

Escape Hunt plc

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

Trading Statement

Consumer demand for experiences continues to grow

Escape Hunt plc (AIM: ESC), a leader in the fast-growing escape rooms sector, is pleased to announce a trading update ahead of reporting its results for the year ended 31 December 2019 ("FY 19").

Trading

The Company is pleased to report that trading during the 12 months ended 31 December 2019 has shown continued growth, with a particularly strong Christmas period.

Owner-operated sites

- The owner-operated sites delivered unaudited revenue of £3.8m (FY18 - £1.1m), a material increase over the prior year.
- Escape Hunt's three most mature owner-operated sites (Birmingham, Bristol and Leeds), now each 22 months old, delivered a like for like sales increase of 34% in the final quarter of 2019.
- Across all eight established owner-operated sites, like for like sales increased by 70% in December. Five of these sites were opened in the final quarter of 2018 and hence benefitted from entering the final month of 2019 with a more mature market position.
- EBITDA from the owner-managed portfolio for the full year was ahead of management's expectations.
- During 2019 the number of active UK games rooms increased from 38 to 49.

Franchise estate

- The franchise estate delivered unaudited revenue of £1.0m which was in line with FY18.
- Overall performance was satisfactory, with EBITDA in line with management's expectations, albeit with a slight reduction in the number of active franchisees.
- Good progress has been made with the newly signed US franchise partner. The first game has been shipped and is due to be installed in Houston in the coming weeks. Management remains excited about the longer term prospects for the US franchise business and believes that, in time, the US business will deliver substantial growth.

New Sites

The Company opened a new site at Birmingham Resorts World in mid-December 2019. The site has made a strong start and has been trading ahead of management's expectations since launch. The new site also includes two virtual reality escape rooms, which are being tested ahead of a potential further roll-out at other sites.

Market challenges faced by retail landlords are protracting the time taken to complete commercial negotiations, causing the roll out of new sites to take longer than anticipated. However fit-out work is well underway at two more sites and Heads of Terms are agreed at a number of others, providing the Company with options to continue and manage the pace of further expansion.

There are however signs that this market pressure is easing and Escape Hunt is increasingly able to find sites on financially attractive terms.

Customer Satisfaction

Pleasingly, the owned sites continue to score very highly with external rating agencies. All eight principal sites are rated 5-star on TripAdvisor and all eight rank in the top 4 in the 'fun and games' category in their locations.

Full year numbers

Whilst applications both for R&D credits and a Scottish Enterprise grant have been lodged and are progressing, no income from these potential claims is being accrued in the accounts. Management had originally anticipated recognising a contribution from these sources in 2019.

Taking the absence of such credits into account, Escape Hunt expects that the underlying Group EBITDA for FY19 will be modestly ahead of management's expectations.

The Board looks forward to providing further details of the Company's performance and growth plans with the announcement of the Company's audited results for the year.

Comment from Richard Harpham, Escape Hunt's Chief Executive Officer:

"We are pleased with our progress in FY19. The performance of our owner-operated sites continues to give us confidence in the proposition and opportunity in the UK. The signing of the US franchise deal marked a significant step in accelerating the growth of our franchise business. Finally, we have made significant steps towards reducing the average unit build cost underpinning our confidence in the underlying returns profile for the business.

Our ambitious growth plans are centred on driving growth in our existing sites and expanding our footprint, which is underpinned by leveraging our market-leading brand. We remain excited by the significant opportunities ahead of us."

Enquiries

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About Escape Hunt plc

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