



RNS Number : 8946G
Reach4Entertainment Enterprises PLC
20 March 2020

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reach4entertainment enterprises plc

("r4e" or "the Company" or "the Group")

Covid-19 (Coronavirus) update statement

Following the announcement of the Group's trading update on 18 February 2020, the Group has continued to trade in line with expectations with like for like sales up 30.4% on prior year for the 2 months ending 29 February 2020. However, the sudden closure of all live venues on Broadway and in London's West End in the past week due to the Covid-19 pandemic, means the Group expects material reductions in trading from March 2020 onwards. It is difficult to accurately forecast the extent to which COVID-19 will impact trading and financial performance at this time, however the Company must prepare for a material reduction to market expectations for 2020.

In order to manage the Group's working capital and to ensure liquidity, management are taking a highly prudent approach with the following immediate actions:

- Freeze on all M&A activity and capital expenditure
- Administration costs frozen if not immediately necessary
- Reduction in employee, Director and Non-Executive Director costs
- Working capital is being managed very tightly

Management are in close communication with the Company's US owned asset based lending facility provider, PNC Business Credit, regarding its existing facility. The Group had net cash of £2.75 million at 31 December 2019 and has accessed additional cash resources through its facility which enable the group to meet its working capital requirements over the short to medium term. The Board is closely monitoring the Company's working capital headroom through this difficult period and continues to plan for multiple scenarios and explore various ways to mitigate the impact of reduced activity for a potentially extended period of time.

Further updates to the market will be made in due course.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes to Editors

reach4entertainment enterprises plc (“r4e”) operates a collection of theatrical, film and live entertainment marketing, PR, advertising and display agencies, across the world. The Company uses its extensive experience in the live entertainments space to create value through investing in innovative and established agencies that provide communications services to a range of clients involved with theatre, film, concerts and more.

For further information on r4e you are invited to visit the Company's website at www.r4e.com.

Spot and Company of Manhattan, INC.

A global leading full-service arts and live entertainment advertising and marketing agency. In an ever-changing media landscape, it stays ahead of the curve with a mix of bold positioning through interactive, broadcast, environmental and print campaigns.

<https://www.spotnyc.com>

Dewynters Limited

A leading independent arts, events and live entertainment marketing specialist. The agency’s work in theatre, museums, attractions, sport and music is seen right across the globe.

<http://www.dewynters.com>

Newman Displays Limited

The UK's leading large-scale outdoor signage, front of house, marquee display and installation company. Clients include major West End theatre productions, leading film companies, cinemas and major global events.

<http://www.newman-displays.com>

Wake the Bear Limited

A marketing communications agency that supports businesses to invent, reposition and regenerate their brands in order to grow. The agency carries out brand strategy, communications planning and end-to-end activation.

<https://www.wtb.london/>



Story House PR Limited

A new public relations agency for the theatre and live entertainment industries, operating in the UK and internationally. The agency crafts engaging campaigns for audiences, driven by strategy: the right channel, at the right time, with the right message. Fully integrating PR with paid media and social, ensuring all elements of a campaign are working together, Story House collaborates with its clients to ensure its work is dedicated to realising their ambitions.

www.storyhousepr.co.uk

Buzz 16 Productions

Buzz 16 is an independent production company, which creates both short and long form sports orientated content. The Company was co-founded by former Manchester United player and respected broadcaster, Gary Neville, along with former Sky Sports Premier League producer, Scott Melvin.

<https://buzz16.uk>

Sold Out

Sold Out is an independent full-service advertising agency, specialising in arts and entertainment for over 25 years.

<https://soldout.london>