the Group's French estate are open and business is returning as expected. Sites in other parts of the world likewise are returning in line with expectations.

The Group reached a significant milestone, delivering a positive group level EBITDA in each of July, August and September 2021. With the foundations laid for a profitable and cash generative business, the Board is confident for the future of Escape Hunt.

The Boom Battle Bars Group

Both of Boom Battle Bars' UK franchise sites then operating were closed from 31 December 2020 due to the UK Government lockdown measures related to COVID-19.

Both franchise sites in Cardiff and Norwich re-opened once restrictions were lifted. New franchise sites opened in Liverpool on 20 May 2021, in Eastbourne on 4 August 2021, and in Swindon on 15 October 2021. Boom Battle Bars' first owner-operated site opened at the Lakeside shopping centre in Thurrock, Essex, on 16 July 2021. Sites at the O2 Arena in London (owner operated) and in Wandsworth (franchise) are currently in build and due to open before the end of 2021.

Revenue from the four franchise sites operating in the 10 weeks to 10 October 2021 has been approximately 45 per cent. ahead of management's internal forecasts. Annualised revenue from the four sites in the same period since has been 33 per cent. ahead of the 'mature' annual revenue expected from the four sites. Revenue from the owner operated site in Lakeside has likewise been 22 per cent. ahead of management's expectations in the 10 weeks to 10 October 2021.

Significant progress has been made on developing the pipeline of new sites, with a new site opening recently in Swindon and 17 new franchisees signing franchise agreements. In addition, 1 owner operated site and 1 franchise site are currently in build, whilst leases have been signed for a further 2 owner-operated sites and 6 franchise sites. A further 11 sites are in advanced discussions. The total potential landlord contributions for the 21 sites in the advanced pipeline currently under discussion is £7.6 million, with the recently opened site in Swindon also having attracted a £0.5m landlord contribution.

Progress in signing sites and franchise agreements underpins the Directors' plans to expand the Boom Battle Bars network.

The performance since re-opening gives the Directors confidence that trading at Boom Battle Bars will continue to remain strong for the remainder of the year. The Directors believe that becoming part of the Enlarged Group will allow for shared cost savings and enable combined marketing initiatives to be actioned creating a solid platform to continue the growth strategy.

8. INFORMATION ON THE FUNDRAISING

In order to pay for the cash element of the consideration payable for the Acquisition, for operational improvements/integration of Boom Battle Bars, for new sites, to meet the costs and expenses of the Proposals and for general working capital purposes, the Company is seeking to raise £15.0 million (gross) (£13.88 million net of expenses (including VAT)) pursuant to the Placing and the Subscription through the issue of the Placing Shares and the Subscription Shares at the Issue Price. The Placing Shares and Subscription Shares will represent approximately 29.2 per cent. of the Enlarged Share Capital.

Furthermore, the Company is making an Open Offer pursuant to which it may raise up to an additional £2.2 million (before expenses). The Issue Price of 30 pence per Open Offer Share is the same as the price at which the Placing Shares and the Subscription Shares are being issued.

Following Admission, the Placing Shares, Subscription Shares and Open Offer Shares will rank *pari passu* with the Existing Ordinary Shares. Application will be made for the admission of the Placing Shares, the Subscription Shares and the Open Offer Shares, to trading on AIM, which is expected to take place at 8.00 a.m. on 23 November 2021.

Placing

Pursuant to the terms of the Placing and Open Offer Agreement, Shore Capital Stockbrokers, as agent for the Company, has conditionally agreed to use its reasonable endeavours to place the Placing Shares at the Issue Price.

The Placing is conditional upon the Placing and Open Offer Agreement becoming unconditional and not having been terminated in accordance with its terms. The Placing is not being underwritten.

Shore Capital's obligations under the Placing and Open Offer Agreement in respect of the EIS Placing Shares are conditional on, *inter alia*:

- i. the passing by the Shareholders of the Resolutions numbered 1 and 2 by the requisite majorities of Shareholders at the General Meeting; and
- ii. the EIS Placing Shares having been unconditionally allotted and issued by the Company at or before 11.59 p.m. on the day immediately prior to the Expected Admission Date.

Shore Capital's obligations under the Placing and Open Offer Agreement in respect of the VCT Placing Shares are conditional on, *inter alia*:

- i. all the conditions in the Placing and Open Offer Agreement relating to the placing of the EIS Placing Shares having been fulfilled (or, where applicable, waived); and
- ii. the VCT Placing Shares having been unconditionally allotted and issued by the Company at or before 7.30 a.m. on the Expected Admission Date.

Shore Capital's obligations under the Placing and Open Offer Agreement in respect of the Non-EIS/VCT Placing Shares are conditional on, *inter alia*:

- i. all the conditions in the Placing and Open Offer Agreement relating to the placing of the VCT Placing Shares having been fulfilled (or, where applicable, waived);
- ii. the Non-EIS/VCT Placing Shares having been unconditionally allotted and issued by the Company before 8.00 a.m. on the Expected Admission Date;
- iii. Admission taking place not later than 8.00 a.m. on the Expected Admission Date (or such later date as Shore Capital may agree as the date for Admission but in any event not later than 8.00 am on the Long Stop Date);

- iv. the Company having confirmed to Shore Capital that, prior to the delivery of such confirmation, none of the warranties of the Company contained in the Placing and Open Offer Agreement was untrue, inaccurate or misleading on and as at the date of the Placing and Open Offer Agreement or will be untrue, inaccurate or misleading immediately prior to Admission when repeated at that time, by reference to the facts and circumstances then subsisting; and
- v. the Company having complied with or performed its obligations under the Placing and Open Offer Agreement to the extent that the same fall to be performed prior to Admission.

Application will be made for the Placing Shares to be admitted to trading on AIM subject, *inter alia*, to the passing of Resolutions 1 and 2 at the General Meeting. It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on 23 November 2021.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, the Subscription Shares, the Open Offer Shares and the Consideration Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer.

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares, but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

The Company is raising approximately £335,000 at the Issue Price from certain of the Directors (being Richard Rose and Karen Bach and/or their connected persons) by way of the Placing.

Subscription

The Subscription comprises the issue of the Subscription Shares by the Company at the Issue Price, representing approximately 0.4 per cent. of the Enlarged Share Capital. It is anticipated that the Subscription will raise approximately £0.225 million for the Company, before expenses. The Subscription is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 23 November 2021 or such later date (being no later than 30 November 2021) as the Company and Shore Capital may agree.

The Subscription Shares will be issued credited as fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, the Placing Shares, and the Open Offer Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission. The Subscription Shares will be issued free from all liens, charges and encumbrances. It is expected that certificates in respect of Subscription Shares will be despatched by post within fourteen days of the date of Admission.

The Company is raising approximately £150,000 at the Issue Price from certain of the Directors (being Richard Harpham and Graham Bird) by way of the Subscription.

Open Offer

Subject to the fulfilment of the conditions set out below, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Record Date.

Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the following:

- i. Resolutions 1 and 2 being passed at the General Meeting;
- ii. the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and having become unconditional in all respects; and

- iii. Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 23 November 2021 (or such later date and/or time as the Company and Shore Capital may agree, being no later than 30 November 2021).

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares, but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

Application will be made for the Open Offer Shares to be admitted to trading on AIM subject, *inter alia*, to the passing of Resolutions 1 and 2 at the General Meeting. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 23 November 2021.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not being underwritten.

Qualifying Shareholders should note that the Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.

Basic Entitlement

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

1 Open Offer Share for every 12 Existing Ordinary Shares

held at the Record Date.

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

Excess Entitlement

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

Overseas Shareholders

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or any other Open Offer Restricted Jurisdiction since to do so may require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which

may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part 3 of this document together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer. If a Qualifying Shareholder does not wish to apply for Open Offer Shares he or she should not complete or return the Application Form or send a USE message through CREST.

Qualifying non-CREST Shareholders

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies this document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 1 of Section A of Part 3 of this document and on the Application Form itself. The completed Application Form, accompanied by a cheque or bankers draft (written in black ink), should be returned by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and in any event **no later than 11.00 a.m. on 19 November 2021**.

Qualifying CREST Shareholders

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 5 November 2021. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed with this document, but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 2 of Section A of Part 3 of this document. The relevant CREST instruction must have settled by **no later than 11.00 a.m. on 19 November 2021**.

9. EIS/VCT

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold Ordinary Shares as investments.

The Company has received preliminary assurance from HMRC that the Ordinary Shares are capable of qualifying for EIS tax reliefs. Accordingly, the EIS Placing Shares will rank as “eligible shares” and will be capable of being a “qualifying holding” and that the Company can issue EIS3 “compliance certificates” for the purposes of EIS, subject to the successful submission of an EIS1 compliance statement to HMRC.

Shareholders and investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser.

The information below is intended only as a general guide to the current tax position under UK taxation law and is not intended to be exhaustive.

EIS

The Company intends to operate so that it qualifies for the taxation advantages offered under EIS.

The main advantages are as follows:

- Individuals can claim a tax credit reduction of 30 per cent. of the amount invested in the Company against their UK income tax liability, provided they have a sufficient tax liability to reclaim this amount, thus reducing the effective cost of their investment to 70 pence for each £1 invested. However, there is an EIS subscription limit of £1 million in each tax year, or £2 million in each tax year providing at least the excess over £1 million is invested into shares in a company which qualifies as a knowledge intensive company, and, to retain the relief, the EIS Placing Shares must be held for at least three years.
- UK investors (individuals or certain trustees) may defer a chargeable gain by investing the amount of the gain in the Company. There is no limit to the level of investment for this purpose and, therefore, to the amount of gain which may be deferred in this way. Note that the deferred gain will come back into charge when the EIS Placing Shares are disposed of or if the Company ceases to qualify as an EIS company within the three year qualifying period.
- There is no tax on capital gains made upon disposal after the three year period (the “**Qualifying Period**”) of shares in an EIS qualifying company on which income tax relief has been given and not withdrawn.
- If a loss is made on disposal of the EIS Placing Shares at any time, the amount of the loss (after allowing for any income tax relief retained) can be set off against either the individual’s gains for the tax year in which the disposal occurs, or, if not so used, against capital gains of a subsequent tax year, or against the individual’s net income of the tax year of the disposal or of the previous tax year.
- Provided a Shareholder has owned EIS Placing Shares for at least two years and certain conditions are met at the time of transfer, up to 100 per cent. business property relief will be available, which reduces the inheritance tax liability on the transfer of EIS Placing Shares to nil.
- The amount of relief an investor may gain from an EIS investment in the Company will depend on the investor’s individual circumstances.

Qualifying Period

In order to retain the EIS reliefs, an investor must hold their shares for at least three years. A sale or other disposal (other than an inter-spousal gift or a transfer on death) will result in any income tax relief that has been claimed being clawed back by HMRC. Additionally, any capital gains deferred will come back into charge and the capital gains tax exemption will be lost. It is the investor’s responsibility to disclose a disposal to HMRC.

An individual can only be eligible for EIS relief on the subscription of shares if all shares held by that investor are shares which have been or will be eligible for EIS relief or the original subscriber shares which the investor has continued to hold.

Additionally, if the Company ceases to meet certain qualifying conditions within three years from the date of the share issue, the tax reliefs will be lost. This will be shown as the “Termination Date” on the EIS3 compliance certificate which the Company will issue to investors following formal approval of the share issue by HMRC.

Advance Assurance of EIS Status

In order for investors to claim EIS reliefs relating to their shares in the Company, the Company has to meet a number of rules regarding the kind of company it is, the amount of money it can raise, how and when that money must be employed for the purposes of the trade, and the trading activities carried on. The Company must satisfy HMRC that it meets these requirements and is therefore a qualifying company.

Although the Company currently expects to satisfy the relevant conditions for EIS investment, neither the Company nor the Directors give any warranty or undertaking that relief will be available in respect of any investment in the EIS Placing Shares or that the Company will continue to satisfy the conditions for EIS investment.

VCT

The status of the Ordinary Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on the Company continuing to satisfy the relevant requirements and on the Ordinary Shares being held as a “qualifying holding” for VCT purposes throughout the period of ownership.

Neither the Company nor the Directors give any warranty, representation or undertaking that any VCT investment in the Company will remain a qualifying holding nor have they obtained any advance assurance from HM Revenue and Customs prior to the date of this document. The Company cannot guarantee or undertake to conduct its business following Admission, in a way to ensure that the Company will continue to meet the requirements of a VCT Scheme. VCTs considering making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances.

The status of the VCT Placing Shares as a qualifying holding for VCTs will be conditional, *inter alia*, upon the Company continuing to satisfy the relevant requirements.

Although the Company currently expects to satisfy the relevant conditions for VCT investment, neither the Company nor the Directors give any warranty or undertaking to any Shareholder that an investment in the VCT Placing Shares by a VCT will be a qualifying holding.

Structure of the EIS Placing and the VCT Placing

New Ordinary Shares will be allotted and issued in certificated form to the EIS Placees at 11.59 p.m. on 22 November 2021. New Ordinary Shares will be allotted and issued in certificated form to the VCT Placees at 7.30 a.m. on 23 November 2021. New Ordinary Shares will be delivered into the CREST accounts for all other Placees of the Non-EIS/VCT Placing Shares as soon as possible after 8.00 a.m. on 23 November 2021. As soon as possible after 8.00 a.m. on 23 November 2021, the EIS and VCT Placing Shares will be dematerialised into CREST. The subscription for Placing Shares by the EIS Placees and the VCT Placees is not conditional on Admission.

As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders and investors are in any doubt as to their tax position, require more detailed information than the general outline above, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.

