xpfactory plc

ANNUAL REPORT & ACCOUNTS 2025/2026

12 months to 29th March 2026

CONTENTS

FINANCIAL AND OPERATIONAL SUMMARY FOR THE PERIOD TO 29 MARCH 2026

FINANCIAL SUMMARY

- Underlying group revenue for the period increased 3% to £59.6m[1] compared to the prior year (FY25: £57.8m) representing further growth in scale
- Pre-IFRS-16 Group Adjusted EBITDA was £5.5m (FY25: £6.6m)
- Site-level pre-IFRS-16 EBITDA was £14.5m (FY25: £15.0m)
- Group Adjusted EBITDA was £10.2m (FY25: £10.3m)
- Adjusted Operating profit[2] of £0.8m (FY25: £3.4m)
- Net debt of £5.9m at 29 March 2026 (31 March 2025: £4.9m net debt)
- £20m revolving credit facility with HSBC signed

DIVISIONAL SUMMARY

- Escape Hunt® owner-operated ("O&O"):
  - Revenue growth: +11% to £15.8m (FY25: £14.2m)
  - UK like-for-like ("LFL") sales growth of +4.6% in the 52 weeks to 29 March 2026
  - Escape Hunt Pre-IFRS-16 site-level EBITDA margin of 42% (FY25: 44%)
  - New sites opened in Canterbury and Sheffield, in May and October 2025 respectively, as well as an expansion into an additional unit at Birmingham Resorts World
  - O&O sites at year end: 27 (FY25: 25), of which 24 in the UK (FY25: 22)
- Boom Battle Bar® ("Boom") O&O:
  - Underlying revenue growth: +2% to £42.8m (FY25: £42.2m), driven by the annualisation of prior year franchisee acquisitions, and net site openings
  - UK LFL decline of -8.0% in the 52 weeks to 29 March 2026, modestly ahead of the competitive socialising industry which experienced a LFL decline of -9%[3]
  - Pre-IFRS-16 site-level EBITDA margin of 17% (FY25: 18%), with disciplined cost controls partially offsetting the impacts of negative LFL sales, and material labour and supplier cost inflation
  - New owner-operated Boom site opened in Reading in June 2025, Southend site closed in January 2026
  - O&O sites at year end: 25 (FY25: 25), of which 24 in the UK (FY25: 24)

POST-PERIOD END SUMMARY

- Unusually warm and dry weather throughout summer impacted demand for indoor activities, subsequent improvement with normalisation in weather in recent weeks
- Positive initial indications for key festive trading period, supported by internal initiatives with Boom LFL December B2B bookings up +15% against the comparable period last year
- £1m HQ cost reductions implemented with full benefit expected in FY27
- New Escape Hunt site openings:
  - New sites in Colchester, Wandsworth, and Birmingham Canon Street opened in April, June, and July 2026 respectively
  - Cardiff site in build, and is expected to open in October; Cardiff will be UK site number 28
  - Strong pipeline of further site openings developed, long-term potential to grow O&O estate to 100 sites in UK&I
- The Christmas trading period remains important to the full year outcome. Based on initial Christmas indications, the Board continues to expect performance for the year to be in line with market expectations

1 Excluding the impact of the presentational accounting change in retrospective supplier rebates (so-called "retros") which are now recognised as a deduction from cost of sales, reflecting the substance of the underlying arrangements. Previously, these amounts were presented within revenue

2 Adjusted Operating profit calculated as statutory operating profit before exceptional and pre-opening costs

3 Source: CGA RSM Hospitality tracker, average weekly LFL for Experiential Venues for the 52 weeks to 29 March 2026

CHAIRMAN'S STATEMENT

Having assumed the role of Chairman on 2 February 2026, succeeding Richard Rose after his nine years on the Board. I am pleased to present my first report to shareholders. Firstly I would like to thank Richard Rose who, during his tenure, led the Group from under £1 million of revenue to almost £60 million. Richard was generous with his time throughout the handover, for that, I am grateful.

Although I have only recently joined the Board, it is already clear that the Group has significant opportunities ahead, as well as challenges to navigate. One of my principal responsibilities as Chairman is to ensure we maintain a disciplined focus on capital allocation - a priority that can easily lose clarity over time. It has been particularly pleasing to see that the Board and the wider Group have embraced this focus so readily. More importantly, there are opportunities within the business that are genuinely deserving of capital, and that makes the decisions ahead all the more exciting.

Turning to the results we announce today, underlying revenue grew 3% to £59.6 million, while pre-IFRS 16 adjusted EBITDA declined to £5.5 million (FY25: £6.6 million), reflecting approximately £1.5 million of additional labour costs and a significantly weaker competitive socialising market. Net debt, excluding leases, closed at £5.9 million (FY25: £4.9 million) after investment in four Escape Hunt site openings and expansions during the year and shortly thereafter. It is fair to say that 2026 was a year of resilience rather than progress.

However, in a year when several competitors failed, Boom limited its margin decline to less than two percentage points, finishing at 17%. Escape Hunt UK delivered 4.6% like-for-like sales growth and site-level margins of 42%. The Group's ability to protect margins in a year like 2026 should not be underestimated. More than £2 million of annualised site-level savings were identified during the year and, since I became Chairman, a further £1 million cost-saving programme has been initiated at head office.

Escape Hunt's unit economics remain remarkably consistent across a wide range of locations, underpinning our confidence in the longer-term opportunity to build a 100-site estate. Boom's like-for-like performance requires sustained attention. While the market backdrop helps explain Boom's recent performance, explanation alone is not a solution. Encouragingly, the leaner central cost base now gives us the ability to deliver operational leverage that the model has always promised.

OUTLOOK

XP Factory enters FY27 leaner, more disciplined, and with a clearer sense of purpose. Both brands are capital-efficient and stand to benefit as consolidation continues across the market. But we are not assuming a rapid recovery in consumer demand. However, we have an incredibly talented and dedicated team at XP Factory. We now have a cost base that is aligned with current trading conditions and a clear conviction about where capital should be allocated. As a result, the Board believes we are well positioned, while remaining mindful of the challenges ahead.

Finally, I would like to thank our shareholders for the warm welcome they have given me since joining the Board. I have been equally grateful for the support, encouragement and commitment shown by my fellow directors and everyone across the XP Factory family.

James van den Bergh

3 September 2026

We create & curate world-class lean-in entertainment experiences fused with world-class hospitality.

At **xpfactory** plc we understand the power of human connection. We bring people closer together through shared experiences that create an undeniable feeling of winning at life.

With this aim, we are on a mission to bring to market new kinds of lean-in social experiences that we can combine with excellence in hospitality.

xpfactory plc is home to 2 market leading brands **ESCAPE HUNT** & **BOOM BATTLE BAR**.

BOOM BATTLE BAR

30
Venues

Wet-led venues home to multiple entertainment experiences all under one roof

MARKET LEADER

ESCAPE HUNT

45
Venues

Experience-led venues home to team-based gaming adventures

MARKET LEADER

UK

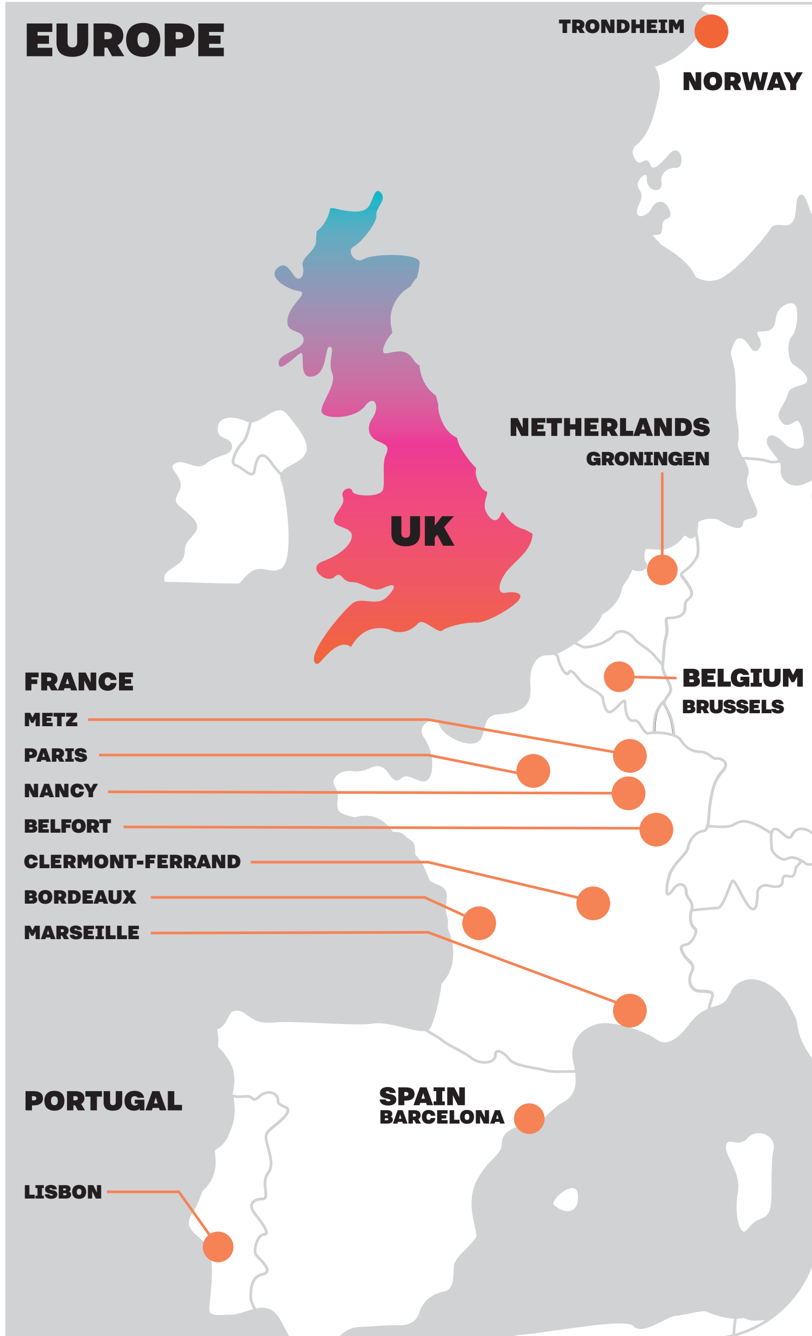
We have a strong national presence with significant opportunities for further expansion. Our 53 venue UK footprint trades from prime retail or leisure locations spanning England, Scotland and Wales. **ESCAPE HUNT** is fully owned and operated in the UK & **BOOM BATTLE BAR** is a mix of Owned & Operated and Franchise. The first UK **ESCAPE HUNT** opened in March 2018 and the first UK **BOOM BATTLE BAR** opened in June 2020.

ESCAPE HUNT

BOOM BATTLE BAR

INTERNATIONAL

ESCAPE HUNT has been operating internationally across 4 continents since 2013. Its 21 international venues are a mix of Franchise (18) and Company Owned (3) sites. The first international **BOOM BATTLE BAR** opened in Dubai's Jumeriah Beach Resort in July 2023.



69

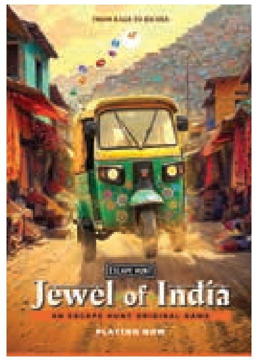
Locations 6 of which host both brands

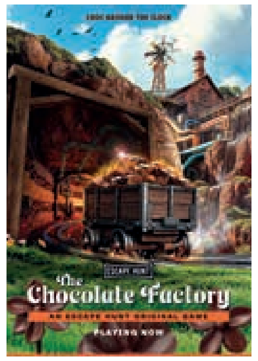
BRAND FOCUS

ESCAPE HUNT

32 premium team-based adventures. The UK's largest proprietary escape game catalogue.

Creating adventures that keep guests coming back.





ESCAPE HUNT is unique in its position in the UK's diverse "out of home" leisure sector. Teams of friends, families and work colleagues enjoy uniquely memorable, immersive and multi-sensory team-based gaming adventures in our well-located venues in prime retail or leisure space. What started as a small escape room brand in 2013 has been transformed into a mainstream entertainment experience venue like no other. Loved by consumers, trusted by corporates.

Our in-house **ESCAPE HUNT** Studios continues to create and develop the UK's largest proprietary catalogue of immersive escape game experiences. With **32** adventures now available across multiple formats, our continually evolving five-star portfolio encourages repeat visitation and extends guest lifetime value. Every new adventure strengthens the brand, broadens customer choice and gives guests another reason to return.

Our **ESCAPE HUNT** rooms benefit from full modular build, are well proven operationally & highly rated by customers. Experiences are underpinned by a progressive, proprietary software platform that brings strong operational reliability and efficiency. Our love for adventure spills beyond the games room with photo opportunities, themed entrance ways, pulse-racing music and the introduction of themed cocktails. Tapping into all the senses amplifies the experience and deepens memorability making **ESCAPE HUNT** a truly unforgettable experience.

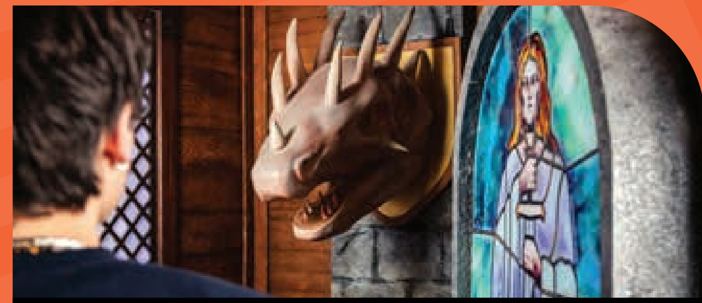
ESCAPE HUNT

98.7%
Review Rating*

*An aggregated score expressed as a % from social reviews (e.g. Google, Facebook and TripAdvisor)

All data 1st April 2025–31st March 2026 Feed It Back

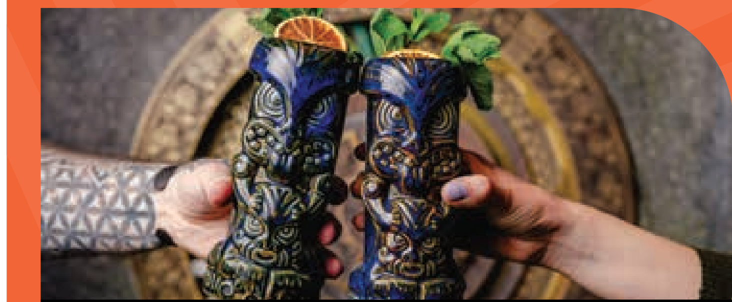
As a 360 gaming business that goes beyond the bricks and mortar this gives us access to both depth and scale unique to retail and leisure



ESCAPE ROOMS
In venue immersive escape adventures or virtual reality

CITY HUNTS
Outdoor explorer games using the streets of the city and an action pack of gadgets

DIGITAL & PLAY AT HOME GAMES
Location-neutral games for Consumers & Corporates



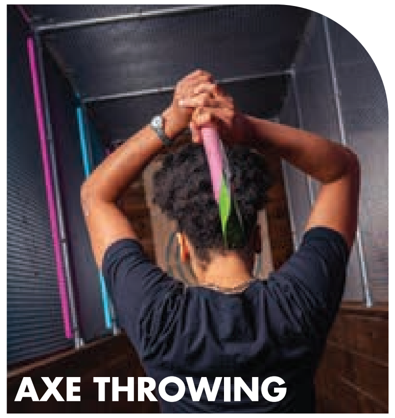
DRINKS
Our in venue bars offer pre-game or post game celebratory drinks

BRAND FOCUS

BOOM BATTLE BAR

A unique bar vibe housing social lean-in entertainment.

BOOM BATTLE BAR is a bar with a different dimension. Crowds of customers regularly flock to experience the collective high and energy of the BOOM facilitated by our epic team of **BOOM MAKERS**. From celebrating in-game moments and outcomes to singing, dancing and cheering teams on the big screen. From regular nights out to celebrations of all kinds, from casual after work drinks to exclusive venue hire. **BOOM BATTLE BAR** is a high-tempo experience bar that is a vibrant, unforgettable destination for both consumers and corporates to let loose and have fun in the here and now. Whatever the occasion, our amazing teams of **BOOM MAKERS** facilitate a unique unforgettable vibe aptly summed up in our tagline **FEEL THE BOOM**.


AXE THROWING


AR DARTS


CRAZIER GOLF


SHUFFLEBOARD


BEER/PROSECCO PONG


KARAOKE


PING PONG


POOL

BOOM BATTLE BAR

96.7%

Review Rating*

*An aggregated score expressed as a % from social reviews (e.g. Google, Facebook and TripAdvisor)

All data 1st April 2025 – 31st March 2026 Feed It Back

The modularity provided by our multi-experience proposition is distinctly advantageous.

We can optimize the mix of games and experiences by venue size and location as well as continue to innovate and refresh the offer to remain current without the requirement for wholesale change.

DRINKS

A wide range of delicious instagrammable cocktails & drinks

FOOD

BOOM BITES offers delicious signature chicken wings, streetfood and fully loaded sharers

EXPERIENCES

Modular, multi-experience set up from AR Axe throwing to Crazier Golf & Karaoke

LIVE EVENTS

From World Cup Fixtures to big pop culture moments like Eurovision & St Patricks Day

Building a more distinctive BOOM

During the year we continued to strengthen the **BOOM BATTLE BAR** brand, developing a new brand framework and a more distinctive visual identity designed to increase recognition and attribution, improve consistency and support future growth.

The refreshed identity provides a strong foundation for future venue openings, marketing campaigns and product innovation whilst ensuring **BOOM BATTLE BAR** remains instantly recognisable wherever guests encounter the brand.

Technology is most valuable when it enhances human connection.

Personalised hospitality at scale

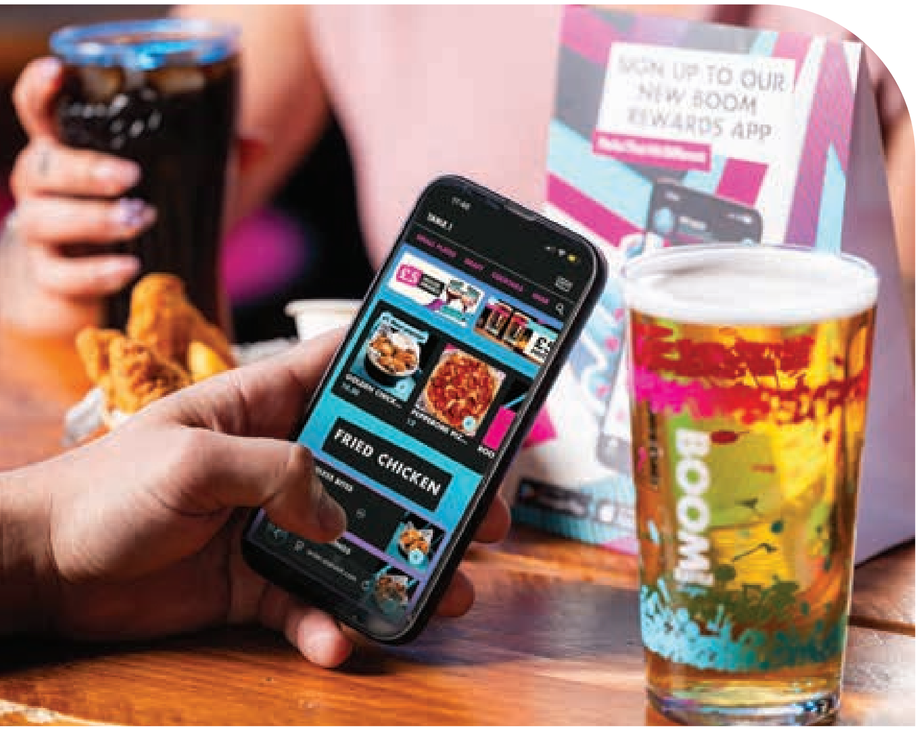
Using data, AI and automation to empower our teams and enhance every guest experience.

Across both brands we continue to invest in digital capability that empowers our teams, improves operational efficiency and creates more personalised experiences for every guest. Our focus is on using data, automation and intelligent systems to help our people deliver exceptional hospitality at scale.

PERSONALISING EVERY VISIT

The year saw our internal operational platforms continue to evolve, bringing together information from multiple systems and data sources into a single view that helps venue teams better understand every guest before they arrive.

From recognising returning guests and loyalty members to identifying special occasions and previous experiences, these insights enable teams to move beyond transactional service and deliver memorable, highly personalised hospitality.



AI SUPPORTING OUR GUESTS

During the year we expanded our use of AI-powered guest communications, allowing customers to receive immediate answers to common questions, manage bookings and access support whenever they need it.
This improves convenience for guests whilst allowing our guest services teams to focus on more complex and valuable interactions where personal expertise adds the greatest value. At the same time, this technology enables us to support multiple guests simultaneously whilst maintaining a high level of responsiveness and service.

CREATING LOYALTY

The end of the year also saw **BOOM BATTLE BAR** launch the first version of its dedicated loyalty app. The tiered rewards programme encourages repeat visitation through exclusive benefits, VIP access and surprise-and-delight rewards, creating stronger engagement whilst supporting long-term customer retention.

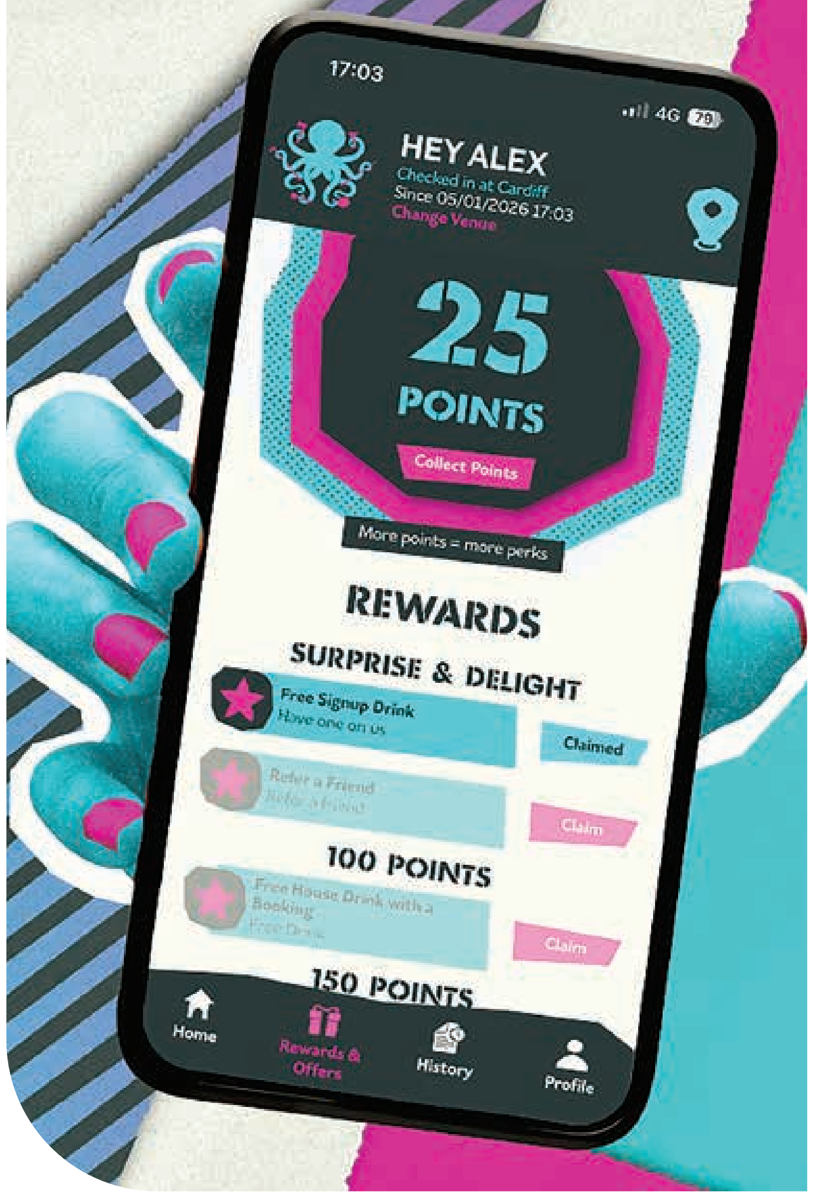
SMARTER OPERATIONS

Continued investment in platforms including StoreKit and integrated handheld service technology has simplified **BOOM BATTLE BAR** venue operations whilst creating more opportunities for personalised selling and faster service.

