

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX, AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. PLEASE SEE THE IMPORTANT NOTICES WITHIN THIS ANNOUNCEMENT.

FURTHER, THIS ANNOUNCEMENT IS MADE FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR SOLICITATION TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE SHARES IN ESCAPE HUNT PLC IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION ("MAR"). UPON THE PUBLICATION OF THE ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

3 November 2021

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

**Proposed acquisition of Boom Battle Bars,
Proposed Placing, Subscription and Open Offer,
each at 30 pence per share,
and
Change of Name to XP Factory Plc**

Escape Hunt (AIM:ESC), a leading operator of escape rooms in the fast-growing experiential leisure sector, is pleased to announce: -

- the proposed acquisition of Boom Battle Bars 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 payable subject to an earn-out;
- a placing of new ordinary shares to raise £14.775 million for the Company at 30 pence per share (the "Issue Price") of which £9.88 million will be used to satisfy the cash element of the consideration payable for the proposed acquisition of Boom Battle Bars;
- a subscription of new ordinary shares to raise approximately £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.

Key Highlights

- Boom Battle Bars is a fast growing experiential leisure business combining competitive socialising activities with cocktails and street food and currently comprises 1 owner-operated venue and 5 franchised venues in the UK.
- Significant advanced pipeline of 21 sites, where 10 have already been signed, including 2 in build, and a further 11 sites which are expected to exchange within 30 – 90 days.
- Total pipeline of 39 sites includes a further 18 sites with outline terms agreed.
- The total pipeline includes £12.6 million of landlord contributions towards build, of which £7.6 million relates to the advanced pipeline.
- Within the advanced pipeline, proposed owner-operated sites include prime sites in London on Oxford Street and the O2 Arena.

- 18 franchisees have already signed agreements to take on franchise sites.
- Potential for co-location of Escape Hunt in several sites, with first co-located site at the Lakeside shopping centre in Thurrock already open
- The Acquisition is expected to be significantly earnings accretive and profitable in the first half of 2022.
- The total aggregate consideration payable for the Acquisition is £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.
- 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 number of Consideration Shares to be issued is subject to a sliding scale based on the extent to which the targets are met.
- The Company is seeking to raise £14.775 million net of expenses (including VAT) pursuant to the Placing through the issue of the Placing Shares at the Issue Price.
- The Company is also raising approximately £0.225 million net of expenses (including VAT) pursuant to the Subscription through the issue of the Subscription Shares at the Issue Price.
- The Company is making an Open Offer to Qualifying Shareholders to raise up to an additional £2.2 million (before expenses) at the Issue Price.
- Each Director, or an associate of each Director, has conditionally agreed to participate in the Fundraising. In aggregate, Directors' subscriptions total £485,000 (excluding the Open Offer).
- The Issue Price of 30 pence per New Ordinary Share 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 date of this announcement.
- The Company has been granted a two year exclusivity period by MFT Capital to acquire Flip Out, a family focused leisure entertainment business and the UK's largest trampoline operator, on pre-agreed terms.
- 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, the Directors 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.
- Proposed change of the Company's name to XP Factory Plc to reflect the changing nature of the Enlarged Group's business.
- Completion of the Fundraising is subject, *inter alia*, to shareholder approval to enable the issue of the New Ordinary Shares, which will be sought at a General Meeting of the Company expected to be held at 10.00 a.m. on 22 November 2021.
- Shore Capital Stockbrokers Limited is acting as broker in relation to the Placing and Shore Capital and Corporate Limited is acting as nominated adviser to the Company. KK Advisory Ltd is acting as placing agent.

Further information on the background to and reasons for the Acquisition and Fundraising is set out below. The Bookbuild must close and the Resolutions numbered 1 and 2 must be passed at the General Meeting in order for the Acquisition and the Fundraising to proceed.

If the Bookbuild does not close and/or Shareholders do not approve the Resolutions numbered 1 and 2, the Acquisition and the Fundraising cannot be implemented.

If the Acquisition does not proceed or cannot be implemented, the Company would be impeded in pursuing the strategy outlined for maximising stakeholder value.

Details of the Fundraising

Placing

The Placing will be conducted by way of an accelerated bookbuild process (the "Bookbuild") which will be launched immediately following the release of this announcement (the "Announcement"), in accordance with the terms and conditions set out in the Appendix to this Announcement (the "Appendix").

Escape Hunt has entered into a Placing and Open Offer Agreement with Shore Capital. Pursuant to the Placing and Open Offer Agreement, Shore Capital has agreed, in accordance with its terms, to use its respective reasonable endeavours to place the Placing Shares with certain new and existing institutional and other investors.

The final number of Placing Shares will be agreed by Escape Hunt and Shore Capital following the close of the Bookbuild, and the result of the Placing will be announced as soon as practicable thereafter. The timing for the close of the Bookbuild and allocation of the Placing Shares shall be at the discretion of Shore Capital in consultation with the Company. The Placing is not being underwritten.

By choosing to participate in the Placing and by making a verbal offer to acquire Placing Shares, investors will be deemed to have read and understood this announcement (including the Appendix) in its entirety and to be making such offer on the terms and subject to the conditions in this announcement, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Your attention is drawn to the detailed terms and conditions of the Placing set out in the Appendix to this announcement.

Unless otherwise indicated, capitalised terms in this Announcement have the meaning given to them in the Definitions section below.

Subscription

The Subscription comprises the issue of the Subscription Shares by the Company at the Issue Price. It is anticipated that the Subscription will raise approximately £0.225 million for the Company, before expenses.

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.

Open Offer

In addition, in order to provide Shareholders who do not take part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for Open Offer Shares, to raise up to a further £2.2 million (before expenses), on the basis of 1 Open Offer Share for every 12 Ordinary Shares held on the Record Date, at the Issue Price. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility. The Open Offer is not being underwritten.