10. DIRECTORS’ PARTICIPATION AND RELATED PARTY TRANSACTION

Details of the Directors’ participation, directly and via connected persons, in the Placing and Subscription at the Issue Price are as follows:-

Director	Number of Placing Shares or Subscription Shares subscribed for	Number of Ordinary Shares held immediately after Admission	Percentage of Enlarged Share capital (assuming no take up of the Open Offer)
Richard Rose	1,000,000	2,387,000	1.5%
Richard Harpham	158,333	867,099	0.5%
Graham Bird	341,667	1,783,029	1.1%
Karen Bach	116,667	259,067	0.2%

Canaccord Genuity Group Inc., which is a substantial shareholder in the Company as defined in the AIM Rules for Companies (and therefore a related party of the Company for the purposes of the AIM Rules for Companies) (the “Substantial Shareholder Related Party”), has conditionally subscribed for 10,000,000 Placing Shares. Therefore, the participation of the Substantial Shareholder Related Party in the Placing constitutes a related party transaction under Rule 13 of the AIM Rules for Companies.

The Directors, having consulted with Shore Capital and Corporate, the Company's nominated adviser, consider that the terms of the Substantial Shareholder Related Party's participation in the Fundraising are fair and reasonable insofar as the Shareholders are concerned.

11. USE OF NET PROCEEDS

The net proceeds of the Fundraising are expected to be approximately £16.08 million (on the basis the Open Offer is fully subscribed) and will be used to pay for the cash element of the consideration payable for the Acquisition, for operational improvements/integration of Boom Battle Bars, for new Escape Hunt and Boom Battle Bars sites, to fund the costs and expenses of the Proposals and for general working capital purposes.

12. SETTLEMENT AND DEALINGS

The Placing Shares, the Subscription Shares and the Open Offer Shares will be issued credited as fully paid and will rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid, if any, in respect of Ordinary Shares after their issue.

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares and the Open Offer Shares to be admitted to trading on AIM. Subject to the passing of Resolutions 1 and 2 at the General Meeting, it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 23 November 2021.

Settlement of the Placing will, at the option of Placees, be within CREST. New Ordinary Shares in respect of the Placing will be allotted and issued in certificated form to:

- a. the EIS Placees at 11.59 p.m. on 22 November 2021; and
- b. the VCT Placees at 7.30 a.m. on 23 November 2021.

New Ordinary Shares in respect of the Placing will be delivered into the CREST accounts for all other Placees (excluding the EIS and VCT Placing Shares) as soon as possible after 8.00 a.m. on 23 November 2021.

As soon as possible after 8.00 a.m. on 23 November 2021, the EIS and VCT Placing Shares will be dematerialised into CREST.

No temporary documents of title will be issued. Definitive share certificates for Placees not settling through CREST will be despatched by the Registrar within 10 Business Days of the date of Admission. Prior to the despatch of such certificates, transfers will be certified against the register of members of the Company held by the Registrar.

Details of how the Open Offer Shares will be settled are set out in Section A of Part 3 of this document.

13. SENIOR MANAGEMENT ADDITIONS

Senior Management

On Admission, it is proposed that the following individuals will join the Enlarged Group as members of its senior management team with responsibility for Boom Battle Bars:

David "Elliott" Shuttleworth, MD, Boom Battle Bars (Aged 31)

Elliott is a co-founder of Boom Battle Bars and responsible for all aspects of the business. His flair for creativity and passion for Boom Battle Bars to be the UK's number one competitive socialising concept is felt throughout the business. Elliott's innovation has helped create an incredible product and a strong team.

Joanne "Jo" Briscoe, Boom Battle Bars In-House Legal Counsel, (Aged 47)

Jo is an accomplished property lawyer with over 18 years' experience, Jo, whose expertise is in property, franchising, commercial property and property corporate work, works across the Boom Battle Bars portfolio and commercial contracts.

14. INCENTIVISATION ARRANGEMENTS

In order to align the interests of Shareholders and employees of the Enlarged Group following Admission, the Company is proposing to make changes to the existing Executive Growth Share Plan by setting new vesting conditions and making new awards. The EGSP was established in May 2017 but there are currently no beneficiaries as the original vesting conditions were not met by anyone.

Under the proposed changes, beneficiaries of the EGSP will be entitled to share in the equity value created within the Enlarged Group (such share in the equity value being the "Management Share"). The underlying principle of the plan is that the Management Share will be determined as being 7.5 per cent. of the value created from a starting point of 1.75x the Issue Price pence per share. The share price will need to exceed 2x the Issue Price pence per share before any value accrues to the Management Share and the total payout will be restricted to 5 per cent. of the enlarged issued share capital of the Company as at the date of the payout. The benefit will be received in the form of new shares to be issued by the Company, or (at the Company's option) in cash.

The Company intends to amend the articles of association of the subsidiary company which encompasses the EGSP scheme and to issue invitations pursuant to the EGSP on or shortly after Admission to certain members of the Enlarged Group's senior executive team. Further to such invitation, each relevant individual may (at their own election) acquire from the Company the number of G Shares specified in the invitation. Invitations will only be made in respect of the acquisition of the 1000 G Shares currently held by the Company.

15. LOCK-INS AND ORDERLY MARKET PROVISIONS

The Seller has entered into a Lock-in Agreement with the Company, KK Advisory and Shore Capital, pursuant to which terms the Seller has undertaken to the Company and Shore Capital that, save in specified circumstances, it will not, without the prior consent of Shore Capital, dispose of any interest in Ordinary Shares held by it until 15 July 2023 ("**Lock-in Period**"). The specified circumstances include:

- a) any disposal pursuant to any offer made for the share capital of the Company (or any part of it) by an offeror that would result in the offeror obtaining or consolidating control (as defined in the City Code on Takeovers and Mergers) of the Company or the execution of an irrevocable commitment to accept such an offer or a sale to an offeror or potential offeror which is named in a public announcement of a firm or, as the case may be, possible intention to make such an offer; or
- b) any disposal pursuant to an intervening court order;
- c) pursuant to disposals under any scheme or reconstruction under section 110 of the Insolvency Act 1986 or any compromise or arrangement or any takeover effected under part 26 of the Companies Act;
- d) pursuant to an offer by the Company to purchase its own shares which is made in identical terms to all shareholders;
- e) any disposal to the trustees of a trust of the Seller, provided that the transferee of the Ordinary Shares agrees to be bound by the provisions of the Lock-in Agreement; or
- f) a transfer to an Associate (within the meaning of paragraph (c) in the definition of "related party" in the AIM Rules), subject to such Associate having first entered into a deed of adherence to be bound by the terms of the Lock-in Agreement; or any disposal to the Company to meet certain potential liabilities under the Acquisition Agreement

Furthermore, the Seller has also undertaken to the Company, KK Advisory and Shore Capital not to dispose of its Ordinary Shares for a period of 12 months from the expiry of the Lock-in Period otherwise than through the Company's broker or KK Advisory (or a broker approved by KK Advisory for this purpose) and in any case with the consent of the Company's broker in order to maintain an orderly market in the Ordinary Shares.

16. PROPOSED CHANGE OF NAME

The Resolutions include a resolution to change the name of the Company to XP Factory Plc to reflect the changing nature of the Enlarged Group's business. Upon the change of name being

registered at Companies House, which is expected to occur around within three weeks following Admission, the Company's AIM ticker symbol will be changed to XPF and its website address will be changed to www.xpfactory.com.

17. PROPOSED AMENDMENTS TO THE ARTICLES

The Articles currently contain a cap on the Company's borrowing powers. The Board considers that the inclusion of such a provision in the Articles is no longer necessary or appropriate and therefore the Resolutions include a proposed amendment to the Articles to remove the cap on borrowing powers of two times "Adjusted Capital and Reserves" (as such term is defined in the current Article 102.3).

Further, the Board considers that, should the Company ever wish to hold general meetings by way of an electronic platform, it would be beneficial to set out the procedure in the Articles.

Finally, the Board considers that there are a few provisions in the Articles that are superfluous to a company whose shares are admitted to trading on AIM which are therefore proposed to be deleted (being provisions that are more appropriate to a company whose shares are listed on the Main Market of the London Stock Exchange).

The proposed changes to the Articles are set out in Resolution 4 in the Notice of General Meeting.

18. TAXATION

Your attention is drawn to the information regarding taxation which set out in paragraph 19 of Part 8 of this document. That information is intended only as a general guide to the current tax position under UK taxation law. **If you are in any doubt as to your tax position, you should contact your independent professional adviser.**

19. GENERAL MEETING

Set out at the end of this document is the Notice of General Meeting convening the General Meeting to be held at the offices of Shore Capital at Cassini House, 57 St James's Street, London SW1 1LD at 10.00 a.m. on 22 November 2021. The full terms of the Resolutions are set out in that notice and are summarised below:

Resolution 1: the Company does not currently have sufficient authority to allot shares to effect the Placing, the Subscription or the Open Offer or to issue the Consideration Shares. Accordingly, Resolution 1 (which is conditional upon the passing of Resolution 2) is an ordinary resolution to ensure that the Directors have sufficient authority under section 551 of the 2006 Act to issue such shares. This authority will expire at the earlier of the Company's next annual general meeting and 1 February 2023.

Resolution 2: is a special resolution (conditional upon the passing of Resolution 1), to empower the Directors, pursuant to section 570 of the 2006 Act, to allot New Ordinary Shares up to a maximum aggregate nominal amount of £1,029,812.59 on a non-pre-emptive basis to effect the Placing, the Subscription and the Open Offer and to issue the Consideration Shares. This authority will expire at the earlier of the Company's next annual general meeting and 1 February 2023.

If Resolution 2 is passed, the Directors will have the power, under the 2006 Act, to allot such New Ordinary Shares without offering those shares to existing Shareholders.

Resolution 3: is a special resolution to change the name of the Company to XP Factory Plc. It is conditional upon the passing of Resolutions 1 and 2.

Resolution 4: is a special resolution to amend the Company's articles of association in the manner set out within the resolution, conditional upon the passing of Resolutions 1 and 2.

20. ACTION TO BE TAKEN

The Company continues to monitor developments relating to the outbreak of Covid-19, including the related public health guidance and legislation issued by the UK Government. At present, it is expected that it will be possible to hold a physical General Meeting and to welcome the maximum number of Shareholders the Company is able to, within safety constraints and in accordance with Government guidelines that will apply at the time.

However, given the constantly evolving nature of the situation, the Company wants to ensure that it is able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that it considers that it is no longer possible for Shareholders to attend the meeting, the Company will adopt contingency plans and notify Shareholders of the change by way of an announcement on an RIS as early as is possible before the date of the meeting. Any updates to the position will also be included on the Company's website at www.escapehunt.com/investors/. Should the Company have to change the arrangements in this way, it is likely that it will not be in a position to accommodate Shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee shareholders.

Shareholders wishing to attend the meeting in person or wishing to appoint a proxy or corporate representative other than the Chair of the meeting are asked to register their proposed attendance as soon as practicable by emailing the Company Secretary at graham.bird@escapehunt.com. Rules around capacity at the venue and changes in health and safety requirements may mean that Shareholders cannot ultimately attend the meeting.

Given the uncertainty as to whether Shareholders will be able to attend the General Meeting, the Board recommends that all Shareholders appoint the Chair of the General Meeting as their proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person.

You will find accompanying this document a Form of Proxy for use in connection with the General Meeting. You are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Equiniti Limited, as soon as possible but in any event not later than 10.00 a.m. on 18 November 2021.

The return of a completed Form of Proxy will not prevent a member attending the General Meeting and voting in person if the member wishes to do so and attending the General Meeting in person is currently permitted under prevailing UK legislation.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

21. FURTHER INFORMATION

Your attention is also drawn to the remaining parts of this document, which contain further information on the Proposals.

22. RECOMMENDATION

The Directors consider the Proposals to be fair and reasonable and in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own direct and beneficial shareholdings, amounting to, in aggregate, 3,679,528 Existing Ordinary Shares, representing approximately 4.2 per cent. of the Existing Share Capital.

Yours faithfully

Richard Rose
Chairman

PART 2

RISK FACTORS

Shareholders and prospective investors should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, Shareholders and prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

The following risk factors are all those known by the Directors which are considered by them at the date of this document to be material to the Group and, following Completion, the Enlarged Group. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Enlarged Group's business, financial condition and results of operations.

If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

An investment in the Company may not be suitable for all recipients of this document. Qualifying Shareholders are advised to consult an independent financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

It should be noted that the Company is relying on exemptions from issuing a prospectus in sections 86(1)(aa) of the FSMA (as amended) resulting in this document not being a prospectus. Consequently, this document does not include all information that an investor would receive if it were a prospectus. References to the Company are also deemed to include, where appropriate, each member of the Enlarged Group.

General risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Enlarged Group will be achieved.

Investors may not receive the full amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

This document includes "forward looking statements" which include all statements other than statements of historical facts including, without limitation, those regarding the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from its future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Enlarged Group will operate in the future.

Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those implied by any forward looking statements include factors in this Part 2 and elsewhere in this document. These forward looking statements speak only as at the date of this document. Save as is required by law or regulation, the Company, Shore Capital, and their respective directors, officers, employees, agents, members and partners expressly disclaim any obligation or undertaking to update publicly or revise any forward looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). As a result of these factors, the events described in the forward looking statements in this document may not occur. Prospective investors and Shareholders should be aware that these statements are estimates, reflecting only the judgement of the Directors and prospective investors and Shareholders should not rely on any forward looking statements.

Coronavirus (COVID-19)

There is still significant uncertainty worldwide in relation to the social and economic impact from the spread of COVID-19; new variants of Covid-19 and the various national responses. National and international travel restrictions, social distancing measures or further lockdowns could have a material adverse effect on demand for the Enlarged Group's products and services and may adversely impact the Enlarged Group's trading and financial performance.

Risks relating to the Proposals

Risk that the Enlarged Group's results will not match expectations

If completion of the Acquisition occurs, the Enlarged Group may not realise the anticipated benefits from the Acquisition or may encounter difficulties in achieving the anticipated benefits. If the results and cash flows generated by the Enlarged Group are not in line with the Company's expectations, it may materially impact on the Enlarged Group's business, results of operations and financial performance and could have an adverse effect on the Company's share price. In addition, any goodwill that arises on the Acquisition may be required to be written down, which, while having no cash impact, could have an adverse effect on the Enlarged Group's financial position and share price.