By combining ordering, payment and operational tools into a single platform, our teams spend less time managing technology and more time engaging with guests.

SMARTER MARKETING

During the year we embraced AI across our digital marketing strategy. By leveraging Large Language Models (LLMs) to support SEO, keyword research and campaign planning, we are able to generate deeper customer insights, improve search visibility and optimise campaign performance further.



INNOVATION BEHIND THE SCENES

Across both brands, our investment in technology extends far beyond digital guest touchpoints. We continue to build operational capabilities that improve efficiency behind the scenes whilst simultaneously creating richer, more immersive and more memorable experiences for our guests.

ESCAPE HUNT continued to invest heavily in technology that sits behind every experience.

The rollout of version 5 of our show control platform, has further enhanced our immersive adventures by enabling increasingly sophisticated lighting, audio and environmental effects whilst simplifying operational delivery.

Alongside this, development continued on EH Vision, our connected operational platform designed to transform how escape rooms are managed across the estate.

By bringing together multiple technologies into a single ecosystem, we have been building the capability for games to be monitored and, where appropriate, hosted remotely across the estate. As development continues this capability has the potential to unlock greater operational resilience, improved labour efficiency, and more bookings without being constrained by local venue resource.

The prototyping of technologies such as ClueCube demonstrates our continued investment in creating smarter, more connected escape room experiences. By introducing wireless devices capable of communicating directly with our show controllers, we're opening up entirely new opportunities to support guests, create more dynamic game interactions and continue raising the quality of the immersive experiences we deliver.

SUSTAINABILITY & RESPONSIBLE PARTNERSHIPS

Sustainability is becoming increasingly embedded in how we operate, the technology we develop and the partnerships we choose.

Across our business we continue to invest in initiatives that improve operational efficiency whilst reducing environmental impact. Throughout the year, innovation continued through projects such as our new low-power mode for **ESCAPE HUNT** games, enabling escape room venues to operate at approximately 50% of their traditional energy consumption when rooms are not in use. This supports both improved operational efficiency and reduced energy consumption across the estate.

Beyond our own operations, we continue to work with suppliers who share our commitment to responsible business practices.

Across our strategic partnerships, investments are being made in renewable energy, lower-carbon logistics, sustainable sourcing, packaging reduction, biodiversity, waste reduction and operational efficiency.

From Budweiser Brewing Group's energy-efficient dispense technology to wider sustainability programmes across our drinks, food and operational supply chain, we recognise that meaningful environmental progress is achieved through collaboration rather than isolated initiatives alone.

50% LOWER ENERGY USE

ESCAPE HUNT low-power mode when games are not in use.

HELPING PEOPLE WIN AT LIFE

We believe that when our people thrive, so do our guests, our communities and our business.

Over the past year we have continued to invest in learning, leadership development and hospitality excellence, creating more opportunities for our teams to grow successful careers within xpfactory.

Since **ESCAPE HUNT** launched in the UK, more than 300 team members have progressed through promotion, demonstrating our commitment to developing talent from within. Alongside traditional career progression, we continue to create opportunities through cross-functional secondments and head office placements.

Across both brands we have introduced enhanced hospitality standards to our **ESCAPE HUNT** Guest Journey and the **BOOM BATTLE BAR** Steps of Service. We have strengthened onboarding and induction programmes, expanded management development and invested in leadership capability to ensure every guest benefits from consistently exceptional experiences.

Across 2025-26, more than 65,500 guests shared their experiences across our brands, resulting in an average review score of 4.9 out of 5. Staff quality was the second most frequently referenced review theme across both brands, with guests regularly calling out the friendliness, energy, engagement and professionalism of our teams. Almost half (49%) of all **ESCAPE HUNT** reviews and 40% of **BOOM BATTLE BAR** reviews specifically referenced team members or hosts, demonstrating the direct link between our investment in our people and the experiences of our guests.

Our **thrive** wellbeing programme continues to evolve, supporting physical, emotional and financial wellbeing through training, mental health initiatives, employee assistance, wellness advocacy and financial education.

During the year over 100 team members supported local charities and community organisations through company-funded Karma Days, reinforcing our commitment to creating a positive impact beyond our venues and supporting causes that are meaningful to our people.

We remain committed to creating an environment where great people can build meaningful careers, develop future leadership skills and, ultimately, help more people win at life.

thrive

65,500+ GUEST REVIEWS

4.9 out of 5 average rating.

CHIEF EXECUTIVE'S REPORT

FY26 was a year in which XP Factory demonstrated resilience and operational discipline despite a challenging market backdrop. Escape Hunt continued to deliver an exceptional performance, with robust like-for-like (LFL) revenue growth and industry leading site-level profitability and return on capital. Boom was impacted by continued weakness across the competitive socialising market, resulting in negative LFL growth, marginally ahead of wider industry trends. Nevertheless, disciplined cost management and operational efficiencies helped offset much of the impact on operating profitability, demonstrating the resilience of our operating model.

GROUP PERFORMANCE

Delivering exceptional guest experiences remains central to our strategy, and both brands continue to enjoy exceptional customer engagement. This is evidenced by industry leading review scores which averaged 98% across the estate (FY25: 98%). These consistently high scores are a testament to the exceptional commitment of our teams across the business, from game and content development through to the operational excellence delivered in our venues every day.

Underlying revenue grew 3%[4], reflecting further LFL growth in Escape Hunt, site expansion and the annualization of prior year Boom Franchise acquisitions, offset by LFL declines at Boom. Despite a challenging trading environment, the Group delivered resilient profitability with pre-IFRS 16 adjusted EBITDA of £5.5m (FY25: £6.6m). Performance was impacted by a number of external headwinds, including c. £1.5m additional LFL labour costs arising from increases in National Insurance contributions and National Living Wage, together with broader supplier cost inflation and softer LFL trading at Boom. These pressures were substantially mitigated through disciplined cost management with over £2m of site level cost savings and £1m of head office savings implemented to date, with full effects to be achieved during FY27.

Net debt excluding lease liabilities at year end was £5.9m (FY25: £4.9m), with strong underlying free cash flow balanced against investment in the existing estate and expansion, with 4 new sites opened in the year and a further 3 new sites opened shortly after year end.

ESCAPE HUNT

Escape Hunt delivered another year of strong and consistent performance. Owned and operated (O&O) revenue grew by 11%, supported by UK LFL growth of 4.6% and new site openings. Site-level profitability continues to significantly exceed original expectations with pre-IFRS 16 adj. EBITDA margins of 42% (FY25: 44%), despite material labour cost inflation.

During the year, new Escape Hunt sites opened in Canterbury and Sheffield, as well as an expansion into an additional unit at Birmingham Resorts World. In addition, three new sites have opened after year end; in Colchester, Wandsworth and Birmingham Cannon Street. The Birmingham site replaces the first UK Escape Hunt site in Birmingham Central which forced to close at short notice due to landlord issues, resulting in a closure of the shopping centre. The Wandsworth site represents a reallocation of space from the existing Boom site, reflecting our view that the location's affluent, family-oriented catchment is expected to resonate more strongly with the Escape Hunt proposition. Initial performance of these new sites has been in line with Board expectations. This provides further assurance in the repeatability of the model across a wide range of locations and confidence in the long-term potential to open 100 sites in the UK & Ireland.

Escape Hunt's performance remains notable for its consistency. All mature UK sites are materially profitable across locations with differing affluence levels, competitive intensity and footfall characteristics. Its modular formation, destination appeal and ability to operate successfully from a range of unit shapes and micro-locations remain important competitive advantages. These characteristics allow Escape Hunt to access attractive property opportunities and landlord incentives, which supports the capital efficient model, and compelling payback periods.

Whilst Escape Hunt enjoys consistently strong profitability and unit economics, this has not been the case across much of the wider Escape Room market. As a result, the reduction in direct competition within the market has also continued with increased pressure on cost and revenue, reflecting the broader trend of industry consolidation in recent years. During this period Escape Hunt has further strengthened its position as the clear scale leader.

Product innovation remains an important contributor to the brand's resilience and Escape Hunt continues to refine its game portfolio, with two new escape room formats launched during the year, further enhancing the breadth and quality of the portfolio. Newer games continue to demonstrate higher customer review scores and repeat visit rates, reflecting the success of the Group's ongoing investment in game design and guest experience. Behind the scenes, technology continues to enhance both guest

4 Excluding the impact of the presentational accounting change in retrospective supplier rebates (so-called "retros") which are now recognised as a deduction from cost of sales, reflecting the substance of the underlying arrangements. Previously, these amounts were presented within revenue

CHIEF EXECUTIVE'S REPORT

experience and operational efficiency. Significant improvements to clue prompting have been tested and are now being rolled out, whilst the latest generation of Escape Hunt's show control system has further enhanced the immersive game experiences through more sophisticated integration of lighting, audio, video and environmental effects, whilst making operations simpler for venue teams. In addition, the drinks sales continued to grow, supported by an expanded themed cocktail menu.

BOOM BATTLE BAR

Boom delivered positive overall revenue growth in FY26, with underlying O&O revenue increasing by 2%[5]. Growth was supported by the annualisation of prior year franchise acquisitions, the annualisation of the FY25 Cambridge opening, and the in-year opening of Reading. This was offset by the continued LFL trading pressure, consistent with conditions across the wider competitive socialising market, with Boom O&O LFL sales declining by 8% during the year.

The competitive socialising market experienced sustained weakness during the period, with LFL revenue declining by 9%[6]. Combined with material labour cost increases and supplier inflation, these headwinds placed significant financial pressure on various operators across the sector. These pressures are accelerating consolidation across the sector, with several operators entering administration during the year. As one of the scale leaders in the sector, Boom remains well positioned to benefit when market conditions normalise, consistent with the Group's prior experience in the escape room market.

Whilst Boom was not immune to these challenges, a strong focus on cost control and operational efficiency helped to significantly mitigate the impact on margins. Most of these savings were achieved through the renegotiation of supplier contracts from a position of greater scale, reflecting the substantial growth in the business since many original agreements were entered into. As a result, the reduction in site-level margin was contained to within 2 percentage points, with FY26 site-level pre-IFRS 16 adj. EBITDA margin of 17% (FY25: 18%).

As with the Cambridge opening in FY25, the opening of Reading in FY26 incorporated our cumulative learnings from previous Boom openings; spanning site selection, venue layout, asset mix and operational execution. The encouraging performance of these newer sites reinforces the Board's view that any future expansion should remain highly selective with a clear focus on premium locations capable of delivering attractive long-term returns.

Various internal initiatives to support LFL growth have been implemented, including the launch of a proprietary B2B booking platform. This is supporting positive initial indications for the key festive trading period, with Boom's December B2B LFL bookings +15% compared to the same period last year.

PEOPLE AND CULTURE

The Group's people remain central to performance and future growth. During the year, we continued to invest in learning and development and hospitality standards across both brands, ensuring teams are equipped to deliver exceptional guest experiences whilst creating meaningful opportunities for career progression and internal promotion.

Alongside investment in people, the Group has continued to enhance the technology and operational tools available to teams, supporting greater efficiency across the business. AI-enabled guest communications, enhanced operational reporting and data-driven guest insights are streamlining routine tasks. These initiatives help to improve decision making and allow our teams to increasingly focus more of their time on what matters most; delivering best-in-class hospitality.

STRATEGIC OBJECTIVES

The Group's financial strategy remains built around three core priorities; disciplined site expansion, attractive unit economics, and operational leverage.

Site expansion

The Group continues to see a substantial runway for growth in the UK & Ireland, whilst recognising the need for disciplined capital allocation in the current trading environment. Escape Hunt remains the clearest near-term expansion opportunity, supported by highly attractive returns, consistent site performance and a proven ability to trade in a broad range of locations. Accordingly,

5 Excluding the impact of the presentational accounting change in retrospective supplier rebates (so-called "retros") which are now recognised as a deduction from cost of sales, reflecting the substance of the underlying arrangements. Previously, these amounts were presented within revenue

6 Source: CGA RSM Hospitality tracker, average weekly LFL for Experiential Venues for the 52 weeks to 29 March 2026

CHIEF EXECUTIVE'S REPORT

the Board continues to believe the business has the long-term potential to expand to 100 Escape Hunt sites in the UK & Ireland. However, in light of current market conditions, the pace of expansion will remain measured, preserving financial flexibility while ensuring the Group is well positioned to accelerate as market conditions improve.

Unit economics

The Group's long-term confidence is underpinned by attractive unit economics. Both brands operate capital-efficient models by design, enabling strong returns on capital. Data and operational insights continue to inform the evolution of both brands, including the optimisation of site layouts, game and activity mix and the identification of incremental revenue generating opportunities. As a market leader across both segments, the Group benefits from scale, strengthening our purchasing power with suppliers, enhancing attractiveness to landlords, and enabling a "test-and-learn" philosophy across the estate.

Central costs

Operational leverage remains an important medium-term objective, and our head office function has been designed to be capable of supporting a larger estate. During FY26, the Group initiated £1m of annualised cost savings, with the majority of benefit expected in FY27. These actions reflect a disciplined approach to overheads, intended to ensure that the central cost base remains appropriate for the current trading environment whilst retaining capabilities required to support future growth. As the business continues to scale, the Board expects the ratio of central costs to Group revenue to reduce further through both operational leverage and the benefits of the cost savings implemented during FY26.

CURRENT POSITION AND LONG-TERM OPPORTUNITY

XP Factory enters FY27 as a leaner, more resilient and operationally stronger business. During FY26, the Group strengthened cost discipline, enhanced operational efficiency and continued to invest selectively in the customer proposition, leaving both brands well positioned to benefit as market conditions improve.

The Board believes the Group is differentiated by a number of structural competitive advantages, including:

1. Standardised modular formats and automated games, enabling cost-efficient off-site construction
2. Expanding data lake, enabling the implementation of best practice across the estate and accelerating the speed to maturity of new sites
3. Increasing brand equity with consistently strong customer reviews and growing awareness
4. Attractiveness to landlords driving improved rent conditions and incentives on new builds
5. Enhanced supplier terms at scale

Taken together, these advantages provide the Board with confidence that both Escape Hunt and Boom are well positioned to strengthen market positions over the long term. Whilst the near-term trading environment remains uncertain, the Board continues to believe both brands are well placed to capitalise on the long-term potential as market conditions normalise.

OUTLOOK AND POST PERIOD END

The Group remains confident in the attractive long-term growth opportunity within the experiential leisure industry. Escape Hunt in particular continues to demonstrate the strength of its proposition, with strong and consistent returns across the estate. Whilst trading conditions within the competitive socialising market have remained difficult, we are confident that Boom, as a scale operator, will prove to be a long-term winner as the industry consolidates.

Whilst unusually warm and dry weather throughout summer impacted demand for indoor activities through summer, this has since improved with the normalisation in weather in recent weeks. Additionally, we have seen positive initial signs for the key festive trading period, supported by various internal initiatives with Boom's December B2B bookings up +15% compared to the same period last year.

To further support profitability, we continue to drive incremental cost efficiency both centrally and at a site level, with over £2m of annualised site-level savings and £1m of annualised central cost savings initiated so far, with further opportunities being explored.

FINANCIAL REVIEW

REVENUE

On a basis consistent with the prior year, Group revenue for the period to 29 March 2026 grew 3% to £59.6m compared to £57.8m in the year to 31 March 2025. During the period, the Group changed the presentation of retrospective supplier rebates (so-called "retros") so that they are recognised as a deduction from cost of sales, reflecting the substance of the underlying arrangements. Previously, these amounts were presented within revenue. As a result, reported revenue for the current period was £58.6m. The impact of applying this presentation to the comparative period was not material and the comparative information has therefore not been restated. Had the comparative period been presented on the current basis, revenue for the current period would have been 2% higher than the comparative period, equivalent to £1.7m.

The growth was delivered from the full year effects of the new Boom and Escape Hunt sites opened and acquired during FY25, further site openings in the current period and underlying like-for-like growth within the Escape Hunt owner operated estate.

	Period ended 29 March 2026 £'000	Year ended 31 March 2025 £'000
New site upfront location exclusivity fees, support and administrative fees	86	216
Franchise revenues	920	1,224
Owned branch game revenues	29,902	28,995
Owned branch food and drinks revenues	26,971	25,419
Volume based rebates on food and drink purchases	626	1,176
Other	142	788
Total	58,647	57,818

Within the Escape Hunt owner-operated estate, revenue grew 11% in the period to 29 March 2026, resulting in total owner-operated sales of £15.8m from Escape Hunt up from £14.2m in the prior year. Of the £1.6m increase delivered in the period, £0.5m was delivered from like-for-like sales growth, driven by UK like-for-like growth of 4.6%, £1.1m came from new sites opened in the year, and £0.5m from the full year effects of sites opened in the prior year. These increases were offset by a reduction of £0.5m of sales from the Birmingham Central site which was forced to close in March 2025.

At the start of the reporting period, the estate comprised 25 owner-operated sites. During the period, sites were opened in Canterbury and Sheffield with no closures, bringing the total to 27 owner-operated sites at period end.

On a basis consistent with the prior year and before the change in presentation of retros, the Boom owner-operated estate revenue rose 2% in the period to 29 March 2026, an increase of £0.7m on the prior year, resulting in owner-operated sales of £42.8m in the financial year. Reported revenue under the revised policy was £41.9m; had the comparative period been presented on the same basis, this would have represented an increase of £0.6m, or 2%. Of this increase, £2.1m was delivered from the Reading site opened in the period, and £1.6m from the full year effects of sites opened in the prior period. These increases were offset by a like-for-like decline of £3.1m representing an 8% annual like-for-like decrease across the estate. Within the estate, one underperforming site in Southend was closed during the period, with Dubai subsequently closed post period end.

At the start of the reporting period, the estate comprised 25 owner-operated sites. One new site was opened and one closed, bringing the total to 25 owner-operated sites at period end.

The Escape Hunt franchise network delivered turnover of £0.5m, a slight reduction from the prior year's £0.6m. The Boom franchise business also delivered turnover of £0.5m, a reduction of 35% compared to the same period in the prior year. The reduction resulted from the full year impact of the acquisition of franchise sites in the prior year. The remaining franchise network continues to make a consistent contribution to the Group, albeit at a modest level compared with the wider operations.

FINANCIAL REVIEW

GROSS PROFIT

Cost of sales includes the variable labour cost at sites and other direct cost of sales, but not fixed salaries of site staff, whose costs are included as site level administration costs.

Gross profit declined by 1% to £36.6m from £37.0m in the prior year. Gross margin at Group level is impacted by the mix of sales between Boom and Escape Hunt and between franchise and owner operated performance. Gross margin within the Escape Hunt owner operated network increased by 1%, whereas Boom gross margins fell from 60% to 58%. This was driven mainly by higher variable labour costs, particularly National Insurance contributions, which increased significantly following the changes to employer contribution rates announced in the 2025 Budget.

SITE LEVEL EBITDA AND ADJUSTED EBITDA

Site level Adjusted EBITDA is a key performance measure for the business and is calculated before IFRS 16 adjustments. The Escape Hunt owner operated estate delivered £6.6m pre IFRS 16 site level EBITDA, a 7% increase year on year. Site EBITDA margin was 42%, a slight decrease on the 44% margin achieved in the year to 31 March 2025.

Boom owner-operated estate delivered a pre-IFRS-16 site-level EBITDA of £6.9m, representing a margin of 17%, a slight decline on the 18% margin achieved in the year to 31 March 2025. With the closure of underperforming sites, it is estimated that the Board's internal target of 20% plus margin remains achievable.

Adjusted EBITDA is a key performance indicator for the Company. The Group recorded a decrease in the reporting period, with pre-IFRS-16 Adjusted EBITDA profit falling to £5.5m, representing an Adjusted EBITDA margin of 9.4% compared to the 11.4% margin achieved in the year to 31 March 2025. After IFRS 16, Adjusted EBITDA was £10.2m, representing a post-IFRS-16 Adjusted EBITDA margin of 17.4%, down from the 18.2% achieved in the year to 31 March 2025.

	Escape Hunt Owned	Escape Hunt Franchise	Boom Owned	Boom Franchise	Unallocated	Period to 29 March 2026 £'000
Sales	15,765	466	41,875	541	–	58,647
Pre IFRS 16 Adjusted site level EBITDA	6,553	448	6,933	536	–	14,470
Site level EBITDA margin	42%	96%	17%	99%		25%
Centrally incurred costs	(1,797)	(12)	(1,473)	362	(6,015)	(8,935)
Pre-IFRS Adjusted EBITDA	4,756	436	5,460	898	(6,015)	**5,535**
IFRS adjustments (net of pre-opening)	893	–	3,796	–	–	4,689
Adjusted EBITDA	5,649	436	9,256	898	(6,015)	**10,224**

	Escape Hunt Owned	Escape Hunt Franchise	Boom Owned	Boom Franchise	Unallocated	Year to 31 March 2025 (Restated) £'000
Sales	14,213	606	42,165	834	–	57,818
Pre IFRS 16 Adjusted site level EBITDA	6,147	611	7,405	839	–	15,002
Site level EBITDA margin	44%	101%	18%	101%		26%
Centrally incurred costs	(1,479)	(5)	(924)	–	(6,027)	(8,435)
Pre-IFRS Adjusted EBITDA	4,668	606	6,480	839	(6,027)	6,566
IFRS adjustments (net of pre-opening)	639	–	3,072	–	–	3,711
Adjusted EBITDA	5,307	606	9,552	839	(6,027)	10,277

FINANCIAL REVIEW

Centrally incurred costs (before pre-opening costs) totalled £8.9m, representing 15.2% of Group turnover, compared to £8.4m representing 14.6% of turnover in the year to 31 March 2025. Of this, £6.0m was unallocated central costs (10.3% of Group turnover) comparable to £6.0m (10.4% of Group turnover) in the prior year. In the latter half of the year, the group implemented several central cost-saving measures to ensure that the longer-term goal of containing total central costs to between 10% and 12.5% of Group sales is met.

OPERATING PROFIT

A reconciliation between statutory operating profit and Adjusted EBITDA is shown below.

	Period to 29 March 2026 £'000	Year to 31 March 2025 (Restated) £'000
Pre IFRS 16 and Adjusted EBITDA	5,535	6,566
IFRS 16 adjustments (excl pre-opening)	4,689	3,711
Adjusted EBITDA	10,224	10,277
Depreciation and amortisation	(8,289)	(6,702)
Loss on disposal of assets	(1,052)	(115)
Branch closure costs and dilapidations provision	(20)	(32)
Foreign currency gains / (losses)	40	(8)
IFRS 9 provision for guarantee losses	(31)	12
Share-based payment expense	(77)	(49)
Adjusted Operating profit	795	3,383
Branch pre-opening costs	(842)	(799)
Contract termination and other exceptional (costs) / gains	(480)	(857)
Operating (loss)/profit	**(527)**	**1,727**

Adjusted Operating profit fell to £0.8m from £3.3m in the year to 31 March 2025. Statutory operating loss was £0.5m compared to profit of £1.7m in the prior year. During the year, the Group recognised £1.1m of losses on disposal of assets from the closure of its Southend site.