General

The issue of the New Ordinary Shares is conditional, *inter alia*, on the passing of Resolutions numbered 1 and 2 at the General Meeting, which is expected to be convened for 10.00 am on 22 November 2021. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission of the Placing Shares, the Subscription Shares and the Open Offer Shares

is expected to become effective and dealings in such shares are expected to commence at 8.00 am on 23 November 2021.

The Placing Shares, the Subscription Shares and the Open Offer Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares.

The Appendix (which forms part of this Announcement) contains the detailed terms and conditions of the Placing.

The Circular containing further details of the Acquisition, Fundraising and convening the General Meeting and the accompanying Proxy Form and Application Form for Qualifying Non-CREST Shareholders is expected to be despatched to Shareholders on 4 November 2021 and will thereafter be available on the Company's website at <https://escapehunt.com/investors/>.

Richard Harpham, Chief Executive Officer of Escape Hunt, said:

"We are incredibly excited to be acquiring Boom Battle Bars, which is highly complementary to our existing Escape Hunt business. The acquisition allows us to capitalise on the growth in experiential leisure and competitive socialising, and significantly improves our ability to access the best property locations in a soft commercial property environment. There are material potential benefits from co-location of sites in the same venues, which will enhance our combined site economics, and the businesses enjoy a strong overlap in target customer, offering attractive cross marketing and brand awareness synergies. The advanced pipeline of sites provides a secure runway for growth for both brands and the Board believes the combination of the businesses will be able to exploit the market opportunity more effectively than either business on its own."

Enquiries:

Escape Hunt plc **+44 (0) 20 7846 3322**

<https://www.escapehunt.com/>

Richard Harpham (Chief Executive Officer)

Graham Bird (Chief Financial Officer)

Shore Capital, Nomad and Joint Broker **+44 (0) 20 7408 4050**

<https://www.shorecap.co.uk/>

Tom Griffiths (Corporate Advisory)

David Coaten (Corporate Advisory)

Zeus Capital Limited, Joint Broker **+44 (0) 20 3829 5000**

<https://www.zeuscapital.co.uk/>

Daniel Harris

KK Advisory Ltd, Placing Agent **+44 (0) 20 7039 1901**

www.kkadvisory.co.uk

Kam Bansil

IFC Advisory - Financial PR **+44 (0) 20 3934 6630**

<https://www.investor-focus.co.uk/>

Graham Herring

Florence Chandler

The person responsible for arranging the release of this information is Richard Harpham, CEO of the Company.

IMPORTANT NOTICE

This Announcement, including the Appendix (together, the "**Announcement**"), and the information contained herein is for information purposes only and is not for release, publication or distribution, directly or indirectly, in whole or in part, in or into or from the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction (the "**Placing Restricted Jurisdictions**"). The

New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States and may not be ordered, sold, or transferred, directly or indirectly, in or into the United States absent registration under the Securities Act or an available exemption from or in a transaction not subject to the registration requirements of the Securities Act and, in each case, in compliance with the securities law of any state or any other jurisdiction of the United States. No public offering of the New Ordinary Shares is being made in the United States. Persons receiving this Announcement (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Fundraising. This Announcement does not constitute or form part of an order to sell or issue or a solicitation of an order to buy, subscribe for or otherwise acquire any securities in any jurisdiction including, without limitation, the Placing Restricted Jurisdictions or any other jurisdiction in which such order or solicitation would be unlawful. This Announcement and the information contained in it is not for publication or distribution, directly or indirectly, to persons in a Placing Restricted Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

No action has been taken by the Company, Shore Capital and Corporate or Shore Capital Stockbrokers or any of their respective directors, officers, partners, agents, employees or affiliates that would permit an order of the New Ordinary Shares or possession or distribution of this Announcement or any other publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement is not being distributed by, nor has it been approved for the purposes of section 21 of FSMA by, a person authorised under FSMA. This Announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

The information contained in this Announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy, fairness or completeness.

Any indication in this Announcement of the price at which the Company's shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Shore Capital and Corporate, which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company in connection with the matters described in this Announcement and is not acting for any other persons in relation to the Fundraising or Admission. Shore Capital and Corporate is acting exclusively for the Company and for no one else in relation to the contents of this Announcement and persons receiving this Announcement should note that Shore Capital and Corporate will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital and Corporate or for advising any other person on the arrangements described in this Announcement. The responsibilities of Shore Capital and Corporate as the Company's nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this Announcement or otherwise.

Shore Capital Stockbrokers, which is authorised and regulated in the United Kingdom by the FCA, is acting as sole broker to the Company in connection with the matters described in this Announcement and is not acting for any other persons in relation to the Fundraising or Admission. Shore Capital Stockbrokers is acting exclusively for the Company and for no one else in relation to the contents of this Announcement and persons receiving this Announcement should note that Shore Capital Stockbrokers will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital

Stockbrokers or for advising any other person on the arrangements described in this Announcement.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by or on behalf of the Company (except to the extent imposed by law or regulations), Shore Capital and Corporate or Shore Capital Stockbrokers or by their affiliates or their respective agents, directors, officers and employees as, or in relation, to the contents of this Announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on their behalf, the Company or any other person in connection with the Company, the Fundraising or Admission or for any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed. Shore Capital and Corporate and Shore Capital Stockbrokers and their affiliates and agents disclaims to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Announcement or any such statement.

The New Ordinary Shares will not be admitted to trading on any stock exchange other than to trading on AIM.

The Appendix to this Announcement sets out the terms and conditions of the Placing. By participating in the Placing, each person who is invited to and who chooses to participate in the Placing by making or accepting an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and subject to the conditions set out in this Announcement and to be providing the representations, warranties, undertakings and acknowledgements contained in the Appendix.