Acquisition and integration costs may be greater than anticipated

The Company expects to incur a number of costs in relation to the Acquisition, including integration and post-Completion costs in order to successfully combine the operations of the Group and the Boom Battle Bars Group, assuming the Acquisition completes. The actual costs of the Acquisition and integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Acquisition. In addition, the Group will incur legal, accounting, financial adviser and transaction fees and other costs relating to the Acquisition, some of which are payable whether or not the Acquisition completes. Although the Directors believe that the integration and Acquisition costs will be more than offset by the realisation of the benefits resulting from the Acquisition, this net benefit may not be achieved in the short-term or at all, particularly if the Acquisition is delayed or does not complete. These factors could materially adversely affect the business, financial conditions, results of operations and prospects of the Enlarged Group, including its ability to pay a dividend.

Achievement of strategic aims

The value of an investment in the Company is dependent on the Enlarged Group achieving its strategic aims. While the Directors are optimistic about its prospects, there is no certainty that the Enlarged Group will be capable of achieving its strategy or the anticipated revenues, profitability or cash generation. The Enlarged Group's future operating results will be highly dependent upon how well it manages its planned strategy as outlined in Part 1 of this document.

The Acquisition and the Fundraising may not complete

Completion of the Acquisition and the Fundraising is subject to certain conditions which are normal for a transaction of this nature, including but not limited to, the approval of Shareholders at the General Meeting, the Placing and Open Offer Agreement becoming unconditional and Admission becoming effective.

There can be no assurance that the conditions to completion of the Acquisition and the Fundraising will be satisfied (or waived, if applicable). If any applicable conditions are not satisfied (or waived) by the Long Stop Date, the Acquisition will not complete. If the Acquisition does not complete, the Company would nonetheless be obliged to pay certain costs (including due diligence and advisory fees) incurred in connection with the Acquisition and Admission.

EIS/VCT tax qualification and potential investments

The Company has applied for advance assurance from HMRC that the VCT Placing Shares represent a qualifying holding for Venture Capital Trusts and a subscription for EIS Placing Shares by way of the Placing is capable of qualifying for Enterprise Investment Scheme tax reliefs.

Although any potential future subscription for shares may be eligible for tax relief under the EIS, or be a qualifying holding for a VCT investor, neither the Company nor the Directors will provide any warranty or guarantee in this regard. Investors must take their own advice and rely on it. Neither the Company nor the Directors will give any warranties or undertakings that EIS relief or VCT relief will not be withdrawn. Investors must take their own advice and rely on it. If the Enlarged Group carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits. The actual availability of EIS relief and qualifying status for VCT purposes would be contingent upon certain conditions being met by both the Enlarged Group and the relevant investors. Should the law regarding the EIS or VCTs change, then any reliefs or qualifying status previously obtained may be lost. If the Enlarged Group ceases to carry on the business outlined in this document, changes the manner in which the business is undertaken or acquires or commences a business which is not insubstantial to the Enlarged Group's activities at any time this could prejudice the status of any future tax efficient investments made in the Company under the VCT provisions, if clearance is received. If these changes are made during the three year period from the last allotment of any investment in tax efficient shares, this could prejudice the qualifying status of the Company (as referred to above) under the EIS provisions. Circumstances may arise where the Board believes that the interests of the Enlarged Group are not best served by acting in a way that preserves the EIS or VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder.

If the Enlarged Group does not employ all of the proceeds of an EIS share issue for qualifying trading purposes within 24 months of the date of issue of any EIS shares, the Enlarged Group will not be a qualifying company and as such EIS relief will be withdrawn. In respect of subscription for any VCT shares made by a VCT, if the Enlarged Group does not employ the funds invested by the VCT for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned *pro rata* and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trade purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holding.

The above information is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company. Any person who is in any doubt as to their taxation position should consult their professional taxation advisers.

The issue of the VCT Placing Shares and EIS Placing Shares is not conditional on completion of the Acquisition or the allotment and issue of the remainder of the Placing Shares. There is a risk that the issue of the VCT Placing Shares and EIS Placing Shares completes and matters subsequently arise which mean that the Placing and Open Offer Agreement or Acquisition Agreement do not complete as anticipated at 8.00 a.m. on 23 November 2021.

Recourse under the Acquisition Agreement

Whilst the Company has conducted due diligence, received confirmations through warranties and received protections by way of indemnities under the Acquisition Agreement, there is no guarantee that such arrangements will provide adequate compensation for the Company for any loss or liability arising from any undisclosed liabilities, issues or defects that may arise in relation to the Boom Battle Bars Group.

The Group may not have full recourse against, or otherwise recover in full from, the Seller in respect of all losses which it may suffer in respect of a breach of those covenants and warranties, or in respect of the subject matter of any of the indemnities, or otherwise in respect of the

Acquisition. In addition, the Group will be dependent on the ongoing solvency of the Seller to the extent it seeks to recover amounts in respect of claims brought under such indemnities, covenants and warranties. The warranties, covenants and indemnities provided by the Seller do not cover all issues identified by the Group, nor do they cover all fees and costs that may be payable by the Group in connection with the Acquisition, which may be material. To the extent the Group suffers any losses and is unable to recover such losses from the Seller, it could have a material adverse effect on the Enlarged Group's business, results of operation, financial condition and ability to pay a dividend.

Management's attention may be diverted from the business of the Enlarged Group by the Acquisition

The Acquisition has required, and will continue to require, substantial amounts of time from each of the Group's and the Boom Battle Bars Group's management teams, which could adversely affect their ability to operate the respective businesses. The Enlarged Group's management team will also be required, following Completion, to devote significant attention and resources to integrating the businesses. There is a risk that the challenges associated with managing the Acquisition will result in management distraction and that consequently the underlying businesses will not perform in line with expectations.

The loss of one or more members of the Enlarged Group's key employees following the Acquisition could adversely affect the Enlarged Group's business, prospects, financial condition and results of operation

The performance of the Enlarged Group's management and other key employees, taken together, is critical to the success of the Enlarged Group and, while plans are, or will be, put in place, for the retention of management and other key employees, there can be no assurance that the Acquisition will not result in the departure of management and/or other key employees from the Enlarged Group. Such departures may take place either before Completion or during the Enlarged Group's integration process following Completion. Failure of the Enlarged Group to maintain or put in place plans or arrangements or otherwise to incentivise employees appropriately could result in the departure of management and/or other key employees. The departure of a significant number of management or other key employees could adversely affect both the Enlarged Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and the value of those businesses, which could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

The Seller is expected to gain a significant interest in, and thereafter will continue to be able to exert substantial influence over the Enlarged Group following the Fundraising and Admission and the subsequent issue of the Consideration Shares and its interest may differ from, or conflict with, those of other Shareholders.

Following the issue of the Consideration Shares, the Seller will have an interest of approximately 14.6 per cent. of the Enlarged Share Capital. The interests of the Seller may not always be aligned with those of other Shareholders. In particular, the Seller may hold interests in, or may make acquisitions of, or investments in, other businesses that may be, or may become, competitors of the Enlarged Group.

Risks relating to the Enlarged Group's business

Business interruption – information security breach or cyber-attack

There are two issues the Enlarged Group focuses on with regard to this risk: (i) major IT failure – as with many businesses, including those in the market sectors in which the Company operates, the Enlarged Group is reliant on IT systems to support and operate its business; and (ii) business interruption – breach of security – the Enlarged Group holds sensitive personal information in respect of workers, participants, and its own staff. There is increased evidence of cyber-crime and there can be no assurance that the Enlarged Group's systems will be effective in preventing cyber security related incidents. Breaches or attacks could lead to interruption in the Enlarged Group's business and potential reputational damage with a potential resultant loss of revenue, financial penalties for the Enlarged Group and diversion of management time.

UK's exit from the European Union

The UK's exit from the European Union (commonly referred to as 'Brexit') has created significant political, social and macroeconomic uncertainty for the UK and Europe. The potential direct and indirect impacts of UK completing its withdrawal from the European Union on the Enlarged Group are unclear. The known possible effects of Brexit, and other effects that the Enlarged Group cannot anticipate, could materially adversely affect the Enlarged Group's business, prospects, results of operations and financial position. In addition to the general economic risk that Brexit poses to the Enlarged Group's business, withdrawal from the European Union could potentially inhibit the Enlarged Group's ability, and the ability of its suppliers, to source the supplies required for the Enlarged Group's operations at an equal price to current supplies.

The Enlarged Group's expansion strategy

The Enlarged Group's core strategy is to open further sites in the UK. The Directors cannot guarantee that the Enlarged Group will be able to locate or secure a sufficient number of appropriate sites to meet its growth and financial targets. Further, new openings may take time to reach profitable operating levels or to match historical financial returns. The success of any new openings undertaken by the Enlarged Group will depend on a number of factors, many of which are beyond the Enlarged Group's control, including the following:

- the ability to identify and secure available and suitable sites on an economic basis;
- obtaining the required planning consents;
- the ability to secure all necessary operating approvals and licences in a timely manner and in a satisfactory form;
- the extent of the competition for sites;
- the ability to conclude a lease on acceptable terms;
- the ability to fit out new sites at an economic cost;
- delays in the timely development of sites;
- the ability to hire staff; and
- general economic conditions.

Outstanding rent

The Enlarged Group, in a considerable number of situations, did not paid rent due to certain of its landlords under its leases in relation to the period since the nationwide lockdown which commenced in March 2020. The Enlarged Group has formally agreed terms with all of its landlords that the formal rental payments for the period when its venues have been prevented from being able to be open due to the UK COVID Restrictions will be waived or reduced, and therefore this will not constitute a breach of the relevant lease. Certain administrative issues remain outstanding and, as a result the Enlarged Group has accrued for unpaid rent in its accounts in the sum of £181,153.94, against which £104,099.40 credits are due, leaving a net amount of £77,054.54 being the total sum outstanding as at 28 October 2021.

Consumer preferences, trends and perceptions

The leisure market is affected by consumer preferences, trends and perceptions. Changes in these preferences, trends and perceptions may lessen demand for the games offered by the Enlarged Group, which could reduce the Enlarged Group's turnover and harm its business. COVID-19 may also have an as yet unknown impact on consumer preferences and perceptions which endure significantly longer than the UK Government's measures to curtail the spread of COVID-19 which may have a longer lasting negative impact on the Company's business.

Economic and market conditions

The Enlarged Group derives most of its revenues from the United Kingdom and is therefore sensitive to fluctuations in the UK economy. The Enlarged Group's performance depends to a certain extent on a number of factors outside of its control, including political and economic conditions. Changes in economic conditions in the United Kingdom and elsewhere, including, for example, levels of employment, lower economic growth, industry conditions, political and diplomatic

events and trends, employment and tax laws, and other factors could have an adverse effect on the financial performance and prospects of the Enlarged Group.

Terrorist activity

The threat of terrorism in the UK impacts the operation of the Enlarged Group including managing the safety of customers and employees. A prolonged terrorist campaign could ultimately impact consumer spending habits and reduce demand for the Company's products.

Competition

The Enlarged Group competes in all the regions in which it operates with a variety of experiential leisure businesses for both corporate and consumer clients. The Enlarged Group may experience increased competition from existing or new companies which might require the Enlarged Group to grow its business or to innovate its game design/game offerings in order to maintain its market share. Existing competitors of the Enlarged Group include other providers' experiential entertainment. If the Enlarged Group is unable to maintain its competitive position, it could experience downward pressure on prices, lower room occupancy, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which would have an adverse impact on the Enlarged Group's business, financial and other conditions, profitability and results of operations.

The Enlarged Group and its franchisees also compete with other businesses for management, hourly employees and suitable sites. Difficulty in securing suitable management, hourly employees and locations for new sites would have an adverse impact on the Enlarged Group's business, financial and other conditions, profitability and results of operations.

Threat of new entrants

A single site or a small number of sites offering a similar entertainment experience would be relatively simple for a new entrant to establish. The barriers to entry for such competition is low and there is a risk that such entrants could dilute the market place or adversely impact the consumer's perception of similar entertainment experiences in the event that the quality of experience offered by these new entrants was poor or at worst, attracted negative publicity related to the health and safety of participants in similar entertainment experiences.

The Enlarged Group's strategy is to develop an international, experiential entertainment business and the Directors believe the barriers to entry for new global entrants adopting the same strategy are higher than a single-site opening due to the complexities of managing international operations. However, there is a risk that established corporations in the leisure market, who have the capital and resources to compete with the Enlarged Group's business, may wish to enter the market.

Immature market and unpredictable regulation

The market for experiential entertainment businesses is immature and growth will be characterised by changes in consumer needs and expectations, continued evolution in technology and increased competition. If the Enlarged Group fails to develop new offerings or modify or improve existing offerings in a timely and cost-effective manner in response to these changes in technology, consumer demands and expectations, competition or product introductions, the Enlarged Group's business, results of operations and financial condition may be adversely affected.

Changing trends could impact on the Enlarged Group's revenues and profits as well as the Enlarged Group's goodwill. Whilst the Directors believe that the Enlarged Group's own game designs have longevity and, therefore, the potential to deliver substantial growth in sales, there can be no guarantee that they will evolve to fulfil this potential. The Enlarged Group will also need to innovate and create new experiences which are market leading; this is not only the number of new experiences which are created but the quality and reflection of consumer tastes in the experiences. If the Enlarged Group fails to anticipate, identify or react swiftly to changes in consumer preferences then this could result in lower sales, margins and profits.

Where the regulatory environment is still in development, the Enlarged Group cannot predict how the authorities and regulators will develop the application of regulation. Any regulation which negatively impacts on the Enlarged Group's sites, speed of site openings, operations or games could adversely impact its results of operations. In addition, due to changing regulation and the Enlarged Group's rapid expansion in different geographies, the Enlarged Group may find that it has

inadvertently breached local laws/regulation which may result in fines or penalties which could adversely affect the financial position of the Enlarged Group.