The operating profit is after £0.8m pre-opening costs (2025: £0.8m) relating to openings of both Boom and Escape Hunt sites during the year. £0.2m related to Boom sites and £0.6m to Escape Hunt sites.

Pre-opening costs	Escape Hunt £'000	Boom £'000	Total £'000
Admin and marketing	145	38	183
Property costs	1	–	1
Cost of sales - consumables	13	45	58
Training / site staff costs	26	19	45
Central staff marketing and training	438	80	518
Pre IFRS 16	623	182	805
Rent accruals	–	37	37
Post IFRS 16	623	219	842

The largest components of exceptional costs in the current year relate to costs incurred as part of a strategic review of the business and various one-off professional fees such as commission on business rates savings. The prior year included £490k of site-level onerous contracts and £246k of restructuring costs.

FINANCIAL REVIEW

Exceptional and non-recurring items	Year to 29 March 2026 £'000	Year to 31 March 2025 £'000
Exceptional legal and other fees	166	59
Loss from wound-up operations	135	–
Strategic review costs	179	–
Restructuring costs	–	246
Debt early redemption fees	–	62
Onerous contracts write off	–	490
Total	**480**	**857**

Adjusted loss per share fell to -1.8p per share compared to an adjusted profit per share of 0.13p for the year to 31 March 2025. On a statutory basis, the loss was -2.58p per share compared to a loss of 0.82p for the year to 31 March 2025.

CASHFLOW AND CAPITAL EXPENDITURE

The Group generated £10.6m of cash from operations (year to 31 March 2025: £7.6m) on a post-IFRS-16 basis, and £5.4m on a pre-IFRS16 basis. Although the Group inherently has a negative working capital cycle, there was a net inflow of £1.9m from working capital driven primarily by the timing of the period end, when £1.5m of wages remained payable (31 March 2025: Nil). £5.9m was invested in tangible fixed assets. This comprised a total investment of £4.1m within Escape Hunt owner-operated sites and £1.8m in Boom owner-operated sites. The spend was offset by landlord capital contribution receipts of £0.5m.

A total of £4.1m was invested into Escape Hunt of which £2.0m was invested in new sites, including Canterbury, Sheffield, Wandsworth, and Colchester, the latter two of which opened post year end, as well as £1.6m towards games stock for sites not yet signed. £0.2m was invested in extending existing sites through the addition of new rooms and the conversion of previous virtual reality rooms. The remaining £0.3m was spent on maintenance capex.

Within Boom, a total of £0.7m related to investment in the new Reading site. £0.4m was directed to existing sites to make improvements and expand capacity, and £0.7m reflects maintenance capex.

Investment in intangibles totalled £283k, of which £180k was in Escape Hunt (game development), and £103k centrally (IP and portal development).

A total of £0.4m new and existing vendor loans were repaid in the year, leaving £0.2m vendor loans outstanding at 29 March 2026 (31 March 2025: £0.6m). In December 2025, the Group refinanced its £10m Barclays facility by entering into a new £20m agreement with HSBC. At year end, £8m had been drawn, together with £0.1m of new funding related to the Group's annual insurance, whilst £9.7m of bank and other debt was repaid, including £6m of the Barclays facility and prior year insurance funding. In addition, £0.6m of fit-out finance (including finance leases) was repaid and £0.2m new debt raised.

£'000	Opening Balance	Acquisitions	New debt cash in	Repayments cash out
Vendor Loans	607	–	(439)	168
Fit-out finance	777	170	(570)	377
Bank and other	4,603	13,209	(9,702)	8,110
Total	5,987	13,379	(10,711)	8,655

Cash at 29 March 2026 was £2.8m (31 Mar 2025: £1.1m), and net debt, excluding IFRS 16 lease liabilities was £5.9m (2025: £4.9m).

FINANCIAL REVIEW

BALANCE SHEET

Net assets as at 29 March 2026 were £20.0m (31 March 2025 restated: £24.5m).

The net book value of property plant and equipment decreased slightly to £24.9m from £25.2m reflecting the capital investment programme offset by depreciation in the year.

Right-of-use assets decreased from £27.7m (restated) to £25.2m, driven mainly by depreciation and the addition of only two new leases (Escape Hunts in Sheffield and the extension of Birmingham Resorts World). Landlord incentives of £0.5m (all of which was received in cash), were offset against the value of right-of-use assets in accordance with IFRS treatment during the period. The decrease is accompanied by a decrease in lease liabilities to £36.0m from £37.2m. Under IFRS 16, the carrying values of right-of-use assets and lease liabilities do not remain aligned over the life of a lease. This is primarily because landlord contributions reduce the value of the right-of-use asset, rent-free periods affect the timing of lease liability repayments, and right-of-use assets are depreciated on a straight-line basis while lease liabilities unwind using the effective interest method. These differences result in the two balances changing at different rates over the lease term.

KEY PERFORMANCE INDICATORS

The Directors and management have identified the following key performance indicators ('KPIs') that the Company tracks for each of its operating brands:

- Numbers of owner-operated sites: 27 Escape Hunt sites and 25 Boom Battle Bar sites as at 29 March 2026 (2025: 25 Escape Hunt and 25 Boom Battle Bar)
- Numbers of franchised sites: 18 Escape Hunt sites and 5 Boom Battle Bar sites as at 29 March 2026 (2025: 20 Escape Hunt and 5 Boom Battle Bar)
- Site level revenue: £57.6m in the period to 29 March 2026 (£56.4m in the year to 31 March 2025)
- Pre-IFRS 16 adjusted site level EBITDA: £14.5m in the period to 29 March 2026 (£15.0m in the year to 31 March 2025)
- Franchise revenue: £1.0m in the period to 29 March 2026 (£1.4m in the year to 31 March 2025)
- Central costs before adjusting items: £8.9m in the period to 29 March 2026 (£8.4m in the year to 31 March 2025)
- Adjusted EBITDA, before IFRS 16 for the Group: £5.5m in the period to 29 March 2026 (£6.6m in the year to 31 March 2025)

The Company monitors performance of the owner-operated sites on a weekly basis. The Board also receives monthly updates on the progress on site selection, site openings and weekly as well as monthly information on individual site revenue and site operating costs. Monthly management accounts are also reviewed by the Board which focuses on revenue, site profitability and adjusted EBITDA as the key figures.

Both the number of franchised branches as well as their financial performance are monitored by the management team and assistance is provided to all branches that request it in terms of marketing advice as well as the provision of additional games.

The key weekly KPIs by which the UK and owner-operated business is operated are the site revenue (including UK franchise sites), gross margins (in the case of Boom sites) marketing spend and staff costs and consequent ratio of staff costs to revenue. Total revenue is tracked against budget, adjusted for seasonality, number of rooms open and the stage in the site's maturity cycle. Staff costs are measured against target percentages of revenue. The effectiveness of marketing is assessed by observing revenue conversion rates and the impact on web traffic, bookings and revenue from specific marketing campaigns.

The Company's systems track performance on both a weekly and a monthly basis. These statistics provide an early and reliable indicator of current performance. The profitability of the business is managed primarily via a review of revenue, adjusted EBITDA and margins. Working capital is reviewed by measures of absolute amounts.

Owain Loft

Finance Director

3 September 2026

CORPORATE RESPONSIBILITY

The Board believes that creating long-term shareholder value depends on operating the business responsibly. This includes maintaining high standards of governance, investing in our people, protecting the health and safety of our customers and employees, minimising our environmental impact and conducting business ethically.

The Group seeks to embed these principles throughout its operations, recognising that responsible business practices support sustainable long-term growth and strengthen relationships with all stakeholders.

GOVERNANCE

The Board is responsible for overseeing the Group's approach to sustainability and responsible business. Governance arrangements are designed to ensure that environmental, social and ethical considerations are incorporated into decision-making alongside commercial objectives.

The Board is supported by established governance committees and a strong independent non-executive presence. Performance-related remuneration arrangements are designed to promote responsible decision-making, effective risk management and long-term value creation.

Further information on the Group's corporate governance framework is provided in the Corporate Governance Report on page 38.

ENVIRONMENT

The Group is committed to reducing the environmental impact of its operations through the efficient use of energy and resources, waste reduction and continuous improvement across its venues.

Environmental considerations form part of the Group's wider business planning and operational decision-making. During the year the Group continued initiatives aimed at improving energy efficiency, increasing recycling and reducing waste across the estate whilst evaluating opportunities to improve the sustainability of its operations.

The Board recognises that climate change presents both risks and opportunities for the business. Details of the Group's governance, strategy, risk management and performance in relation to climate-related matters are set out in the Non-financial and Sustainability Information Statement on page 31, with energy and emissions disclosures provided in the Directors' Report on page 32 in accordance with the Streamlined Energy and Carbon Reporting Regulations.

OUR PEOPLE

The continued success of the Group depends on attracting, developing and retaining talented employees across both our venue operations and support functions.

We invest in training and professional development through structured learning programmes, internal knowledge sharing and external training where appropriate. Performance management processes align individual objectives with the Group's strategic priorities, while regular communication ensures employees remain informed about the performance and direction of the business.

The Group operates a range of incentive arrangements designed to recognise performance and encourage long-term engagement, including discretionary share participation schemes available to eligible employees.

Diversity and inclusion

The Group is committed to providing an inclusive workplace where everyone is treated fairly and with respect. Recruitment, development and promotion decisions are based on merit, with due regard given to creating equal opportunities regardless of age, gender, nationality, ethnic origin, disability, sexual orientation or marital status.

The Board believes that a diverse workforce and inclusive culture strengthen decision-making, support innovation and enhance the Group's ability to attract and retain talented people.

CORPORATE RESPONSIBILITY

Health, Safety and Wellbeing

Providing a safe environment for customers, employees, contractors and visitors remains a fundamental priority.

The Group maintains comprehensive health and safety policies and procedures, supported by regular training, monitoring and review. Compliance with legal and regulatory requirements is supplemented by internal standards designed to promote continuous improvement across the estate.

The Group also recognises the importance of employee wellbeing and seeks to provide a working environment that supports both physical and mental health whilst enabling colleagues to balance their work and personal commitments.

Ethical Business Conduct

The Group is committed to conducting business with integrity and maintaining the highest standards of ethical behaviour.

Policies covering anti-bribery and corruption, whistleblowing and modern slavery support this commitment and are regularly reviewed to ensure they remain appropriate and reflect evolving regulatory requirements. The Group expects the same high standards from suppliers and business partners and seeks to promote ethical practices throughout its supply chain.

Community

The Group recognises the positive role its venues can play within the communities in which they operate. Through local engagement, charitable support and community initiatives, the Group seeks to make a positive contribution beyond its commercial activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the principal risks and uncertainties facing the Group and a summary of the key measures taken to mitigate those risks are as follows:

MACRO-ECONOMIC

Consumer spending remains sensitive to wider economic conditions, with inflationary pressures and elevated household costs continuing to influence discretionary expenditure. Whilst inflation stabilised during the period, increases in employer National Insurance contributions and the National Living Wage from 1 April 2025 increased operating costs across the hospitality sector.

The Group continues to focus on delivering a compelling customer proposition whilst maintaining disciplined pricing. Given the high-margin nature of a significant proportion of the Group's revenue, particularly within Escape Hunt, the Group has generally sought to minimise price increases where possible.

Interest rates continued to reduce during the financial year, down to 3.75% at 29 March 2026 from 4.5%at the beginning of the period. This lowered the cost of the Group's revolving credit facility and improved the broader financing environment. The Board continues to monitor economic conditions closely and maintains appropriate liquidity and financial headroom to withstand periods of reduced consumer confidence.

POLITICAL AND GEOPOLITICAL

The Group continues to monitor the potential impact of changes in UK government policy, including employment legislation and taxation. Increases in employer National Insurance contributions have increased operating costs during the year, whilst proposed employment reforms may reduce labour flexibility and increase compliance obligations.

International geopolitical tensions, including trade disputes and ongoing conflicts, continue to present a risk to economic growth and consumer confidence. The Board regularly reviews the potential impact of these developments on trading performance and liquidity.

MARKET

The experiential leisure market remains competitive, with relatively low barriers to entry in both of the Group's operating markets. Increased competition could adversely affect revenue growth and margins. The Group mitigates this risk through continued investment in product development, innovation and customer experience, supported by the protection of its intellectual property through registered trademarks in the UK and overseas.

Consumer preferences continue to evolve and the Group closely monitors customer feedback and trading data. The flexible and modular nature of both Boom Battle Bar and Escape Hunt enables the Group to refresh and adapt its offering quickly and at relatively low cost.

STRATEGIC

Owner-operated sites

The Group's strategy continues to prioritise the expansion of its owner-operated estate where attractive opportunities exist. There can be no assurance that suitable sites will be identified or secured on commercially acceptable terms, or that new venues will achieve expected returns.

Each prospective site is subject to a detailed appraisal process incorporating demographic analysis, financial modelling and independent property advice. Where appropriate, the Group seeks lease structures that include turnover-linked rents or landlord capital contributions in order to reduce operational gearing and improve investment returns. Where suitable expansion opportunities are limited, the Group will continue to prioritise investment in its existing estate where returns on capital are expected to be higher.

PRINCIPAL RISKS AND UNCERTAINTIES

Franchise sites

The Group continues to support its existing franchise network whilst maintaining a disciplined approach to international expansion. The current strategic focus remains on owner-operated growth and, accordingly, franchise expansion is not assumed within the Group's short-term forecasts.

OPERATIONAL

The Group relies on a number of key suppliers across technology, operations and venue development. The loss of a significant supplier could disrupt operations or delay future expansion. The Group seeks to mitigate this risk by developing alternative supplier relationships where practicable and maintaining appropriate internal expertise over critical systems.

The health and safety of customers and employees remains a key priority. Comprehensive policies, regular operational reviews, incident reporting procedures and dedicated health and safety leadership support the Group's risk management framework. The Group also maintains crisis management procedures to respond effectively to any significant incident.

Franchisees may experience financial difficulty, resulting in unpaid franchise fees or lease obligations where the Group has continuing contractual exposure. The Group mitigates this risk through robust franchise agreements that enable it to assume operational control where appropriate, supported by its experience in managing owner-operated venues. The Group also maintains comprehensive franchise operating standards, monitoring processes and strengthened contractual protections to ensure franchisees operate consistently with the Group's brand standards.

TECHNOLOGICAL

The Group relies extensively on technology to support bookings, marketing, finance, operations, customer engagement and other core business functions. A significant failure of critical systems or a successful cyber-attack could disrupt operations, damage the Group's reputation and result in regulatory penalties.

The Board regularly reviews technology risks and maintains appropriate governance, cybersecurity controls, cloud-based infrastructure and cyber insurance. Critical systems are sourced from a range of established providers to reduce concentration risk.

FINANCIAL

The Group is exposed to financial risks including liquidity, interest rate and foreign exchange risk. Foreign exchange exposure remains limited as international franchise operations continue to represent a relatively small proportion of Group activities.

The finance function provides timely financial reporting to management and the Board through monthly management accounts and weekly trading reports. During the year, the Group implemented a more advanced accounting system and continued to strengthen its financial controls and reporting processes to support effective decision-making and robust financial governance.

Further information on financial risk management is included in Note 30 to the Financial Statements.

HUMAN RESOURCES

The Group's success depends on attracting, retaining and developing talented employees. The loss of key individuals could delay the delivery of strategic objectives and adversely affect financial performance.

The Group seeks to provide an engaging and rewarding working environment, supported by performance-related incentives and equity participation for senior employees. Key person insurance is maintained over members of the senior leadership team to mitigate the financial impact of the loss of critical personnel.

The Board also continues to monitor developments in employment legislation and focuses on improving operational efficiency through technology and process improvements to help mitigate future labour cost pressures.

PRINCIPAL RISKS AND UNCERTAINTIES

CLIMATE-RELATED

Transition risks

The transition to a lower-carbon economy may increase compliance costs, insurance costs and reporting obligations. The Group continues to strengthen its governance processes and regulatory compliance framework in response.

Changes in customer expectations regarding sustainability may influence purchasing decisions over time. The Group continues to evaluate opportunities to improve the sustainability of its operations whilst maintaining the quality of its customer offering.

Increasing energy and raw material costs may adversely affect margins. The Group seeks to mitigate this risk through energy efficiency initiatives, operational improvements and sustainable sourcing where appropriate.

Physical Risks

Extreme weather events such as flooding could cause significant disruption to services, negatively impacting revenue and profitability. The Group has developed comprehensive disaster recovery and business continuity plans to address this risk.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The Directors of the Group must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the U.K. Companies Act 2006, which is summarised as follows:

A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) The likely consequences of any decision in the long term;

(b) The interests of the Company's employees;

(c) The need to foster the Company's business relationships with suppliers, customers and others;

(d) The impact of the Company's operations on the community and the environment;

(e) The desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) The need to act fairly as between members of the Company.

The Board considers that it has fulfilled its duties in accordance with section 172(1) of the UK Companies Act 2006 and have acted in a way which is most likely to promote the success of the Group for the benefit of its stakeholders as a whole in the following ways:

Long term benefit

Our strategy was designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering an engaging and enjoyable service for customers across the world. The Board's strategy to increase the range of experiential brands within the Group and to expand both the owner-operated and franchise estates within both experiential brands as well as developing new digital and remote play options is aimed at building long term value for shareholders and other stakeholders alike.

Shareholders

The Board engages regularly with its shareholders and seeks to build a mutual understanding of the objectives of shareholders and those of the Board by discussing long-term strategy, shorter term challenges and issues and to receive feedback. For further information see page 40.

Within the practical constraints of being able to access all shareholders directly, the Board actively seeks to treat all shareholders equally.

Employees

The XP Factory Group is reliant on the quality and performance of its employees and the commitment of its staff plays a crucial role in the success of the business. Staff in sites are given regular training to ensure they are able to fulfil their roles successfully and the Group maintains a regular two-way communication with all staff both centrally and through individual sites to ensure employee matters are identified and addressed.

The safety and wellbeing of our staff is of utmost importance to the Board. The Board implemented a 'work from home' policy for all office based staff during the COVID pandemic and implemented protocols and standards to safeguard employees in each owner-operated site. The board receives a report on all health and safety issues on a monthly basis. Many of the policies allowing flexible working have been retained to allow employees flexibility and choice. Head office staff are provided with memberships to a flexible office working facility and are regularly brought together both formally and for social interaction.

Customers

As an experiential leisure business, a primary goal is to delight our customers and provide the best immersive experience we can. TripAdvisor and other publicly available ratings form one of our key internal measures and we continually seek to improve the user journey before, during, and after their experience.

Suppliers

The Group works closely with a number of suppliers in different disciplines. We aim to promote collaborative engagement and to build long term partnerships with our suppliers with an objective to minimise risk and optimise costs through the full lifecycle of our relationship. We seek to balance this with the need to ensure the Company is not overly reliant on any single supplier.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

Community and environment

The board has overall responsibility for Corporate Social Responsibility ("CSR").

The Group is committed to maintaining and promoting high standards of business integrity. The XP Factory Group's values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Group's relationships with clients, employees and the communities and environment in which it operates. The XP Factory Group's approach to sustainability addresses both environmental and social impacts, supporting the XP Factory Group's vision to remain an employer of choice, while meeting client demands for socially responsible partners.

The XP Factory Group respects laws and customs while supporting international laws and regulations. These policies have been integral in the way Group companies have done business in the past and continue to play a central role in influencing the Group's practice in the future.

Specific CSR initiatives are promoted by the senior executive management and are communicated to others in the organisation as needed. Initiatives include matters such as recycling and minimising waste, recognition of companies and individuals in the community for whom we have offered discounted or free participation in our games, as well as local community issues and interests. Many of our employees are actively engaged with charities and other causes for which we will allow the use of Company property and facilities.

Culture and values

The Board actively seeks to establish and maintain a corporate culture which will attract both future employees, customers and suppliers. The Company promotes honesty, integrity and respect and all employees are expected to operate in an ethical manner in all their dealings, whether internal or external. We do not tolerate behaviour which goes against these values which could cause reputational damage to the business or create ongoing conflict or unnecessary tension internally.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Section 414CA of the Companies Act 2006 requires the Company to include a non-financial and sustainability information statement describing how climate-related matters are governed, managed and integrated into the business.

GOVERNANCE

The Board has overall responsibility for overseeing climate-related risks and opportunities and reviews these as part of the Group's wider governance and risk management framework. Responsibility for implementing climate-related policies and integrating climate considerations into strategic planning rests with senior management.

RISK MANAGEMENT

Climate-related risks and opportunities are identified, assessed and managed as part of the Group's overall enterprise risk management process. The Board considers both transition risks and physical risks and reviews them regularly alongside the Group's principal risks.

PRINCIPAL CLIMATE-RELATED RISKS AND OPPORTUNITIES

The principal climate-related risks currently identified include increased regulatory and reporting requirements, changing customer expectations, increases in energy and raw material costs and disruption arising from severe weather events. These risks are assessed over short-term (less than one year), medium-term (two to five years) and long-term (greater than five years) horizons.

The Group's principal climate-related transition and physical risks are described in the Principal Risks and Uncertainties section.

STRATEGY AND RESILIENCE

The Board considers climate-related matters when developing the Group's long-term strategy and investment decisions. Scenario analysis is used to assess the potential impact of different climate-related outcomes and to evaluate the resilience of the Group's business model. Given the predominantly indoor nature of the Group's operations, the Board believes climate change is more likely to affect the business indirectly through regulation, energy costs and consumer behaviour than through direct operational disruption.

TARGETS AND PERFORMANCE

The Group continues to focus on improving energy efficiency, reducing waste and increasing recycling across its estate. Progress is monitored using energy intensity and other environmental performance measures.

Further information on the Group's greenhouse gas emissions, energy consumption and Streamlined Energy and Carbon Reporting disclosures is contained in the Directors' Report.

This Strategic Report was approved by the Board on 3 September 2026 and signed by order of the Board by the Chief Executive Officer.

Richard Harpham

Chief Executive Officer

3 September 2026

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

The Directors present their report together with the audited financial statements of the Group for the period ended 29 March 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Group are that of operating consumer facing leisure brands offering immersive experiences.

The Group currently operates two brands, each of which is developing a network of locations, either owned and operated directly or franchised. 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, and through digitally delivered games which can be played remotely. There are no overseas branches operated by UK companies within the Group.

Boom Battle Bar is a fast-growing network of owner-operated and franchise sites in the UK and UAE that combine competitive socialising activities with themed cocktails, drinks and street food in a setting aimed to be high energy and fun.

CAUTIONARY STATEMENT

The review of the business and its future development in the strategic report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements.

RESULTS AND DIVIDENDS

The results of the Company are set out in detail in the Financial Statements.

Given the nature of the business and its growth strategy, the Board does not recommend a dividend this year, nor does it expect to in the near future. The Directors believe the Company should focus on growing the network and improving performance to generate profits to fund the Company's growth strategy over the medium term.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Details of the business activities and developments made during the period can be found in the Strategic Report and in Note 1 to the Financial Statements respectively.

BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

Details of how the business has considered relationships with suppliers, customers and others, and the effect this regard has had, including on the principal decisions made in the year, can be found in the Strategic Report.

STREAMLINED ENERGY AND CARBON REPORTING

The Group presents its global greenhouse gas (GHG) emissions and energy use data under Streamlined Energy and Carbon Reporting (SECR) for the period ended 29 March 2026.

