

26 January 2022

**XP Factory Plc**

**("XP Factory", the "Company" or the "Group")**

**Trading Update**

XP Factory, one of the UK's pre-eminent experiential leisure businesses operating under the Escape Hunt and Boom Battle Bar brands, is pleased to provide an update on trading for the six months to 31 December 2021.

**Highlights:**

- £5.1m revenue delivered from owner-operated Escape Hunt sites in H2 (133% ahead of H2 2019)
- Escape Hunt site level EBITDA expected to exceed £2m in H2 (340% ahead of H2 2019)
- Positive Group EBITDA (excluding R&D credits) expected to be delivered in H2 with underlying Group EBITDA expected to be ahead of City expectations
- £1.5m R&D grant (net of fees) received in January 2022
- Completion of the acquisition of Boom Battle Bar on 23 November 2021
- Number of new openings on track for both Escape Hunt and Boom Battle Bar

**Trading**

Trading within the Escape Hunt network bounced back strongly after H1 2021, which was severely affected by lockdown restrictions. Owner operated revenue in the six months to 31 December was £5.1 million, an increase of 133% compared to the same period in 2019. Site EBITDA for H2 2021 is expected to exceed £2m. This represents an increase of over 340% compared to the same period in 2019, driven by the enlarged estate, underlying like-for-like growth and improved margins. The outcome significantly exceeds the Board's original expectations for the Escape Hunt business.

The acquisition of Boom Battle Bar completed on 23 November 2021. Since the acquisition, significant progress has been made in the development of the network with The O2 opening as an owner-operated site in December, and Wandsworth and Coventry opening as franchises. Eight additional sites (including two owner-operated) are currently in build.

The combined result for the Group is expected to show positive adjusted EBITDA (excluding R&D credits) for the six months to 31 December 2021, ahead of market expectations.

## R&D credit

In December 2021, the Group submitted a further application for research and development grants related to expenditure incurred during 2019 and 2020. In early January, the Group received confirmation that the applications had been successful and has since received £1.5m cash, net of fees by way of R&D credits, further boosting cash reserves.

Further detail will be provided on both performance and strategic progress with the results for the year to 31 December 2021

**Commenting on the trading update, Richard Harpham, Chief Executive of XP Factory plc said *“We are delighted with the performance of our Escape Hunt business in the second half of 2021, with activity bouncing back strongly after the lockdown in H1. Our acquisition of Boom Battle Bar which completed in late November 2021 is settling in well and we have made excellent progress on the site pipeline. With COVID restrictions now being substantially lifted in the coming days, we have much reason to be optimistic about the future.”***

## Enquiries:

### XP Factory Plc

+44 (0) 20 7846 3322

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

Richard Harpham (Chief Executive Officer)

Graham Bird (Chief Financial Officer)

Kam Bansil (Investor Relations)

### Shore Capital, NOMAD and Broker

+44 (0) 20 7408 4050

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

Tom Griffiths/David Coaten (Corporate Advisory)

### IFC Advisory - Financial PR

+44 (0) 20 3934 6630

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

Graham Herring

Florence Chandler

Notes to Editors:

## About XP Factory plc

The XP Factory Group is one of the UK's pre-eminent experiential leisure businesses which currently operates two fast growing leisure brands. Escape Hunt is a global leader in providing escape-the-room experiences delivered through a network of owner-operated sites in the UK, an international network of franchised outlets in five continents, and through digitally delivered games which can be played remotely.

Boom Battle Bar is a fast-growing network of owner-operated and franchise sites in the UK that combine competitive socialising activities with themed cocktails, drinks and street food in a high energy, fun setting. Activities include a range of games such as augmented reality darts, Bavarian axe throwing, 'crazier golf', shuffleboard and others. The Group's products enjoy premium customer ratings and cater for leisure or teambuilding, in small groups or large, and are suitable for consumers, businesses and other organisations. The Company has a strategy to expand the network in the UK and internationally, creating high quality games and experiences delivered through multiple formats and which can incorporate branded IP content. (<https://xpfactory.com/>)

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