



RNS Number : 06021
Reach4Entertainment Enterprises PLC
04 December 2015

reach4entertainment enterprises plc
(“r4e”, the “Company” or the “Group”)

Completion of Bank Refinancing with AIB

The Board of r4e is pleased to announce that the Company has today completed its Bank Refinancing with AIB announced on 13 November 2015.

The Placing

The Company has completed the Placing to raise £4.0 million (before expenses). The Placing involved the placing of 400,000,000 New Ordinary Shares with new and existing shareholders at a price of 1 penny per share. The Placing was arranged by Allenby Capital Limited.

New Facility

The Company has entered into the New Facility with PNC Business Credit, a trading style of PNC Financial Services UK Ltd. The New Facility is a three year secured asset based debt facility of £9.5 million being made up of a £1 million term loan and a revolving credit facility of up to £8.5 million based on qualifying accounts receivable.

Bank Refinancing

The Company has repaid its existing loan facility agreement of £14,785,000 ("Facility Agreement") with AIB, as follows:

- the Company has paid AIB the Cash Settlement, being £9 million plus certain expenses, against the termination of the Facility Agreement and release of the security granted in connection with the Facility Agreement. The Cash Settlement has been funded from the proceeds of the Placing and amounts drawn down under the New Facility; and
- the Company has granted 24,994,462 Warrants, representing five per cent. of the Enlarged Share Capital as enlarged by the exercise of the Warrants and the Placing, to AIB Joint Ventures, a subsidiary of AIB. The Warrants are exercisable for five years at an exercise price of 1 penny per Warrant, only when the closing mid-market price of a New Ordinary Share reaches 5 pence or more on any Trading Day during that five year period, subject to the right to exercise earlier upon the occurrence of certain specified Acceleration Events (as defined in the Warrant Instrument).

The same definitions apply throughout this announcement as are applied in the Circular, published on 13 November 2015, copies of which are available on the Company's website, www.r4e.com.

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