Members of the public are not eligible to take part in the Placing and no public offering of Placing Shares is being or will be made.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

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 Restricted Jurisdictions and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Restricted Jurisdictions except pursuant to an applicable exemption from such Restricted Jurisdiction'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 Restricted Jurisdictions, this announcement 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 Restricted Jurisdictions; (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 person within the United States, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the 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 United States' Securities and Exchange Commission, 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 announcement. 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 announcement 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 announcement 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

A variety of factors may cause the Company's and its subsidiaries' (the "**Group's**") actual results to differ materially from the forward-looking statements contained in this Announcement. Certain statements included or incorporated by reference within this Announcement may constitute "forward-looking statements" in respect of the group's operations, performance, prospects and/or financial condition. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "foresees", "plans", "anticipates", "expects", "intends", "may", "will", or "could" or words of similar substance or the negative thereof, or by discussions of strategy, plans, objectives, goals, economic performance, dividend policy, future events or intentions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Group's control. Actual results or events may and often do differ materially from those expressed or implied by those statements. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made. The Group's actual operating results and financial condition and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this Announcement. Important factors that could cause these differences include, but are not limited to, the ongoing national and international impact of the Covid-19 pandemic including the current outbreak as a result of the coronavirus variant and the pace of the rollout of vaccinations in the United Kingdom, general economic and business conditions, industry trends, foreign currency rate fluctuations, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability and changes in business strategy or development plans and other risks.

Accordingly, no assurance can be given that any particular expectation will be met and reliance shall not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities shall not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise.

In particular, no statement in this Announcement is intended to be a profit forecast and no statement of a financial metric (including estimates of EBITDA, profit before tax, free cash flow or net debt) should be interpreted to mean that any financial metric for the current or future financial years would necessarily match or exceed the historical published position of the Group. The estimates set out in this Announcement have been prepared based on numerous assumptions and forecasts, including those set out in this Announcement, some of which are outside of the Company's influence and/or control, and is therefore inherently uncertain and there can be no guarantee or assurance that it will be correct. The estimates have not been audited, reviewed, verified or subject to any procedures by our auditors. You should not place undue reliance on them and there can be no guarantee or assurance that they will be correct.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraphs 3.5 and 3.6 of COBS; and (ii) eligible for distribution through all permitted distribution channels

(the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

ADDITIONAL INFORMATION

1. 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 2 November 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.

2. 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.

3. 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.

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

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.

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:

-

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

	ESCAPE HUNT	BOOM BATTLE BAR
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.

4. 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 to be 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 £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.

5. 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.

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

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

	Six months ended June 2021	Six months ended June 2020
	£'000	£'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	(147)	-
Foreign currency gains / (losses)	(6)	-
Share-based payment expense	(26)	(5)
Operating loss	(2,222)	(3,010)

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.

6. 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.

7. 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 the Subscription Shares will represent approximately 8.8 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 £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 0.1 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 £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 the Resolutions 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 Announcement 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.

The Circular, together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, will contain 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.

8. 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 announcement. 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.

9. 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.

10. 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 New Ordinary 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 Placing Shares, the Subscription Shares and the Open Offer 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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).

16. TAXATION

Your attention is drawn to the information regarding taxation which will be set out in the Circular. 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.**

17. GENERAL MEETING

Set out at the end of the Circular will be 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 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.

18. 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 the Circular 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

19. FURTHER INFORMATION

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

20. 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.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021

Record Date for entitlements under the Open Offer	6.00 p.m. on 2 November
Ex-entitlement Date for the Open Offer	8.00 a.m. on 4 November
Publication of the Circular, 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 will be set out in the Circular. 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 announcement 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 announcement are to London times unless otherwise stated.

ISSUE STATISTICS

Number of Existing Ordinary Shares	88,620,091
Maximum number of Consideration Shares being 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	171,005,088
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.

DEFINITIONS

The following definitions apply throughout this announcement, 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 this announcement
“Admission”	the admission of the Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Admission Date”	the date on which Admission becomes effective
“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
“Announcement”	this announcement, including the Appendix and the terms and conditions set out herein
“Appendix”	has the meaning given in the “Details of the Fundraising” section of this Announcement;
“Application Form”	the application form relating to the Open Offer to be enclosed with the Circular 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 this announcement
“Board”	the board of directors of the Company at any time
“Bookbuild”	the bookbuild process to be conducted by Shore Capital Stockbrokers to be launched immediately following the release of this announcement by which Shore Capital Stockbrokers will determine demand for participation in the Placing by the Placees
“Boom Battle Bars”	the business of Boom Battle Bars, as operated by the Boom Battle Bars Group as at the date of this announcement
“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 Announcement
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“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

“Circular”	the circular of the Company giving (amongst other things) details of the Proposals and incorporating the Notice of General Meeting, which is to be posted on or around 4 November 2021
“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
“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
“EEA”	European Economic Area
“EEA Qualified Investor”	persons falling within the meaning of Article 2(e) of Regulation (EU) 2017/1129
“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
“EU 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

“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 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 the Circular
“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
“Exchange Information”	the business and financial information the Company is required to publish in accordance with MAR, the AIM Rules and other applicable laws and regulations
“Existing Group”	Escape Hunt plc, and its Subsidiaries, as at the date of this Announcement
“Existing Ordinary Shares”	the 88,620,091 Ordinary Shares in issue at the date of this Announcement
“Existing Share Capital”	the issued ordinary share capital of the Company as at the date of this Announcement 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 Confirmation”	the form of confirmation or contract note made between Shore Capital Stockbrokers and a Placee which incorporates by reference the terms and conditions of the Placing contained in this Announcement
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which will be enclosed with the Circular
“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 to be convened for 10.00 a.m. on 22 November 2021 at which the Resolutions will be proposed, notice of which will be set out at the end of the Circular
“Group”	the Company and its Subsidiaries
“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 the 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
“Non-EIS/VCT Placing Shares”	Placing Shares which are not EIS Placing Shares or VCT Placing Shares
“Notice of General Meeting”	the notice of General Meeting to be set out at the end of the Circular
“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 the Circular and, where relevant, in the Application Form
“Option Agreement”	the agreement entered into between the Company and the Seller granting the Company an exclusivity period in relation to the acquisition, at its option, of Flip Out
“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 announcement
“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 this announcement
“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 the Circular
“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
“Regulation D”	Regulation D under the US Securities Act
“Regulation S”	Regulation S under the US Securities Act

“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
“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
“UK Prospectus Regulation”	The Prospectus Regulation, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
“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

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), PERSONS WHO ARE QUALIFIED INVESTORS ("**EEA QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(e) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**"); OR (B) IF IN THE UNITED KINGDOM, PERSONS WHO ARE QUALIFIED INVESTORS ("**UK QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(e) OF PROSPECTUS REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**"), AND WHO ARE (I) PERSONS FALLING WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONAL" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER, OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Shore Capital or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

Persons into whose possession this Announcement comes are required by the Company and Shore Capital to inform themselves about and to observe any such restrictions.