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

Emissions (tCO_2e)	Year ended 29 March 2026	Year ended 31 March 2025
Scope 1: Combustion of gas	19.5	46.2
Scope 2: Purchased electricity	810.9	772.1
Total Scope 1 and 2	**830.4**	**818.3**
Scope 3: Other indirect	149.4	129.2
Total Scope 1, 2 and 3	**979.8**	**947.5**
Energy Consumption (kWh)		
Scope 1: Combustion of gas	106,589	250,652
Scope 2: Purchased electricity	4,486,092	3,625,806
Total Scope 1 and 2	**4,592,681**	**3,876,458**
Intensity Ratio ($kgCO_2e$ per m²)	28.9	28.9
Intensity Ratio ($kgCO_2e$ per £1k turnover)	**16.4**	**16.4**

Methodology

- Base data was provided and converted using DEFRA 2025 Conversion Factors in line with Environmental Reporting Guidelines (2019) as most of the financial year falls into the calendar year 2025, and International Carbon Factors for Global Energy.
- Global energy has been included for sites situated in the UAE, France and Belgium with regional carbon factors applied.
- Spend based data was provided for business-travel, and this was converted to total distance (km) based on cost per km, extracted from Department for Transport, Office of Rail and Road, Transport for London, or other appropriate regulatory body.
- Energy for all UK sites is procured from a renewable tariff, therefore market-based emissions are reported. The international sites in Belgium, France and Dubai are not procured from a renewable tariff. Location based reporting has also been used for all sites.
- Franchise locations outside of the control of XP Factory PLC have been excluded from the environmental reporting boundary, as they fall outside the Group's financial control.
- Due to a lack of available data, energy use and emissions at the Woking site were estimated using a benchmark derived from other Escape Hunt locations. The site's energy consumption was calculated at 73 kWh/m2, resulting in an estimated total of 18,736 kWh for its 280 m2 area. Energy use and emissions at the Boom Dubai site were approximated based on usage in the prior year.

This is the third year of reporting under the SECR framework, and the Group now has a comprehensive and robust baseline of energy usage across operational sites which can be compared relative to prior years. The Group actively monitors energy intensity ratios as a key performance indicator alongside other waste and recycling measures to assess progress. Further information on the Group's non-financial, sustainability and corporate governance matters is set out in the strategic report.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group has historically invested in research and development activities relating to software and intellectual property that supports the Group's experiential leisure activities. It remains part of the Group's strategy to further invest in selected areas which will enhance the Grup's operating and data analytic capabilities. Further details of the Group's strategic objectives are set out in the strategy report.

EMPLOYMENT POLICIES

The Group has employment policies which give full and fair consideration for the employment of disabled persons, having regard to their particular aptitudes and abilities. Where possible, the Group will make appropriate, sympathetic changes and provide training to continue the employment of any employees who become disabled whilst in the employment of the Group and will otherwise provide training and support the career development and promotion of any such employees.

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

EMPLOYEE ENGAGEMENT

The Group attaches importance to good communications and relations with employees. Information that is or may be relevant to employees in the performance of their duties is circulated to them on a regular basis, or immediately if it requires their immediate attention. There is regular consultation with employees through meetings or other lines of communication, so that their views are known and can be taken into account in making decisions on matters that will or may affect them. Employee participation in their venue's performance is encouraged and there is regular communication with all employees on the performance of their particular venue or central function and on the financial and economic factors affecting the overall performance of the Group.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Disclosures regarding financial instruments are provided within Note 30 to the Financial Statements.

CAPITAL STRUCTURE AND ISSUE OF SHARES

Details of the Company's share capital, together with details of the movements during the period are set out in Note 23 to the Financial Statements. The Company has one class of ordinary share which carries no right to fixed income.

POST BALANCE SHEET EVENTS

Since the period end, there has been significant volatility in international markets with the implementation of import tariffs and trade conflict brought about by the Trump government in the USA, escalation and subsequent ceasefire of the war in the Middle East, ongoing conflict in Ukraine, and announcements by almost all NATO countries of planned increases in military spending. Whilst interest rates have fallen, the pace of reduction is slower than was expected at the start of the year, as inflation has remained higher than hoped. Within the UK, there have been mixed signals with fears of further tax rises offsetting other factors which could otherwise be positive for consumers. How these factors and the general economic environment will impact the business is unknown and they do not provide any further information impacting the financial performance or position of the Group as at 29 March 2026. Refer to note 33 for further events after the reporting period in respect of the Group.

BOARD OF DIRECTORS

The Directors of the Company who have served during the year and at the date of this report are:

Director	Role	Date of appointment	Date of resignation	Board Committee
Richard Rose	Independent Non-Executive Chairman	25/5/2016	24/2/2026	N A R
James van den Bergh	Independent Non-Executive Chairman	30/1/2026		N A R
Richard Harpham	Chief Executive Officer	3/5/2017		
Graham Bird	Chief Financial Officer	6/1/2020	1/4/2026	
Martin Shuker	Independent Non-Executive Director	29/6/2022		N A R
Philip Shepherd	Independent Non-Executive Director	29/6/2022		N A R

Richard Harpham was first appointed on 25 May 2015 and resigned on 15 June 2016. He was subsequently re-appointed on 3 May 2017.

Board Committee abbreviations are as follows: N = Nomination Committee; A = Audit Committee; R = Remuneration Committee

The Board comprises one Executive and three Non-Executive directors as at the date of this report.

James van den Bergh, Independent Non-Executive Chairman

James currently serves as CEO of TruFin Plc ("TruFin"), an AIM-listed company, where he has created significant shareholder value through a clear strategic focus, profitable growth and disciplined capital allocation. These same principles will underpin his approach as Chair of XP Factory.

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

TruFin was spun out of Arrowgrass Capital Partners in 2018, with James appointed CEO in September 2019. Having begun his career at Merrill Lynch, James entered investment management in 2003 and later led Arrowgrass's unlisted markets and alternative finance team. He brings deep relationships with both institutional investors and family offices.

James is a member of the Company's Remuneration Committee, Audit Committee, and Nomination Committee.

Richard Harpham, Chief Executive Officer

Richard joined the Company on its admission to AIM in May 2017 having worked since November 2016 with the Escape Hunt (now XP Factory) management team. Richard's prior role was with Harris + Hoole, having been Chief Financial Officer and then Managing Director, responsible for its turnaround. Before this, Richard spent over four years at Pret A Manger as Global Head of Strategy. Richard has also held a number of strategic and financial positions at companies including Constellation Brands, Shire Pharmaceuticals and Fujitsu Siemens Computers.

Martin Shuker, Independent Non-Executive Director

Martin has had a long and distinguished career with Yum Brands, the US Fortune 500 Global hospitality business. He spent 24 years in a variety of leadership roles, most recently as Managing Director KFC Western Europe where he had full strategic, growth and operational responsibility over 1,700 restaurants and 165 franchisees which generated £2.3 billion in sales and £120 million of profit.

As MD of KFC UK, he more than doubled sales in the UK to £1.3 billion and met or exceeded targets in 11 of 13 years.

Martin has demonstrated his ability in consistently achieving growth and bottom-line performance of established owner-operated and franchise businesses over a long period of time and has relevant experience in entering new territories through franchise routes. He successfully opened new markets in a number of European countries and has demonstrated his ability to both manage an established franchise network as well as establishing new networks in new territories.

Prior to YUM, Martin had a variety of marketing roles with United Biscuits.

Martin is chairman of the Company's Remuneration Committee.

Philip Shepherd, Independent Non-Executive Director

Philip is a former partner of PricewaterhouseCoopers ("PwC"), where he originally trained in audit and tax, qualifying as an ACA in 1987.

Following a career in corporate finance and transaction advisory services, Philip returned to PwC in 2004 working both in the UK and overseas, leading Strategy and Deals practices, with a particular focus on the hospitality and leisure sectors. Since leaving PwC in 2018, he has held a number of board and advisor roles, again with a focus on hospitality and leisure. He regularly travels abroad where he advises, and speaks, on the experiential leisure market and start up opportunities. Philip combines his experience in accounting and audit with deal evaluation and execution and has a deep understanding of the hospitality and leisure markets both in the UK and globally.

Philip is chairman of the Company's Audit Committee.

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the Company at the date of this report are disclosed below. Directors' interests in contracts of significance to which the Company was a party during the financial period are disclosed in note 29 to the Financial Statements.

Director	Ordinary shares held	% held
Richard Rose	53,666	0.03
James van den Bergh	Nil	–
Richard Harpham	1,094,597	0.56
Graham Bird	2,165,273	1.17
Philip Shepherd	62,163	0.04
Martin Shuker	Nil	–

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

XP Factory Plc owns all the ordinary shares in its subsidiary, Escape Hunt Group Ltd ("EHGL"). EHGL issued a total of 1,000 Growth shares in 2017 to three then-directors and employees. These have subsequently all been bought back. As at 31 March 2025, XP Factory owns 100% of the Growth shares. The Growth shares carry no voting rights and are not entitled to any dividends that may be paid by EHGL.

DIRECTORS' INTERESTS IN OPTIONS

The following options have been granted to certain Directors under the Escape Hunt Plc 2020 EMI Share Option Scheme. The options vested over three years and were subject to achieving certain performance conditions related to share price appreciation over a four year period. These conditions were all fulfilled.

Director	Options held	Exercise price	Options vested	Date of Grant	Expiry date
Richard Harpham	5,333,333	7.5 pence	5,333,333	16 July 2020	16 July 2027
Graham Bird	3,733,333	7.5 pence	3,733,333	16 July 2020	16 July 2027

No directors exercised any options during the year.

SUBSTANTIAL INTERESTS

As at 31 March 2026 the Company has been advised of the following significant interests (greater than 3%) in its ordinary share capital:

Shareholder	Ordinary shares held	% held
Canaccord Genuity Wealth Management	31,244,656	17.84%
BGF GP	23,674,420	13.52%
C Macdonald-Hall	11,225,000	6.41%
Oberon investments	11,208,731	6.40%
Stephen Lucas	10,885,024	6.21%
Hargreaves Lansdown Asset Mgt	9,239,559	5.27%
Jeremy Attard-Manche	7,000,000	4.00%
Private Investors (Europe)	6,277,035	3.58%
Interactive Investor	5,587,841	3.19%
GPIM	5,573,999	3.18%

Except as referred to above, the Directors are not aware of any person who was interested in 3% or more of the issued share capital of the Company or could directly or indirectly, jointly or severally, exercise control.

DIRECTORS' INSURANCE

The Company has maintained directors' and officers' liability insurance throughout the period for the benefit of the Company, the Directors and its Officers.

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2026

GOING CONCERN

The time horizon required for the Going Concern Statement is a minimum of 12 months from the date of signing the financial statements. Consistent with prior periods, the Directors have adopted an assessment period of 18 months and run forecasts for a three-year period from the period end date of 29 March 2026.

In determining whether there are material uncertainties, the Directors consider the Group's business activities and principal risks. The Directors' reviewed the Group's cash flows, liquidity positions and borrowing facilities for the going concern period.

There has been no material uncertainty identified which would cast significant doubt upon the Group's ability to continue as a going concern. As such, the Directors considered it appropriate to adopt the going concern basis of accounting in the preparation of the Group's financial statements.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will be held on 29 September 2026.

Signed by order of the board

Richard Harpham

Chief Executive Officer

3 September 2026

CORPORATE GOVERNANCE REPORT

CHAIRMAN'S GOVERNANCE OVERVIEW

I am pleased to present the corporate governance report for the period ended 29 March 2026.

The board believes that strong governance is a central element of the successful growth and development of the Group. The board and its committees play a key role in the Group's governance by providing an independent perspective to the senior management team, and by seeking to ensure that an effective system of internal controls and risk management procedures is in place. This section of the annual report describes our corporate governance structures and processes and how they have been applied throughout the period.

The AIM Rules for Companies require companies to formally adopt a corporate governance code.

On 13 September 2018, the board of XP Factory decided to apply the QCA Corporate Governance Code (2018 edition - the QCA Code). We believe that the QCA Code provides us with the right governance framework: a flexible but rigorous outcome-oriented environment in which we can continue to develop our governance model to support our business.

OUR GOVERNANCE FRAMEWORK

The board currently comprises one executive and three non-executive directors.

The board has an audit committee, remuneration committee and nomination committee with formally delegated duties and responsibilities, as described below.

The chairman, who is non-executive and independent, is responsible for leading an effective board, overseeing corporate governance culture and ensuring appropriate strategic direction.

The chairman is primarily responsible for the working of the board of the company and for assessing the individual contributions of each board member to ensure that:

- Their contribution is measurable, timely, relevant and effective
- They commit sufficient time to the business to fulfil their statutory and fiduciary duties
- Where relevant, they maintain their independence
- They function collectively in a coherent and productive manner
- They receive appropriate training to stay up to date and improve performance

In accordance with current best practice and the QCA Code, the board undertakes an annual formal evaluation of its performance and effectiveness and that of each director and its committees. This evaluation is overseen by the chairman, co-ordinated by the company secretary and concluded by chairman interviews where necessary. In addition, the directors meet, informally, without the chairman present and evaluate his performance. The board currently considers that the use of external consultants to facilitate the board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

The chairman considers that key to his role in creating an effective board, is an effective assimilation of feedback received, and the development and effective application of recommendations.

The QCA Code was adopted by the company in September 2018 and is set out on the company's website. The Group addresses the ten principles underpinning the QCA Code as follows:

CORPORATE GOVERNANCE REPORT

DELIVER GROWTH

- Establish a strategy and business model which promote long-term value for shareholders
- Seek to understand and meet shareholder needs and expectations:

  See the section "Communication with shareholders" on page 40 and the "Corporate governance" section of our website, www.xpfactory.com.
- Take into account wider stakeholder and social responsibilities and their implications for long-term success:

  See the "Corporate governance" section of our website, www.xpfactory.com
- Embed effective risk management, considering both opportunities and threats, throughout the organisation:

  See "Principal risks and uncertainties" on page 26.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

- Maintain the board as a well-functioning, balanced team led by the chairman:

  See this section
- Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities:

  See this section and "Board of Directors" on page 34.
- Evaluate board performance based on clear and relevant objectives, seeking continuous improvement:

  See this section and the "Corporate governance" section of our website, www.xpfactory.com
- Promote a corporate culture that is based on ethical values and behaviours:

  See this section and the "Corporate governance" section of our website www.xpfactory.com
- Maintain governance structures and processes that are fit for purpose and support good decision making by the board:

  See the section "Our Governance framework" below and the "Corporate governance" section of our website www.xpfactory.com

BUILD TRUST

- Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders:

  See this section "Our governance framework" and the "Corporate governance" section of our website, www.xpfactory.com

  The board considers that it is fully compliant with all the principles of the QCA Code.

OUR GOVERNANCE FRAMEWORK

See below for the role of the board and its committees.

Board of Directors

The board is responsible for formulating, reviewing and approving the company's strategy, budgets and corporate actions.

Biographical details of the directors are included above.

The board comprises one executive and three non-executive directors, including the chairman. All directors bring a wide range of skills and experience to the board. The non-executive directors hold meetings without the executive directors present. The chairman is primarily responsible for the working of the board of the company. The Chief Executive's office is primarily responsible for the running of the business and implementation of the board's strategy and policy. The Chief Executive is assisted in the managing of the business on a day-to-day basis by the Chief Financial Officer.

CORPORATE GOVERNANCE REPORT

High-level strategic decisions are discussed and taken by the full board. Investment decisions (above a de minimis level) are taken by the full board. Operational decisions are taken by the executive directors and their senior leadership team within the framework approved in the annual financial plan and within a framework of Board-approved authorisation levels.

The board regulations define a framework of high-level authorities that maps the structure of delegation below board level, as well as specifying issues which remain within the board's preserve. The board typically expects to meet monthly (other than in December and August) and in any event at least four times a year to consider a formal schedule of matters including the operating performance of the business and to review the company's financial plan and business model. Whilst specific risks are considered as they arise, a more detailed review of the potential risks facing the company and what action is being taken to mitigate the risks is considered on an annual basis. The board obtains feedback from the company's auditors on the effectiveness of the control environment, together with recommendations for continued improvement.

In accordance with the company's Articles of Association, at the Annual General Meeting of the company each director for whom it is the third annual general meeting following the annual general meeting at which they were elected or last re-elected shall retire from office and offer themselves up for re-election. In accordance with best practice, each director currently offers themselves up for re-election at each Annual General Meeting.

It is the responsibility of the chairman and the company secretary to ensure that board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

COMMUNICATION WITH SHAREHOLDERS

The board attaches great importance to communication with both institutional and private shareholders. Investors are also an important source of feedback on the business model and plans for future growth.

Regular communication is maintained with all shareholders through company announcements, the half-year statement and the annual report and financial statements.

The directors seek to build on a mutual understanding of objectives between the company and its shareholders. Institutional shareholders are in contact with the directors through presentations and meetings to discuss issues and to give feedback regularly throughout the year. With private shareholders, this is not always practical, although the directors are increasingly seeking and are investing in communication channels to create an opportunity for retail shareholders to communicate directly through online and other retail-focused forums.

The board also intends to use the company's Annual General Meeting as the opportunity to meet private shareholders who are encouraged to attend and at which the Chief Executive Officer will give a presentation on the activities of the company.

Following the presentation there would ordinarily be an opportunity to meet and ask questions of directors and to discuss development of the business.

The company operates a website at http://xpfactory.com/investors

The website contains details of the Company and its activities; regulatory announcements, Company announcements, Interim statements, preliminary statements and Annual Reports. The website is maintained in compliance with AIM Rule 26.

BOARD COMMITTEES

The Board maintains three standing committees, being the Audit, Remuneration and Nomination Committees. The minutes of all sub-committees are circulated for review and consideration by all relevant Directors, supplemented by oral reports from the Committee Chairmen at Board meetings.

Audit Committee

The Audit Committee was formed in May 2017 on completion of the acquisition of Experiential Ventures Limited and comprises Philip Shepherd, who chairs the committee, Martin Shuker, and James van den Bergh. The Committee held 4 meetings in the period to 29 March 2026 and has so far held 2 meetings since the period end, being the meeting held to discuss the progress of the audit and a second to approve the results announcement on 4 September 2026. Further details on the Audit Committee are provided below in the Report of the Audit Committee.

Remuneration Committee

The Remuneration Committee was formed in May 2017 on completion of the acquisition of Experiential Ventures Limited and comprises Martin Shuker, who chairs the committee, Philip Shepherd, and James van den Bergh. The Committee holds at least two

CORPORATE GOVERNANCE REPORT

meetings each year. The committee adopted the arrangements for Directors' remuneration and the share incentive plans currently in place. Further details on the Remuneration Committee are provided below in the Report of the Remuneration Committee.

Nomination Committee

The Nomination Committee was formed in May 2017 on completion of the acquisition of Experiential Ventures Limited and comprises James van den Bergh, who chairs the committee, Martin Shuker and Philip Shepherd. The Committee holds two meetings each year. Further details on the Nomination Committee are provided below in the Report of the Nomination Committee.

REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE

The Audit Committee has written terms of reference and provides a mechanism through which the Board can maintain the integrity of the Financial Statements of the Company and the Group and any formal announcements relating to its financial performance; to review the Group's internal financial controls and its internal control and risk management systems and to make recommendations to the Board in relation to the appointment of the external auditor, their remuneration both for audit and non-audit work, the nature, scope and results of the audit and the cost effectiveness, independence and objectivity of the auditors. Provision is made by the Audit Committee to meet the auditors at least twice a year.

INTERNAL CONTROLS

In applying the principle that the Board should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets, the Directors recognise that they have overall responsibility for ensuring that the Group maintains systems to provide them with reasonable assurance regarding effective and efficient operations, internal control and compliance with laws and regulations and for reviewing the effectiveness of those systems. However, there are inherent limitations in any system of control and accordingly even the most effective system can provide only reasonable and not absolute assurance against material misstatement or loss. The systems are designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Group has established procedures necessary to implement the guidance on internal control issued by the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014). This includes identification, categorisation and prioritisation of critical risks within the business and allocation of responsibility to its Executives and senior managers. The key features of the internal control system are described below:

Control environment – the Group is committed to high standards of business conduct and seeks to maintain these standards across all of its operations. There are also policies in place for the reporting and resolution of suspected fraudulent activities. The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives.

Risk identification – Management is responsible for the identification and evaluation of key risks applicable to their areas of business. These risks are entered onto a risk register and assessed on a continual basis and may be associated with a variety of internal and external sources, including infringement of IP, sales channels, investment risk, staff retention, disruption in information systems, natural catastrophe and regulatory requirements. This is reviewed at least annually by the Board.

Information systems –The Board actively monitors performance against plan. Forecasts and operational results are consolidated and presented to the Board on a regular basis. Through these mechanisms, performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated and corrective actions agreed and implemented.

Main control procedures – the Group has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the exposure to loss of assets and fraud. Measures taken include segregation of duties and reviews by management.

Monitoring and corrective action – There are clear and consistent procedures in place for monitoring the system of internal financial controls.

Following the Audit Committee's recommendation, the Board considers the internal control system to be adequate for the Group. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

their independence and objectivity is safeguarded. The Committee is satisfied with the objectivity and performance of the external auditor.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee monitors the remuneration policies of the Group to ensure that they are consistent with its business objectives. Its terms of reference include the recommendation and execution of policy on Director and executive management remuneration and for reporting decisions made to the Board. The Committee determines the individual remuneration package of the executive management of the Board. The Remuneration Committee has a terms of reference, details of which are set out in the Company's Corporate Governance Statement.

The Remuneration Report covers the period to 29 March 2026 and has been prepared by the Remuneration Committee and approved by the Board.

This Report will be put to an advisory vote at the Company's Annual General Meeting on 29 September 2026.

COMMITTEE MEETINGS, ATTENDANCE AND ACTIVITIES

Martin Shuker was appointed as Chair of the Committee and Philip Shepherd was appointed member of the Committee on 29 June 2024. Until 29 June 2022, Richard Rose was Chair of the Remuneration Committee and Karen Bach was a member of the Committee.

The Committee is required by its Terms of Reference to meet as frequently as the Committee Chairman shall require and also at regular intervals to deal with routine matters and, in any event. During the year the Committee met twice and also conducted a range of meetings with several of the Company's institutional shareholders.

COMMITTEE OBJECTIVES AND RESPONSIBILITIES

The Committee's main responsibilities can be summarised as follows:

- To set the remuneration for all executive directors, the chairman and, to maintain and assure their independence, the company secretary: the committee also recommends and monitors the level and structure of remuneration for senior management. The remuneration of non-executive directors (including the non-executive chairman) shall be a matter for the executive members of the board with the overriding principle that no director or manager is involved in any decisions as to their own remuneration;
- To design and determine targets for any performance related pay schemes operated by the Company and approving the total annual payments made under such schemes;
- To review the design of, and any changes to, all share incentive plans;
- To be aware of and advise on any major changes in employees benefit structures throughout the Group;
- within the terms of the agreed policy, to determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;
- To ensure that contractual terms on termination, and any payments made, are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- To co-ordinate closely with the Nomination Committee in relation to the remuneration to be offered to any new executive director;
- To ensure that provisions regarding disclosure, including pensions, as set out in the Directors Remuneration Report Regulations 2002, are fulfilled;
- To review the ongoing appropriateness and relevance of the remuneration policy, including policy comparisons with market competitors;
- To consider any matter specifically referred to the Committee by the Board; and
- To make available the committee's terms of reference which should set out the committee's delegated responsibilities and be reviewed and, where necessary, updated annually.

REMUNERATION POLICY

The Remuneration Committee determines the Company's policy on the structure of remuneration of the Company's Executive Directors and if required, senior management. The objectives of this policy are to:

- Reward Executive Directors and senior management in a manner that ensures that they are properly incentivised and motivated to perform in the best long-term interests of shareholders;
- Provide a level of remuneration required to attract and motivate high-calibre Executive Directors and senior management of appropriate calibre, from and increasingly competitive talent pool;
- Encourage value creation through consistent and transparent alignment of incentive arrangements with the agreed company strategy over the long term; and
- Ensure the total remuneration packages awarded to Executive Directors, comprising both performance- related and non-performance-related remuneration, is designed to motivate the individual, align their interests with shareholders and comply with corporate governance best practice.

