11 April 2018

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

2017 Full Year Audited Results

Escape Hunt plc (AIM:ESC), a global leader in the high growth "escape rooms sector'' announces its audited results for the year ending 31 December 2017.

	Year ended 31 Dec 2016 (£m)	**Year Ended 31 Dec 2017 (£m)**
Revenue	**-**	**0.87**
Gross Profit	-	0.51
Adjusted EBITDA	**(0.062)**	**(0.74)**
Loss per share	(18.75p)	(24.77p)
Net Cash	**£7.92m**	**£10.65m**

- Escape Hunt was acquired in May 2017 for £12m, of which £7.2m was paid in cash and the balance of £4.8m by issuing 3.55m new shares.
- The first owner operated sites in Bristol, Birmingham and Leeds were opened in March 2018, with a further five UK locations to open in the coming months.
- The pipeline of sites following these openings is strong.
- A detailed review was embarked upon, following which significant effort has been expended in enhancing every aspect of the business to differentiate Escape Hunt from its competitors.
- Escape Hunt's franchise network is performing in line with expectations.
- Pre-tax loss of £0.74 million for the period to 31 December 2017 before amortisation charges and acquisition related transaction costs.
- Strong cash position of £10.65 million as at 31 December 2017 (2016: £7.92 million).
- Basic loss per share ('EPS') of 24.77 pence (2016:18.75 pence).

Chief Executive Officer, Richard Harpham, comments:

"This has been an exciting maiden year for Escape Hunt following last year's re-admission to AIM. The Group's near-term goals are to extend the roll-out of our owner operated and franchise sites, diversify our product offering and build on the success achieved by the Escape Hunt brand. The Group will continue to launch new games and other products to meet the changing demands of our global customer base.

However, investment in our brand is vital and our marketing activities will seek to strengthen further the Company's brand awareness. Initial reception to the repositioning of the brand is very positive although it is still early days and the enhanced brand is yet to be rolled out to the franchisee network.

We have been acquiring sites and are now well under way with the roll-out programme. Three UK owner operated sites were opened in March 2018 and we expect to have a total of eight open by late summer, with a strong pipeline of future sites. While they have only been open for a matter of days overall, the initial customer response to the sites and to the games has met our highest expectations.

The Board believes that the opportunity for the business is larger than initially thought. The repositioning of the brand will enable the Company to forge deals with content providers to differentiate Escape Hunt from its rivals and make its escape rooms "go to destinations". We are confident that we can meet the challenges that lie ahead in 2018 and beyond."

The Annual Report and Accounts will be sent to shareholders in due course. The Annual General Meeting (AGM) of the Company will be held at noon on 24 May 2018 at the offices of Stockdale Securities, 100 Wood Street, London EC2V 7AN.

Enquiries

Escape Hunt plc

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About Escape Hunt

The Escape Hunt group is a global provider of live "escape the room" experiences. The first branch was opened in Bangkok, Thailand in 2013 and the business has grown rapidly, becoming a global network with mainly franchised outlets. The Company was re-admitted to AIM in May 2017 with the strategy of focussing on rolling out owner operated branches, whilst continuing the opening of franchise sites.

CHAIRMAN'S STATEMENT

Much progress has been made in our maiden year as a listed company. In May 2017 we acquired the Escape Hunt business for £12m, raising an additional £14m in cash to help fund the acquisition and roll-out of the business in the UK. From the outset, the Board conducted a thorough review of the business, prior to developing our owner operated sites in the UK. This was to ensure that our offering is correctly positioned to differentiate ourselves in the marketplace, to take full advantage of the opportunity and to provide a firm foundation for future growth.

A number of key actions emerged from this review. The result of our branding exercise, we believe, enables Escape Hunt to clearly define our quality, service and values, and so set us apart from the current fragmented marketplace. It has clearly made us more attractive to potential licensed content partners and to new franchisees. Our escape games are being enhanced, initially for the UK market, so that they are at the forefront of harnessing technology to provide greater differentiation from our competitors. They are also designed to provide industry leading customer experiences, and from an execution perspective, to be scaleable across our own and the franchise estate. We aim to grow by offering customers the very best experience and service – and that by building a strong recognisable brand image, customers will reward us with their loyalty and recommend us to others.

This foundation work introduced a necessary delay in the roll out of UK sites. However, the work has now been completed and we have opened a number of owner operated sites since March, with more to follow in the coming months. We also have a strong pipeline for the rest of the year. It is very early days but we are delighted with the customer feedback received so far. Customers report that they enjoyed their experience more than they expected, and more than other games played elsewhere. This gives us confidence that our foundation work is proving to be worthwhile.