Neither this Announcement nor any part of it constitutes or forms part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the EU Prospectus Regulation and the UK Prospectus Regulation from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of FSMA does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan, New Zealand, the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

Each Placee should consult with its own advisers as to legal, tax, business and related aspects of an acquisition of Placing Shares. The price of shares and any income expected from them may go down as well as up and Placees may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance.

Placees, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given, will be deemed: (i) to have read and understood this Announcement, including this Appendix, in its entirety; and (ii) to be participating and making an offer for Placing Shares on the terms and conditions and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

Representations, warranties and acknowledgements of the Placees

In particular, each such Placee represents, warrants and acknowledges that:

- 1 in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a UK Qualified Investor; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Regulation 5(1) of the UK Prospectus Regulation:
 - (i) the Placing Shares acquired by it in the Placing will not be acquired on a non-

discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale (a) to persons in the United Kingdom other than UK Qualified Investors or (b) to persons in any Relevant Member State other than EEA Qualified Investors or (c) or in circumstances in which the prior consent of Shore Capital has been given to each such proposed offer or resale

(ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than UK Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; or

(iii) where Placing Shares have been acquired by it on behalf of persons, other than EEA Qualified Investors, in any Relevant Member State, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;

2 in the case of a Relevant Person in a Relevant Member State who acquires any Placing Shares pursuant to the Placing:

(a) it is an EEA Qualified Investor; and

(b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Regulation 5 of the EU Prospectus Regulation:

(i) the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale (a) to persons in the United Kingdom other than UK Qualified Investors or (b) to persons in any Relevant Member State other than EEA Qualified Investors or (c) or in circumstances in which the prior consent of Shore Capital has been given to each such proposed offer or resale; or

(ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than UK Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; or

(iii) where Placing Shares have been acquired by it on behalf of persons, other than EEA Qualified Investors, in any Relevant Member State, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;

3 it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it has authority to exercise, and is exercising, investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;

4 it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix;

5 except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any person on whose account it is acting, as referred to in paragraph 4 above) is located outside the United States and is acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S;

6 if it acquires EIS Placing Shares or VCT Placing Shares (together, the "**EIS/VCT Placing Shares**"), its obligations and rights under the Placing in respect of such EIS/VCT Placing Shares is conditional on the Placing and Open Offer Agreement having become unconditional

in respect of such Placing Shares but is not conditional on Admission. It is anticipated that the EIS Placing Shares will be issued unconditionally on or around 11:59 p.m. on the day immediately prior to the Admission Date, the VCT Placing Shares will be issued on or around 7:30 a.m. on the Admission Date, and that the Placing Shares other than the EIS/VCT Placing Shares will be issued prior to 8:00 a.m. on the Admission Date and that Admission will occur and dealings in the Placing Shares (including the EIS/VCT Placing Shares) will commence at 8.00 a.m. on the Admission Date (or such later time and/or date as may be agreed by Shore Capital and the Company, not being later than 8.00 a.m. on the Long Stop Date). Placees acquiring EIS/VCT Placing Shares should therefore be aware of the possibility that the EIS/VCT Placing Shares might be issued and that none of the remaining Placing Shares are issued, and such Placees should also be aware that Admission might not take place. Consequently, even if the EIS/VCT Placing Shares have been issued, there is no guarantee that the placing of the remaining Placing Shares will become unconditional or that Admission will occur.

Further details regarding the EIS Placing Shares and VCT Placing Shares

Investors must take their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances and rely on it. In particular, investors should note it is intended that, if the Placing and Open Offer Agreement has not been terminated in accordance with its terms before such time, the Company will unconditionally allot and issue the EIS Placing Shares and VCT Placing Shares prior to the anticipated time of Admission. Accordingly, the allotment and issuance of the EIS Placing Shares and VCT Placing Shares is not conditional on the allotment and issuance of the remaining Placing Shares, nor on Admission occurring, nor on the completion of the Acquisition Agreement. Further details in relation to the Placing and Open Offer Agreement conditions are contained below.

Details of the Placing and Open Offer Agreement, the Placing Shares and the Bookbuild

Shore Capital and Corporate is acting as nominated adviser and Shore Capital Stockbrokers is acting as sole broker in connection with the Fundraising and Admission. Shore Capital and Corporate and Shore Capital Stockbrokers have entered into the Placing and Open Offer Agreement with the Company under which, among other things, Shore Capital Stockbrokers has agreed to use its reasonable endeavours to procure Placees to take up the Placing Shares, on the terms and subject to the conditions set out therein.

The Issue Price is a fixed price of 30 pence per Placing Share.

Shore Capital Stockbrokers will today commence the Bookbuild. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The Placing is not being underwritten.

Shore Capital Stockbrokers shall be entitled to effect the Placing by such alternative method to the Bookbuild as it may, in its absolute discretion following consultation with the Company, determine.

The Placing Shares will, as from the date when they are issued, be fully paid up, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and otherwise rank *pari passu* in all respects with, and be identical to, the existing Ordinary Shares then in issue.

Application for listing and admission to trading

Application will be made for admission of the Placing Shares, the Subscription Shares, the Consideration Shares and the Open Offer Shares to trading on AIM.