DIRECTORS REMUNERATION

Annual salaries and NED fees

Salaries are reviewed annually with effect from 1 April taking into account inflation, salaries paid to other employees within the Group, salaries of equivalent roles in comparable companies, as well as Group and personal performance. Salaries of Executive Directors are determined by the Remuneration Committee with advice, as appropriate, from external remuneration advisers. The Committee concluded that there should be no increase in remuneration for the members of the Executive Directors during FY26. The salaries are set out below.

The Board collectively decides the remuneration of the Chairman and non-executive directors, mindful of the time commitment and responsibilities of our roles and of current market rates for comparable organisations and appointments. The non-executive director fees for the year commencing 1 April 2025 are set out below.

Following the remuneration review noted above base salaries and fees for non-executive directors effective from 1 August 2024 are as follows:

Name	Salaries/fees from 1 April 2026 £'000	Salaries/fees from 1 April 2025 £'000
James van den Bergh	65	–
Richard Rose	–	60
Martin Shuker	30	30
Philip Shepherd	30	30

James van den Bergh's remuneration comprises an annual chairman's fee with a nominal value of £65,000, which is satisfied by the issue of ordinary shares in the Company. The number of shares issued is determined by reference to an agreed issue price, meaning that the market value of the shares at the date of issue may differ from £65,000. Martin Shuker's fee comprises a base non-executive fee of £30,000. Philip Shepherd's fee comprises a base non-executive fee of £30,000.

Pension

Executive directors receive a pension contribution of 5% of base salary.

Performance Bonus

The Group operates a performance bonus scheme that is applicable to the whole business including the executive directors and the Group's senior management.

Performance conditions are in line with the Group's strategy and are assessed based on the achievement of stretching EBITDA targets supported by performance against individual non-financial strategic objectives. The maximum bonus opportunity is 100% of base salary for the executive directors, with threshold EBITDA performance required before any bonus is payable.

CORPORATE GOVERNANCE REPORT

For the financial year ended 29 March 2026, no bonuses were payable to the executive directors or the Group's central head office teams. Bonuses were payable in the year to 31 March 2025. The bonuses paid/payable to those who served as executive directors during the period are as follows:

Name	Bonus for period ended 29 March 2026 £'000	Bonus for year ended 31 March 2025 £'000
Richard Harpham	–	74
Graham Bird	–	64

The Committee continues to set stretching targets in order to focus the executive management on business growth.

The performance bonus scheme for FY26 has not been changed other than setting revised financial targets. The maximum bonus opportunity continues to be 100% of base salary for the executive directors.

Long Term Incentives

The Company offers long-term Incentives through the XPF Factory plc Enterprise Incentive Plan ("EMI Plan") and an Employee Share Incentive Plan ("SIP").

There was no grant of options under the EMI Plan to executive or non-executive directors in the period to 29 March 2026 and there are currently no un-vested awards outstanding.

The SIP has been adopted to promote and support the principles of wider share ownership amongst all the Company's employees. The Plan is available to all eligible employees, including Escape Hunt's executive directors, and invites individuals to elect to purchase ordinary shares of 1.25p each in the Company via the SIP trustee using monthly salary deductions. Shares are purchased monthly by the SIP trustee on behalf of the participating employees at the prevailing market price. Individual elections may not, in aggregate, exceed £1,800 per employee in any one tax year. The Ordinary Shares acquired in this manner are referred to as "Partnership Shares" and, for each Partnership Share purchased, participants are awarded one further Ordinary Share, known as a "Matching Share", at nil cost. Matching Shares must normally be held in the SIP for a minimum holding period of 3 years and, other than in certain exceptional circumstances, will be forfeited if, during that period, the participant in question ceases employment or withdraws their corresponding Partnership Shares from the Plan.

A breakdown of the interests in the EMI plan of those who served as directors during the period, as at 29 March 2026, is set out below.

Director	Options held	Exercise price	Options vested	Date of Grant	Expiry date	Performance conditions
Richard Harpham	5,333,333	7.5 pence	5,333,333	16 July 2020	16 July 2027	Yes – fully vested*
Graham Bird	3,733,333	7.5 pence	3,733,333	16 July 2020	16 July 2027	Yes – fully vested*

*The performance conditions for the EMI Options awarded in 2020 were based on achieving certain share price total share return targets. Full vesting required the Company's volume weighted average share price over a 30 day trading period to have exceeded 25p in the four years following the original grant.

A breakdown of the interests in the SIP of those who served as directors during the period, as at 29 March 2026, is set out below.

Director	Partnership Shares held	Matching shares held	Performance conditions
Richard Harpham	55,264	55,264	No
Graham Bird	40,144	40,144	No

Further details of employee share schemes are set out in note 25 to the financial statements.

CORPORATE GOVERNANCE REPORT

Shareholding guidelines

The Group does not have a formal shareholding requirement although executive directors are encouraged to have an interest in the Company which is individually meaningful. Inclusive of vested share options, both Executive Directors hold shares which at current share prices, represent more than a full year's base salary. Details of the directors' shareholdings are set out in the Directors' Report on page 35.

Directors' remuneration – current year

The remuneration for of those who served as directors for the period ended 29 March 2026 was as follows:

	Salary and fees £'000	Bonus £'000	Share-based payments £'000	Pension contributions £'000	Other benefits £'000	Total £'000
James van den Bergh	–	–	31	–	–	31
Richard Rose	55	–	–	–	10	65
Martin Shuker	30	–	–	–	–	30
Philip Shepherd	30	–	–	–	–	30
Richard Harpham	253	–	1	12	4	270
Graham Bird	133	–	1	34	5	173
Total Board of directors	501	–	33	46	19	599

Committee Effectiveness

The Committee performed a self-assessment of its effectiveness during the first quarter of 2026. The assessment findings were reviewed during the year with no significant actions required.

Martin Shuker

Chair of the Remuneration Committee

3 September 2026

REPORT OF THE NOMINATION COMMITTEE

The function of the Nomination Committee shall be to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board. In carrying out its duties, the Nomination Committee is primarily responsible for:

- identifying and nominating candidates to fill Board vacancies;
- evaluating the structure and composition of the Board with regard to the balance of skills, knowledge and experience and making recommendations accordingly;
- reviewing the time requirements of non-executive directors;
- giving full consideration to succession planning; and
- reviewing the leadership of the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards as issued by the International Accounting Standards Board and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and Parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

DIRECTORS' CONFIRMATIONS

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and parent Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and parent Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and parent Company's auditors are aware of that information.

Signed by order of the Board

James van den Bergh

3 September 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

OPINION

We have audited the financial statements of XP Factory Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 29 March 2026, which comprise:

- the consolidated Statement of Comprehensive Income;
- the consolidated and Parent Company Statement of Financial Position,
- the consolidated and Parent Company Statement of Changes in Equity;
- the consolidated Statement of Cash Flows;
- the related notes to the consolidated and Parent Company financial statements including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted International Accounting Standards ('IAS'). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion;

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 March 2026 and of the Group's loss for the period then ended;
- the Group's financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards ('IAS');
- the Parent Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SUMMARY OF OUR AUDIT APPROACH

Context

There are twenty nine components of the Group, twenty five located and operating in the United Kingdom (UK) and four located and operating overseas. One of the components located and operating in the UK is not a subsidiary of the Group, but has been consolidated as part of the results of the Group on the basis of control. For the financial period ended 29 March 2026, all UK subsidiaries are exempt from the requirements stipulating that they be audited since they fulfil all the conditions for exemption under section 479A of the Companies Act 2006. No reliance has been placed on component auditors and the audit engagement team have applied a risk-based approach when planning the approach to the audit, performing engagement procedures that respond to the assessed risk. Following our risk assessment and considerations of significance to the Group, the audit engagement team concluded that there are four major separately distinguishable components within the Group and therefore a full audit approach was adopted in respect of these components. Financial information from other components not considered to be individually significant or subject to heightened risk were deemed to be homogenous and considered as one population for the purpose of performing further audit procedures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we identified in the current period were:

- Revenue recognition arising from occurrence, completeness and cut-off in the period;
- Management override of controls;
- IFRS 16 and the adoption of IFRS 16;
- Impairment of investments, goodwill and other intangible assets arising from business combinations; and
- Going Concern.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The key audit matters identified above are discussed further in this section. This is not a complete list of all risks identified by our audit.

We identified going concern as a key audit matter and have detailed our response in the conclusions relating to going concern section below.

Area of focus	How our audit addressed the area of focus
Revenue recognition arising from occurrence, completeness and cut-off in the period There is a presumed risk of misstatement arising from lack of completeness or inaccurate cut-off relating to revenues.	Our audit work included, but was not restricted to the following: • We evaluated the sales controls system in place to determine the controls surrounding the income. • We checked a sample of the franchise agreements and contracts through to the income recognised in the accounts and invoices. • We checked a sample of sales from the booking systems through to the income recognised in the accounts. • We also completed checks on deferred and accrued income. • We reviewed the revenue recognition accounting policy to ensure the application was consistent. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

Area of focus	How our audit addressed the area of focus
Management override of controls Management is in a unique position to override controls that otherwise appear to be operating effectively.	Our audit work included, but was not restricted to the following: • We undertook a review to gain an understanding of the overall governance and oversight process surrounding management's review of the financial statements. • We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors. • We reviewed the financial statements and considered whether the accounting policies are appropriate and have been applied consistently. • We undertook a review of the journals posted through the nominal ledger for significant and unusual transactions and investigated them, reviewing and confirming the journal entry postings. • We undertook a review of the consolidation journals to ensure they were reasonable. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.
IFRS 16 and the adoption of IFRS 16 The Group holds multiple property leases and judgement is required regarding the recognition of right of use assets and lease liabilities.	Our audit work included, but was not restricted to the following: • We obtained management's calculation of the recognition of right of use assets and lease liabilities. • We reviewed a sample of lease agreements and re-performed calculations to verify the accuracy the calculation. • We reviewed the calculation for completeness based on our knowledge of leases within the business. • We reviewed the significant judgements made in the recognition of the right of use assets and lease liabilities, particularly with respect to the discount rate implicit in the lease. • We reviewed the appropriateness of the disclosures made and its consistency with our knowledge of the lease agreements and the application of IFRS 16. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

Area of focus	How our audit addressed the area of focus
Impairment of investments, goodwill and other intangible assets arising from business combinations The Parent Company holds investments in subsidiaries amounting to £26.8m (2025: £26.3m). The Group's intangibles comprise of goodwill, trademarks, intellectual property, franchise agreements, and the portal. The total carrying value of intangible assets was £21.9m (2025: £22m). The uncertainty of future cash flows indicate there could be an impairment in the carrying value of the investments and intangible assets and as such we considered this to be a key audit matter.	Our audit work included, but was not restricted to the following: • We obtained management's assessment of impairment and discussed the key inputs into the assessment with management. • We performed procedures, including challenge regarding the reasonableness of the inputs into the model. • We considered management's sensitivity analysis and also performed an additional range of sensitivities to assess whether a reasonably likely change to a key input would result in an impairment charge. • We tested to ensure the mathematical accuracy of the model presented. Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

OUR APPLICATION OF MATERIALITY

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £1,193,100, based on 2% of Group turnover. Performance materiality, defined as the amount set by the auditor at less than materiality for the financial statements as a whole to reduce aggregation risk to an appropriately low level, was determined as £954,400, being 80% of overall materiality.

Based on the significance of the individual component results compared with the group, we determined that Escape Hunt Group Ltd, BBB UK Property Ltd, and XP Factory Plc (single entity) would be subject to a full audit to a reasonable component materiality.

Escape Hunt and Boom Franchise entities were combined as one component on a risk basis, and the same approach was applied to the residual entities, which were considered as one homogenous population and treated as one component. This is in line with ISA (UK) 600 sA125. It was also determined that these components would be subject to a specific-scope audit to a reasonable component materiality.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included obtaining and reviewing the forecast financial projections.

Management's assessment included the following scenarios:

- A central case which is based on opening a limited number of new Escape Hunt and Boom owner operated sites in the UK in line with the Board's stated strategy. Sites are expected to take a period of time to reach maturity based on previous experience. The central case does not assume any openings other than sites for which leases have already been secured.
- A downside case which assesses the potential impact of a reduction in sales across the group and cost increases. In the downside scenario, the Directors believe they can take mitigating actions to preserve cash. Principally the roll-out of further sites would be delayed and cost saving measures would be introduced at head office central services. Reductions could

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

be targeted in both people and areas such as IT, professional services and marketing. Other areas of planned capital expenditure would also be curtailed.

In both scenarios the Group has surplus working capital to meet its working capital requirements for the foreseeable future.

We performed audit procedures, including but not restricted to the following:

- We reviewed the forecast revenues and resulting cash flows within the assessment period;
- We compared the forecast to available management information for the business post period-end;
- We considered management's sensitivity analysis and also performed an additional range of sensitivities to assess whether a reasonably likely change to a key input would result in an erosion of the revised headroom on working capital available in the downside model used by management;
- We reviewed the announcements and considered if any items will have a financial impact affecting the going concern;
- We reviewed the appropriateness of the disclosures made and its consistency with our knowledge of the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the Group and Parent Company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The Group and Parent Company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and Parent Company. We determined that the following were most relevant: UK-adopted International Accounting Standards, FRS 102, Companies Act 2006, GDPR, Planning Consent, Alcohol Licencing, Health & Safety Standards, Food Hygiene, US Regulations relating to US Franchises, Employment (Allocation of Tips) Act 2023.
- We considered the incentives and opportunities that exist in the Group and Parent Company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XP FACTORY PLC

- Using our knowledge of the Group and Parent Company, together with the discussions held with the Group and Parent Company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, particularly regarding the value of right of use assets and lease liabilities arising from long term leases under IFRS16, valuation and impairment of intangible fixed assets including goodwill, valuation and impairment of investments, dilapidation provisions and recoverability of amounts owed from fellow group companies.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidated balances and transactions.
- Reviewing documentation such as the Group's and Parent Company's board minutes for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

USE OF OUR AUDIT REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tanya Craft (Senior Statutory Auditor)
For and on behalf of HW Fisher Audit
Chartered Accountants
Statutory Auditor

Acre House
11/15 William Road
London
NW1 3ER
United Kingdom

Date 5 September 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 29 March 2026

All figures in £'000s	Note	Period ended 29 March 2026	Year ended 31 March 2025 (Restated)
Continuing operations			
Revenue	5	58,647	57,818
Cost of sales	7	(22,062)	(20,834)
Gross profit		36,585	36,984
Other income		273	92
Administrative expenses	7	(37,385)	(35,349)
Operating (loss)/profit	7	(527)	1,727
Adjusted EBITDA		10,224	10,277
Amortisation of intangibles	14	(350)	(265)
Depreciation of property plant and equipment	12	(5,095)	(3,841)
Depreciation of right-of-use assets	13	(2,844)	(2,596)
Loss on disposal of tangible assets	12	(1,052)	(110)
Loss on disposal of intangible assets	14	–	(5)
Dilapidations provision	22	19	–
Branch closure costs		(39)	–
Branch pre-opening costs		(842)	(799)
Provision against loan to franchisee	16	–	(32)
Provision for guarantee losses	22	(31)	12
Exceptional costs and gains	7	(480)	(857)
Foreign currency gains / (losses)		40	(8)
Share-based payment expense	25	(77)	(49)
Operating profit		(527)	1,727
Net Interest charged	9	(635)	(370)
Lease finance charges	13	(3,189)	(2,685)
Other finance costs		(164)	(94)
Loss before taxation		(4,515)	(1,422)
Taxation	10	5	(5)
Loss after taxation		(4,510)	(1,427)
Other comprehensive income:			
Items that may or will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(50)	(27)
Total comprehensive loss		(4,560)	(1,454)
Loss attributable to:			
Equity holders of XP Factory Plc		(4,560)	(1,454)
Non-controlling interests		–	–
		(4,560)	(1,454)
Total comprehensive loss attributable to:			
Equity holders of XP Factory Plc		(4,560)	(1,454)
Non-controlling interests		–	–
		(4,560)	(1,454)
Loss per share attributable to equity holders:			
Basic and diluted (Pence)	11	(2.58)	(0.82)
Adjusted (loss) / earnings per share[1]		(1.80)	0.13

Adjusted earnings per share is calculated as earnings / (loss) attributable to equity holders of XP Factory plc, before Branch pre-opening costs, Exceptional gains and losses, Gain on disposal of subsidiaries and fair value movements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 29 March 2026

	Note	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	24,886	25,178
Right-of-use assets	13	25,281	27,718
Intangible assets	14	21,937	22,043
Rent deposits		129	113
		72,233	75,052
Current assets			
Inventories and work in progress	18	431	495
Trade receivables	17	1,340	843
Other receivables and prepayments	17	4,381	4,252
Cash and cash equivalents	19	2,805	1,095
		8,957	6,685
TOTAL ASSETS		81,190	81,737
LIABILITIES			
Current liabilities			
Trade payables	20	5,237	3,663
Contract liabilities	21	2,050	2,153
Other loans	24	534	1,140
Lease liabilities	13	2,836	2,419
Other payables and accruals	20	6,373	5,199
Provisions	22	288	294
		17,318	14,868
Non-current liabilities			
Contract liabilities	21	788	727
Provisions	22	1,739	1,941
Other loans	24	8,121	4,847
Deferred tax liability	10	2	5
Lease liabilities	13	33,178	34,822
		43,828	42,342
TOTAL LIABILITIES		61,146	57,210
NET ASSETS		20,044	24,527

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 29 March 2026 continued

	Note	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
EQUITY			
Capital and reserves attributable to equity holders of XP Factory Plc			
Share capital	23	2,190	2,190
Accumulated profits	27	17,838	22,348
Currency translation reserve	27	(468)	(418)
Capital redemption reserve	27	46	46
Share-based payment reserve	27	438	361
		20,044	24,527
Non-controlling interests		–	–
TOTAL EQUITY		20,044	24,527

The notes on pages 61 to 107 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 4 September 2026 and are signed on its behalf by:

Richard Harpham
Director

Registered company number 10184316

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Period Ended 29 March 2026

	Attributable to owners of the parent						
Period ended 29 Mar 2026	Share capital £'000	Share premium account £'000	Currency translation reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Accumulated profits/(losses) (Restated) £'000	Total (Restated) £'000
Balance as at 1 Apr 2025 (Prior to Restatement)	2,190	–	(418)	46	361	21,604	23,783
Balance as at 1 Apr 2025 (Restated)	2,190	–	(418)	46	361	22,348	24,527
Loss for the period	–	–	–	–	–	(4,510)	(4,510)
Other comprehensive income	–	–	(50)	–	–	–	(50)
Total comprehensive loss	–	–	(50)	–	–	(4,510)	(4,560)
Share-based payment charges	–	–	–	–	77	–	77
Transactions with owners	–	–	–	–	77	–	77
Balance as at 29 Mar 2026	**2,190**	**–**	**(468)**	**46**	**438**	**17,838**	**20,044**
Year ended 31 Mar 2025							
Balance as at 1 Apr 2024	2,182	48,832	(391)	46	312	(25,057)	25,924
Loss for the period	–	–	–	–	–	(1,427)	(1,427)
Other comprehensive income	–	–	(27)	–	–	–	(27)
Total comprehensive loss	–	–	(27)	–	–	(1,427)	(1,454)
Issue of shares	8	–	–	–	–	–	8
Capital reduction	–	(48,832)	–	–	–	48,832	–
Share-based payment charges	–	–	–	–	49	–	49
Transactions with owners	8	(48,832)	–	–	49	48,832	57
Balance as at 31 Mar 2025	**2,190**	**–**	**(418)**	**46**	**361**	**22,348**	**24,527**

The notes on pages 61 to 107 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period Ended 29 March 2026

		Period ended 29 March 2026 £'000	Year ended 31 March 2025 (Restated) £'000
Cash flows from operating activities			
Loss before income tax		(4,515)	(1,422)
Adjustments:			
Depreciation of property, plant and equipment	12	5,095	3,841
Depreciation of right-of-use assets	13	2,844	2,596
Amortisation of intangible assets	14	350	265
Loss on disposal of plant and equipment	12	1,052	110
Loss on disposal of intangibles	14	–	5
Net foreign exchange differences		(40)	(4)
Share-based payment expense	25	77	49
Lease interest charge	13	3,189	2,685
Interest charge	9	635	370
Operating cash flow before working capital changes		8,687	8,495
(Increase) / Decrease in trade and other receivables		(586)	36
Decrease / (Increase) in inventories		64	(86)
(Decrease) / Increase in provisions		(234)	231
Increase / (Decrease) in trade and other payables		2,748	(1,085)
(Decrease) / Increase in deferred income		(42)	55
Cash generated from operations		**10,637**	**7,646**
Income taxes paid	10	2	(17)
Net cash generated from operating activities		**10,639**	**7,629**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(5,862)	(7,436)
Purchase of intangibles	14	(283)	(248)
Landlord incentives received	13	475	985
Payment of deposits		(16)	(42)
Acquisition of subsidiaries, net of cash acquired		–	(604)
Interest received		46	48
Net cash used in investing activities		(5,640)	(7,297)
Cash flows from financing activities			
Proceeds from new loans	24	13,379	4,902
Repayment of loans	24	(10,711)	(3,271)
Interest paid		(681)	(443)
Repayment of leases	13	(5,271)	(4,355)
Net cash used in financing activities		(3,284)	(3,167)
Net (decrease) / increase in cash and cash equivalents		1,715	(2,835)
Cash and cash equivalents at beginning of period		1,095	3,935
Effects of exchange rate changes on the balance of cash held in foreign currencies		(5)	(5)
Cash and cash equivalents at end of period		2,805	1,095

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period Ended 29 March 2026 continued

RECONCILIATION OF MOVEMENTS IN NET DEBT

£'000	Cash	Borrowing	Net debt excluding lease liabilities	Leases	Net debt including lease liabilities
Balance at 31 March 2024	**3,935**	**(3,858)**	**77**	**(29,819)**	**(29,742)**
Cash movements	(2,835)	(1,631)	(4,466)	4,355	(111)
Assumed through acquisition	–	(540)	(540)	(5,928)	(6,468)
Equipment leases and fit-out funding	–	42	42	–	42
New property leases	–	–	–	(3,164)	(3,164)
Interest on Property leases	–	–	–	(2,685)	(2,685)
Foreign exchange movements	(5)	–	(5)	–	(5)
Balance at 31 March 2025	**1,095**	**(5,987)**	**(4,892)**	**(37,241)**	**(42,133)**
Cash movements	1,715	(2,668)	(953)	5,271	4,318
New property leases	–	–	–	(855)	(855)
Interest on Property leases	–	–	–	(3,190)	(3,190)
Foreign exchange movements	(5)	–	(5)	–	(5)
Balance at 29 March 2026	**2,805**	**(8,655)**	**(5,850)**	**(36,015)**	**(41,865)**

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, limited by shares. 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. The company is domiciled in the United Kingdom.

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 was the holding company of the Escape Hunt Group, the activities of which related solely to franchise.

On 2 May 2017, the Company's name was changed to Escape Hunt Plc and became the holding company of the enlarged Escape Hunt Group. Thereafter the Group established the Escape Hunt owner operated business which operates through a UK subsidiary. All of the Escape Hunt franchise activity was subsequently transferred to a UK subsidiary. On 22 November 2021, the Company acquired BBB Franchise Limited, together with its subsidiaries operating collectively as Boom Battle Bars. At the same time, the Group took steps to change its name to XP Factory Plc with the change taking effect on 3 December 2021.

XP Factory Plc 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 four 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 Company's registered office is Boom Battle Bar Oxford Street Ground Floor And Basement Level, 70-88 Oxford Street, London, England, W1D 1BS.

The consolidated financial information represents the audited consolidated results of the Company and its subsidiaries, (together referred to as "the Group").