It is true to say that the building of sites, incorporating leading edge games rooms with the latest technology and "props", is not without its challenges, especially with a newly established UK team. But the team are doing an outstanding job and we are ensuring that our experiences and methodology result in a readily scaleable differentiated model. Such challenges have positives too, in that it raises the bar and with it the barriers to entry, in what is still a very fragmented market.

Our franchise network is performing to plan and we are now ready to explore further opportunities.

The growth prospects of the escape rooms industry are larger than we initially envisaged, and our pre-eminent position enables us to view the future with confidence.

Richard Rose

Non-Executive Chairman

10 April 2018

CEO's REVIEW OF 2017

In November 2016, the Board of Dorcaster identified Experiential Ventures Ltd as a possible acquisition, and after entering into exclusive negotiations, we were delighted to be able to acquire this business on 2 May 2017. The total consideration was £12m, of which £7.2m was paid in cash and the balance of £4.8m by the issue of 3.55m new ordinary shares of the Company. A total of £14m was raised to provide adequate cash resources to fund the cash consideration and the expansion of the business across the UK and elsewhere. Dorcaster plc was renamed Escape Hunt plc at the same time.

Escape Hunt is one of the global leaders in the high growth 'escape game' space, and the Group's strategy remains to initially open owner-operated branches in the UK and other European jurisdictions. In addition, Escape Hunt intends to continue to build on its strong franchise network and open further franchised branches internationally.

The Board has made good progress as it has continued to develop the approach to growing this early stage business. After a detailed review of the competitive landscape, which has given further confidence in both the strategy and the market opportunity, the Group has adapted its approach to target the premium end of the sector.

We announced the opening of our first UK owner-operated site in Bristol in March 2018. This site was the first of three to open in March, alongside Birmingham and Leeds, with a further five locations to open in the coming months. The initial feedback from reviews on Trip Advisor has been very encouraging. All of these venues are located in prime sites in the centre of town. As previously announced in the operational update on 19 December, securing these premium sites and obtaining planning permission has contributed to delays in opening the initial UK locations and their associated revenues, but the Company has a strong pipeline of sites.

In addition, in the week before Christmas, the Company acquired an escape room business in Bournemouth from a single site competitor for a nominal sum. This is a well-invested site with four games rooms which had only recently opened.

Escape Hunt has also significantly strengthened the management team with a number of senior hires who bring substantial experience in working with international entertainment brands. This includes a head of marketing and a head of franchise development. Since re-admission to AIM, the Company embarked on a detailed review of the marketplace, following which significant effort was expended in enhancing every aspect of the business with the objective of differentiating itself from its competitors. Management has made many design and operational changes to the original model culminating in a repositioning of the branding of the business. The resulting quality and differentiation of these initiatives has opened up the possibility for exciting partnerships with content providers and franchise opportunities.

Escape Hunt also decided to optimise its games offering by further developing its games portfolio towards more technological and scaleable games. This will enable the Company to better take advantage of the significant market opportunity, and to consolidate its position as the premium escape room operator for both corporate customers and consumers. The Board carefully considered the consequential delays to the opening programme resulting from this strategic work and determined that the shift in the site opening plan to be well worthwhile and believes it will lead to enhanced longer-term benefits.

Escape Hunt recently launched its first app "Escape Hunt: The Lost Temples" with a positive AppStore reaction.

Following the sale of Escape Hunt, Paul Bartosik, the founder of Escape Hunt, served as a consultant to the Company in order to provide advice in the early months after the sale. He has now left the Company with our good wishes and we wish him every success in the future.

FINANCIAL REVIEW

Acquisition of the Escape Hunt business

Dorcaster plc was formed in May 2016 to undertake one or more acquisitions and it began its initial review of the Escape Hunt business at the end of 2016.

The acquisition of Experiential Ventures Ltd, which together with its two subsidiaries comprised the Escape Hunt business, was successfully concluded in May 2017 for an agreed consideration of £12 million, payable by way of a cash payment of £7.2 million and the issue of shares to the former owners of Escape Hunt of £4.8 million. £14 million of equity was raised to fund the cash consideration and to provide further capital to fund expansion of the Escape Hunt business.

As well as including the results for the year of Dorcaster plc (which changed its name to Escape Hunt plc in May 2017), they include the results of the Escape Hunt business for 8 months of 2017, from 2 May onwards.

Group Results

The loss before taxation for the period to 31 December 2017 was £4,125k. However, this included a number of items which are set out in the table below to reach an adjusted EBITDA and to give more clarity to the results in the period.