It is expected that Admission will become effective at 8.00 a.m. on or around 23 November 2021 and

that dealings in the Placing Shares will commence at that time (or such later time and/or date as the Company and Shore Capital may agree).

Participation in, and principal terms of, the Placing

Shore Capital Stockbrokers is arranging the Placing as broker and agent of the Company for the purpose of procuring Placees at the Issue Price for the Placing Shares.

- 1 Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Shore Capital Stockbrokers. Shore Capital Stockbrokers may itself (but is not obliged to) agree to be a Placee in respect of all or some of the Placing Shares or may nominate any member of its group to do so.
- 2 The number of Placing Shares to be issued at the Issue Price will be agreed by Shore Capital Stockbrokers (in consultation with the Company) following completion of the Bookbuild. The number of Placing Shares to be issued will also be announced on an RIS following the completion of the Bookbuild (the "**Placing Results Announcement**").
- 3 To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at Shore Capital Stockbrokers. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for. Bids may be scaled down by Shore Capital Stockbrokers on the basis referred to in paragraph 7 below.
- 4 A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with Shore Capital Stockbrokers' consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Company and Shore Capital Stockbrokers, to pay to them (or as Shore Capital Stockbrokers may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to subscribe for and the Company has agreed to allot and issue to that Placee. Each prospective Placee's obligations will be owed to the Company and Shore Capital Stockbrokers.
- 5 The Bookbuild is expected to close at 6.30 p.m. on 3 November 2021, but may be closed earlier or later at the discretion of Shore Capital Stockbrokers. Shore Capital Stockbrokers may, in agreement with the Company, accept bids, either in whole or in part, that are received after the Bookbuild has closed.
- 6 Shore Capital Stockbrokers may choose to accept bids, either in whole or in part, on the basis of allocations determined in consultation with the Company and may scale down any bids for this purpose on such basis as they may determine. Shore Capital Stockbrokers may also, notwithstanding paragraphs 4 and 5 above, (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (b) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The Company reserves the right (upon agreement with Shore Capital Stockbrokers) to reduce or seek to increase the amount to be raised pursuant to the Placing at its discretion.
- 7 Allocations of the Placing Shares will be determined by Shore Capital Stockbrokers in its absolute discretion after consultation with the Company with regard to the identities of the proposed Placees in accordance with the conduct of business sourcebook of the FCA handbook. Allocations will be confirmed orally by Shore Capital Stockbrokers and a Form of Confirmation will be despatched as soon as possible thereafter. Shore Capital Stockbrokers' oral confirmation to such Placee constitutes an irrevocable legally binding commitment upon such person (who will at that point become a Placee), in favour of Shore Capital Stockbrokers and the Company, to acquire the number of Placing Shares allocated to it and to pay the Issue Price in respect of such shares on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association. Except with Shore Capital Stockbrokers' consent, such

commitment will not be capable of variation or revocation after the time at which it is submitted.

- 8 Each Placee's allocation and commitment to Shore Capital Stockbrokers (acting as placing agent for the Company) will be evidenced by a Form of Confirmation issued to such Placee by Shore Capital Stockbrokers. The terms of this Appendix will be deemed incorporated in that contract note.
- 9 Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
- 10 All obligations of Shore Capital under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing and Open Offer Agreement".
- 11 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below under "Right to terminate under the Placing and Open Offer Agreement" and will not be capable of rescission or termination by the Placee.
- 12 To the fullest extent permissible by law, neither Shore Capital, nor the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Shore Capital, nor the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the conduct of the Placing or of such alternative method of effecting the Placing as Shore Capital and the Company may determine.
- 13 The Placing Shares will be issued subject to the terms and conditions of this Appendix and each Placee's commitment to subscribe for Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Shore Capital's conduct of the Placing.
- 14 All times and dates in this Announcement may be subject to amendment. Shore Capital Stockbrokers shall notify the Placees and any person acting on behalf of the Placees of any such changes.

Conditions of the Placing

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

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

- 1 there not having arisen or occurred before Admission any matter, fact, circumstance or event such that in the opinion of Shore Capital, a supplementary circular is required to be published unless a supplementary circular has been published with Shore Capital's consent;
- 2 the documentation effecting the Subscription becoming unconditional (save for Admission);
- 3 the warranties on the part of the Company being true and accurate and not misleading on and as at the date of the Placing and Open Offer Agreement and at all times up to Admission in each case as though the Warranties had been given and made at each such times by reference

to the facts and circumstances then existing;

- 4 publication of the Placing Results Announcement through an RIS by no later than 6.00pm on the date of this Announcement (or such other time and/or date as Shore Capital may determine);
- 5 the passing of the Resolutions by the requisite majorities;
- 6 the Acquisition Agreement and the Option Agreement having been entered into on or before the date of this Announcement and remaining in full force and effect (without any amendments to its terms) and not having been terminated or lapsed;
- 7 there not occurring, in Shore Capital's opinion (acting in good faith), a Material Adverse Change (as defined in the Placing and Open Offer Agreement), since the date of the Placing and Open Offer Agreement; and
- 8 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 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*:

- 1 all the conditions in the Placing and Open Offer Agreement relating to the issue of the EIS Placing Shares having been fulfilled (or, where applicable, waived); and
- 2 the VCT Placing Shares having been unconditionally allotted and issued by the Company at or before 7:30 a.m. on the 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*:

- 1 all the conditions in the Placing and Open Offer Agreement relating to the issue of the VCT Placing Shares having been fulfilled (or, where applicable, waived);
- 2 the Non-EIS/VCT Placing Shares having been unconditionally allotted and issued by the Company at or before 8:00 a.m. on the Admission Date;
- 3 Admission occurring not later than 8:00 a.m. on 23 November 2021 (or such later time and/or date, not being later than 8:00 a.m. on the Long Stop Date, as the Company and Shore Capital may otherwise agree); and
- 4 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.