Leases

The Enlarged Group's operating performance depends in part on its ability to secure and retain leases in desired locations at rents it believes to be reasonable. The leases for the Enlarged Group's new owner-operated sites may generally require that their annual rent be reviewed on an "upwards-only" basis. The annual rent for the premises then becomes the greater of such open market rental value and the previous contractually agreed rent. As a result, the Enlarged Group would be unable to predict or control the amount of any future increases in its rental costs arising from the review of rents it pays for its sites and would be unable to benefit from any decline in the open market rental value of its sites. Any substantial increase in the business rates or rent paid by the Enlarged Group on its owner-operated sites or the early termination of any of its leases could adversely affect the Enlarged Group's business, financial and other conditions, profitability and results of operations.

The Enlarged Group will analyse the suitability of any new sites prior to opening. However, this is not a guarantee that any new site will be a success. If a site is not successful, the Enlarged Group may need to cease its operations on site and seek to assign or sub-let the premises. However, suitable tenants may not be found and any lease may have restrictions on assignment or sub-letting which may mean that this is either prevented or delayed. A failure to find tenants and/or a prohibition or delay in assigning or sub-letting unsuccessful sites will result in the Enlarged Group paying rent and satisfying the tenant's obligations under the lease of a site which it is not operational and rental costs being higher than necessary. In addition, where a site is sub-let or assigned in circumstances where the Enlarged Group provides a guarantee of the assignee's obligations under the lease, the Enlarged Group will be reliant on its tenant satisfying its obligations under the relevant lease or it could become primarily liable to the landlord to satisfy the obligations of the tenant under lease. Higher rent costs, an inability to sub-let or liabilities under guarantees could impact on the Enlarged Group's business, results of operations and financial performance and could have an adverse effect on the share price.

Co-tenant / franchisee insolvency

There are 11 sites where a company associated with MFT Capital is a joint co-tenant with a franchisee or has provided a guarantee in respect of the franchisee's lease. The Enlarged Group has agreed to take on the co-tenant rights and obligations or guarantees (as applicable) provided that the underlying performance of the franchisee site over twelve months meets certain criteria. In respect of any of the co-tenant or guarantee arrangements which the Enlarged Group may take on in future, if the underlying franchisee becomes insolvent, the landlord is likely to have a right to forfeit the relevant lease.

Labour costs

An increase in any of the Enlarged Group's operating costs may negatively affect the Enlarged Group's profitability. Factors such as increased labour and employee benefit costs (including employer pension contributions) and inflation may adversely affect the Enlarged Group's operating costs. Most of the factors affecting costs are beyond the Enlarged Group's control and, in many cases, the Enlarged Group may not be able to pass on these increased costs to its consumers.

In addition, the Enlarged Group is dependent upon an available labour pool of employees for its owner-operated sites, many of whom are hourly employees and a change in supply of quality employees will affect the Enlarged Group's labour costs. A shortage in the labour pool (caused by a change in law, applicable regulations or otherwise including as a result of the UK's withdrawal from the European Union) or other general inflationary pressures or changes will also increase the Enlarged Group's labour costs. Any increases in labour and other costs could have a material adverse impact on the Enlarged Group's business, results of operations and financial performance and could have an adverse effect on the Company's share price.

Construction issues

In respect of two properties at which the businesses of the Enlarged Group operate, it is not clear on what basis works at the properties were undertaken, by whom and on what terms. This is because no construction contracts are available in respect of those properties. It is therefore

unknown what rights (if any) the Enlarged Group may have (and against whom) to seek redress in the event of latent defects in the works at those properties. This leaves the businesses of the Enlarged Group exposed to bearing the financial costs of rectifying the latent defects in the works (and in remedying any consequential loss to third parties as a result of such defects) without having any identifiable recourse to the party or parties responsible for any negligent design or construction of the works.

For certain properties in respect of which documents have been provided, these are invariably not complete construction contracts but rather are either agreements that come before construction contracts (licences for works or overarching agreements without any sight of the actual construction contracts that followed), are documents in draft or incomplete form or which contain no operative terms (for example, they are mere schedules of work or specifications) or are undated and unsigned contracts (or signed in counterpart only).

Where in the limited cases in which completed and signed construction contracts are available in respect of certain properties at which the businesses of the Enlarged Group operate, those contracts are either:

- a) not governed by the laws or Courts of England and Wales but rather the laws of Sweden (which poses a challenge to both interpretation of the duties under the contract and enforcement of the same); or
- b) contain off-market and non-standard terms which make the relevant subsidiaries of the Enlarged Group take more risk under the relevant construction contract (than would standardly be advisable and regarded as the normal market position) whilst absolving the construction party of obligations and liabilities it would normally have to meet (for example, low limits on (or even blanket exclusions of) the contractor's liability for certain types of loss, even where the contractor is at fault).

Negative publicity

The Enlarged Group may from time to time receive negative publicity, in relation to its own operations or the operations and activities of one or more of its franchisees or particular sites. Due to the branded nature of the Enlarged Group's business, any adverse publicity, whether disseminated in the UK or elsewhere in the world, associated with any of the Escape Hunt or Boom Battle Bars names may negatively affect the Enlarged Group's reputation and impact on the overall success of operations, regardless of whether the allegations are valid, whether they are limited to just a single location or whether the Enlarged Group itself or a particular franchisee is at fault. This could lead to an adverse impact on the financial performance and future prospects of the Enlarged Group.

Consumer opinions of the Enlarged Group could be disproportionately affected by reviews left on third party platforms, such as TripAdvisorTM. Negative reviews, while small in number, are considered to have a disproportionate influence on the perception of the Enlarged Group and its brand as they are often viewed in priority to the positive reviews left by the majority of consumers.

Performance of franchisees and exposure to brand damage

The Enlarged Group depends, in large part, on the Escape Hunt and Boom Battle Bars brands. The vast majority of sites are owned and operated by franchisees who are responsible for delivering the high standards of the Escape Hunt and Boom Battle Bars brands to consumers. Whilst franchisees are required to operate within the Enlarged Group's standards for site operation, they are given a degree of autonomy to ensure they operate in a way that suits their local area. The Enlarged Group provides that franchisees must adhere to strict quality, safety and image regulations that the Enlarged Group promotes through the implementation of training and careful monitoring, funded by both the franchisees and the Enlarged Group, and through appraisals. Despite these controls, and absent a decision to remove such franchisees from its business, the Enlarged Group may be unable to prevent its franchisees from operating outside of the Enlarged Group's operational regulations, franchise manual and business model.

The failure of a franchisee, and in particular, the failure of a material franchisee responsible for the management of a significant number of sites, to operate within the Enlarged Group's operational regulations, franchise manual and business model in relation to matters such as the appearance of the franchised site, the training of staff or adhering to guidelines as to the content games, could

damage the Enlarged Group's reputation and adversely impact the overall financial performance of the Enlarged Group.

Franchisees, as independent business operators, may from time to time disagree with the Enlarged Group's business strategy or with the Enlarged Group's interpretation of respective rights and obligations under the relevant franchise agreements and/or code of franchisee conduct. This may lead to disputes between the Enlarged Group and the franchisees, which the Enlarged Group expects to occur from time to time. To the extent the Enlarged Group has disputes with one or a number of franchisees, who may be able to exercise a degree of influence over the Enlarged Group's business and pressurise the Enlarged Group to resolve the disputes in their favour, this could have a material adverse effect on the Enlarged Group's profitability, results of operations and/or cash flows. Any such disputes would also have the effect of diverting the attention of the Enlarged Group's management from their normal business and potentially unsettle the network of franchisees if details of the dispute were to be released.

The Enlarged Group and its franchisees are subject to a variety of litigation risks, including, but not limited to personal injury claims, vicarious liability claims, litigation with or involving franchisees and intellectual property claims, amongst others. Each of these claims may increase costs, reduce the roll-out of new franchise sites and affect the scope and terms of insurance or indemnifications the Enlarged Group and its franchisees may have. In addition, the Enlarged Group and its franchisees are subject to various regulatory regimes, changes to which may impose greater costs and regulatory burdens on both the Enlarged Group and franchisees, and negatively affect the Enlarged Group's ability to establish new franchise sites. Despite the terms of the franchise agreements, there is also a risk that the Enlarged Group could be determined to have vicarious liability for acts or omissions by its franchisees in some jurisdictions in which it operates.

The Enlarged Group historically found that, as a new enterprise with a lower business profile, franchised branches were not always successful. A range of factors contribute to a branch closure including a lack of local consumer purchasing power and experience of the franchisee. The Enlarged Group now has more experience of selecting quality franchisees and a better understanding of the criteria applicable to a successful branch location. However, there is a risk that franchised branches opened recently which have yet to be established as successful, sustainable branches may close in the near to medium term in the event that the franchisee does not view the franchised branch as an attractive business opportunity. As independent business operators, it is possible that franchisees may become insolvent which could have a substantial negative impact on the Enlarged Group's ability to collect payments due under such franchisee's franchise agreement(s). On insolvency, any liquidator may reject the Enlarged Group's claim to royalty payments pursuant to franchise agreement(s) in which case there would be no further royalty payments from such franchisee, and the Enlarged Group may not ultimately recover those payments in insolvency proceedings in respect of such franchisee.

As some of the Enlarged Group's franchise agreements are with operating entities (as opposed to holding companies) they are subject to business, credit, financial and other risks, which may be unrelated to the operation of their branch(es). These unrelated risks could materially and adversely affect a franchisee and its ability to service its sub-franchisees while making royalty payments, which in turn may materially and adversely affect our business and operating results.

Infringement or misappropriation of the Enlarged Group's brands

A key part of the Enlarged Group's value is in the development of its brands and its intellectual property including its Boom Battle Bars and Escape Hunt brands. Any damage to the brands or inability to protect the Enlarged Group's intellectual property could have a material adverse effect on the business of the Enlarged Group.

The success of any expansion into new jurisdictions cannot be guaranteed

The needs, expectations and preferences of consumers in new markets may not be aligned to the experiences offered by the Enlarged Group and there can be no guarantee that the strategy employed by the Enlarged Group will be fulfilled in all of its target markets.

The Enlarged Group's trademarks cannot necessarily be protected and/or renewed in all overseas territories due to localised regulation which sometimes requires a business to have operations in that territory before a trademark can be protected and/or renewed.

Foreign currency exchange rate fluctuations

The Enlarged Group is not subject to currency fluctuations at a local level because supplier and customer receipts are in local currency. However, the consolidated accounts of the Enlarged Group are reported in Pounds Sterling and therefore the Enlarged Group is directly exposed to exchange rate fluctuations on the translation of its local results into Pounds Sterling. Further adverse exchange rate fluctuations may negatively impact upon the Enlarged Group's translation of its local results into Pounds Sterling.

Regulation and reliance on licences, permits and approvals

Certain of the Enlarged Group's existing, and future bars is, or will need to be, licensed to permit, among other things, the sale of alcoholic drinks. Difficulties or failures in obtaining or maintaining required licences or approvals could delay or prohibit the operation of the Enlarged Group's bars. If any of the Enlarged Group's licences were withdrawn or amended, the profitability of the affected bars would be adversely affected and this, in turn, may have an adverse effect on the Enlarged Group's operating results, financial condition and prospects. The licensing requirements which affect the Enlarged Group's bars are subject to change, and additional or more stringent requirements may be imposed on the Enlarged Group's operations in the future, which could have an adverse effect on the Enlarged Group's operating results, financial condition and prospects.

The Enlarged Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Directors believe that the Enlarged Group has appropriate policies and procedures in place, if the applicable regulations change, then the Enlarged Group may need to adapt at either an individual site or corporate level, which may require additional expenditure. Changes to fire safety regulations, or the interpretation or implementation of these regulations at a local level, could involve a variation in the authorised capacity of the Enlarged Group's sites. Furthermore, in order to ensure that the Enlarged Group's sites remain fully compliant with legislative requirements there will always be the need to adequately maintain its premises, not only generally but if an *ad hoc* issue arises, which will require capital expenditure.

The Enlarged Group's sites are subject to other laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, sanitation and data protection.

If additional or more stringent requirements were to be imposed in the future, it would increase this burden, which could adversely affect the Enlarged Group's operating results (as a result of increased costs or lower revenues) and, in turn, adversely affect the Enlarged Group's financial condition and prospects. If the Enlarged Group were unable to comply with additional regulatory requirements, or compliance became uneconomic, the Enlarged Group may need to change its operations, and such changes may adversely affect the Enlarged Group's financial performance.

The Enlarged Group could be subject to material fines and claims related to health and safety risks at its sites

Use of the Enlarged Group's escape rooms and bars, pose potential health and safety risks, including serious injury or death, to customers, employees and third party contractors. The Enlarged Group may be subject to material claims asserted against it for any injury or death suffered by someone using its facilities or services, during or outside of normal staffing hours. The Enlarged Group might not be able to successfully defend such claims and it may be liable for fines, damages and costs in excess of, or outside the scope of, its insurance coverage. Even with adequate insurance, such claims may cause significant damage to the Enlarged Group's reputation and may have a material impact on its ability to attract or retain customers. Any such fines or claims may have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

Insurance

The Enlarged Group's portfolio of sites could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Should an uninsured loss or a loss in excess of insured limits occur, the Enlarged Group could lose its capital invested in the affected site as well as anticipated future revenue from

that property. Material uninsured losses could have a material adverse effect on the Enlarged Group's results from operations, financial condition and/or business prospects.

Changes in taxation, statutory charges and compliance costs

As a licensed retailer and employer of a large number of employees, the Enlarged Group is subject to a number of tax and duties levied by the Government. The Enlarged Group's operating and other expenses could increase, without a corresponding rise in revenues, as a result of increases in taxation arising from changes in taxation policies and/or other statutory charges (including, without limitation, increases in business rates across the Enlarged Group's estate or reductions in capital allowance rates). The Enlarged Group's financial results may also be adversely affected by other changes in laws, regulations or government policies that lead to increased costs of compliance.