	£000s
Loss before taxation	(4,125)
Add back: Amortisation of Intellectual Property	2,266
Amortisation of other intangible assets	109
Transaction expenses to acquire Escape Hunt business	957
Share based payment charge	43
Depreciation	22

Less: Interest received	(9)
Adjusted EBITDA LOSS	£(737)

As a result of the initial losses, there is no tax charge for the period in the UK, although there is a small tax charge of £4k resulting from the profits from the franchisees in Escape Hunt Operations Ltd, the subsidiary which holds the franchisee agreements.

The loss per share was 24.77 pence (2016 18.75 pence).

Financial Results of the acquired business

The acquired Escape Hunt business for the last 8 months of 2017 generated a pre-tax profit of £345k. The pre-tax profit for the full 12 months of 2016 was £384k which compared to a profit of £280k in 2016.

Before interest, depreciation and amortisation, the profit was £347k for the 8 months and for the whole year was £504k (2016 £304k).

The revenues from the acquired business were £872k for the 8 months to the end of the year and which have been included in these results. For the whole year the revenues were £1,279k. For the whole of 2016 the total revenues of the Escape Hunt business were £1,095k. In dollar terms, the revenues were US$1,650k in 2017 and US$1,489k in 2016.

Purchase Price Allocation

The Escape Hunt business was acquired for £12m. After a detailed review of the acquired assets and liabilities, the purchase price has been allocated as to £10.19m for the Intellectual Property ("IP") of the business, £0.8 million for the value of the franchise business and the residual goodwill recognised at £1.4m.

Intellectual Property

The Intellectual Property relates to both the collection of over 250 games which were held by Experiential Ventures Ltd at the time of acquisition as well as the process and know how that enables games to be designed for a large number of franchisees in a short space of time. Given the high value placed on this IP and the desire to expand on the current process so that the game design can then be taken straight into production, the IP was sold to Escape Hunt IP Ltd, a newly formed subsidiary of Escape Hunt plc which was formed to hold all the IP and trademarks of the Group. In addition, it was decided that it would be more appropriate that the IP should be held in the UK rather than offshore in a Seychelles company. Royalties from the use of IP will be earned in the UK as a result of this Group restructuring, both from external franchisees as well as to other companies in the Group.

The Group is continuing to develop games and a small team has been formed in the UK in 2018 to assist in game design and production of the physical aspects, such as props, for the new games to be used in the UK. As the Group previously had only one branch in Bangkok, there was little experience of taking game design through to physical production and this presented a number of challenges. The new games and the improvement in the whole game design process which the Group plans to undertake will represent additional intellectual property and will add to the value of the Group's assets.

UK Expansion

The management team in the UK began the process of site selection and acquisition early in 2017 and by the end of the year had selected 8 sites and signed leases on 5 of these sites. Fit-out work began in the last quarter of the year and by the year end £557k had been expended to that date on the fit-out of the first three sites. In addition, £241k had been spent on developing the Group's portal and website and its first app.

The Company's cash balances at the end of 2017 totalled £10.65 million (2016: £7.92 million).

The Directors are well advanced in implementing the growth plans for the Escape Hunt operation and have been building infrastructure to support the Group's long-term growth plans.

Following the acquisition, the Group had 24 staff (including Directors) and the Directors expect this to grow as the Group's footprint widens.

Richard Harpham

Chief Executive Officer

10 April 2018

Consolidated Income statement

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000	Period ended 31 December 2016 £'000
Continuing operations:			
Revenue		872	-
Cost of sales		(364)	-
Gross profit		508	-
Transaction expenses		(957)	(1,546)
Administrative expenses		(3,685)	(62)
Operating loss	6	(4,134)	(1,608)
Interest received		9	-
Loss before taxation		(4,125)	(1,608)
Taxation	7	(4)	-
Loss after taxation		(4,129)	(1,608)
Other comprehensive income:			
Items that may or will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(15)	-
Total comprehensive loss		(4,144)	(1,608)
Loss attributable to:			
Equity holders of Escape Hunt plc		(4,129)	(1,608)
Total comprehensive loss attributable to:			
Equity holders of Escape Hunt plc		(4,144)	(1,608)
Loss per share attributable to equity holders:			
Basic and diluted (Pence)	8	(24.77)	(18.75)

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	As at 31 December 2017 £'000	As at 31 December 2016 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		670	-
Intangible assets	10	10,280	-
Rent deposits		32	-
		10,982	-
Current assets			
Trade receivables		15	-
Other receivables and prepayments		305	-
Cash and bank balances		10,645	7,923
		10,965	7,923
TOTAL ASSETS		21,947	7,923
LIABILITIES			
Current liabilities			
Trade payables		507	36
Deferred income		83	-
Other payables and accruals		478	428
		1,068	464

Consolidated Statement of Financial Position (cont.)