Shore Capital may, at its discretion and upon such terms as it thinks fit, waive compliance by the Company with the whole or any part of any of its obligations in relation to certain conditions in the Placing and Open Offer Agreement save that the above conditions relating, *inter alia*, to Admission taking place may not be waived.

Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

If: (i) any of the conditions contained in the Placing and Open Offer Agreement, including those described above, is not fulfilled or (where permitted) waived by Shore Capital by the relevant time or date specified (or such later time and/or date as the Company and Shore Capital may agree); or (ii) the Placing and Open Offer Agreement is terminated in the circumstances specified below, the Placing will lapse, any funds delivered by the Placee to Shore Capital Stockbrokers or the Company in respect of the Placee's participation will be returned to the Placee at the Placee's risk without interest and the Placees' rights

and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it (or any person on whose behalf the Placee is acting) in respect thereof.

Neither Shore Capital nor any of their respective affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive, or to extend the time and/or date for the satisfaction of, any condition in the Placing and Open Offer Agreement nor in respect of any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Shore Capital.

Right to terminate under the Placing and Open Offer Agreement

Shore Capital is entitled, at any time before Admission, to terminate (after such consultation with the Company where practicable to do so) the Placing and Open Offer Agreement in accordance with its terms in certain circumstances, including, *inter alia*:

- 1 any statement contained in the documents entered into in connection with the Fundraising becoming untrue, inaccurate or misleading or any matter having arisen which would, if such documents were issued or entered into at that time, constitute a material omission from such documents or any of them and which Shore Capital considers to be material and adverse in the context of the Fundraising and Admission; or
- 2 any of the warranties given in the Placing and Open Offer Agreement having been breached or being untrue, inaccurate or misleading when made and/or that any such warranties having ceased to be true or accurate or having become misleading (and being incapable of remedy prior to Admission) in each case by reference to the facts and circumstances subsisting at that time; or
- 3 no event having arisen at any time prior to Admission which means a condition under the Acquisition Agreement will not be capable of satisfaction; or
- 4 a matter, fact, circumstance or event has arisen such that in the opinion of Shore Capital, a supplementary circular is required to be published or a supplementary circular is published; or
- 5 in the opinion of Shore Capital (acting in good faith), a Material Adverse Change (as defined in the Placing and Open Offer Agreement) has occurred (whether or not foreseeable at the date of the Placing and Open Offer Agreement); or
- 6 in the opinion of Shore Capital (acting in good faith) there has occurred one or more specified adverse macro-economic changes, suspension or material limitation in the trading on AIM or the London Stock Exchange's main market for listed securities of any securities of the Company or a general moratorium on commercial banking activities in London or New York which, in the opinion of Shore Capital (acting in good faith) would, among other things, materially prejudice the success of, or make it impractical or inadvisable to proceed with, the Fundraising (or any part of it) and/or Admission.

By participating in the Placing, Placees agree that the exercise by Shore Capital of any right of termination or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of Shore Capital and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise.

Restriction on Further Issue of Shares and certain other matters

The Company has undertaken to Shore Capital that, between the date of the Placing and Open Offer Agreement and 180 days after Admission, it will not, without the prior written consent of Shore Capital,

inter alia:

- 1 allot or issue any Ordinary Shares (or any other shares or securities in the capital of the Company) or issue any options over Ordinary Shares (or any securities exchangeable for, or convertible into, Ordinary Shares or other shares or securities in the capital of the Company). This agreement is subject to certain customary exceptions and does not prevent the allotment and issue of the Open Offer Shares pursuant to the Open Offer, the Subscription or the grant or exercise of options under any of the Company's existing share incentives and share option schemes, or
- 2 enter into or procure or (so far as it is able) permit the Group (as enlarged by the Acquisition) to enter into any commitment, agreement or arrangement, or knowingly do or permit to be done any other act or thing which is material in the context of the Fundraising and Admission and would require the Company to make an announcement through an RIS.

By participating in the Placing, Placees agree that the exercise by Shore Capital of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the restrictive provisions on further issuance under the Placing and Open Offer Agreement shall be within the absolute discretion of Shore Capital and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing.

Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any other Exchange Information and subject to the further terms set forth in the Form of Confirmation. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other Exchange Information is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or Shore Capital or any other person and none of the Company or Shore Capital nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation by that person.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BDB79J29) following Admission will take place within CREST. Subject to certain exceptions, Shore Capital Stockbrokers and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or any part thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a Form of Confirmation in accordance with the standing arrangements in place with Shore Capital Stockbrokers stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to Shore Capital Stockbrokers and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Shore Capital

Stockbrokers. Settlement within CREST will take place on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate of Barclays Bank PLC as determined by Shore Capital Stockbrokers.

It is expected that settlement will be on 23 November 2021 in accordance with the instructions set out in the Form of Confirmation.

Each Placee is deemed to agree that, if it does not comply with these obligations, Shore Capital Stockbrokers may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Shore Capital Stockbrokers' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the Form of Confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, allotment, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), none of Shore Capital nor the Company shall be responsible for payment thereof.

Representations, Warranties, Undertakings and Further Terms

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably:

- 1 represents and warrants that it has read and understood this Announcement, including this Appendix, in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
- 2 acknowledges that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
- 3 acknowledges that no offering document or prospectus has been or will be prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares and that any participation in the Bookbuild will solely be on the basis of the information in this Announcement and other Exchange Information;
- 4 acknowledges that the Placing does not constitute a recommendation or financial product advice and Shore Capital has had regard to its particular objectives, financial situation or needs;
- 5 acknowledges that none of Shore Capital, the Company, any of their respective affiliates, agents, directors, officers or employees has provided, nor will provide, it with any material

regarding the Placing Shares or the Company other than the Circular (when published) and this Announcement; nor has it requested any of Shore Capital, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;