Reliance on key contracts and business relationships

The Enlarged Group's business is dependent on its ability to establish and maintain arrangements with suitable franchisees that adhere to the Enlarged Group's business model and strategy and successfully promote the Escape Hunt brand. Some of these franchisees operate a large number of the Enlarged Group's sites and are material to the Enlarged Group's business. There is a risk that such material franchisees may exert a potential degree of influence over the Enlarged Group and could put pressure on the Enlarged Group to change or abandon certain policies and procedures. There is also a risk that material franchisees may deviate from the Enlarged Group's established business model and guidelines. Any deviation by a material franchisee could have an adverse effect on the overall success of the Enlarged Group's operations and could impact on the financial condition and future prospects of the Enlarged Group.

The Enlarged Group has the right to terminate the franchise agreement with a franchisee who fails to comply with prescribed specifications, standards, operating procedures or rules. A termination of the franchise agreement for such reasons could adversely impact on the reputation of the Enlarged Group and on the revenue and profitability of the Enlarged Group's business.

In addition, where the Enlarged Group has expanded into new territories, there have been instances of the franchise agreements not complying in all respects with the relevant local laws and regulations and there has been a risk that the relevant franchise agreements are unenforceable. Rectification is dependent on the agreement of the franchisee concerned. In addition to the time and expense in rectifying these issues, in a worst-case scenario a franchisee may attempt to terminate its agreement without notice, claim damages and, if it were to successfully argue that the agreement was not enforceable, establish a new experiential business under a different brand free from any restrictive covenants contained in its franchise agreement with the Enlarged Group. If a franchisee were to attempt to terminate its agreement and set up in competition, the franchisee would need to establish a new branch, under a different brand and install new infrastructure and games to operate the branch. The Directors believe that the strength of the Enlarged Group's brands means that, should such a scenario arise, it would be well-placed to recruit an alternative franchisee in the relevant location who would have available to it the Enlarged Group's brands, infrastructure and game room design ready-to use in the new branch.

If franchisees do not renew their expired franchise agreements and the Enlarged Group cannot find suitable replacement franchisees, there would be a reduction in open sites which would have an adverse effect on the financial performance and future prospects of the Enlarged Group.

The Enlarged Group has established relationships with a number of suppliers which are important in the design, manufacture, supply and installation of games. Games are designed by the Company and the intellectual property associated with the games is owned by the Company. A failure by one or more of these suppliers to perform in accordance with the terms of engagement with the Enlarged Group could lead to an increase in the costs of manufacturing and installing games and/or to delays in opening new sites and the installation of new games and have an adverse effect on the financial performance and prospects of the Enlarged Group. The Enlarged Group maintains relationships with a number of suppliers in an effort to avoid over dependence on a single supplier. However, replacing a supplier could lead to an increase in costs and/or delays which could have an adverse effect on the financial performance and prospects of the Enlarged Group.

Financial resources

The Directors consider that the net funds receivable by the Enlarged Group through the Fundraising will be sufficient for its present plans, and that the working capital available to the Enlarged Group (taking into account the net proceeds of the Fundraising) is sufficient for its present requirements, that is for at least twelve months from the date of Admission. The Enlarged Group's future capital requirements will, however, depend on many factors, including: the impact of COVID-19, its ability to open new owner-operated and franchised sites, expand its sales, cash flow and control costs. In future, the Enlarged Group may require, and may attempt to raise, additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may require restrictions to be placed on the Enlarged Group's future financing and operating activities, and would carry the cost of interest. The Enlarged Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Enlarged Group or investor sentiment (whether towards the Enlarged Group, in particular, or towards the market sector in which the Enlarged Group operates) are unfavourable. The Enlarged Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation which could have a material adverse impact on the Enlarged Group's business, results of operations and financial performance and could have an adverse effect on the Company's share price.

Health and safety regulation

The Enlarged Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Enlarged Group believes it has appropriate policies and procedures in place, these may need to be adapted to reflect revised operating procedures following the re-opening of the Enlarged Group's sites following their enforced closure as a result of the COVID-19 pandemic. This may require additional expenditure. Furthermore, in order to ensure the Enlarged Group's sites remain fully compliant with legislative requirements, there will always be the need to maintain premises, not only generally, but if an *ad hoc* issue arises, which again will require capital expenditure.

Recruitment and retention of key employees

The Enlarged Group's future success is highly dependent on the expertise and continued services of certain key executives and employees, including the executive Directors. Recruiting, retaining and incentivising suitably qualified personnel will be important to the Enlarged Group's success. Although the Enlarged Group enters into employment arrangements with each of its key employees to secure their services, it cannot guarantee the recruitment and retention of such key executives and employees. As a result, the loss of service of any of the Enlarged Group's key personnel may adversely affect the Enlarged Group's business, its results of operations and financial condition.

Complaints or litigation from customers, landlords, local authorities and/or third parties

The Enlarged Group could be the subject of complaints or litigation from individuals or groups of customers and/or class actions alleging illness or injury or raising other health or operational concerns, and from other third parties in relation to nuisance and negligence. It may also incur additional liabilities as a leasehold property owner (including environmental liability). If the Enlarged Group were to be found liable in respect of any complaint or litigation, this could adversely affect the Enlarged Group's results or operations and could also adversely affect the Enlarged Group's reputation.

Financial controls and internal reporting procedures

The Enlarged Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail, the Enlarged Group may be unable to produce financial statements accurately or on a timely basis or expose the Enlarged Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Enlarged Group has in place could adversely affect the Company's share price.

Taxation and legislative changes

This document has been prepared on the basis of current legislation, regulation, rules and practices in the UK and the Directors' interpretation thereof. Such interpretation may not be correct and

legislation, regulation, rules and practice may change, possibly with retrospective effect. The taxation of an investment in the Company depends on the individual circumstances of Shareholders. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Any change in legislation, regulation, rules or practice may have an adverse effect on the returns available on an investment in the Company.

Increases in operating and other expenses

The Enlarged Group's operating and other expenses could increase without a corresponding increase in revenues. Factors which could increase operating and other expenses include:

- increases in the rate of inflation;
- increases in taxes and other statutory charges;
- changes in laws, regulations or government policies and the increased costs of compliance with them;
- laws, regulations or policies;
- significant increases in insurance premiums;
- unforeseen capital expenditure arising as a result of defects affecting the Enlarged Group's properties which need to be rectified or failure to perform by sub-contractors;
- increases in borrowing costs; and
- increase in national minimum wage.

Privacy or data protection failures and fraudulent activity

The Enlarged Group is subject to regulation regarding its use of personal customer data. These regulations include, but are not limited to, the UK's Data Protection Act 2018, the "UK GDPR" as that term is defined in that Act and other applicable legislation.

The Enlarged Group processes (and also requests third parties to do so on its behalf) customer data as part of its business, some of which may be personal data. The Enlarged Group therefore must comply with the applicable data protection and privacy laws and regulations. These laws restrict the Enlarged Group's ability to collect and use personal information relating to customers and potential customers, including the use of that information for marketing purposes. Further, there can be no assurance that the Enlarged Group's systems will be effective in preventing cyber security related incidents.

The Enlarged Group uses customer email addresses for marketing purposes. Under applicable regulations, this typically requires consent in a form that meets the requirements of the GDPR, and such consents may not have been obtained by the Enlarged Group in the required form and/or in all cases. The Enlarged Group is conducting a review to monitor ongoing compliance of its marketing processes in light of the GDPR and other data protection regulation. Therefore, there is a risk that this review may identify instances where the Enlarged Group's use of customer email addresses for marketing purposes has involved a breach of the GDPR and/or PECR. Breach of these rules can lead to third party liability, regulatory action or a fine of up to the greater of four per cent. of turnover or €20 million, as well as adverse publicity, any of which could have a material adverse effect on the Enlarged Group's prospects. Further, there can be no assurance that future compliance with the relevant regulations and the absence of required consents will not curtail the Enlarged Group's ability to conduct marketing activities to its customer base, which could also adversely affect the Enlarged Group's business and prospects.

The Enlarged Group is also exposed to the risk that personal data could be wrongfully appropriated, lost or disclosed, stolen or processed and that it may be in breach of applicable data protection and privacy laws and regulations. If the Enlarged Group or any of the third party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Enlarged Group could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. This could result in liability to data subjects, regulatory action and/or a fine of up to four per cent. of global turnover or, if greater, €20 million. The Enlarged Group could also be subject to various forms of fraudulent activity if it does not have

appropriate cyber security protections. The Enlarged Group is also subject to a number of requirements relating to the processing of credit card data, and there can be no assurance that these requirements have always been met. Any violations may result in the Enlarged Group incurring liabilities to, for example, card scheme providers, which may have an adverse effect on the Enlarged Group's financial position, business and prospects.

Any of the events referred to above could also result in the loss of the goodwill of its customers, damage to reputation and deter new customers which could have a material adverse effect on the Enlarged Group's business, financial condition, results of operation and prospects.

Force Majeure

The Enlarged Group's operations now or in the future may be adversely affected by risks outside the control of the Enlarged Group such as labour unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, including the COVID-19 outbreak, or quarantine restrictions.

Risks relating to an investment in the Ordinary Shares

Investment in AIM securities

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company and the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Dilution of ownership of Ordinary Shares

The proportionate ownership and voting interest in the Company of Shareholders (who are not Placees) will be reduced pursuant to the Placing, the Subscription and Acquisition. In addition, to the extent that Shareholders (who are not Placees) do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission of the New Ordinary Shares, be reduced accordingly. Shareholders with registered addresses in, or who are resident or located in Open Offer Restricted Jurisdictions will not be able to participate in the Open Offer.

Expiry of lock-in arrangements

Subject to, or following the expiry of any undertakings given pursuant to the Lock-in Agreement, which are summarised in Part 1 of this document, MFT Capital could sell a substantial number of Ordinary Shares in the public market following Admission. Such sales, or the perception that such sales could occur, may materially adversely affect the market price of the Ordinary Shares. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate and could also impede the Enlarged Group's ability to issue equity securities in the future should it need to.

Dividends

There can be no assurance as to the level of future dividends payable by the Company, if any. Subject to compliance with the 2006 Act, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, *inter alia*, the Enlarged Group's earnings, financial position, cash requirements, availability of profits and the Enlarged Group's ability to access, and repatriate within the Group, or, if the Acquisition completes, the Enlarged Group. In addition, the Company is reliant on receiving dividends from its subsidiaries in

order to generate future distributable reserves and to enable it to pay dividends. The Enlarged Group can give no assurance that it will be able to pay a dividend on its Ordinary Shares in the future.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Enlarged Group may do business;
- foreign currency exchange fluctuations and the denominations in which the Enlarged Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Enlarged Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programmes applicable to the Enlarged Group's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Enlarged Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Enlarged Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Future capital raisings may not be successful

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Enlarged Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Enlarged Group's business, the Company's share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the Company's share price and trading volume to decline.

Valuation of shares

The Issue Price has been determined by the Board and may not relate to the Enlarged Group's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Enlarged Group may change, potentially affecting the value of investors' holdings and the ability of the Enlarged Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Suitability

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA or under FSMA, (or, if outside the UK, another appropriate regulatory body) before making their decision.

THE SPECIFIC AND GENERAL RISK FACTORS DETAILED ABOVE DO NOT INCLUDE THOSE RISKS ASSOCIATED WITH THE ENLARGED GROUP WHICH ARE UNKNOWN TO THE DIRECTORS.

ALTHOUGH THE BOARD WILL SEEK TO MINIMISE THE IMPACT OF THE RISK FACTORS, INVESTMENT IN THE COMPANY SHOULD ONLY BE MADE BY INVESTORS ABLE TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT. INVESTORS ARE STRONGLY RECOMMENDED TO CONSULT AN INVESTMENT ADVISER AUTHORISED UNDER FSMA WHO SPECIALISES IN INVESTMENTS OF THIS NATURE BEFORE MAKING ANY DECISION TO INVEST.

PART 3

DETAILS OF THE OPEN OFFER

SECTION A: TERMS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, also in the Application Form), the Company hereby invites Qualifying Shareholders to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

1 Open Offer Share for every 12 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held.

Qualifying Shareholders are also being given the opportunity, provided they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility, further details of which are set out below.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility. Qualifying Shareholders should be aware that the Open Offer is not a rights issue.

Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

Excess Application Facility

The Excess Application Facility enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement as at the Record Date.

However, applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

In any event, applications will be rejected if to the best of the Directors' knowledge, acceptance would result in the Qualifying Shareholder, together with those acting in concert with him for the purposes of the City Code on Takeovers and Mergers, holding more than 29.9 per cent of the Ordinary Shares in issue immediately following Admission.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 2 of this Part 3 for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. The

Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Open Offer Entitlements and Excess Open Offer Entitlements in CREST. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 1(vi) of this Part 3.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of Qualifying CREST Shareholders. Qualifying CREST Shareholders who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

1. If you have an Application Form in respect of your Open Offer Entitlements

(i) General

Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name at the close of business on the Record Date in Box 1. It also shows the Basic Entitlement allocated to you set out in Box 2. Box 3 shows how much you would need to pay to take up your Basic Entitlement in full. You may apply for less than your entitlement should you wish to do so. Basic Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.

(ii) Market Claims

Applications may only be made on the Application Form, and may only be made by the Qualifying Shareholder named in it, or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 8.00 a.m. on 4 November 2021 (an “**Applicant**”).

Application Forms may be split up to 3.00 p.m. on 17 November 2021.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Shares prior to 8.00 a.m. on 4 November 2021, being the time and date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 9 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into an Open Offer Restricted Jurisdiction or to US persons.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2 below.

(iii) Application Procedures

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (whether in respect of all or part of your Basic Entitlement or under the Excess Application Facility), you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive **no later than 11.00 a.m. on 19 November 2021**. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer.

Please note that Equiniti Limited cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up some or all of your Open Offer Entitlements. If any Application Form is sent by first-class post within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 19 November 2021 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(iv) Payments

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Equiniti Limited re Escape Hunt plc Open Offer" and crossed "A/C payee only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the Shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 23 November 2021 or such later time and date as the Company shall agree, (being no later than 8.00 a.m. on 30 November 2021), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(v) Incorrect sums

If an Application Form encloses a payment for an incorrect sum, the Company (through the Receiving Agent) reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or

- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate client account.