As at 31 December 2017

	Note	As at 31 December 2017 £'000	As at 31 December 2016 £'000
Non-current liabilities			
Deferred income		456	-
		456	-
TOTAL LIABILITIES		1,524	464
NET ASSETS		20,423	7,458
EQUITY			
Capital and reserves attributable to equity holders of Escape Hunt Plc			
Share capital	11	254	125
Share premium account		21,076	8,941
Merger relief reserve		4,756	-
Accumulated losses		(5,737)	(1,608)
Currency translation reserve		(15)	-
Capital redemption reserve		46	-
Share-based payment reserve		43	-
TOTAL EQUITY		20,423	7,458

Consolidated Statements of Changes in Equity

For the year ended 31 December 2017

	Share capital	Share premium account	Merger relief reserve	Currency translation reserve	Capital redemption reserve	Share-based payment reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Year ended 31 December 2017:								
Balance as at 1 January 2017	125	8,941	-	-	-	-	(1,608)	7,458
Loss for the year	-	-	-	-	-	-	(4,129)	(4,129)
Other comprehensive income	-	-	-	(15)	-	-	-	(15)
Total comprehensive loss	-	-	-	(15)	-	-	(4,129)	(4,144)
Issue of shares	175	13,870	4,756	-	-	-	-	18,801
Shares issue costs	-	(1,689)	-	-	-	-	-	(1,689)
Buy-back of shares	(46)	(46)	-	-	46	-		(46)
Share-based payment charge	-	-	-	-	-	43	-	43
Transactions with owners	129	12,135	4,756	-	46	43		17,109
Balance as at 31 December 2017	**254**	**21,076**	**4,756**	**(15)**	**46**	**43**	**(5,737)**	**20,423**
Period ended 31 December 2016:								
Loss for the period	-	-	-	-	-	-	(1,608)	(1,608)
Issue of shares	125	9,585	-	-	-	-	-	9,710
Share issue costs	-	(644)	-	-	-	-	-	(644)
Transactions with owners	125	8,941	-	-	-	-	-	9,066
Balance as at 31 December 2016	125	8,941	-	-	-	-	(1,608)	7,458

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Year ended 31 December 2017 £'000	Period ended 31 December 2016 £'000
Cash flows from operating activities		
Loss before income tax	(4,125)	(1,608)
Adjustments:		
Depreciation of property, plant and equipment	22	-
Amortisation of intangible assets	2,375	-
Share-based payment expense	43	-
Interest income	(9)	-
Operating cash flow before working capital changes	(1,694)	(1,608)
Increase in trade and other receivables	(161)	-
Increase in provisions	1	-
Increase in trade and other payables	298	465
Decrease in deferred income	(48)	-
Cash used in operations	(1,604)	(1,143)
Income taxes paid	(28)	-
Net cash used in operating activities	(1,632)	(1,143)
Cash flows from investing activities		
Purchase of property, plant and equipment	(585)	-
Purchase of intangibles	(240)	-
Payment of deposits	(32)	-
Acquisition of subsidiary, net of cash acquired	(7,044)	-
Interest received	9	-
Net cash used in investing activities	(7,892)	-
Cash flows from financing activities		
Proceeds from issue of ordinary shares (net of buy-back)	13,954	9,710
Proceeds from issue of G shares	1	-
Share issue costs	(1,688)	(644)
Net cash from financing activities	12,267	9,066
Net increase in cash and cash equivalents	2,743	7,923
Cash and cash equivalents at beginning of year /period	7,923	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	(21)	-
Cash and cash equivalents at end of year / period	10,645	7,923

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company was incorporated in England on 17 May 2016 under the name of Dorcaster Limited with registered number 10184316 as a private company with limited liability under the Companies Act 2006. The Company was re-registered as a public company on 13 June 2016 and changed its name to Dorcaster Plc on 13 June 2016. On 8 July 2016, the Company's shares were admitted to AIM.

Until its acquisition of Experiential Ventures Limited on 2 May 2017, the Company was an investing company (as defined in the AIM Rules for Companies) and did not trade.

On 2 May 2017, the Company ceased to be an investing company on the completion of the acquisition of the entire issued share capital of Experiential Ventures Limited. Experiential Ventures Limited is the holding company of the Escape Hunt Group which is a global provider of live 'escape the room' experiences through a network of franchised, licensed and owner-operated branches and offsite 'escape the room' type games.