During the current period, the Group changed its accounting calendar so that each financial quarter comprises two four-week accounting periods followed by one five-week accounting period (commonly referred to as a 4-4-5 calendar). Accordingly, these financial statements have been prepared for the 51 week and 6 day period from 1 April 2025 to 29 March 2026. As a result, the current period is of a different duration to the comparative period and the results are therefore not directly comparable.

Basis of preparation

The audited consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRSs").

The audited financial statements are presented in Pounds Sterling, which is the presentational currency for the financial statements. All values are rounded to the nearest thousand pounds except where otherwise indicated. They have been prepared under the historical cost convention, except for financial instruments that have been measured at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in accounting policy

There are no new standards impacting the Group adopted in the annual financial statements for the period ended 29 March 2026. The Group is assessing the impact of IFRS 18 *Presentation and Disclosure in Financial Statements*, which becomes effective for annual reporting periods beginning on or after 1 January 2027, and expects that its principal effect will be changes to the presentation and disclosure of information within the financial statements rather than the recognition or measurement of assets, liabilities, income or expenses.

The Directors do not expect any material impact on the Group's reporting from new accounting standards, interpretations and amendments not yet effective but currently under contemplation by the International Accounting Standards Board.

2. Material accounting policies

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

Basis of consolidation

The audited consolidated financial information incorporates the preliminary 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.

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. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognized 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 recognised 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.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

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 which is at least, but not limited to, twelve months from the end of the reporting period 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 Board has prepared detailed cashflow forecasts covering a three-year period from the reporting date.

The Group plans to continue the roll out of new sites under both the Escape Hunt and Boom Battle Bar brands in the UK which are expected to contribute to performance in future.

The central case is based on opening a limited number of new Escape Hunt and Boom owner operated sites in the UK in line with the Board's stated strategy. Sites are expected to take a period of time to reach maturity based on previous experience. The central case does not assume any openings other than sites for which leases have already been secured.

The Group has also considered a 'downside' scenario. In this scenario the Group has assessed the potential impact of a reduction in sales across the Group and cost increases. In the 'downside' scenario, the Directors believe it can take mitigating actions to preserve cash. Principally the roll-out of further sites would be delayed and cost saving measures would be introduced at head office central services. Reductions could be targeted in both people and areas such as IT, professional services and marketing. Other areas of planned capital expenditure would also be curtailed. These include planned expenditure system improvements and capital expenditure at sites. Taking into account the mitigating factors, the Group believes it would have sufficient resources for the foreseeable future.

The Group's £20m revolving credit facility expires on 12 December 2028. The Group's forecasts assume that the facility will be renewed and extended beyond that date rather than being repaid.

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

Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction.

The functional currency of the Company's subsidiaries which operate overseas are as follows:

Escape Hunt Entertainment LLC	Arab Emirates Dinar
Boom Battle Facilities Management Services LLC	Arab Emirates Dinar
BGP Escape France	Euro
BGP Entertainment Belgium	Euro
Escape Hunt USA Franchises Limited	US Dollar

These subsidiaries, when recording their own foreign transactions follow the principles below. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in the presentational currency which is Pounds Sterling using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Office equipment	5 years
Furniture and fixtures	5 years
Leasehold acquisition and improvements:	
– Leasehold acquisition	Expected duration of the lease
– Leasehold improvements	10 years
Computers	3 years
Games	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Certain internal salary costs are included where the above criteria are met. These internal costs are capitalised when they are incurred in respect of new game designs which are produced and installed in the UK owner-operated sites, where the ensuing revenue is tracked on a weekly basis at each site by each game. Development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

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 or developed 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 within administrative expenses 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
– Internally generated intellectual property	5 years
Franchise agreements	Term of franchise
App development	2 years
Portal	3 years

Impairment of assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows taking into account credit risk. The present value of the future cash flows represents the expected value of the future cash flows discounted at the appropriate rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Employee benefit costs are recognised in profit or loss unless they form part of the cost of an asset that qualifies for capitalisation. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue recognition

The Group operates a network of franchised and owner-operated branches and offsite "escape the room" type games under the Escape Hunt brand and a network of owner-operated and franchised competitive socialising cocktail bar venues under the Boom Battle Bar brand. The Group receives revenues from its directly owned branches but also from franchisees, master-franchisees and sub-franchisees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group, as franchisor, develops original escape games and other fun competitive socialising games and supporting materials and provides management, creative, technical and marketing services based on its knowledge of and expertise in the relevant disciplines to enable delivery of proprietary consumer experiences.

The Group considers that its contracts with franchisees, master-franchisees and sub-franchisees provide a customer with a right to access the Group's intellectual property throughout the franchise term which is typically for a minimum term of ten years. Accordingly, the Group satisfies each of its performance obligations by transferring control of goods and services to the customer over the period of the franchise agreement. Franchise revenues are therefore recognised over time.

The Group derives "upfront exclusivity fees" as well as training fees and documentation fees from the sale and set up of franchises and subsequent "Service Revenues" in the form of revenue shares, administration fees, and other related income.

New branch upfront location exclusivity fees

The initial non-refundable upfront exclusivity fees relate to the transfer of promised goods or services which are satisfied throughout the life of the franchise agreement. Payment of the initial upfront exclusivity fee is due immediately on the signing of a franchise agreement.

The Group, as franchisor, supplies a manual and grants to a franchisee during the term of a franchise agreement, the exclusive rights to carry on its business and to utilise the know-how, intellectual property rights and games within a territory. The franchise term typically provides for an initial term of 10 years, with automatic rights for renewal of successive 10-year periods. The Group offers to:

- Assist the franchisee to establish, manage and operate the business within the territory;
- Provide advice on the choice of branch location;
- Identify equipment, furniture, props and other items required to conduct the business;
- Assist in designing the layout and fit-out of any chosen branch location;
- Provide full game and other activity design to be installed in each branch;
- Provide guidance on setting up website, booking and other online services;
- Provide the franchisee with the franchise manual;
- Train the franchisee and its staff;
- Give the franchisee continuing assistance and advice for the efficient running of the franchise business;
- Regularly update the franchisee on any changes to the services and know-how;
- Design and provide territory-specific, and branch-specific, logos for use in advertising, merchandise and uniforms; and
- Communicate at all times with the franchisee in a timely manner.

The initial fee is recognised as revenue on a straight-line basis over the period of the franchise agreement where this is 10 years (or less in case of sub-franchise agreements, where the term of the sub-franchise agreement typically equals the remaining term of the master franchise agreement). Where the franchise term is not specified or is greater than 10 years, revenue is recognised over 10 years to reflect a lack of certainty over the actual duration of the franchise arrangement. See Note 3 for more details.

Fees related to future periods are carried forward as deferred income within current and non-current liabilities, as appropriate. The amounts of deferred revenue at each reporting date are disclosed in Note 21 to the financial statements.

IFRS 15 also requires the Group to consider if there is a financing element to such long-term contracts. However, it is considered that there is no such financial element provided by the Group to franchisees as payment is received at the time of signing the franchise agreement and at the commencement of the delivery of the various services under such agreement.

Under a Master Franchise Agreement, the Group is entitled to a one-off upfront exclusivity fee representing an advance payment for a number of branches with all branches paid at a fixed rate, payable on signing of the Agreement. The contract is not deemed to be fulfilled and in force until this payment is received in full by the franchisor. This fee is recognised over the lower of the franchise term and 10 years, in the same manner as in a single franchise arrangement.

Where the Group, through a Master Franchisee, enters into contracts with sub-franchisees, the initial fee is recognised in the same manner as contracts with direct franchisees (i.e. spread over 10 years), where not already covered in the fees attributed to the Master Franchisee. In the event of termination of a franchise agreement, any remaining deferred income related to this contract is immediately recognised in full.

Documentation fees are recognised when the franchise agreement and associated leases and other legal documents are exchanged and have reached practical completion. Training fees are recognised when the franchise site is opened.

Franchise revenues

As part of each franchise agreement, the Group receives franchise service revenues at a fixed percentage of a franchisee's monthly revenues which are recognised as the income is earned.

Service revenues comprise:

- An agreed share of the franchisee's monthly revenues, payable weekly or monthly;
- Fixed monthly fees payable quarterly in advance;
- Extra costs in respect of site visits and website set-up fees; and
- Fees charged for additional services, such as management of marketing and social media on behalf of a franchisee, for which franchisees opt in.

Revenue shares, support and administration and other related revenues are recognised as and when those sales occur. Amounts billed in advance are deferred to future periods as deferred revenue.

Owner-operated branch and offsite games

Revenues from the owner-operated branch and offsite activities include game participation fees and the sale of food and beverages and merchandise. Such revenues are recognised as and when those sales occur. Where customers book in advance, the recognition of revenue is deferred until the customer participates in the experience.

Retros from suppliers

Retrospective rebates from food and drink suppliers are recognised to match the relevant purchase volumes.

Deferred revenue

The amounts of deferred revenue at each reporting date are disclosed in Note 21.

Contract costs

Where the game design costs relate to games for individual franchisees, the costs are not capitalised but expensed as in line with the delivery of services to franchisees, unless these costs are significant and other capitalisation criteria are met.

Government Grants

Grants relating to revenue are recognised on the performance model through the consolidated statement of comprehensive income by netting off against the costs to which the grants were intended to compensate. Where the grant is not directly associated with costs incurred during the period, the grant is recognised as 'other income'. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a) There is an identified asset;

b) The Group obtains substantially all the economic benefits from use of the asset; and

c) The Group has the right to direct use of the asset.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual lease payments due to the lessor over the lease term. The discount rate is the rate implicit in the lease, if readily determinable. If not, the Company's incremental borrowing rate is used, which the Company has assessed to be 4.5% above the Bank of England base rate.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provisions recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations – see Note 22).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the discount rate appropriate at the time of revision. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Nature of leasing activities (in the capacity as lessee)

During the period, the Group leased owner-operated Escape Hunt and Boom Battle Bar venues. The Group also leases certain items of plant and equipment, but these are not significant to the activities of the Group.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Equity-settled share based payments to non-employees are measured at the fair value of services received, or if this cannot be measured, at the fair value of the equity instruments granted at the date that the Group obtains the goods or counterparty renders the service. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 25 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Where the conditions are non-vesting, the expense and equity reserve arising from share-based payment transactions is recognised in full immediately on grant.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade and other receivables

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment. If the arrangement constitutes a financing transaction, the receivable instrument is measured at the present value of the future payments discounted at a market rate of interest.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. In the process, the probability of the non-payment of the trade receivables is assessed. This probability is multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition.

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

The Group has recognised provisions for liabilities of uncertain timing or amount including those for leasehold dilapidations and losses arising of financial guarantee contracts.

Dilapidation provisions

Provisions for dilapidations are recognised when the Group has a present obligation to restore leased premises. Where the obligation arises from alterations made to a property, the estimated cost is recognised in full when the obligation arises, with a corresponding amount included in the cost of the related right-of-use asset. The provision is measured at the present value of the expected future expenditure, with the unwinding of the discount recognised within finance costs. The related asset is depreciated over the remaining lease term. Obligations arising from wear and tear are recognised as the property is used. Comparative balance sheet amounts have been restated to reflect the application of this policy, as explained in note 22.

Losses arising on financial guarantee contracts

Provision for losses on financial guarantee contracts uses the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected losses. In the process, the probability of the guarantee being called is assessed. This probability is multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the financial guarantee contract.

Onerous contracts

At each reporting date, the Group assesses whether any lease or other fixed term contract has become onerous. A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it. If a contract is deemed onerous, a provision is recognised for the present value of the net unavoidable costs being the lower of:

- The cost of fulfilling the contract obligations, and
- The penalties / compensation arising from exiting the contract.

The amount recognised to the provision is recorded in the profit and loss account. In the case of onerous contracts which are leases accounted for under IFRS16, the charge is first recognised by an impairment to the right of use asset with a provision recognised to the extent that the present value of the unavoidable cost exceeds the carrying value of the right of use asset.

Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources is remote.

Financial Liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives are initially measured at fair value which ordinarily is the transaction price (including transaction costs) and subsequently held at amortised cost.

Financial liabilities

Financial liabilities, including trade and other payables, bank and other loans and loans from fellow group companies that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled or they expire.

Equity instruments

Equity instruments including share capital issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in Note 2 above, the Directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular:

Key judgements

Initial upfront exclusivity fees

Note 2 describes the Group's policies for recognition of revenues from initial upfront exclusivity fees. In making their judgement, the Directors consider that the upfront non-refundable exclusivity fee provides the customer with a right to access the Group's intellectual property throughout the franchise term which is typically for a minimum term of ten years. The Group's service obligations include a requirement to advise, assist and update the customer throughout the term of the agreement.

However, certain franchise contracts are for the unspecified term which theoretically can run in perpetuity. Furthermore, for term franchise contracts certain factors could reduce the franchise term (such as early termination) whilst franchises may be extended beyond their initial term. No franchises have yet been in place for a full term and in the absence of sufficient track record the Directors made a judgement that until a clear pattern of terminations and extensions of franchises becomes clear, it is reasonable to assume that franchises will on average run for 10 years, hence the initial upfront exclusivity fees are recognised over this estimated period.

Recognition of deferred tax assets

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges.

A deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Recognition, therefore, involves judgement regarding the prudent forecasting of future taxable profits of the business and in applying an appropriate risk adjustment factor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Based on detailed forward-looking analysis and the judgement of management, it has been concluded that a deferred tax asset should not yet be recognised for the carry forward of unused tax losses and unused tax credits totalling approximately £22.5m, as the timing and nature of future taxable profits remains uncertain given the relatively young stage of development and the performance of the Group and the rate of planned expansion which under current rules gives rise to certain accelerated capital allowances reducing taxable income. Whilst the Directors do expect the business in its current form to become profitable, the Directors do not yet regard the timing and future scale of taxable profits against which the unused tax losses and unused tax credits can be utilised in the near term to be sufficiently probable to justify recognition of deferred tax assets. In forming this conclusion, management have considered the same cash flow forecasts used for impairment testing purposes. Impairment testing adjusts for risk through the discounting of future cash flows and focus on cash generation rather than taxable profits.

Additionally, the owner-operated segment is still in a relatively early stage of development, and the Directors envisage that there will be an extended period (and thus increasing uncertainty as time progresses) before it expects to recoup net operating losses. The analysis indicates that the unused losses may not be used in the foreseeable future as the Group does not yet have a history of taxable profits nor sufficiently convincing evidence that such taxable profits will arise within the near term.

Recognition of R&D credits and other government grants

Research and development credits and other government grants are recognised as an asset when it has become probable that the grant will be received.

Companies within the Group have previously made successful applications for grants relating to research and development and in respect of support related to the COVID-19 pandemic.

In relation to research and development grants, no claims are outstanding, but the company expects to make claims in respect of activity undertaken in future, but not in respect of activity undertaken in the year to 31 March 2025 or the current period. As such, no claims in relation to 2022, 2023 or 2024 have been recognised as an asset.

Key estimates

Impairment of intangible assets

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement in determining estimates, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- the forecast occupancy rate (and growth thereof) for each escape room based on historic experience from similar rooms;
- the forecast level of turnover (and growth thereof) for each Boom Battle Bar site, based on historic experience of the site in question and similar sites;
- the level of capital expenditure to open new sites and to maintain existing sites, as well as the costs of disposals;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares and approves a detailed annual budget and strategic plan for its operations, which are updated regularly to take account of actual activity and are used in the fair value calculations. The forecasts perform a detailed analysis for three years, apply an anticipated growth rate for years 4 and 5 of between 3% and 5% per annum and apply a 2.5% growth rate thereafter. Further details are provided in the sensitivity analysis below.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

The current strategic plan for the Group indicates an excess of the net present value of future cashflows compared to the carrying value of intangible assets.

The sensitivity of impairment tests to changes in underlying assumptions is summarised below:

Site level EBITDA

If the site level EBITDA is 10% lower in each business unit within the Group than as set out in the strategic plan, this would lead to reduction in the net present value of intellectual property of £30.0m (FY25: £20.9m) but would not result in the need for an impairment charge.

Discount rate

The discount rate used for the fair value calculation has been assumed at 9.8%. A 100 basis point increase in the discount rate reduces the net present value of intellectual property across the Group by £9.0m (FY25: £8.7m) but would not result in the need for an impairment charge.

The discount rate used, being the estimated weighted average cost of capital has been reduced to 9.8% from 12.3% in the prior reporting period. The reduction was brought about by a fall in base interest rates during the period, a reduction in the Company's beta, and the reduced cost of debt with the new banking facility. It is the Directors' view that the risk premium associated with XP Factory will have reduced significantly over the current and prior period given the following:

- The Group has achieved a scale at which it is capable of operating profitably where previously it lacked such scale
- The network of owner operated sites is significantly more diversified with a much larger estate and the Group is consequently less exposed to any single site
- The Group has developed an extended operating history with Escape Hunt in particular, operating at attractive growth rates and margins
- The Group exited the period ended 29 March 2026 with sites generating positive cashflow and EBITDA.
- The new bank facility signed at improved rates during the period and the rise in share price provides external validation of the improved financial prospects for the Group.

Furthermore, external estimates of the Group's cost of capital, which are based on historic numbers which do not take account of these factors, indicate a level not materially different to the director's assessment.

Long-term growth rates

The growth rate used for the fair value calculation after year 5 has been assumed at 2.5% per annum. If this rate was decreased by 100 basis points the net present value of intellectual property across the Group would fall by £7.5m (FY25: £7.5m) but would not result in the need for an impairment charge.

Capital expenditure

If capital expenditure over the forecast period were to be 10% higher than in the strategic plan, the net present value of intellectual property across the Group would fall by £3.7m (FY25: £3.9m) but would not result in the need for an impairment charge.

Valuation of assets acquired in business combinations

Where the Group has acquired the trading assets and businesses of former franchise businesses, estimates of the fair value of the assets acquired have been made. These estimates are based on the accumulated experience of opening new sites and take into account the trading performance and purchase price of the former franchise businesses. The valuations therefore include an element of judgement regarding the expected future performance of the business acquired.

Estimation of useful life and amortisation rates for intellectual property assets

The useful life used to amortise intangible assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset.

The estimated useful life principally reflects management's view of the average economic life of each asset and is assessed by reference to historical data and future expectations. Any reduction in the estimated useful life would lead to an increase in the amortisation charge. The average economic life of the intellectual property has been estimated at 5 years. If the estimation of economic lives was reduced by one year, the amortisation charge for IP would have increased by £124k (year ended 31 March 2025: £160k).

Estimation of useful life and depreciation rates for property, plant and equipment of the owner- operated business

The useful life used to depreciate assets of the owner-operated business relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset.

Property, plant and equipment represent a significant proportion of the asset base of the Group being 31% (FY25: 31%) of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated income statement. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. Historically changes in useful lives and residual values have not resulted in material changes to the Group's depreciation charge.

The useful economic lives of property, plant and equipment has been estimated at between 2 and 10 years. If the estimation of economic lives was reduced by one year, the depreciation charge for property, plant and equipment would have increased by £1.3m (year ended 31 March 2025: £905k).

Estimation of the value of right of use assets and lease liabilities arising from long term leases under IFRS16

The value of right of use assets and the associated lease liability arising from long term leases is estimated by calculating the net present value of future lease payments. In doing so, the Directors have used the discount rate implicit in the lease, if readily determinable. If not, the Company's incremental borrowing rate is used which the Company has assessed to be 4.5% (FY2025: 4.5%) above the Bank of England base rate.

Estimation of dilapidations provision

The provision for dilapidations represents the estimated cost of restoring the property to the condition required under the terms of the lease. The provisions are based on management's assessment of the restoration work required and the expected cost of completing that work at the end of each lease, taking account of available site-specific information and anticipated cost increases. The estimated future costs are discounted to present value where the effect is material. The scope, timing and cost of the work may differ from the assumptions made and therefore represent a key source of estimation uncertainty.

Estimation of share based payment charges

The calculation of the annual charge in relation to share based payments requires management to estimate the fair value of the share-based payment on the date of the award. The estimates are complex and consider a number of factors including the vesting conditions, the period of time over which the awards are recognised, the exercise price of options which are the subject of the award, the expected future volatility of the company's share price, interest rates, the expected return on the shares, and the likely future date of exercise. The charge recognised in the period ended 29 March 2026 was £62k (year to 31 March 2025: £31k).

The Group also operates a broader share based Incentive scheme available to all employees, allowing employees to purchase shares tax efficiently each month. For each share purchased (a "Partnership Share"), the employee is granted a further matching share ("Matching Share"). The Management has estimated the cost of the Matching Shares recognised in the period ended 29 March 2026 was £15k (year to 31 March 2025: £18k) Further details are provided in note 25.

Estimation of liabilities arising from Financial Guarantee Contracts – Franchise lease guarantees

The Company is a co-tenant or has provided a guarantee on a number of property leases for which a franchisee is the primary lessee. IFRS 9 requires the recognition of expected credit losses in respect of financial guarantees, including those provided by the Group. Where there has been a significant increase in credit risk, the standard requires the recognition of the expected lifetime losses on such financial guarantees. The assessment of whether there has been a significant increase in credit risk is based on whether there has been an increase in the probability of default occurring since previous recognition. An entity may use various approaches to assess whether credit risk has increased. The assessment of the probability of default is inherently subjective and requires management judgement.

In all cases where the Group is co-tenant or has provided guarantees for underlying leases, the Group has taken security in the form of personal guarantees from the lessee and, in addition, has step-in rights which enable the relevant company in the Group to take over the assets and operations of the franchisee and to operate the site as an owner-operated site. Management believes that the personal guarantees and step in rights significantly reduce the probability of incurring losses and provide a mechanism to mitigate any adverse impact on the Group in the event of any guarantees being called upon.

Details of the number of lease guarantees provided, the average length of the guarantee and the average annual rental are given in note 22.

Each guarantee is assessed separately. Management's view of the probability of the lessee defaulting on its lease obligations is assigned to the specific guarantee. Lessees are categorised on a rating of 1 – 5, which allocates a probability of default to each banding, with category 1 representing very limited risk, and 5 representing extreme risk. Management then assesses the likelihood of the personal guarantee from the lessee, together with the step-in rights being insufficient to fully cover the payments required to be made under the guarantee provided to the landlord. This is based on historic experience of the former owner of Boom Battle Bars which has, on a number of occasions, taken on existing franchisees within other parts of its business which have either been re-sold or have since become owner-operated sites. Based on this experience and taking account of the current economic environment, Management has judged that 1 in 6 sites where the guarantee is called would result in a loss. Finally, management applies an assessment as to the proportion of the future lease liability that might be suffered in the event that the guarantee is not fully covered by the personal guarantees and/or the step in rights. The proportion used in the calculation was 50%. This cumulative probability is applied to the net present value of the future lease liability. The net present value is calculated by reference to the expected future cash payments required under the lease using a discount rate of 8.25%.

In the period to 29 March 2026, the average probability of default used across the portfolio was assessed as between 20% and 75% (2025: between 10% and 50%). This was made on the basis of the current operating performance of the respective franchisees. The overall expected loss provision at 29 March 2026 was £88k (2025: £57k) with the increase being attributed predominantly to the increased probability of default.

Sensitivities.

The key assumptions impacting the assessment of the expected loss provision are the discount rate used to calculate the net present value of the leases under guarantee; the probability of default assigned to each guaranteed lease; the proportion of defaulted leases that would give rise to a credit loss; and the proportion of the total liability that would not be covered by security and step-in rights. The sensitivity to each of these assumptions in the period to 29 March 2026 and the year to 31 March 2025 is shown in the table below:

Assumption	Base case	Sensitivity applied	Increase in Expected loss provision (£'000) 2026	2025
Discount rate	8.25% (2025 9.25%)	1% decrease	3.8	2.6
Probability of default	Individually assessed	10% increase in probability of default	8.8	5.7
Proportion of defaulted leases giving rise to a loss	16.67% (1 in 6)	Increase by 3.33% (1 in 5)	17.7	11.5
Proportion of liability not covered by guarantee / step-in right	50%	10% increase in loss	17.7	11.5

Estimation of valuation of acquired intangibles

As part of the acquisition of Boom Battle Bars, the Directors recognised £4,386k as relating to franchise contracts in place at the date of acquisition. The valuation took into account the forecast revenue from the relevant franchise contracts over the remaining life of the contracts, net of tax and allocated costs to service the contracts, discounted at the then estimated cost of capital, 13.7%. The remaining value of acquired intangibles will be amortised over the remaining franchise term. As at 29 March 2026, the value of acquired intangibles was £9k (2025: £20k).