(vi) The Excess Application Facility

Provided that the Applicant chooses to take up their Basic Entitlement in full, the Excess Application Facility enables him to apply for Excess Shares. Applicants who wish to do so should complete Boxes 4 (which must be the same number of New Ordinary Shares in Box 2) 5, 6 and 7 and then sign and date the Application Form together with a pounds sterling cheque or bankers draft (written in black ink), for the sum inserted in Box 7.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications will be met in full or in part or at all. Each Applicant who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Applicant multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the Applicant's sole risk.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. The Receiving Agent can be contacted on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 371 384 2050. 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 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(vii) Effect of an application

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- i) agree that if no number is inserted on Box 4 or Box 6 of the Application Form (or if a number is inserted in Box 4 or Box 6 which is inconsistent with the amount of the remittance accompanying the Application Form and shown in Box 7), that you shall be deemed to have applied for the lesser of (a) the maximum number of new Ordinary Shares you can apply for and (b) such number of new Ordinary Shares at 30 pence per new Ordinary Share as is covered by the remittance which accompanies the Application Form;
- ii) agree that in consideration of the Company agreeing to the application to subscribe for the aggregate number of new Ordinary Shares stated in Box 4 or Box 6 or as otherwise calculated as set out in the Application Form and subject to the terms and conditions of the Open Offer set out in the Application Form and in this Part 3, you undertake that the application shall be irrevocable (save for any statutory rights of withdrawal under FSMA) and agree that the completion and return of the Application Form with its accompanying remittance shall constitute a conditional contract between you and the Company which

shall become binding upon receipt by Equiniti Limited of the Application Form and the accompanying remittance and the Open Offer becoming or being declared unconditional in all respects. You acknowledge that the Company reserves the right to treat any application not strictly complying with the terms and conditions of the Application Form and this Part 3 as nevertheless valid. You acknowledge that the Company reserves the right, but shall not be obliged, to reject any acceptance or purported acceptance of the Open Offer in the circumstances described in this Part 3;

- iii) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form and subject to the Articles;
- iv) request and authorise the Company or its agents to send to you a definitive certificate in respect of the new Ordinary Shares (reflecting the effects of the Open Offer) for which the application is accepted by post at your own risk to the first address shown on page 1 of the Application Form or to the agent whose name appears in Box 12 of the Application Form and to procure your name be placed on the register of members of the Company as holder(s) of the said new Ordinary Shares. You acknowledge that pending despatch of definitive certificates, transfers of the new Ordinary Shares will be certified against the register of members of the Company;
- v) acknowledge that due completion of the Application Form accompanied by a pounds sterling cheque or bankers' draft constitutes a representation and warranty that the cheque or bankers' draft will be honoured on first presentation and that this shall constitute a fundamental term of the application and the Open Offer and, without prejudice to the Company's right to require payment, that this application may be deemed invalid if such cheque or bankers' draft is not so honoured. You acknowledge that the Company reserves the right to instruct Equiniti Limited to seek special clearance of cheques to allow the Company to obtain value for remittance at the earliest opportunity;
- vi) authorise the Company and/or its agents to present any sterling cheque or bankers' draft enclosed with the Application Form on receipt and to withhold definitive share certificates pending clearance thereof. In the event that any of the conditions of the Open Offer set out in this Part 3 are not fulfilled by 8.00 a.m. on 23 November 2021 (or such later date as the Company may decide), or where you have elected to apply for additional Ordinary Shares under the Excess Application Facility, some or all of such application is not fulfilled, you authorise the Company or its agents to return all application monies (or such part as relates to the additional Ordinary Shares not so fulfilled) without payment of interest (at your risk) either as a cheque by first class post to the address set out on the Application Form or to the agent whose name appears in Box 12 of the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn;
- vii) acknowledge that in order to ensure compliance with the Money Laundering Regulations, Equiniti Limited may, in its absolute discretion, require verification of identity from any person lodging the Application Form. You agree that pending such verification, the Application Form may be dealt with in accordance with, and you will comply with, the provisions set out in this Part 3. You agree that on request by Equiniti Limited, you will disclose promptly in writing to it satisfactory evidence of your identity and do all other acts and things as may reasonably be required so as to comply with such regulations. You agree for Equiniti Limited to make a search using a credit reference agency for the purpose of confirming such identity, where deemed necessary. A record of the search will be retained. You agree that any monies returnable to them and any certificate for new Ordinary Shares issuable to them may be retained pending clearance of their remittance and any verification of identity by the Money Laundering Regulations and that such monies will not bear interest and that, failing such clearance or verification of identity within the period referred to in this document, the Application may be rejected;
- viii) acknowledge that the Company may amend dates and times in relation to the Application Form and the Open Offer;

- ix) represent and warrant to the Company and Shore Capital that you are not, nor are you applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and you are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that you are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- x) represent and warrant to the Company and Shore Capital that, except where the extension or availability of the Open Offer would not breach any applicable laws or regulations you have not received from or sent copies of the Application Form into any Open Offer Restricted Jurisdiction and you have not otherwise utilised in connection with the Open Offer, directly or indirectly, the mail or any other means of instrumentality of interstate or foreign commerce or any facilities of a national securities exchange in the United States, any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, New Zealand, South Africa or any other Open Offer Restricted Jurisdiction. You further acknowledge that, subject to certain exceptions set out in this document, no application will be treated as valid which is received in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been dispatched in or from the United States, any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other Open Offer Restricted Jurisdiction and the Company reserves the right to treat an Application Form as invalid if it believes the making of such an application may violate any legal or regulatory requirements in any jurisdiction;
- xi) represent and warrant to the Company and Shore Capital that you are not in the United States, nor are you applying for the account of any person who is located in the United States, unless (a) the instruction to apply was received from a person outside the United States and (b) the person giving such instruction has confirmed that it has the authority to give such instruction and either (y) has investment discretion over such account or (z) is an investment manager or investment company that, in the case of each of (y) and (z), is applying for the new Ordinary Shares in an “offshore transaction” within the meaning of Regulation S; and (ii) you are not applying for the new Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any new Ordinary Shares into the United States;
- xii) represent and warrant to the Company and Shore Capital that you are not in breach of the provisions of note 1 under “Instructions for Transfer and Splitting” on page 2 of the Application Form;
- xiii) represent and warrant to the Company and Shore Capital that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- xiv) confirm to the Company and Shore Capital that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not

so contained and further agrees that, having had the opportunity to read this document, you will be deemed to have had notice of all the information in relation to the Company contained in this document;

- xv) represent and warrant to the Company and Shore Capital that you have the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- xvi) confirms to the Company and Shore Capital that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company, the Broker and the Nominated Adviser;
- xvii) agree with the Company and Shore Capital that all applications, and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- xviii) represent and warrant to the Company and Shore Capital that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- xix) represent and warrant to the Company and Shore Capital that, if you have received some or all of his Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- xx) confirm that in making the application you are not relying and has not relied on Shore Capital or any person affiliated with Shore Capital, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying Non-CREST Shareholders under the Open Offer should be addressed to the Receiving Agent, telephone number 0371 384 2050 or, if calling from outside the United Kingdom, on +44 371 384 2050. 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 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2. If you have Open Offer Entitlements credited to your stock account in CREST

(a) General

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the number of Open Offer Shares for which he is entitled to apply under his basic entitlement under the Open Offer, together with a credit of Excess Entitlements equal to ten times their balance of Existing Shares on the Record Date.

Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than their Excess Entitlements they have been credited with then they should contact the Shareholder helpline on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 371 384 2050. 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 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training

purposes. To request an increased credit, ensuring to leave sufficient time for the additional Excess Entitlement credits to be credited to their account and for an application to be made in respect of those entitlements before the application deadline. Basic Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Open Offer and Excess Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m., or such later time as the Company may decide, on 5 November 2021, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Fundraisings identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly. Excess Open Offer Entitlements are not entitled to *bona fide* market claims. If you require Excess Open Offer Entitlements, you need to contact Equiniti as Receiving Agent, who will credit CREST accordingly.

(c) USE instructions

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to above.

(d) Content of USE instructions in respect of Basic Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements, which is GB00BMDV1220;

- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 2RA05;
- (vi) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is RA348001;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 19 November 2021;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 19 November 2021.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 23 November 2021 or such later time and date as the Company shall agree (being no later than 8.00 a.m. on 30 November 2021), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the Company's benefit.

(e) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim) provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 19 November 2021.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 16 November 2021, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 15 November 2021, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether

as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 19 November 2021.

Delivery of an Application Form with the CREST Deposit Form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member that it is not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing Entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member that it is not a citizen or resident of an Open Offer Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) Excess Application Facility

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess Entitlements may not be sold or otherwise transferred.

The CREST accounts of Qualifying CREST Shareholders will be credited with Excess Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

Excess Entitlements will not be subject to Euroclear's market claims process. Qualifying CREST Shareholders requiring Excess Entitlements are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. In this event, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess Entitlement, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The Receiving Agent can be contacted on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 371 384 2050. 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 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Each Qualifying Shareholder who has made a valid application for Excess Open Offer Shares under the Excess Application Facility and from whom payment in full for Excess Open Offer Shares has been received will receive a refund in an amount equal to the number of Excess Open Offer Shares applied and paid for but not allocated multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(g) Content of USE instructions in respect of Excess Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which application is being made (and hence the number of the Open Offer Excess Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlements, which is GB00BMDV1337;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 2RA07;
- (vi) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is RA348002;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 19 November 2021;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST;
- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80. In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 19 November 2021.

(h) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 19 November 2021 will constitute a valid application under the Open Offer.

(i) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors 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 relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 19 November 2021.

In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) represent and warrant to the Company and Shore Capital he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) acknowledge that the Company may amend dates and times in relation to the Open Offer;
- (iv) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (v) agree with the Company and Shore Capital that all applications and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (vi) represent and warrant to the Company and Shore Capital that he is not in the United States, nor is he applying for the account of any person who is located in the United States, unless (a) the instruction to apply was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction and either (y) has investment discretion over such account or (z) is an investment manager or investment company that, in the case of each of (y) and (z), is applying for the new Ordinary Shares in an "offshore transaction" within the meaning of Regulation S; and (ii) he is not applying for the new Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any new Ordinary Shares into the United States;
- (vii) represent and warrant to the Company and Shore Capital that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction and he is not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this

application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (viii) represent and warrant to the Company and Shore Capital that, except where the extension or availability of the Open Offer would not breach any applicable laws or regulations he has not received from or sent copies of this Application Form into the United States, any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, the Republic of South Africa, New Zealand or any other Open Offer Restricted Jurisdiction and he has not otherwise utilised in connection with the Open Offer, directly or indirectly, the mail or any other means of instrumentality of interstate or foreign commerce or any facilities of a national securities exchange in the United States, any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, New Zealand, South Africa or any other Open Offer Restricted Jurisdiction. He further acknowledges that, subject to certain exceptions set out in this document, no application will be treated as valid which is received in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been dispatched in or from the United States, any member state of the European Economic Area (other than the United Kingdom), Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other Open Offer Restricted Jurisdiction and the Company reserves the right to treat an Application Form as invalid if it believes the making of such an application may violate any legal or regulatory requirements in any jurisdiction
- (ix) represent and warrant to the Company and Shore Capital that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (x) confirm to the Company and Shore Capital that in making such application he is not relying on any information in relation to the Company other than that contained in this document, and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained in this document;
- (xi) confirms to the Company and Shore Capital that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company, the Broker and the Nominated Adviser;
- (xii) represent and warrant to the Company and Shore Capital that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- (xiii) represent and warrant to the Company and Shore Capital that, if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- (xiv) confirm to the Company and Shore Capital that in making the application he is not relying and has not relied on Shore Capital or any person affiliated with Shore Capital, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(I) Company's discretion as to rejection and validity of applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this paragraph (I)(iii) the **"first instruction"**) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

3. Money Laundering Regulations

(a) Holders of Application Forms

If the value of an application for Open Offer Shares exceeds €15,000 (approximately £12,712 at the prevailing rate of exchange) (or is one of a series of linked applications, the aggregate value of which exceeds that amount), the verification of identity requirements of the Money Laundering Regulations will apply.

The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form including, without limitation, any person who appears to the Receiving Agent to be acting on behalf of some other person. Submission of an Application Form will constitute a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion retain an Application Form lodged by an Applicant for Open Offer Shares and/or the cheque, banker's draft or other remittance relating to it and/or not enter the Open Offer Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the Applicant to provide satisfactory evidence. In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

The Receiving Agent shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any Applicant and whether such requirements have been satisfied and neither of the Receiving Agent or the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

- (i) The Applicant should:
 - a. where payment is made otherwise than by the Applicant's own cheque, write the Applicant's name and address on the back of the building society cheque, banker's draft or other third party cheque and, in the case of an individual, record his/her date of birth against his/her name;
 - b. if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque or banker's draft the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add its stamp; and
 - c. enclose with his Application Form evidence of his name and address from an appropriate third party; for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the Applicant's name and address (originals of such documents (not copies) are required and will be returned in due course).
- (ii) If an application is delivered by hand, the Applicant should ensure that he has with him evidence of identity bearing his photograph (for example, a valid full passport) and separate evidence of his address.
- (iii) If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive ((EU)/2015/859), or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Austria, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation and evidence that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent.

In order to confirm the acceptability of any written assurances referred to above, or in any other case, the Applicant should contact the Receiving Agent on 0371 384 2050 or, if calling from outside the United Kingdom, on +44 371 384 2050. 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 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of

evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

4. Taxation

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

5. Overseas Shareholders

SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THERE IS NO OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM TO OBSERVE THIS RESTRICTION.