On 2 May 2017, the Company's name was changed to Escape Hunt plc.

The Company's registered office is 3 Pear Place, London SE1 8BT.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2017 or 2016 but is derived from those accounts. Statutory accounts for 2016 have been delivered to the registrar of companies, and those for 2017 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

3. Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors have assessed the Group's ability to continue in operational existence for the foreseeable future in accordance with the Financial Reporting Council's Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks issued in April 2016.

The Group has prepared forecasts and projections which reflect the expected trading performance of the Company and the Group on the basis of best estimates of management using current knowledge and expectations of trading performance.

As at 31 December 2017, the Group had £10.65m in cash which is considered sufficient for its present needs.

Based on the above, the Directors consider there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, as well as to fund the Company's future operating expenses. The going concern basis preparation is therefore considered to be appropriate in preparing these financial statements.

4. **Significant accounting policies**

The principal accounting policies applied in the preparation of the consolidated financial information set out below have, unless otherwise stated, been applied consistently throughout.

Basis of consolidation

The consolidated financial information incorporates the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

The acquisition of Experiential Ventures Limited constitutes a reverse takeover of Experiential Ventures Limited for the purposes of the AIM Rules for Companies and received shareholder approval on 2 May 2017. However, the Directors considered that under IFRS 3 *Business Combinations*, the accounting acquirer would be considered to be Escape Hunt plc, due to:

- a greater proportion of share capital in the Group being held by shareholders of Escape Hunt plc, rather than pre-acquisition shareholders of Experiential Ventures Limited;
- Escape Hunt plc's shareholders have the ability to appoint or remove a majority of the members of the Board;
- greater Board representation in the Group of the Escape Hunt plc Board of directors rather than pre-acquisition members of the Experiential Ventures Limited Board; and
- the composition of the senior management of the Group consist mostly of Escape Hunt plc management.

The acquisition of Experiential Ventures has therefore been accounted for under the acquisition method.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Consolidated Financial Statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income.

Acquisition-related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the Financial Statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Revenue recognition

The Company has early adopted IFRS 15 Revenue from Contracts with Customers in the consolidated financial statements.

Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

With the exception of goodwill, intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Game design and development costs are expensed as incurred unless such expenditure meets the criteria to be capitalised as a non-current asset.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

Trademarks	3 years
Intellectual property:	
- Trade names and domain names	3 years
- Rights to system and business processes	3 years
Franchise agreements	Term of franchise
App development	2 years
Portal	3 years

5. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

The Company was an investing company and did not trade until its acquisition of Experiential Ventures Limited ("EV") on 2 May 2017. Since the acquisition, management considers that the Group has two operating segments. Revenues are reviewed based on the nature of the services provided as follows:

1. The franchise business, where all franchised branches are operating under effectively the same model; and

2. The owner-operated branch business, which currently consists of Bangkok and the UK.

The Group operates on a global basis. At present, the Company has active franchisees in 26 countries, though some are still in the pre-opening stage. The Company does not presently analyse or measure the performance of the franchising business into geographic regions or by type of revenue, since this does not provide meaningful analysis to managing the business.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All amounts in respect of the period ended 31 December 2016 relate to the Company only and therefore no further segment analysis has been presented.

Year ended 31 December 2017	**Owner operated £'000**	**Franchise operated £'000**	**Unallocated £'000**	**Total £'000**
Revenue	74	798	-	872
Cost of sales	(55)	(275)	(34)	(364)
Gross profit/(loss)	19	523	(34)	508
Profit/(loss) from operations				
Interest income	-	-	9	9
Expenses				
- Administrative	(18)	(250)	(977)	(1,245)
- Depreciation and amortisation	(2,307)	(90)	-	(2,397)
- Transaction costs	-	-	(957)	(957)
- Share-based payment expenses	-	-	(43)	(43)
Profit/(loss) from operations before tax	(2,306)	183	(2,002)	(4,125)
Taxation	(2)	(2)	-	(4)
Profit/(loss) for the year	(2,308)	181	(2,002)	(4,129)
<u>Other information</u>:				
Non-current assets	10,056	893	-	10,949

Significant customers:

Revenues derived from major customers, which individually represent 10% or more of total revenue are as follows:

	Year ended 31 December 2017 £'000	**Period ended 31 December 2016 £'000**
Customer A	253	-
Customer B	125	-
Others individually less than 10%	494	-

	872	-

6. Operating loss before taxation

Loss from operations has been arrived at after charging / (crediting):

	Year ended 31 December 2017 £'000	Period ended 31 December 2016 £'000
Auditor's remuneration:		
- Audit of the financial statements	60	25
- Reporting accountants to AIM admission and acquisition	157	426
- Review of interim financial statements	9	10
Operating lease expenses	60	-
Impairment of trade receivables	33	-
Foreign exchange losses	34	-
Staff costs including directors, net of amounts capitalised	672	-
Depreciation of property, plant and equipment	22	-
Amortisation of intangible assets (Note 10)	2,375	-
Share-based payment costs (non-employees)	43	-

In addition to the auditor's remuneration disclosed above, £482,000 was paid to KPMG in connection with the Company's acquisition of EV and re-admission to AIM in May 2017. Those costs attributable to issuing share capital have been charged to share premium.