- 6 acknowledges that the Ordinary Shares are admitted to trading on AIM and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices under the AIM Rules, which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and that it is able to obtain or access such information, or comparable information concerning other publicly traded companies, in each case without undue difficulty;
- 7 acknowledges that the content of the Circular (when published) and this Announcement is exclusively the responsibility of the Company and that none of Shore Capital, nor their respective affiliates or any person acting on behalf of any of them, has or shall have any liability for any information, representation or statement contained in, or omission from, the Circular and/or this Announcement or any information previously published by or on behalf of the Company, pursuant to applicable laws, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in the Circular or this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement and other Exchange Information, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by any of Shore Capital or the Company nor any of their respective affiliates, agents, directors, officers or employees and none of Shore Capital or the Company or any such affiliate, agent, director, officer or employee will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 8 acknowledges and agrees that it may not rely, and has not relied, on any investigation that Shore Capital, any of their respective affiliates or any person acting on their respective behalfs, may have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the information from the London Stock Exchange or any other information; each Placee further acknowledges that it has received all information it believes necessary or appropriate in connection with its investment in the Placing Shares;
- 9 it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial and trading position of the Company in accepting a participation in the Placing and neither Shore Capital, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the Exchange Information and any information in the Circular and any supplementary circular published by the Company subsequent to the date of this Announcement; nor has it requested any of Shore Capital, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
- 10 the content of this Announcement is exclusively the responsibility of the Company and the Directors and neither Shore Capital nor any person acting on behalf of either of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any information, representation or statement contained in this Announcement, the Circular or any supplementary circular (as the case may be) or any Exchange Information or

other information previously published by or on behalf of the Company or any member of the Group;

- 11 represents and warrants that it, and any prospective beneficial owner for whose account or benefit it is purchasing the Placing Shares, is and, at the time the Placing Shares are subscribed for, will be located outside the United States and is acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S;
- 12 represents and warrants that it has not been offered to purchase or subscribe for Placing Shares by means of (i) any "directed selling efforts" as defined in Regulation S, or (ii) any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) of Regulation D in connection with any offer or sale of Placing Shares in the United States;
- 13 confirms that it understand that the Placing Shares:
 - (a) have not been and will not be registered or otherwise qualified and that a prospectus will not be cleared in respect of any of the Placing Shares under the securities laws or legislation of the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, or any state, province, territory or jurisdiction thereof;
 - (b) may not be offered, sold, or delivered or transferred, directly or indirectly, in or into the above jurisdictions or any jurisdiction (subject to certain exceptions) in which it would be unlawful to do so and no action has been or will be taken by any of the Company, Shore Capital or any person acting on behalf of the Company or Shore Capital that would, or is intended to, permit a public offer of the Placing Shares in the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa or any country or jurisdiction, or any state, province, territory or jurisdiction thereof, where any such action for that purpose is required;
- 14 unless otherwise specifically agreed with Shore Capital, confirms that it is not and at the time the Placing Shares are subscribed for, neither it nor the beneficial owner of the Placing Shares will be, a resident of, nor have an address in, Australia, Japan, New Zealand, the Republic of South Africa or any province or territory of Canada;
- 15 confirms that it, and any prospective beneficial owner for whose account or benefit it is purchasing the Placing Shares: (i) is not a US Person (as defined in Regulation S) and is, and at the time the Placing Shares are subscribed for will be, located outside the United States and is acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S; (ii) is aware of the restrictions on the offer and sale of the Placing Shares pursuant to Regulation S, including that Rule 904 of Regulation S regarding "Offshore Resales" is not applicable to "affiliates" (as defined in Rule 405 under the Securities Act) of the Company; and (iii) has not been offered to purchase or subscribe for Placing Shares by means of any "directed selling efforts" as defined in Regulation S;
- 16 confirms that it understands that the Placing Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in or into or from the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S) except pursuant to an effective registration under the US Securities Act, or pursuant to an exemption from the registration requirements of the US Securities Act and in accordance with applicable state securities laws;
- 17 confirms that it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa (including electronic copies thereof) to any person, and it has not distributed, forwarded,

- transferred or otherwise transmitted any such materials to any such person;
- 18 acknowledges that in making any decision to acquire Placing Shares it:
- (a) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Placing Shares;
 - (b) will not look to Shore Capital for all or part of any loss it may suffer as a result of any such subscription or purchase;
 - (c) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares;
 - (d) is able to sustain a complete loss of an investment in the Placing Shares; and
 - (e) has no need for liquidity with respect to its investment in the Placing Shares;
- 19 if it indicates to Shore Capital Stockbrokers that it wishes to subscribe for VCT Placing Shares, confirms that:
- (a) it is a VCT, subscribing for such VCT Shares pursuant to the Placing using VCT funds; and
 - (b) confirms that the date on which it raised funds was on or after 6 April 2012;
- 20 if it indicates to Shore Capital Stockbrokers that it wishes to subscribe for EIS Placing Shares, confirms that the beneficial owner of such shares will be a "qualifying investor" within the meaning of section 162 Income Tax Act 2007;
- 21 represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
- 22 represents and warrants that it has complied with its obligations under the Criminal Justice Act 1993, MAR and in connection with money laundering and terrorist financing under the Money Laundering Regulations and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Money Laundering Regulations;
- 23 acknowledges that in order to ensure compliance with the Money Laundering Regulations, Shore Capital Stockbrokers (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity, location or legal status. Pending the provision to Shore Capital Stockbrokers or the Company's registrars, as applicable, of evidence of identity, location or legal status, definitive certificates in respect of the Placing Shares may be retained at Shore Capital Stockbrokers' absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed in Shore Capital Stockbrokers' or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, location or legal status, Shore Capital Stockbrokers (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Shore Capital Stockbrokers and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on the conditional allocation of Placing Shares allotment will, if already paid, be returned without interest to the

account of the drawee's bank from which they were originally debited;