Subject to certain limited exceptions, Application Forms will not be sent to Overseas Shareholders who are in an Open Offer Restricted Jurisdiction nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in an Open Offer Restricted Jurisdiction or to US persons.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer which could lawfully be made to him or an Application Form which could lawfully be used without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any Open Offer Restricted Jurisdiction. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his agent or nominee, he must not seek to apply for his entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

(a) Representations and warranties relating to Overseas Shareholders

Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company Share Capital and the Receiving Agent that: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Receiving

Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Open Offer Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Open Offer Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 5(a).

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to the Company, Shore Capital and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

(b) Waiver

The provisions of this paragraph 5 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Shore Capital in their absolute discretion. Subject to this, the provisions of this paragraph 5 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 5 to "Shareholders" shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 5 shall apply to them jointly and to each of them.

The comments set out in this paragraph are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his eligibility to accept the offer of Open Offer Shares should consult his professional adviser immediately.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application or an Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for his entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described above in this Part 3.

6. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Open Offer Shares will commence at 8.00 a.m. on 23 November 2021.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 19 November 2021 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 23 November 2021). On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 23 November 2021). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post no later than 10 Business Days after the date of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form.

7. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

SECTION B: SOME QUESTIONS AND ANSWERS ON THE OPEN OFFER

The questions and answers set out in this Section B of Part 3 are intended to be in general terms only and, as such, you should read Section A of this Part 3 for full details of what action you should take in relation to the Open Offer. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Section B of Part 3 deals with general questions relating to the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are a Shareholder with a registered address, or are a citizen or resident of, or incorporated in an Open Offer Restricted Jurisdiction, you should read paragraph 5 of Section A of this Part 3. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read paragraph 2 of Section A of this Part 3 for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

What is a placing and an open offer?

A placing and an open offer are ways for companies to raise money. Companies may do this by giving their existing Shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and/or providing for specifically identified investors also to acquire a certain number of shares at a fixed price (a placing). The fixed price is normally at a discount to the market price of the existing ordinary shares on the business day prior to the announcement of the placing and/or the open offer.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 7,385,007 Open Offer Shares at a price of 30 pence per Ordinary Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Open Offer Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of:

1 Open Offer Share for every 12 Existing Ordinary Shares

held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Basic Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Am I eligible to participate in the Placing?

Unless you are a Placee, you will not be eligible to participate in the Placing.

I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?

If you have received an Application Form and, subject to certain exceptions, are a holder with a registered address and are resident or located in the United Kingdom, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares on or before 8.00 a.m. on 4 November 2021 (the Ex-entitlement Date for the Open Offer).

I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do have a registered address in and are resident or located in the United Kingdom, you should have been sent an Application Form with this document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located outside the United Kingdom, subject to certain exceptions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Basic Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four business days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

1. I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

(a) If you want to take up all of your Basic Entitlement?

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft (written in black ink) for the amount (as indicated in Box 3 of your Application Form), payable to "Equiniti Limited re Escape Hunt plc Open Offer" and crossed "A/C payee only", in the accompanying pre paid envelope or return by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to be received by the Receiving Agent **by no later than 11.00 a.m. on 19 November 2021**, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be made in pounds sterling and by cheque or banker's draft made payable to "Equiniti Limited re Escape Hunt plc Open Offer" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of

building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form. Post dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 10 Business Days after the date of Admission.

(b) If you want to take up some but not all of your Basic Entitlement?

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 4 of your Application Form; for example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write '50' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '50') by 30 pence, which is the price of each Open Offer Share (giving you an amount of £15 in this example). You should write this amount in Box 7, rounding down to the nearest whole pence, if required, and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form (ensuring that all joint holders sign (if applicable), together with a cheque or banker's draft for that amount, in the accompanying pre paid envelope or return by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to be received by the Receiving Agent **by no later than 11.00 a.m. on 19 November 2021**, after which time Application Forms will not be valid. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Equiniti Limited re Escape Hunt plc Open Offer" and crossed "A/C Payee Only". Cheques or banker's drafts (written in black ink) must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAP Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you at your own risk by no later than 10 Business Days after the date of Admission.

You should allow at least four business days for delivery if using first class post or the reply paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply paid envelope.

Full instructions are set out in Section A of this Part 3 and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 10 Business Days after the date of Admission.

(c) If you want to apply for more than your Basic Entitlement?

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 2 of the Application Form) in Box 4 and write the number of additional Open Offer Shares for which you would like to apply in Box 5. You should then add the totals in Boxes 4 and 5 and insert the total number of Open Offer Shares for which you would like to apply in Box 6. For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 100 Open Offer Shares in total, then you should write '50' in Box 4, '50' in Box 5 and '100' in Box 6. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '100') by 30 pence, which is the price of each Open Offer Share (giving you an amount of £30 pence in this example). You should write this amount in Box 7, rounding down to the nearest whole pence, if required. You should then return your Application Form (ensuring that all joint holders sign (if applicable) by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to be received by the Receiving Agent **by no later than 11.00 a.m. on 19 November 2021**, after which time Application Forms will not be valid. Within the United Kingdom only, you can use the reply paid envelope which is enclosed with the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Equiniti Limited re Escape Hunt plc Open Offer" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form. Post dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. You should allow at least four business days for delivery if using first class post or the reply paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply paid envelope. Full instructions are set out in Section A of this Part 3 and in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 10 Business Days after the date of Admission.

(d) If you do not want to take up your Open Offer Entitlement

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee and you do not take up any of your Open Offer Entitlement, then following the Fundraising, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder (who is not a Placee) subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of the Placing Shares pursuant to the Placing, the Subscription Shares pursuant to the Subscription and the issue of new Ordinary Shares upon conversion of any of the Convertible Loan Notes.

2. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Section A of this Part 3. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

3. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 4 November 2021 and who have converted them to certificated form; and
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 4 November 2021 (the Ex-entitlement Date for the Open Offer), but were not registered as the holders of those shares at the close of business on 2 November 2021 (the Record Date).

If you do not receive an Application Form, but think that you should have received one or you have lost your Application Form, please contact the Receiving Agent, Equiniti Limited, on 0371 384 2050 from within the UK or +44 371 384 2050 if calling from outside the UK. 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 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you buy or have bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

5. What if I change my mind?

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 2 of Section A of this Part 3.

6. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

7. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before the close of business on 2 November 2021, you should contact the buyer or the person/ company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sold any of your Existing Ordinary Shares on or after 8.00 a.m. on 4 November 2021, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

8. I hold my Existing Ordinary Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply paid envelope enclosed (from within the United Kingdom) so as to be received by the Receiving Agent by **no later than 11.00 a.m. on 19 November 2021**. You should allow at least four business days for delivery if using first class post or the reply paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The funds should be made payable to "Equiniti Limited re Escape Hunt plc Open Offer". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

9. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Basic Entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the issue of the Placing Shares, Subscription Shares and New Ordinary Shares upon conversion of any of the Convertible Loan Notes).

10. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies in the enclosed reply paid envelope (from within the United Kingdom) by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA so as to be received by **no later than 11.00 a.m. on 19 November 2021**. You should allow at least four business days for delivery if using first class post or the reply paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

- 11. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**
- The Receiving Agent must receive your completed Application Form and cheque or banker's draft (written in black ink) **by 11.00 a.m. on 19 November 2021**. You should allow at least four business days for delivery if using first class post or the reply paid envelope included with the Application Form, within the United Kingdom.
- 12. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**
- It is expected that the Registrars will post all Open Offer Share certificates by no later than 10 Business Days after the date of Admission.
- 13. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 1 on page 1 of the Application Form) is incorrect?**
- If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 8.00 a.m. on 4 November 2021 but were not registered as the holder of those shares on the Record Date for the Open Offer (6.00 p.m. on 2 November 2021), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 4 November 2021.
- 14. Will the Placing and Open Offer affect dividends (if any) on the Existing Ordinary Shares?**
- The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 15. Will I be taxed if I take up my entitlements?**
- Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.
- 16. What should I do if I live outside the United Kingdom?**
- Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are resident or located outside the United Kingdom are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 5 of Section A of this Part 3.
- 17. How do I transfer my entitlements into the CREST system?**
- If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 11 of the Application Form), and ensure they are delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 2 of Section A of this Part 3 for details on how to apply and pay for the Open Offer Shares.
- 18. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 3 of Section A of this Part 3)?**
- If you are a Qualifying non-CREST Shareholder, you may not need to follow these procedures if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with a United Kingdom or Channel Islands regulated bank or building

society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution. Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 3 of Section A of this Part 3 for a fuller description of the requirements of the Money Laundering Regulations.

DEFINITIONS

The following definitions apply throughout this document and the Application Form, unless the context otherwise requires:

“2006 Act”	the Companies Act 2006, as amended
“Acquisition”	the proposed acquisition by Escape Hunt of the Boom Battle Bars Group on the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement between (1) the Seller (2) Richard Beese (3) David White and (4) the Company dated 3 November 2021 relating to the Acquisition details of which are set out in Part 1 of this document
“Admission”	the admission of the Ordinary Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market of the London Stock Exchange plc known as AIM
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
“Announcement”	the announcement of the Proposals released by the Company on 3 November 2021
“Applicant”	a Qualifying Shareholder or a person by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer
“Application Form”	the application form relating to the Open Offer and enclosed with this document for use by Qualifying non-CREST Shareholders
“Articles”	the articles of association of the Company
“Basic Entitlement(s)”	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part 3 of this document
“Board”	the board of directors of the Company at any time
“Boom Battle Bars”	the business of Boom Battle Bars, as operated by the Boom Battle Bars Group as at the date of this document
“Boom Battle Bars Group”	BBB Franchise Limited, BBB UK Trading Limited and BBB Ventures Limited and BBB Ventures Limited’s Subsidiaries as at the date of this document
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
“certificated” or “in certificated form”	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
“Company” or “Escape Hunt”	Escape Hunt Plc, a company incorporated in England and Wales with registered number 10184316
“Completion”	completion of the Acquisition Agreement in accordance with its terms on Admission

“Consideration Shares”	up to 25,000,000 New Ordinary Shares to be issued fully paid to the Seller and as consideration for the Acquisition
“Convertible Loan Notes”	together, the loan notes issued pursuant to the John Story Convertible Loan Agreement and the HH VCT Convertible Loan Notes
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Directors”	the board of directors of the Company, whose names are set out in Part 1 of this document
“EIS”	Enterprise Investment Scheme
“EIS and VCT Placing Shares”	together, the EIS Placing Shares and the VCT Placing Shares
“EIS Placees”	the subscribers for the EIS Placing Shares pursuant to the EIS Placing
“EIS Placing”	the proposed placing and issue of the EIS Placing Shares with EIS Placees at the Issue Price pursuant to the Placing
“EIS Placing Shares”	those Placing Shares which are to be issued to EIS Placees as part of the EIS Placing
“Enlarged Group”	the Existing Group as enlarged by the Acquisition
“Enlarged Share Capital”	the issued share capital of the Company following the issue of the maximum number of Consideration Shares, the Placing Shares, the Subscription Shares and the Open Offer Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Growth Share Plan” or “EGSP”	the executive growth share plan, being an incentive scheme established by the Company in May 2017
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document

“Excess Entitlement(s)”	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part 3 of this document
“Excess Shares”	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 8.00 a.m. on 4 November 2021
“Existing Group”	Escape Hunt plc, and its Subsidiaries, as at the date of this document
“Existing Ordinary Shares”	the 88,620,091 Ordinary Shares in issue at the date of this document
“Existing Share Capital”	the issued ordinary share capital of the Company as at the date of this document being the Existing Ordinary Shares
“Expected Admission Date”	23 November 2021 or such later date (being no later than 30 November 2021) as the Company and Shore Capital may agree
“FCA”	the United Kingdom Financial Conduct Authority
“Flip Out”	the business of Flip Out, the UK’s largest trampoline operator by number of sites, with an existing portfolio of 28 trampoline and adventure parks
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together, the Placing, the Subscription and the Open Offer
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 22 November 2021 at which the Resolutions will be proposed, notice of which is set out at the end of this document
“HMRC”	Her Majesty’s Revenue & Customs
“ISIN”	International Securities Identification Number
“Issue Price”	30 pence per New Ordinary Share
“ITEPA”	Income Tax (Earnings and Pensions) Act 2003
“KK Advisory” or “KKA”	KK Advisory Ltd, which is incorporated as a private limited company in England and Wales with company number 11936988
“Lock in Agreements”	the lock-in agreement between the Company, Shore Capital, KK Advisory and MFT Capital
“London Stock Exchange”	London Stock Exchange Plc
“Long Stop Date”	30 November 2021
“MAR”	the Market Abuse Regulation (596/2014/EU) as implemented in the United Kingdom
“Member account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)

“New Ordinary Shares”	up to 82,385,007 new Ordinary Shares to be issued pursuant to the Fundraising and Acquisition (being the Consideration Shares, the Placing Shares, the Subscription Shares and the Open Offer Shares)
“Nominated Adviser”	Shore Capital and Corporate Limited
“Nomination Committee”	the nomination committee of the Board
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Open Offer”	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, where relevant, in the Application Form
“Open Offer Entitlements”	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Entitlement
“Open Offer Restricted Jurisdiction”	any jurisdiction other than the United Kingdom
“Open Offer Shares”	up to 7,385,007 New Ordinary Shares to be issued pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 1.25p each in the capital of the Company, ISIN no. GB00BDB79J29
“Overseas Shareholders”	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in Restricted Jurisdictions
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	any person who has agreed to subscribe for Placing Shares
“Placing”	the conditional placing by Shore Capital of the Placing Shares at the Issue Price, as described in this document
“Placing and Open Offer Agreement”	the agreement dated 3 November 2021 between the Company and Shore Capital, in connection with the Fundraising, details of which are set out in Part 1 of this document
“Placing Restricted Jurisdiction”	the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing would breach any applicable law
“Placing Shares”	the 49,250,000 new Ordinary Shares to be issued by the Company, pursuant to the Placing, including the VCT Placing Shares and EIS Placing Shares
“Proposals”	together, the Acquisition, the Placing, the Open Offer, the Subscription and other matters as set out in the Notice of General Meeting
“Prospectus Regulation”	the Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/ 71/ EC
“Prospectus Regulation Rules”	the Prospectus Rules made under section 73A of the Financial Services and Markets Act 2000 (as amended) in relation to offers of securities to the public and admission of securities to trading on a regulated market