In the period ended 31 December 2016, £29,250 was paid to RSM UK Audit LLP, the Company's previous auditors, in connection with the Company's AIM admission. These costs were charged against share premium arising on the issue of shares.

7. **Taxation**

The Company has made no provision for taxation as it has not yet generated any taxable income. A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Company is as follows:

	Year ended 31 December 2017 £'000	**Period ended 31 December 2016 £'000**
Loss before taxation	(4,125)	(1,608)
Tax calculated at the standard rate of tax of 19.25%	(794)	(321)
Tax effects of:		-
Non-deductible expenditure	561	309
Effect of different tax rates in foreign jurisdictions	(51)	-
Tax losses carried forward	316	12
Capital allowances less depreciation	(32)	
	4	-

The Group had tax losses of approximately £2.7 million as at 31 December 2017 (£63,000 as at 31 December 2016) which, subject to agreement with taxation authorities, are available to carry forward against future profits. The tax value of such losses amounted to approximately £0.46 million (£12,000 as at 31 December 2016).

A deferred tax asset in respect of these losses and temporary differences has not been established as the Directors have assessed the likelihood of future profits being available to offset such deferred tax assets to be uncertain.

8. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders by the weighted average number of ordinary shares in issue during the period. Diluted net loss per share is calculated by dividing net loss by the weighted average number of shares in issue and potential dilutive shares outstanding during the period.

Because Escape Hunt is in a net loss position, diluted loss per share excludes the effects of ordinary share equivalents consisting of stock options and warrants, which are anti-dilutive. The total number of shares subject to share options and warrants outstanding excluded from consideration in the calculation of diluted loss per share for the year ended 31 December 2017 and the period ended 31 December 2016 were 1,829,576 and nil, respectively.

	Year ended 31 December 2017	**Period ended 31 December 2016**
Loss after tax attributable to owners of the Company (£'000)	(4,129)	(1,608)
Weighted average number of shares:		
- Basic and diluted	16,667,376	8,576,422
Loss per share		
- Basic and diluted (Pence)	(24.77)	(18.75)

9. Acquisition of Experiential Ventures Limited

On 13 April 2017, the Company conditionally agreed to purchase the entire issued share capital of Experiential Ventures Limited for a consideration of £12 million on a cash free and debt free basis, with a normalised level of working capital. The consideration (following adjustments for cash/debt and working capital) was payable by £7.2 million in cash on Completion and by the issue of Ordinary Shares (the "Consideration Shares'') for £4.8 million.

In order to fund the cash consideration payable and associated costs and expenses, as well as working capital, the Company agreed the conditional placing of 10,370,370 Ordinary Shares (the "Placing Shares'') at 135 pence per share to raise £14 million (£10.8 million net of expenses).

On the same date, the Company issued 3,555,555 Ordinary Shares (the Consideration Shares) at £1.35 each to the holders of the entire issued share capital of Experiential Ventures Limited, pursuant to the Company's acquisition of the Escape Hunt Group.

The Acquisition was approved on 2 May 2017 and admission of the share capital on AIM took effect on 3 May 2017.

The following table summarises the consideration paid for Experiential Ventures, the fair value of assets acquired and liabilities assumed at the acquisition date:

	Fair Value
Consideration	**£'000**
Cash	7,200
Equity instruments (3,555,555 ordinary shares)	4,800
Total consideration	**12,000**
Cash and cash equivalents	152
Property, plant and equipment	130
Gross trade and other receivables	134
Trade and other payables	(142)
Deferred income	(667)
Tax liabilities	(29)
Intangible assets identified on acquisition	31
Total identifiable net assets	**(390)**
Goodwill	1,393
Intellectual Property	10,195
Franchise Business	802
Total	**12,390**

The fair value of the ordinary shares given as part of the consideration (£4,800,000) was determined by reference to the Company's share price at the date of acquisition, being £1.35 per share.

The Directors do not consider that any fair value adjustments were necessary to the book values of the assets and liabilities assumed on acquisition.