- 24 represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make the acknowledgements, warranties, representations, confirmations, undertakings, and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or Shore Capital Stockbrokers for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- 25 if it is a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA to EEA Qualified Investors or in the United Kingdom to Relevant Persons, or in circumstances in which the prior consent of Shore Capital Stockbrokers has been given to each such proposed offer or resale.
- 26 that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the EEA, except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state in the EEA within the meaning of Article 2(d) of the Prospectus Regulation;
- 27 that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of Article 2(d) of the UK Prospectus Regulation;
- 28 that any offer of Placing Shares may only be directed at persons in member states of the EEA who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Regulation;
- 29 that any offer of Placing Shares may only be directed at persons in the United Kingdom who are Relevant Persons and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to Relevant Persons or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of the UK Prospectus Regulation;
- 30 represents, warrants and undertakes that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- 31 represents, warrants and undertakes that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
- 32 represents and warrants, if in a member state of the European Economic Area, unless

- otherwise specifically agreed with Shore Capital in writing, that it is a EEA Qualified Investor;
- 33 represents and warrants, if in the United Kingdom, that it is a person (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Order or (ii) who falls within Article 49(2)(a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order, or (iii) to whom this Announcement may otherwise lawfully be communicated;
- 34 acknowledges and agrees that no action has been or will be taken by either the Company or Shore Capital or any person acting on behalf of the Company or Shore Capital that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
- 35 represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations and that it has not taken any action or omitted to take any action which will or may result in Shore Capital, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
- 36 undertakes that it (and any person acting on its behalf) will make payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other acquirers or sold as Shore Capital Stockbrokers may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale fall short of the product of the relevant Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest or penalties) which may arise upon such placing or sale of such Placee's Placing Shares;
- 37 acknowledges that none of Shore Capital, nor any of their respective affiliates, agents, directors, officers or employees is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not and will not be a client of Shore Capital in connection with its participation in the Placing and that Shore Capital has any duty nor responsibility to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Open Offer Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- 38 undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Shore Capital nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement ("Indemnified Taxes"). Each Placee and any person acting on behalf of such Placee agrees to indemnify the Company and Shore Capital on an after-tax basis in respect of any Indemnified Taxes;
- 39 agrees to indemnify on an after tax basis and hold the Company, Shore Capital and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further

agrees that the provisions of this Appendix shall survive after completion of the Placing;

40 except as set out in paragraph 41 below, represents and warrants that it has neither received nor relied on any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) concerning the Company prior to or in connection with accepting the invitation to participate in the Placing and is not purchasing Placing Shares on the basis of material non-public information;

41 if it has received any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, confirms that it has received such information within the market soundings regime provided for in article 11 of MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;

42 if it is a pension fund or investment company, confirms that its purchase of Placing Shares is in full compliance with applicable laws and regulations;

43 agrees that the Company, Shore Capital and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements, and undertakings which are given to Shore Capital for themselves and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and Shore Capital to produce this Announcement, pursuant to, in connection with, or as may be required by, any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;

44 acknowledges that none of the Company or Shore Capital owes any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, undertakings, representations, warranties or indemnities in the Placing and Open Offer Agreement;

45 acknowledges and agrees that its commitment to take up Placing Shares on the terms set out in this Announcement (including this Appendix) will continue notwithstanding any amendment that may or in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or Shore Capital's conduct of the Placing;

46 acknowledges that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that Shore Capital Stockbrokers or the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

47 acknowledges that time is of essence as regards its obligations under this Appendix;

48 acknowledges that information provided by it to the Company and the Registrar will be stored on the Company's and/or the Registrars' computer system(s), and acknowledges and agrees that for the purposes of the General Data Protection Regulation (EU) 2016/679 and other relevant data protection legislation which may be applicable (the "Data Protection Law"), the Company and the Registrars are required to specify the purposes for which they will hold personal data; and that it has obtained the consent of any data subjects to the Registrars and the Company and their respective associates holding and using their personal data for the Purposes (as defined below). For the purposes of this Announcement, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law. The Company and the Registrars will only use such information for the purposes set out below (collectively, the "Purposes"), being to:

(a) process its personal data (including sensitive personal data) as required by or in

connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;

- (b) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- (c) provide personal data to such third parties as the Company or the Registrars may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;
- (d) without limitation, provide such personal data to the Company or Shore Capital for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA States; and
- (e) process its personal data for the Company's or Registrars' internal administration; and

49 acknowledges that these terms and conditions and any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or Shore Capital in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The foregoing representations, warranties, agreements, undertakings, acknowledgements and confirmations are given for the benefit of the Company as well as Shore Capital and are irrevocable. Each Placee, and any person acting on behalf of the Placee, acknowledges that neither the Company nor either of Shore Capital owes any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing and Open Offer Agreement.

The agreement to allot and issue Placing Shares to Placees (and/or to persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor Shore Capital will be responsible and the Placees shall indemnify the Company and Shore Capital on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify Shore Capital Stockbrokers accordingly. Placees are advised to consult with their own advisers regarding the tax aspects of the subscription for Placing Shares.

The Company and Shore Capital are not liable to bear any transfer taxes that arise on a sale of Placing Shares subsequent to their acquisition by Placees or for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises and notify Shore Capital Stockbrokers accordingly. Furthermore, each Placee agrees to indemnify on an after-tax basis and hold each of Shore Capital and the Company and their respective affiliates harmless from any and all interest, fines or penalties in relation to stamp duty,

stamp duty reserve tax and all other similar duties or taxes to the extent that such interest, fines or penalties arise from the default or delay of that Placee or its agent.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Shore Capital Stockbrokers or any of its affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Shore Capital Stockbrokers, any money held in an account with Shore Capital Stockbrokers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Shore Capital Stockbrokers' money in accordance with the client money rules and will be used by Shore Capital Stockbrokers in the course of its own business and the Placee will rank only as a general creditor of Shore Capital Stockbrokers.

All times and dates in this Announcement are references to London time and may be subject to amendment. Shore Capital Stockbrokers shall notify the Placees and any person acting on behalf of the Placees of any changes.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.