The Directors have re-assessed the value of the acquired intangibles based on the latest forecasts for specific franchisee sites and an allocation of central costs using a cost of capital of 9.8% to determine whether an impairment was necessary. The analysis concluded that no impairment is necessary. A 1% increase in the cost of capital applied would reduce the value of acquired intangibles in the period by £4k (2025: £4k), but would not lead to an impairment of the carrying value.

4. Prior-period restatement

During the preparation of the financial statements, management identified errors in the accounting for certain lease-related balances and dilapidations provisions in prior periods. The errors have been corrected retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The effect on the comparative statement of financial position is set out below.

IFRS 16 lease accounting corrections

In prior periods, certain balances arising from landlord contributions and business acquisitions were not treated consistently when converting the underlying accounting records to IFRS 16. In particular, deferred income relating to landlord contributions was not consistently reflected as an adjustment to the related right-of-use assets, and rent accruals existing at the date of acquisition were not eliminated when the IFRS 16 lease schedules were established. The correction also affected associated prepayments and the calculation of goodwill.

At 31 March 2025, these corrections reduced intangible assets by £1,630k, increased other receivables and prepayments by £895k, reduced other payables and accruals by £1,515k and increased contract liabilities by £130k. The resulting increase in retained earnings was £650k.

Dilapidations provisions

The Group previously recognised dilapidations provisions over the period of the relevant leases. Where an obligation to restore a leased property arises from alterations made to that property, the obligation exists when the alterations are made and should be recognised in full at that date, with a corresponding amount included in the cost of the related right-of-use asset. The provision is measured at the present value of the expected restoration expenditure, with the discount unwound through finance costs and the related asset depreciated over the remaining lease term.

At 31 March 2025, the correction increased right-of-use assets by £860k and provisions by £766k, resulting in an increase in retained earnings of £94k.

Changes to the statement of financial position

	At 31 March 2025		
	Previously reported £'000	Adjustment £'000	As restated £'000
Non-current assets			
Right-of-use assets	26,858	860	27,718
Intangible assets	23,673	(1,630)	22,043
Current assets			
Other receivables and prepayments	3,357	895	4,252
Total assets	**81,612**	**125**	**81,737**
Current liabilities			
Other payables and accruals	6,714	(1,515)	5,199
Non-current liabilities			
Contract liabilities	597	130	727
Provisions	1,175	766	1,941
Total liabilities	**57,829**	**(619)**	**57,210**
Net assets	**23,783**	**744**	**24,527**
Capital and reserves			
Retained earnings	21,604	744	22,348
Total equity	**23,783**	**744**	**24,527**

Opening comparative statement of financial position

The effect of the corrections on the statement of financial position at the beginning of the earliest comparative period was £955k on right-of-use assets, -£1,630k on intangible assets, £895k on other receivables and prepayments, -£1,787k on other payables and accruals, £179k on contract liabilities, £908k on provisions and £920k on retained earnings.

Changes to the statement of comprehensive income

The corrections increased administrative expenses by £82k and other finance costs by £94k for the year ended 31 March 2025. Accordingly, the comparative loss for the year increased by £176k. The effect on basic and diluted loss per share was -0.11 pence per share.

	Year ended 31 March 2025		
	Previously reported £'000	Adjustment £'000	As restated £'000
Non-current assets			
Administrative expenses	(35,267)	(82)	(35,349)
Other finance costs	–	(94)	(94)

Changes to other primary statements

The comparative statement of changes in equity has been restated to reflect the adjustment to opening retained earnings for errors arising before 1 April 2024 and the £176k increase in the loss for the year ended 31 March 2025. The comparative statement of cash flows has also been restated where necessary. The corrections had no effect on the Group's net cash flows for the year.

5. Revenue

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Upfront location exclusivity fees, support and administration fees	86	216
Franchise revenue share	920	1,224
Revenues from owned branches	29,902	28,995
Food and drinks revenue from owned branches	26,971	25,419
Retros/rebates received on food and drinks purchases	626	1,176
Other	142	788
	58,647	57,818

Revenues from contracts with customers:

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Revenue from contracts with franchise customers	1,006	1,440
Revenue from customers at owner operated branches	57,641	56,378
Total revenue from contracts with customers	58,647	57,818

In respect of contracts from franchise customers, the satisfaction of performance obligations is treated as over a period of up to 10 years. The typical timing of payment from customers is a mixture of upfront fees, payable at the start of the contract, fixed fees payable quarterly or monthly during the term of the contract and variable consideration typically received shortly after the month in which the revenue has been accrued.

Future upfront exclusivity fee income that has been deferred on the balance sheet is certain as the amount has already been received. Support and administrative fees and other fees are considered to be reasonably certain and unaffected by future economic factors, except to the extent that adverse economic factors would result in premature franchise closure. Revenue based service fees are dependent on and affected by future economic factors, including the performance of franchisees.

A total of £57.6m (2025: £56.4m) of revenues relate to the owner-operated segment. All other revenues in the table refer to the franchise segment as detailed in Note 6 (Segment Information).

Upfront exclusivity fees are billed and received in advance of the performance of obligations. This generally creates deferred revenue liabilities which are greater than the amount of revenue recognised from each customer in a financial period.

Revenue share income is necessarily billed monthly in arrears (and accrued on a monthly basis).

6. 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.

Management considers that the Group has four operating segments. Revenues are reviewed based on the nature of the services provided under each of the Escape Hunt and Boom Battle Bar brands as follows:

1. The Escape Hunt franchise business, where all franchised branches are operating under effectively the same model;
2. The Escape Hunt owner-operated branch business, which as at 29 March 2026 consisted of 27 Escape Hunt sites (2025: 25), comprising 24 in the UK, one in Dubai, one in Paris and one in Brussels; and
3. The Boom Battle Bar franchise business, where all franchised branches operate under the same model within the Boom Battle Bar brand.;
4. The Boom Battle Bar owner-operated business, which as at 29 March 2026 consisted of 25 Boom Battle Bar sites (2025: 25), comprising 24 in the UK and one in Dubai.

There is currently no trade between the operating segments. The Group operates on a global basis. As at 29 March 2026, the Group had active Escape Hunt franchisees in 7 countries (2025: 7). The Group 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. The geographic split of revenue was as follows:

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
United Kingdom	56,455	54,955
Europe	829	1,031
Rest of world	1,363	1,832
	58,647	57,818

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

The cost of sales in the owner-operated business comprise variable site staff costs and other costs directly related to revenue generation.

Period Ended 29 March 2026	Escape Hunt Owner operated £'000	Escape Hunt Franchise operated £'000	Boom Owner operated £'000	Boom Franchise operated	Unallocated £'000	Total £'000
Revenue	15,765	466	41,875	541	–	58,647
Cost of sales	(4,397)	–	(17,660)	(5)	–	(22,062)
Gross profit/(loss)	11,368	466	24,215	536	–	36,585
Site level operating costs	(4,130)	–	(14,560)	–	–	(18,690)
Other income	179	–	94	–	–	273
Site level EBITDA	7,417	466	9,749	536	–	18,168
Centrally incurred overheads	(2,419)	(11)	(1,691)	362	(6,167)	(9,926)
Depreciation and amortization	(2,337)	10	(5,669)	(37)	(256)	(8,289)
Exceptional items	(28)	–	(41)	–	(411)	(480)
Operating profit	2,633	465	2,348	861	(6,834)	(527)
Adjusted EBITDA	5,649	436	9,256	898	(6,015)	10,224
Depreciation and amortisation	(1,718)	10	(3,444)	(37)	(256)	(5,445)
Depreciation – right-of-use assets	(619)	–	(2,225)	–	–	(2,844)
Loss of disposal of assets	(30)	–	(1,022)	–	–	(1,052)
Dilapidations	11	–	8	–	–	19
Exceptional Professional & Branch Closure Costs	(28)	–	(41)	–	(450)	(519)
Branch pre-opening costs	(622)	–	(220)	–	–	(842)
Provision for guarantee losses	–	–	–	–	(31)	(31)
Foreign currency gains	(10)	19	36	–	(5)	40
Share-based payment expenses	–	–	–	–	(77)	(77)
Operating profit	2,633	465	2,348	861	(6,834)	(527)
Interest expense/receipt	–	–	(44)	(12)	(579)	(635)
Lease charges	(463)	–	(2,726)	–	–	(3,189)
Other finance costs	(39)	–	(74)	–	(51)	(164)
Profit / (Loss) before tax	2,131	465	(496)	849	(7,464)	(4,515)
Taxation	2	(3)	3	–	3	5
Profit/(loss) after tax	2,133	462	(493)	849	(7,461)	(4,510)
Other information:						
Non-current assets	13,143	–	38,465	1,407	19,218	72,233

Year Ended 31 March 2025 (Restated)	Escape Hunt Owner operated £'000	Escape Hunt Franchise operated £'000	Boom Owner operated £'000	Boom Franchise operated	Unallocated £'000	Total £'000
Revenue	14,213	606	42,165	834	–	57,818
Cost of sales	(4,085)	–	(16,749)	–	–	(20,834)
Gross profit/(loss)	10,128	606	25,416	834	–	36,984
Site level operating costs	(3,537)	–	(14,947)	–	–	(18,484)
Other income	–	–	–	–	92	92
Site level EBITDA	6,591	606	10,469	834	92	18,592
Centrally incurred overheads	(1,717)	(5)	(1,396)	–	(6,188)	(9,306)
Depreciation and amortization	(1,707)	(21)	(4,877)	(64)	(33)	(6,702)
Exceptional items	(129)	–	(599)	–	(129)	(857)
Operating profit	3,038	580	3,597	770	(6,258)	1,727
Adjusted EBITDA	5,307	606	9,552	839	(6,027)	10,277
Depreciation and amortisation	(1,148)	(21)	(2,840)	(64)	(33)	(4,106)
Depreciation – right-of-use assets	(560)	–	(2,036)	–	–	(2,596)
Foreign currency losses	–	(5)	(3)	–	–	(8)
Share-based payment expenses	–	–	–	–	(49)	(49)
Provision against loan to franchisee	–	–	–	–	(32)	(32)
Provision for guarantee losses	–	–	–	–	12	12
Gain / (loss) of disposal of assets	(22)	–	(88)	(5)	–	(115)
Exceptional Professional & Branch Closure Costs	(129)	–	(599)	–	(129)	(857)
Branch pre-opening costs	(410)	–	(389)	–	–	(799)
Operating profit	3,038	580	3,597	770	(6,258)	1,727
Interest expense/receipt	–	–	–	–	(370)	(370)
Lease charges	(366)	–	(2,319)	–	–	(2,685)
Other finance costs	(34)	–	(60)	–	–	(94)
Profit / (Loss) before tax	2,638	580	1,218	770	(6,628)	(1,422)
Taxation	(2)	–	(14)	11	–	(5)
Profit/(loss) after tax	2,636	580	1,204	781	(6,628)	(1,427)
Other information:						
Non-current assets (restated)	10,822	20	42,175	44	21,131	74,193

Significant customers:

No customer provided more than 10% of total revenue in either the Period ended 29 March 2026 or the period ended 31 March 2025.

7. Operating loss before taxation

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

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 (Restated) £'000
Auditor's remuneration:		
– Audit of the Parent and Group financial statements	167	150
– Review of interim financial statements	–	–
Movement on provision against trade receivables	41	(78)
Foreign exchange (gains) / losses	(40)	8
Staff costs including directors, net of amounts capitalized	10,127	9,844
Depreciation of property, plant and equipment (Note 12)	5,095	3,841
Depreciation of right-of-use assets (Note 13)	2,844	2,596
Amortisation of intangible assets (Note 14)	350	265
Share-based payment costs	77	49

Detailed information on statement of profit or loss items:

Cost of sales	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Wages and salaries	12,784	11,490
Food and beverages	7,410	7,133
Other costs of sale	1,868	2,211
	22,062	20,834

Administrative expenses	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 (Restated) £'000
Depreciation of property, plant and equipment	5,095	3,841
Depreciation of right-of-use assets	2,844	2,596
Amortisation	350	265
Loss on disposal of non-current assets	1,052	115
Staff costs including directors, net of amounts capitalised	10,127	9,844
Share-based payments	77	49
Foreign currency (gains) / losses	(40)	8
Other administrative expenses	17,880	18,631
	37,385	35,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exceptional costs and gains	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Loss from wound-up operations	(135)	–
Strategic review costs	(179)	–
Exceptional legal and other fees	(166)	(59)
Restructuring costs		(246)
Debt early redemption fees	–	(62)
Onerous contracts write off	–	(490)
Total	480	(857)

8. Staff costs

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Wages salaries and benefits (including directors)	20,804	19,817
Share-based payments	77	49
Social security costs	1,983	1,293
Other post-employment benefits	437	462
Less amounts capitalised	(273)	(237)
	23,028	21,384
Included in cost of sales	12,823	11,490
Included in Admin expenses	10,205	9,894
	23,028	21,384

Key management personnel:

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Wages, salaries and benefits (including directors)	805	1,067
Share-based payments	39	9
Social security costs	143	139
Pensions	70	55
Other post-employment benefits	31	17
Less amounts capitalised	(83)	(41)
	1,005	1,246

Key management personnel are the directors, the company secretary and one member of staff. Their remuneration was as follows:

Period ended 29 March 2026	Salary and fees £'000	Bonus £'000	Share-based payments £'000	Pension contributions £'000	Other benefits £'000	Total £'000
Graham Bird	133	–	1	34	5	173
Richard Rose	55	–	–	–	10	65
Richard Harpham	253	–	1	12	4	270
Philip Shepherd	30	–	–	–	–	30
Martin Shuker	30	–	–	–	–	30
James van den Bergh	–	–	31	–	–	31
Total Board of directors	501	–	33	46	19	599
Joanne Briscoe	138	–	5	16	5	164
Other key management	166	–	1	8	7	182
	805	–	39	70	31	945
Amounts capitalised	(83)	–	–	–	–	(83)
Profit and loss expense	722	–	39	70	31	862

Year ended 31 March 2025	Salary and fees £'000	Bonus £'000	Share-based payments £'000	Pension contributions £'000	Other benefits £'000	Total £'000
Graham Bird	213	64	1	10	5	293
Richard Rose	60	–	–	–	1	61
Richard Harpham	247	74	1	12	3	337
Philip Shepherd	30	–	–	–	–	30
Martin Shuker	30	–	–	–	–	30
Total Board of directors	580	138	2	22	9	751
Joanne Briscoe	133	20	6	16	3	178
Other key management	160	36	1	17	5	219
	873	194	9	55	17	1,148
Amounts capitalised	(41)	–	–	–	–	(41)
Profit and loss expense	832	194	9	55	17	1,107

Only two persons serving as directors during the period accrued retirement benefits, being Richard Harpham and Graham Bird. Both made personal contributions and receive company contributions into defined contribution (money purchase) pensions schemes. There are no defined benefit schemes in the Group and the Group has no pension commitments other than monthly contributions for employees.

The average monthly number of employees was as follows:

	Period Ended 29 March 2026 No.	Year Ended 31 March 2025 No.
Management	6	6
Administrative	65	64
Operations	1,193	1,221
	1,264	1,291

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Interest

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Interest income	46	73
Interest expense	(681)	(443)
Net interest (expense) / income	(635)	(370)

10. Taxation

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Current tax expense		
Current tax on profits for the period	(2)	1
Prior period tax adjustment	–	15
Total Current tax	(2)	16
Deferred tax expense		
Origination and reversal of Temporary differences	(3)	(321)
Effects of Business combinations	–	310
Total deferred tax	(3)	(11)
Total tax expense	(5)	5

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 Group is as follows:

	Period Ended 29 March 2026 £'000	Year Ended 31 March 2025 £'000
Loss before taxation	(4,515)	(1,422)
Tax calculated at the standard rate of tax of 25% (2025: 25%)	(1,129)	(356)
Tax effects of:		
Expenses not deductible for tax purposes	123	24
Non-taxable income	–	(4)
Movement in unrecognised tax losses	(44)	(1,406)
Tax on foreign operations	88	152
Non qualifying amortisation	19	31
Movement in fixed asset timing differences not recognised in deferred tax	87	(42)
Depreciation on ineligible assets	560	483
Increase in dilapidation provision	61	–
Profit/Loss on disposal of ineligible assets	67	–
Fixed asset differences relating to transfer of trade and assets	(63)	614
Timing differences on right of use assets	301	361
Amounts written off from connected company not taxable	(115)	1
Transfer of losses to connected company	46	156
Other	(6)	(9)
	(5)	5

Changes in tax rates and factors affecting the future tax charge

There are no factors affecting the future tax charge.

Deferred tax

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.

The Group has tax losses of approximately £22,520k as at 29 March 2026 (£24,119k as at 31 March 2025) which, subject to agreement with taxation authorities, are available to carry forward against future profits. The tax value of such losses amounted to approximately £5,630k (£6,030k as at 31 March 2025). A deferred tax asset has been recognised in respect of £7,066k (2025:13,361k) of these losses to offset the deferred tax liability in respect of fixed asset temporary differences. A deferred tax asset has therefore not been recognised in respect of the remaining tax losses of £15,454k (2025: £10,758k) due to there being insufficient certainty that profits will be recognised in future years.

Amounts of deferred tax recognised in profit or loss:

	Provisions and other timing differences £'000	Fixed asset temporary differences £'000	Unused tax losses £'000	Intangibles acquired through business combinations £'000	Total £'000
Balance as at 1 April 2025	(214)	3,544	(3,330)	5	5
(Charge) / credit for the period	(39)	(1,525)	1,564	(3)	(3)
Balance as at 29 March 2026	(253)	2,019	(1,766)	2	2

	Provisions and other timing differences £'000	Fixed asset temporary differences £'000	Unused tax losses £'000	Intangibles acquired through business combinations £'000	Total £'000
Balance as at 1 April 2024	(176)	1,744	(1,568)	326	326
(Charge) / credit for the period	(38)	1,800	(1,762)	(11)	(11)
Effects of business combinations excluded from profit and loss charge	–	–	–	(310)	(310)
Balance as at 31 March 2025	(214)	3,544	(3,330)	5	5

Estimates and assumptions, including uncertainty over income tax treatments

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Directors' belief that its tax return positions are supportable, the Directors believe it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Directors believe that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 29 March 2026. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

In the Year Ended 31 December 2021 upon acquisition of both the French master franchise in March 2021 and the Boom group of companies in November 2021, there were intangibles acquired as part of the purchase. These acquired intangibles were deemed to create a deferred tax liability and calculated at 25.75% for France and 25% for Boom. In total, these amounted to £1,112k. These deferred tax liabilities were recognised in the period ended 31 December 2021 and are being amortised over the same periods as the acquired intangible. As at 29 March 2026 these have been amortised to £2k (2025: £5k).

11. 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 XP Factory 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 conversion rights outstanding excluded from consideration in the calculation of diluted loss per share for the period ended 29 March 2026 was 19,726,571 shares (year ended 31 March 2025: 19,726,571 shares).

	Period Ended 29 March 2026	Year Ended 31 March 2025
Loss after tax attributable to owners of the Company (£'000)	(4,510)	(1,427)
Weighted average number of shares:		
– Basic and diluted	175,157,600	175,037,600
Loss per share		
– Basic and diluted (Pence)	(2.58)	(0.82)

12. Property, plant and equipment

	Leasehold acquisition and improvements £'000	Office equipment £'000	Computers £'000	Furniture and fixtures £'000	Games £'000	Total £'000
Cost:						
As at 1 April 2024	18,839	695	680	2,780	9,235	32,229
Additions	3,952	1	120	1,304	2,059	7,436
Additions arising from acquisition	1,456	–	44	364	486	2,350
Transfers	–	(498)	–	493	5	–
Translation differences	(7)	8	1	(9)	(9)	(16)
Disposals	(138)	–	(7)	(116)	(772)	(1,033)
As at 31 March 2025	24,102	206	838	4,816	11,004	40,966
Additions	2,176	1	91	710	2,884	5,862
Transfers	(7)	(26)	–	42	(9)	–
Translation differences	(15)	(3)	(2)	(4)	–	(24)
Disposals	(1,246)	(4)	(22)	(39)-	(159)	(1,470)
As at 29 March 2026	25,010	174	905	5,525	13,720	45,334
Accumulated depreciation:						
As at 1 April 2024	(6,132)	(102)	(305)	(1,098)	(5,232)	(12,869)
Depreciation charge	(1,782)	(50)	(207)	(713)	(1,089)	(3,841)
Translation differences	1	–	(1)	–	(1)	(1)
Disposals	95	13	7	108	700	923
As at 31 March 2025	(7,818)	(139)	(506)	(1,703)	(5,622)	(15,788)
Depreciation charge	(2,231)	(48)	(204)	(960)	(1,652)	(5,095)
Transfers	(1)	26	–	(26)	1	–
Translation differences	13	2	1	1	–	17
Disposals	310	3	18	16	71	418
As at 29 March 2026	(9,727)	(156)	(691)	(2,672)	(7,202)	(20,448)
Net book value						
As at 29 March 2026	15,283	18	214	2,853	6,518	24,886
As at 31 March 2025	16,284	67	332	3,113	5,382	25,178

The amount of expenditure recognised in the carrying value of leasehold improvements in the course of construction at 29 March 2026 is £152k (2025: £293k).

13. Right-of-use assets and lease liabilities

Right-of-use assets	Period ended 29 March 2026 £'000	Year ended 31 March 2025 (Restated) £'000
Land and buildings – right-of-use asset cost b/f	35,644	26,610
Closures / modification of leases during the period	–	–
Additions during the period, including through acquisition	881	10,215
Lease incentives	(475)	(1,182)
Less: Accumulated depreciation b/f	(7,925)	(5,329)
Depreciation charged for the period	(2,844)	(2,596)
Net book value	25,281	27,718

The Group leases land and buildings for its offices and escape room and battle bar venues under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

During the year ended 31 December 2022 the Group entered into a lease on a premises in Bournemouth where a portion of the property is sub-let to a Boom franchisee. The total value of the master lease is recognised within lease liabilities whilst the underlease has been recognised as a finance lease receivable.

During the period ended 31 March 2025, the Group bought back the Bournemouth franchisee and de-recognised this finance lease receivable accordingly.

Finance lease receivable	Period ended 29 March 2026 £'000	Year ended 31 March 2025 £'000
Balance at beginning of period	–	1,389
Disposals during the period	–	(1,414)
Interest charged	–	25
Payments received	–	–
Balance at end of period	–	–

Lease liabilities	Period ended 29 March 2026 £'000	Year ended 31 March 2025 £'000
In respect of right-of-use assets		
Balance at beginning of period	37,241	29,818
Closures / modification of leases during the period	–	–
Additions during the period	855	9,094
Interest incurred	3,189	2,685
Repayments during the period	(5,271)	(4,356)
Lease liabilities at end of period	36,014	37,241

No leases were renegotiated during the period or the prior period.

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Maturity		
< 1 month	245	223
1 – 3 months	415	446
3 – 12 months	2,176	1,749
Non-current	33,178	34,823
Total lease liabilities	36,014	37,241

In the Escape Hunt group of companies, leases are generally 10 years with a 5 year break clause. Where the break clause is tenant only the leases are accounted for over the full period of the lease as it is assumed the break clause will not be enacted, whereas where the break clause is both ways, leases are accounted for over the period to the initial break clause years.