The goodwill of £1,393,000 is attributable to the owner operated business, because that is where the benefits are expected to arise from expansion opportunities and synergies of the business of the escape the room concept.

The intellectual property of £10,195,000 relates to the valuation of the catalogue of games, the process of games development and the inherent know how and understanding of making successful games.

The Group's strategy since acquisition has been to build upon the current IP rather than replace it.

The intangible asset of the Franchise Business of £802,000 is the net present value of the net income from the current franchisee agreements.

The trade and other receivable amounts acquired, noted in the table above, are before allowance for any uncollectable amounts. The Directors do not consider any such allowance is needed.

The acquisition contributed £872,000 of revenue for the period between the date of acquisition and 31 December 2017 and £272,000 of profit before tax. If the acquisition had been completed on the first day of the financial year, Group revenues would have been £380,000 higher and Group losses attributable to equity holders of the parent would have been £37,000 lower.

Acquisition costs of £731,000 were expensed in the year ended 31 December 2017. These costs are included with transaction costs in the Statement of Comprehensive Income.

10. Intangible assets

	Goodwill	Trademarks	Intellectual property	Franchise business	App Quest	Portal	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2017	-	-	-	-	-	-	-
Additions	1,404	13	10,195	802	100	141	12,655
At 31 December 2017	1,404	13	10,195	802	100	141	12,655
Accumulated amortisation							
At 1 January 2017	-	-	-	-	-		-
Amortisation charge for the year	-		(2,266)	(76)	(33)	-	(2,375)
At 31 December 2017	-	-	(2,266)	(76)	(33)	-	(2,375)
Carrying amounts							
At 31 December 2017	**1,404**	**13**	**7,929**	**726**	**67**	**141**	**10,280**
At 31 December 2016	-	-	-	-	-	-	-

Goodwill and acquisition related intangible assets recognised have arisen from the acquisition of Experiential Ventures Limited in May 2017.

11. Share capital

	As at 31 December 2017 £'000	As at 31 December 2016 £'000
Issued and fully paid:		
20,259,258 (2016: 10,000,000) Ordinary shares of 1.25 pence each	253	125
1,000 G shares of £1 each	1	-
	254	125

During the year ended 31 December 2017, the following transactions were undertaken:

Ordinary shares

On 2 May 2017, the Company placed a total of 10,370,370 ordinary shares at a price of 135 pence per share, with new and existing institutional investors, as well as certain Directors to raise gross proceeds of £14.0 million. The share price of 135 pence per share was based on the quoted share price on AIM at the time less a small discount.

On 2 May 2017, the Company issued 3,555,555 ordinary shares at £1.35 each to the holders of the entire issued share capital of Experiential Ventures Limited, pursuant to the Company's purchase of the entire issued share capital of Experiential Ventures Limited (the "Acquisition").

Share buy-back agreements dated 13 April 2017 were entered into pursuant to which Karen Jones (666,666 shares), Hubert van den Bergh (1,444,444 shares), Dominic Rose (518,519 shares), Jessica Rose (518,519 shares) and Jaime Sarah Rose Scudamore (518,519 shares) agreed to sell a total of 3,666,667 ordinary shares at a value equal to the aggregate nominal value of the ordinary shares being sold being £45,833.

The number of shares in issue at 31 December 2017 and at the date of approval of these financial statements is 20,259,258 ordinary shares of 1.25 pence each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

G shares

Two Directors and one employee subscribed for a total of 1,000 G shares which were issued by Escape Hunt Group Limited under The Escape Hunt plc Executive Growth Share Plan at a cost of £1 per share in the year.

12. Warrants

A warrant instrument was entered into by way of deed poll on 13 April 2017 under which the Company created and issued warrants to Stockdale Securities to subscribe for 202,592 Ordinary Shares on the terms and conditions of the instrument. The warrants were issued to Stockdale Securities on Admission and may be exercised within 3 years of the date of the instrument at a price of £1.35 per Ordinary Share (being equal to the Placing Price) subject to the terms and conditions of the instrument. The sum of £30,000 has been recognised as a share-based payment and charged to the Income Statement in the year ended 31 December 2017 (period ended 31 December 2016: £nil).

The weighted average fair value of the warrants granted was 0.15p per share.

The weighted average remaining contractual life of the warrants outstanding at 31 December 2017 is 28 months.

A warrant-holder has no voting or dividend rights in the Company before the exercise of a share warrant.

No warrants have been exercised or forfeited. Accordingly, all warrants remained in place at 31 December 2017.