“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares other than Shareholders with registered addresses, or who are citizens or residents of, or incorporated in an Open Offer Restricted Jurisdiction, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document
“Receiving Agent”	Equiniti Limited, the Company’s receiving agent
“Record Date”	6.00 p.m. on 2 November 2021
“Registrar”	Equiniti Limited, the Company’s registrar, which is incorporated as a private limited company in England and Wales with company number 06226088
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Regulatory Information Service” or “RIS”	shall have the same meaning as in the AIM Rules
“Remuneration Committee”	the remuneration committee of the Board
“Resolutions”	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
“Restricted Jurisdictions”	Open Offer Restricted Jurisdictions and Placing Restricted Jurisdictions
“Securities Act”	the United States Securities Act of 1933
“Seller” or “MFT Capital”	MFT Capital Ltd, with company number 11618864
“Shareholder”	a holder of Ordinary Shares
“Shore Capital”	Shore Capital and Corporate and/or Shore Capital Stockbrokers as appropriate
“Shore Capital and Corporate”	Shore Capital and Corporate Limited, the Company’s nominated adviser, which is incorporated as a private limited company in England and Wales with company number 02083043
“Shore Capital Stockbrokers” or “Broker”	Shore Capital Stockbrokers Limited, joint broker to the Company, which is incorporated as a private limited company in England and Wales with company number 01850105
“Subsidiary”	has the meaning given to it in section 1159 of the 2006 Act
“Subscription”	the proposed conditional subscription by certain of the Directors of the Subscription Shares at the Issue Price
“Subscription Shares”	the 750,000 new Ordinary Shares to be issued by the Company and subscribed for pursuant to the Subscription, conditional on Admission
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland, its territories and possessions

“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USE”	unmatched stock event
“VCT”	a venture capital trust as defined in the Income Tax Act 2007
“VCT Placees”	the subscribers for the VCT Placing Shares pursuant to the VCT Placing
“VCT Placing”	the proposed placing and issue of the VCT Placing Shares with VCT Placees at the Issue Price pursuant to the Placing and Open Offer Agreement
“VCT Placing Shares”	those Placing Shares to be issued to VCTs as part of the VCT Placing
“VCT Scheme”	Venture Capital Trust Scheme under the provisions of Part 6 of the Income Tax Act 2007

NOTICE OF GENERAL MEETING

ESCAPE HUNT PLC

(Registered in England No.10184316)

NOTICE OF GENERAL MEETING

(the “Company”)

The Company continues to monitor developments relating to the outbreak of Covid-19, including the related public health guidance and legislation issued by the UK Government. We are keen to welcome Shareholders in person to the General Meeting, particularly given the constraints we have all faced throughout 2020 and 2021 due to the Covid-19 pandemic. We therefore propose for the General Meeting to be held at the offices of Shore Capital at Cassini House, 57 St James’s Street, London, SW1 1LD at 10.00 a.m. on 22 November 2021. A Form of Proxy for use at the General Meeting is enclosed. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company’s registrars, Equiniti Limited, by no later than 10.00 a.m. on 18 November 2021. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a Shareholder must be entered in the register of members in order to have the right to attend and vote at the meeting is 6.30 p.m. on 18 November 2021.

At present, companies can hold physical General Meetings. It is therefore expected that a physical General Meeting will be held and it is the intention to welcome the maximum number of Shareholders we are able to within safety constraints and in accordance with currently applicable government guidelines. Currently, there are no legal restrictions on gatherings (including General Meetings) in England. On 14 July 2021, the Health Protection (Coronavirus, Restrictions) (Steps etc) (England) (Revocation and Amendment) Regulations 2021 (SI 2021/848) (“Revocation and Amendment Regulations”) were made, which came into effect at 11.55 p.m. on 18 July 2021. The effect of the Revocation and Amendments Regulations were that they revoked previous regulations that imposed lockdown restrictions and face covering requirements in England. They also had the effect of removing restrictions on all social contacts and gatherings in England, which includes General Meetings.

Despite these developments, we nonetheless sympathise that Shareholders may not feel comfortable attending the physical General Meeting that is being proposed. Therefore, whilst we encourage you to attend the physical meeting if you are able and willing to do so, we have enclosed a Form of Proxy for use at the General Meeting which appoints the Chair of the meeting as your proxy if you would prefer not to attend. Please see above for details on how to validly complete the Form of Proxy notice.

Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for Shareholders to attend the meeting, we will adopt contingency plans and notify Shareholders of the change via an RNS announcement as early as is possible before the date of the meeting. Any updates to the position will also be included on our website at www.escapehunt.com/investors/. Should we have to change the arrangements in this way, it is likely that we will not be in a position to accommodate Shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee Shareholders.

If tighter restrictions are introduced by the UK Government due to a change in the situation with the COVID-19 pandemic resulting in Shareholders no longer being able to attend the physical meeting or resulting in uncertainty as to whether Shareholders can attend in person, in such circumstances we would encourage all Shareholders to complete and return the accompanying Form of Proxy appointing the Chair of the meeting as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting. A proxy card is attached to this Notice and is also available on the Company’s website at www.escapehunt.com/investors/.

Please note the deadline for the receipt of proxies by our registrar, Equiniti Limited, is 10.00 a.m. on 18 November 2021. Proxy appointments should be submitted in accordance with the Notes to the General Meeting.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

The return of a completed proxy form will not prevent a member attending the General Meeting and voting in person if the member wishes to do so and attending the General Meeting in person is currently permitted under prevailing UK legislation.

Attendance at the meeting

Shareholders intending to attend the General Meeting are asked to register their intention as soon as practicable by emailing the Company Secretary at graham.bird@escapehunt.com. Rules around capacity at the venue and changes in health and safety requirements may mean Shareholders cannot ultimately attend the meeting, although at the time of writing there are no legal restrictions on gatherings (including General Meetings) in England.

NOTICE is hereby given that a General Meeting of Escape Hunt Plc (the “**Company**”) will be held at the offices of Shore Capital at Cassini House, 57 St James’s Street, London SW1 1LD at 10.00 a.m. on 22 November 2021 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 to 4 (inclusive) will be proposed as special resolutions (defined terms having the meanings given to them in the Company’s circular dated 4 November 2021 of which this notice forms part (“**Circular**”)):

ORDINARY RESOLUTION

- 1 **THAT**, subject to and conditional upon the passing of Resolution 2, in addition to any existing such authorities, for the purposes of section 551 of the Act the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub sections 551(1)(a) and 551(1)(b) respectively of the Act up to an aggregate nominal amount of:
 - 1.1 £312,500 pursuant to or in connection with the allotment of the Consideration Shares (as defined in the Circular);
 - 1.2 £615,625 pursuant to or in connection with the allotment of up to 49,250,000 new ordinary shares of 1.25 pence each in the capital of the Company to such persons as may be entitled in connection with the Placing;
 - 1.3 £92,313 pursuant to or in connection with the allotment of up to 7,385,007 new ordinary shares of 1.25 pence each in the capital of the Company to such persons as may be entitled in connection with the Open Offer; and
 - 1.4 £9,375 pursuant to or in connection with the allotment of up to 750,000 new ordinary shares of 1.25 pence in connection with the Subscription Shares (as defined in the Circular),

Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire at the conclusion of the next annual general meeting of the Company save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This authority is in addition to all existing authorities under section 551 of the Act.

SPECIAL RESOLUTIONS

- 2 **THAT**, subject to and conditional upon the passing of Resolution 1, in addition to any existing such authorities the Directors be and are hereby empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by Resolution 1, up to an aggregate nominal value of £1,029,813 as if sub section (1) of section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of:
- 2.1 up to 25,000,000 new ordinary shares of 1.25 pence each in the capital of the Company pursuant to the Acquisition;
 - 2.2 up to 49,250,000 new ordinary shares of 1.25 pence each in the capital of the Company pursuant to the Placing;
 - 2.3 up to 7,385,007 new ordinary shares of 1.25 pence each in the capital of the Company pursuant to the Open Offer; and
 - 2.4 up to 750,000 new ordinary shares of 1.25 pence each in the capital of the Company pursuant to the Subscription,

Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire at the conclusion of the next annual general meeting of the Company save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This power is in addition to all existing authorities under section 570 of the Act.

- 3 **THAT**, subject to and conditional upon the passing of Resolutions 1 and 2, the name of the Company be changed to XP Factory Plc.
- 4 **THAT**, subject to and conditional upon the passing of Resolutions 1 and 2, the following amendments be made to the Articles:
- 4.1 the definition of "Official List" be deleted;
 - 4.2 the definition of "UKLA" be deleted;
 - 4.3 the existing Article 33.2 be deleted;
 - 4.4 the existing Article 71.1(d) be deleted;
 - 4.5 the existing Articles 102.1 to 102.8 (inclusive) be deleted;
 - 4.6 the following new Definitions be inserted under Article 2.1

"Electronic Communication" has the meaning ascribed to the term **"electronic communication"** in the Electronic Transactions Act 2000 and includes, for the avoidance of doubt: (i) sending documents and other communications by e-mail (being a system for sending and receiving messages electronically over a computer network), (ii) in the case only of communications made by the Company to the members (and not, for the avoidance of doubt, communications made by the members to the Company, or the members to one another, subject to (iii) below), making documents and other communications available on a website (being a system for the conveyance of documents and other information over a computer network) (the **"Website"**) provided that the relevant member has consented (or is deemed to have consented) to the receipt of communications by such means in accordance with applicable law, and (iii) in the case of voting by members of the Company only, any system operated by the Company by electronic means in order to assist voting (including by proxy) whether on the Website or any other means specifically operated by the Company;

“present” means, for the purposes of physical general meetings, present in person, or, for the purposes of electronic general meetings, present by electronic means (and references to persons attending by electronic means is defined as attendance at electronic general meetings via the electronic platform(s) stated in the notice of such meeting);

“electronic general meeting” means an annual general meeting or other general meeting of members hosted on an electronic platform;

“electronic platform” includes, but is not limited to, website addresses and conference call systems;

4.7 the Definition of “Company” in Article 2.1 be amended to “XP Factory Plc”;

4.8 the following new Article be inserted under Article 44:

44A The Board shall determine whether an annual general meeting or general meeting is to be held as (i) an electronic general meeting, (ii) a physical meeting (with or without satellite meetings, as defined in Article 58.2) or (iii) an electronic general meeting in addition to a physical meeting (with or without satellite meetings).

4.9 the following new Article be inserted under Article 46.4:

46.5 The notice shall specify whether the general meeting shall be an electronic general meeting in addition to the physical meeting (and any satellite meeting) or on its own. The notice of general meeting (including any notice given by means of a website) shall specify the place, date and time of the physical meeting (and any satellite meetings, in each case if necessary) and the details of any electronic platform for the meeting. If the notice is made available by means of a website, it will be made available until the conclusion of the meeting. Any electronic platform may vary from time to time and from meeting to meeting as the board, in its sole discretion, sees fit.

4.10 the following new Article be inserted under Article 49:

49A Those members attending by electronic means and present at an electronic general meeting shall be counted in the quorum for, and entitled to vote at, the general meeting in question in addition to those members present at the general meeting and attending the physical meeting location (and any satellite meeting locations, in each case if available). The meeting shall be duly constituted and its proceedings valid if the chair of the general meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure that members attending the electronic general meeting who are not present together at the same place may, by electronic means, attend and speak and vote at it. Nothing in these articles prevents a general meeting being held both physically and electronically.

4.11 the following new Article be inserted under Article 56.2:

56.3 The Board and, at any electronic general meeting, the Chairman, may make any arrangement and impose any requirement or restriction as is:

- (a) necessary to ensure the identification of those taking part in the electronic general meeting and the security of the Electronic Communication; and
- (b) proportionate to those objectives.

In this respect, the Company is able to authorise any voting application, system or facility for electronic general meetings as it sees fit.

4.12 the following new Article be inserted under Article 52:

52A For the purposes of electronic general meetings, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on the electronic platform, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Companies Acts or these articles to be made available at the meeting.

4.13 the word “physical” be inserted after the words “two or more” in Article 58.1.

4 November 2021

BY ORDER OF THE BOARD

Graham Bird
Company Secretary
Escape Hunt Plc
Belmont House
Station Way
Crawley RH10 1JA

Notes of the Notice of General Meeting

Proxies

- 1 By law, a member entitled to attend, speak and vote at the above meeting may appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. The return of a completed proxy form will not prevent a member attending the General Meeting and voting in person if the member wishes to do so, and attending the General Meeting in person is currently permitted under prevailing UK legislation.
- 2 To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- 3 To be valid, any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post at the Company's Registrars, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrars in the enclosed business reply envelope addressed to Equiniti Limited. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 4 Completion and return of a Form of Proxy, any other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not preclude a member from attending and voting in person, should he or she subsequently decide to do so.

Record Date

- 5 Only the holders of ordinary shares entered on the register of members of the Company as at 6.30 p.m. on 18 November 2021 (or, in the event of any adjournment, 6.30 p.m. on the date which is two Business Days before the date of the adjourned meeting) shall be entitled to attend either in person or by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total Voting Rights

- 6 As at date of this document, the Company's issued share capital consists of 88,620,091 ordinary shares of 1.25 pence each, carrying one vote each. Therefore, the total voting rights in the Company are 88,620,091.

CREST Proxy Instructions

- 7 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 8 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("**Euroclear**") specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the

Company's agent, Equiniti Limited (ID RA19) by 10.00 a.m. on 18 November 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- 9 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 10 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001 (as amended).

Questions

- 11 Any Shareholder has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Information available on the Website

A copy of this notice and the information required to be published by section 311(A) of the 2006 Act can be found at <https://escapehunt.com/investors/>. Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