These fair values were calculated using the Black Scholes option pricing model. The inputs in the model were as follows:

Stock price	135p
Exercise price	135p
Interest rate	1%
Volatility	15%
Time to maturity	3 years

13. Share option and inventive plans

Share option plan

The Escape Hunt plc Company Share Option Plan 2017 ("CSOP") was established on 2 May 2017.
The CSOP is designed to be a Schedule 4 CSOP Scheme. All employees (including full time executive directors) of the Company and any of its subsidiaries may be granted options over Ordinary Shares under the CSOP provided that they are not prohibited under the relevant legislation relating to Schedule 4 CSOP Schemes from being granted an option by virtue of having, or having had, a material interest in the Company. On 10 July two employees were each granted options over 20,833 shares each at an exercise price of £1.44 per ordinary share.

The weighted average remaining contractual life of the options outstanding at 31 December 2017 is 30 months. The share options vest on the third anniversary of the grant date and, on exercise, will be settled by the issue of ordinary shares in the Company.

An option-holder has no voting or dividend rights in the Company before the exercise of a share option. No options have been exercised or forfeited. Accordingly, all options remained in place at 31 December 2017.

The charge to profit and loss during the year was £nil (2016: £nil) due to the immateriality of the value of the options.

Share incentive plan

The Escape Hunt plc Executive Growth Share Plan ("EGSP") was established on 2 May 2017. Three directors and full-time employees of the Company were invited to participate under the EGSP.

Under the EGSP invitations were issued to three eligible employees inviting such employees to subscribe for a specified number of G Shares each at a specified price per G Share. The Remuneration Committee has absolute discretion to select the persons to whom invitations were issued and in determining the number of G Shares which may be acquired pursuant to each invitation. Two Directors and one employee have subscribed for a total of 1,000 shares under the EGSP at a cost of £1 per share in the year ended 31 December 2017. The price payable for a G Share pursuant to an invitation is also determined by the Remuneration Committee.

The G share exercise price for 71.43% of the G shares is currently £2.33 and is currently £3.37 for the balance.

The sum of £13,000 has been recognised as a share-based payment and charged to the Income Statement during the year (2016: £nil). These fair values were calculated using the Black Scholes option pricing model. The inputs in the model were as follows:

Stock price	135p
Exercise price (71.4%)	233p
Exercise price (28.6%)	337p
Interest rate	1%
Volatility	15%
Time to maturity	3 years

14. **Related party transactions**

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party in making financial and operating decisions.

During the period under review, in addition to those disclosed elsewhere in these financial statements, the following significant transactions took place at terms agreed between the parties:

Transactions with key management personnel

In preparation for the acquisition of Experiential Ventures Limited, Richard Harpham a director of the Company, provided consultancy services for the Company in relation to the acquisition, Placing and share buy-back, and to co-ordinate the preparation of the Group for Admission.

Richard Harpham, a director of the Company, was entitled to a fee of £45,000 for consultancy services in relation to the acquisition of Experiential Ventures Limited, the placing of shares, the share buy-back and to co-ordinate the Group for admission to AIM. The fee was conditional upon admission and was paid and expensed in in the consolidated financial statements in the year ended 31 December 2017. In addition, £40,000 was paid for his services in carrying out due diligence on the acquisition and assisting in the process of raising the additional equity. Richard Harpham was not appointed a director of the Company until 2 May.

During the year ended 31 December 2017, the Company paid £30,000 to Kishorn Limited for the services of Alistair Rae to provide company secretarial services and for assistance in the due diligence on the acquisition and the related equity fund raising. Alistair Rae is a director and was a 60% shareholder of Kishorn Limited, a company incorporated in England and Wales. Alistair

Rae became a director of the Company on 2 May 2017. Amounts outstanding to Kishorn Limited at 31 December 2017 were £nil (2016: £900).

The share buy-back described in Note 11 above constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies in respect of both of the Directors.

Other transactions

In the year ended 31 December 2017, Peel Hunt LLP (a shareholder and the Company's nominated adviser and broker) performed services for the Company in relation to the re-admission to AIM and ongoing activities for a sum of £800,000. Of this amount, broking fees of £793,000 have been charged to the share premium account and other costs of £7,000 has been expensed in profit and loss in these consolidated financial statements.

Share incentive plan

As described in Note 13, two Directors and one employee have subscribed for a total of 1,000 shares under the Escape Hunt plc Executive Growth Share Plan at a cost of £1 per share in the year ended 31 December 2017. The Directors do not consider the cost to the Company to be material in and accordingly no provision has been made in these financial statements.

15. Subsequent events

There have been no events that have occurred since the year end that require additional disclosure.