In the Boom group of companies, leases are generally over 15 years with a 10 year tenant only break clause, which are therefore accounted over 15 years. Only leases with a break that can be invoked by the landlord are accounted for over 10 years.

The Group has no short term leases of properties.

None of the leases imposed restrictions or covenants.

The group also leases laptops for a small number of staff on leases of 3 years. The charge to the profit and loss for the period ended 29 March 2026 for these computers was £3k (2025: £7k). These leases were cancelled in January 2026.

There are a number of properties for which turnover rent is payable. The amount charged to the profit and loss for these turnover rent payments in the period ended 29 March 2026 was £1,099k (2025: £1,422k).

As at 29 March 2026 there were no leases that had not commenced to which the Group was committed.

14. Intangible assets

	Goodwill (Restated) £'000	Trademarks £'000	Intellectual property £'000	Internally generated IP £'000	Franchise agreements £'000	App Quest £'00'	Portal £'000	Total (Restated) £'000
Cost								
As at 1 April 2024 (Restated)	21,245	96	10,195	1,979	2,988	100	330	36,933
Additions arising from internal development	5	18	–	98	–	–	127	248
Additions arising from acquisition	367	–	–	–	–	–	–	367
Re-analysis	938	–	–	–	(2,268)	–	(5)	(1,335)
Translation differences	–	–	–	(3)	–	–	1	(2)
As at 31 March 2025 (Restated)	22,555	114	10,195	2,074	720	100	453	36,211
Additions arising from internal development	–	–	–	231	–	–	52	283
Re-analysis	(39)	–	–	–	–	–	–	(39)
Translation differences	–	–	–	–	–	–	(1)	(1)
As at 29 March 2026	22,516	114	10,195	2,305	720	100	504	36,454
Accumulated amortisation / impairment								
As at 1 April 2024	(1,393)	(81)	(10,195)	(1,163)	(1,675)	(100)	(317)	(14,924)
Amortisation for the period	(55)	(8)	–	(137)	(46)	–	(19)	(265)
Re-analysis	–	–	–	–	1,021	–	–	1,021
As at 31 March 2025	(1,448)	(89)	(10,195)	(1,300)	(700)	(100)	(336)	(14,168)
Amortisation for the period	(97)	(7)	–	(184)	(10)	–	(52)	(350)
Translation differences	–	–	–	–	–	–	1	1
As at 29 March 2026	(1,545)	(96)	(10,195)	(1,484)	(710)	(100)	(387)	(14,517)
Carrying amounts								
At 29 March 2026	20,971	18	–	821	10	–	117	21,937
At 31 March 2025	21,107	25	–	774	20	–	117	22,043

Goodwill and acquisition related intangible assets recognised have arisen from the acquisition of Experiential Ventures Limited in May 2017, Escape Hunt Entertainment LLC in September 2020, BGP Escape France, BGP Entertainment Belgium in March 2021 and the Boom group of companies in November 2021, Boom East in August 2022, Boom Battle Bar Cardiff in September 2022, BBB Chelmsford and BBB Ealing in June 2023, BBB Liverpool and BBB Five in November 2023, the acquisitions of the assets and business of Boom franchise sites in Aldgate in May 2024, Bournemouth in June 2024, and Southampton in November 2024. Goodwill has also been recognised on the consolidation of BBB Nine Limited (Boom Battle Bar Swindon) which is managed by the Group under an operating agreement.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. Management considers that the goodwill 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.

No value was attributed to the brand and customer relationships as the Board's strategic review of the business and a repositioning of our branding exercise enabled the Group to clearly define its quality, service and values, and make it more attractive to new customers and partners. Furthermore, the value of any existing brand and customer relationships which was separately identifiable from other intangible assets was insignificant.

The Group tests goodwill annually for impairment or more frequently if there are indications that these assets might be impaired. The recoverable amounts of the CGU are determined from fair value less costs to sale. The value of the goodwill comes from the future potential of the assets rather than using the assets as they are (i.e. there is assumed expansionary capex which supports growth in revenues and the value of the business and therefore goodwill).

The key assumptions for the fair value less costs to sale approach are those regarding capital expenditure which supports a consequent growth in revenues and associated earnings and a discount rate. The Group monitors its pre-tax Weighted Average Cost of Capital and those of its competitors using market data. In considering the discount rate applying to the CGU, the Directors have considered the relative sizes, risks and the inter-dependencies of its CGUs. The impairment reviews use a discount rate adjusted for post-tax cash flows. The Group prepares cash flow forecasts derived from the most recent financial plan approved by the Board and extrapolates revenues, net margins and cash flows for the following four years based on forecast growth rates of the CGU. Cash flows beyond this period are also considered in assessing the need for any impairment provisions. A discount rate of 9.8% and capex of £10.5 million over the four years has been assumed. The growth rate used for the fair value calculation thereafter is 2.5%. The directors consider these assumptions are consistent with that which a market participant would use in determining fair value.

Intellectual property

The Intellectual Property relates to the valuation of the Library of Game Wire Frame Templates of games, the process of games development and the inherent know-how and understanding of making successful games.

The fair value of these assets on acquisition of £10,195k was determined by discounting estimated future net cash flows generated by the asset where no active market for the assets exists.

The Group tests intellectual property for impairment only if there are indications that these assets might be impaired. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows.

Franchise agreements

The intangible asset of the Franchise Business was the net present value of the net income from the franchisee agreements acquired.

The approach selected by management to value the franchise agreements was the Multi-Period Excess Earnings Method ("MEEM") which is within the income approach. The multi-period excess earnings method estimated value is based on expected future economic earnings attributable to the agreements.

The key assumptions used within the intangible asset valuation were as follows:

- Economic life – The valuation did not assume income for a period longer than the asset's economic life (the period over which it will generate income). The contractual nature of the Franchise Agreements (with terms typically between 6 and 10 years) means it is possible to forecast with a reasonable degree of certainty the remaining term of each agreement and therefore the period in which it will generate revenue. Only contracts which were signed at the acquisition date were included.
- Renewal – No provision for the renewal of existing Franchise Contracts has been included with the valuation. This reflects the fact that potential contract renewals will only take place several years in the future, and the stated strategy of management has been to focus on the development of owner-managed sites rather than renewing the franchises when they are due for renewal – as they may be bought out.
- Contributory Asset Charges (CAC) – The projections assumed after returns are paid/charged to complementary assets which are used in conjunction with the valued asset to generate the earnings associated with it. The only CAC identified by management is the charge relating to IP – a charge has been included to take into account the Intellectual Property used within the franchise operation. This is considered key in generating earnings at the franchised sites. Management has applied the same royalty rate of 10% used to value this asset.
- Discount Rate – The Capital Asset Pricing Model ("CAPM") was used to calculate a discount rate of 12.3%.
- Taxation – At the time of acquisition, the franchise profits were earned within a Group subsidiary which was incorporated in the Labuan province of Malaysia. The tax rate applicable in Labuan was applied to the earnings generated from franchise operations for franchise contracts acquired at that time. The acquisitions in France and the UK during 2021 have used anticipated tax rates of 25.75% and 25% respectively.

The carrying amount of the franchise agreements has been considered on the basis of the value in use derived from the expected future cash flows.

15. Subsidiaries

Details of the Company's subsidiaries as at 29 March 2026 are as follows:

Name of subsidiary	Country of incorporation	Principal activity as at 29 March 2026	Effective equity interest held by the Group (%)	Ref
Escape Hunt Group Limited	England and Wales	Operator of 27 escape rooms	100	#1
Escape Hunt IP Limited	England and Wales	IP licensing	100	#1
Escape Hunt Franchises Limited	England and Wales	Franchise holding	100	#1
Escape Hunt Innovations Limited	England and Wales	Game design	100	#1
Escape Hunt Limited	England and Wales	Dormant	100	#1
Escape Hunt USA Franchises Ltd	England and Wales	Franchise holding	100	#1
Escape Hunt Entertainment LLC	United Arab Emirates	Operator of escape rooms in Dubai and master franchise to the Middle East	100	#1
BGP Escape France	France	Operator of escape rooms in Paris and master franchise to France, Belgium and Luxembourg	100	#1
BGP Entertainment Belgium	Belgium	Operator of escape rooms in Brussels	100	#1
BBB Franchise Limited	England and Wales	Franchise holding	100	#1
BBB Ventures Limited	England and Wales	Dormant	100	#2
BBB UK Trading Limited	England and Wales	Central administration and employment entity for the Boom owner-operated division	100	#2
Boom BB One Limited	England and Wales	Operator of battle bar Lakeside	100	#2
BBB Six Limited	England and Wales	Operator of battle bar Edinburgh	100	#2
BBB UK Property Limited	England and Wales	Operator of 25 battle bars	100	#2
BBB Eleven Limited	England and Wales	Operator of battle bar Plymouth	100	#2
BBB Twelve Limited	England and Wales	Former operator of battle bar Manchester	100	#2
BBB Thirteen Limited	England and Wales	Operator of battle bar Oxford Street	100	#2
BBB Fourteen Limited	England and Wales	Former operator of battle bar Exeter	100	#2
BBB IP Limited	England and Wales	Holder of Boom IP	100	#2
Boom East Limited	England and Wales	Operator of battle bar Norwich	100	#2
Boom Battle Bar Cardiff Limited	England and Wales	Former operator of battle bar Cardiff	100	#2
BBB Chelmsford Limited	England and Wales	Former operator of battle bar Chelmsford	100	#2
BBB Ealing Limited	England and Wales	Former operator of battle bar Ealing	100	#2
BBB Five Limited	England and Wales	Former operator of battle bar Glasgow	100	#2
BBB Liverpool Limited	England and Wales	Former operator of battle bar Liverpool	100	#2
Boom Battle Facilities Management Services LLC	United Arab Emirates	Operator of battle bar Dubai	100	#1

During the period, the directors applied for the voluntary strike-off of BBB Ventures Limited, BBB Five Limited, and BBB Liverpool Limited following the cessation of their activities. The companies are expected to be dissolved following completion of the statutory strike-off process.

Each of the companies incorporated in England and Wales have their registered office at 70-88 Oxford Street, London, England, W1D 1BS.

Each of the subsidiaries for which reference #1 is shown is directly held by the Company. Those referenced #2 are held indirectly through one of the directly held subsidiaries.

The registered address of each overseas subsidiary is as follows:

Escape Hunt Entertainment LLC
Retail Space 26, Galleria Mall, Al Wasl Road, Bur Dubai, Dubai

Boom Battle Facilities Management Services LLC
Office no. 1506-7, The One Tower, Al Thanya First, Dubai, UAE

BGP Escape France
112 bis rue cardinet 75017, France

BGP Entertainment Belgium
13-15 rue de Livourne, 1060 Brussels

16. Loan to franchisee

A loan of £300,000 is due from a master franchisee which bears interest at 5% per annum plus 2% of the franchisee's revenues and was repayable in instalments between January 2020 and June 2023.

The majority of income receivable under the terms of the loan relates to interest at a fixed rate. The impact of COVID-19 on the borrower in 2020 was significant with performance not improving to the level expected since then. As a result it is considered unlikely that the loan will be repaid. As at 29 March 2026 this loan, together with accrued interest, has been provided for in full.

17. Trade and other receivables

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Trade receivables (customer contract balances)	1,340	843
Prepayments	3,859	2,766
Accrued income (customer contract balances)	267	881
Deposits and other receivables	256	605
	5,722	5,095

The Group's exposure to credit risk and impairment losses related to trade receivables is disclosed in Note 30.

Significant movements in customer contract assets during the period ended 29 March 2026 are summarised below:

Period ended 29 March 2026:	Trade Receivables £'000	Accrued income £'000
Contract assets:		
Balance at 1 April 2024	1,636	603
Transfers from contract assets recognised at the beginning of the period to receivables	603	(603)
Net (decreases)/increases as a result of changes in the measure of progress	(1,063)	913
Provisions for doubtful amounts	(332)	(32)
Balance at 31 March 2025	844	881
Transfers from contract assets recognised at the beginning of the period to receivables	881	(881)
Net (decreases)/increases as a result of changes in the measure of progress	(59)	274
Provisions for doubtful amounts	(326)	(8)
Balance at 29 March 2026	1,340	266

The amount of revenue recognised from performance obligations satisfied in previous periods is nil.

The Group receives payments from customers based on terms established in its contracts. In the case of franchise revenues in Escape Hunt, amounts are billed within five working days of a month end and settlement is due by the 14th of the month. In the case of franchise revenues in Boom Battle Bar, amounts are billed every Tuesday and settlement is due by Friday each week.

Accrued income relates to the conditional right to consideration for completed performance under the contract, primarily in respect of franchise revenues. Accounts receivable are recognised when the right to consideration becomes unconditional.

18. Inventories

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Branch consumables (at cost)	431	495
Total inventories	431	495

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition. As items are sold, the costs of those items are drawn down from the value of inventory and recorded as an expense under costs of sale in the profit and loss for the period.

The movement in stocks was as follows:

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Balance brought forward	495	348
Amounts recognised as expense during the period	(7,410)	(7,135)
Acquired through acquisition	–	61
Purchases / cost incurred	7,346	7,221
Total inventories	431	495

19. Cash and cash equivalents

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Bank balances	2,805	1,095
Cash and cash equivalents in the statement of cash flow	2,805	1,095

The currency profiles of the Group's cash and bank balances are as follows:

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Pounds Sterling	2,617	670
Australian Dollars	3	3
United States Dollars	14	10
Euros	111	291
United Arab Emirates Dirhams	60	121
	2,805	1,095

20. Accruals and other payables

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Trade payables	5,237	3,663
Accruals	2,783	3,415
Taxation	2	5
Loans due in < 1yr	534	1,140
Wages payable	1,497	–
Other taxes and social security	1,961	1,784
Other payables	132	–
	12,146	10,007

21. Contract liabilities

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Contract liabilities (deferred income):		
Balance at beginning of period	2,880	2,358
Revenue recognised in the period that was included in the deferred income balance at the beginning of the period and from balances acquired during the period	(2,166)	(1,908)
Drawdown of landlord contributions	–	(68)
Increases due to cash received, excluding amounts recognised as revenue during the period	2,009	1,640
Increases on acquisition of new businesses	–	422
Reclassification	115	436
Transaction price allocated to the remaining performance obligations	2,838	2,880

All of the above amounts relate to contracts with customers and include amounts which will be recognised within one year and after more than one year. The amounts on the early termination of upfront franchise fees were recognised as revenue as all performance obligations have been satisfied.

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Upfront exclusivity, legal and training fees	56	73
Landlord contributions	818	747
Escape room advance bookings	433	483
Boom Battle Bar advance bookings	987	1,161
Gift vouchers	494	416
Supplier listing fees	50	–
	2,838	2,880

	Within one year £'000	After more than one year £'000	Total £'000
Upfront exclusivity, legal and training fees	18	38	56
Landlord contributions	68	750	818
Escape room advance bookings	433	–	433
Boom Battle Bar advance bookings	987	–	987
Gift vouchers	494	–	494
Supplier listing fees	50	–	50
As at 29 March 2026	**2,050**	**788**	**2,838**

	Within one year £'000	**After more than one year £'000**	**Total £'000**
Upfront exclusivity, legal and training fees	25	48	73
Landlord contributions	68	679	747
Escape room advance bookings	483	–	483
Boom Battle Bar advance bookings	1,161	–	1,161
Gift vouchers	416	–	416
As at 31 March 2025 (Restated)	**2,153**	**727**	**2,880**

Deferred revenues in respect of upfront exclusivity fees are expected to be recognised as revenues over the remaining lifetime of each franchise agreement. Deferred legal fees are recognised on the earlier of the date of completion of the franchise lease and the date of occupation and training fees are recognised on the date the franchise site is opened. The average remaining period of the Escape Hunt franchise agreements is approximately one year. The average remaining life on all Boom franchise leases is approximately six years. All other deferred revenue is expected be recognised as revenue within one year.

22. Provisions

The following provisions have been recognised in the period:

	Period ended 29 March 2026 £'000	Year ended 31 March 2025 (Restated) £'000
Dilapidations provisions	1,650	1,541
Provision for financial guarantee contracts	89	58
Other provisions	288	636
	2,027	2,235

Provisions represent future liabilities and are recognised on an item by item basis based on the Group's best estimate of the likely committed cash outflow.

Movements on provisions can be illustrated as follows:

	Dilapidations £'000	Financial guarantee contracts £'000	Other £'000	Total £'000
Cost:				
As at 31 March 2025 (Restated)	1,541	58	636	2,235
Provisions recognised	128	31	12	171
Releases recognised	(19)	–	(360)	(379)
As at 29 March 2026	**1,650**	**89**	**288**	**2,027**

The ageing of provisions can be split as follows:

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Within one year	288	294
After more than one year	1,739	1,941
	2,027	2,235

Financial guarantee contracts relate to leases where the Group has signed as co-tenant or has provided a guarantee for a site operated by a franchisee.

	29 March 2026 £'000	31 March 2025 £'000
Provision for financial guarantee contracts at start of period	58	70
Additional provision in period	31	–
Releases in period	–	(12)
Provision at 29 March 2026	89	58
Number sites for which guarantees provided	4	4
Average term of lease remaining (years)	8.4	9.4
Average annual rent (£'000)	132	132

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate. There has been no change in the estimation techniques or significant assumptions made during the reporting periods in assessing the loss allowance for these financial assets.

23. Share capital

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Issued and fully paid:		
At beginning of the period: 175,157,600 (2025: 174,557,600) Ordinary shares of 1.25 pence each	2,190	2,182
Issued during the period	–	8
As at end of period 175,157,600 (2025: 175,037,600) Ordinary shares of 1.25 pence each	2,190	2,190

XP Factory Plc does not have an authorised share capital and is not required to have one.

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.

During the period ended 29 March 2026, there were no changes in the issued share capital of the Company.

24. Borrowings

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Amounts due within one year		
Vendor loans	117	433
Fit-out finance, including equipment finance leases	307	492
Bank and other borrowings	110	215
	534	1,140
Amounts due in more than one year:		
Vendor loans	50	173
Fit-out finance	71	286
Bank and other borrowings	8,000	4,388
As at end of period	8,121	4,847

During the previous year, the Group bought back five franchise sites in Aldgate East, Wandsworth, Bournemouth, Southampton and Ipswich. The Bournemouth and Southampton acquisitions used vendor finance in form of deferred payments to the franchisee to help fund the respective acquisitions. As at 29 March 2026, £179k of this vendor finance remained outstanding (31 March 2025: £372k).

On 12 December 2025, the Group repaid its revolving credit facility with Barclays Bank plc and entered into a new 3 year £20m revolving credit facility with HSBC UK Bank plc. The facility is drawable and repayable at the Group's discretion and is repayable at the end of the term. Drawn funds accrue interest at 2.6% above the sterling overnight index average (SONIA), and the Company pays an availability fee of 1.04% on undrawn funds. At 29 March 2026 £8m of the facility had been drawn (31 March 2025: £4.5m). The facility is secured by means of fixed and floating charges over the assets of XP Factory plc and its principal operating subsidiaries, which have also provided cross guarantees.

During the period ended 29 March 2026, the Group made use of certain fit-out finance facilities from a range of different suppliers. The total fit-out finance outstanding at the end of the period was £378k (2025: £778k).

25. Share option and incentive plans

XP Factory Plc (formerly Escape Hunt Plc) Enterprise Management Incentive Plan

On 15 July 2020, the Company established the Escape Hunt plc Enterprise Management Incentive Plan ("2020 EMI Plan"). The 2020 EMI Plan is an HMRC approved plan which allows for the issue of "qualifying options" for the purposes of Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 5"), subject to the limits specified from time to time in paragraph 7 of Schedule 5, and also for the issue of non qualifying options.

It is the Board's intention to make awards under the 2020 EMI Plan to attract and retain senior employees. The 2020 EMI Plan is available to employees whose committed time is at least 25 hours per week or 75% of his or her "working time" and who is not precluded from such participation by paragraph 28 of Schedule 5 (no material interest). The 2020 EMI Plan will expire on the 10th anniversary of its formation.

The Company has made five awards to date as set out in the table below. The options are exercisable at their relevant exercise prices and vest in three equal tranches on each of the first, second and third anniversary of the grants, subject to the employee not having left employment other than as a Good Leaver. The number of options that vest are subject to a performance condition based on the Company's share price. This will be tested on each vesting date and again between the third and fourth anniversaries of awards. If the Company's share price at testing equals the first vesting price, one third of the vested options will be exercisable. If the Company's share price at testing equals the second vesting price, 90 per cent of the vested options will be exercisable. If the Company's share price at testing equals or exceeds the third vesting price, 100% of the vested options will be exercisable. The proportion of vested options exercisable for share prices between the first and second vesting prices will scale proportionately from one third to 90 per cent. Similarly, the proportion of options exercisable for share prices between the second and third vesting prices will scale proportionately from 90 per cent to 100 per cent.

The options will all vest in the case of a takeover. If the takeover price is at or below the exercise price, no options will be exercisable. If the takeover price is greater than or equal to the second vesting price, 100 per cent of the options will be exercisable. The proportion of options exercisable between the first and second vesting prices will scale proportionately from nil to 100 per cent.

If not exercised, the options will typically expire on the seventh anniversary of award. Options exercised will be settled by the issue of ordinary shares in the Company.

Awards	#1	#2	#3	#4	#5
Date of award	15-Jul-20	18-Nov-21	23-Nov-21	15-Dec-23	01-Oct-24
Date of expiry	15-Jul-27	18-Nov-26	23-Nov-26	29-Nov-31	31-Jul-31
Exercise price	7.5p	35.0p	35.0p	15.0p	14.0p
Qualifying awards – number of shares under option	13,333,332	700,001	533,334	0	0
Non-qualifying awards – number of shares under option	2,400,000	0	0	666,666	2,359,905
Awards lapsed	0	0	266,667	0	0
First vesting price	11.25p	43.75p	43.75p	18.75p	18.76p
Second vesting price	18.75p	61.25p	61.25p	25.05p	24.50p
Third vesting price	25.00p	70.00p	70.00p	26.25p	34.16p
Proportion of awards vesting at first vesting price	33.33%	33.33%	33.33%	33.33%	33.33%
Proportion of awards vesting at second vesting price	90.00%	90.00%	90.00%	90.00%	90.00%
Proportion of awards vesting at third vesting price	100%	100%	100%	100%	100%

As at 29 March 2026, 19,726,571 options were outstanding under the 2020 EMI Plan (2025: 19,726,571).

	W.ave exercise price (p)	As at 29 March 2026 '000	*W.ave exercise price (p)*	As at 31 March 2025 '000
Options outstanding at the beginning of the period	*9.319*	17,367	*9.092*	16,700
Awards made during the period	*14.000*	2,360	*15.000*	667
Options exercised	*na*	–	*na*	–
Options lapsed or forfeited	*Na*	–	*na*	–
Options outstanding at the end of the period	*9.879*	19,727	*9.319*	17,367
Options vested and exercisable at the end of the period	*7.500*	15,733	*7.500*	15,733

The sum of £30,991 has been recognised as a share-based payment and charged to the profit and loss during the period (2025: £30,994). The fair value of the options granted during the period has been calculated using the Black & Scholes formula with the following key assumptions:

Awards	#1	#2	#3	#4	#5
Exercise price	7.5p	35.0p	35.0p	15.0p	14.0p
Volatility	34.60%	31%	31%	35.0%	35.0%
Share price at date of award	7.375p	33.50p	32.00p	15.00p	12.50p
Option exercise date	15-Jul-24	18-Nov-25	23-Nov-25	31-Jul-29	31-Jul-30
Dividend yield	0%	0%	0%	0%	0%
Risk free rate	-0.05%	1.55%	1.55%	3.50%	4.13%

The volatility was calculated with reference to the Company's historic share price performance at the time of award with reference to the share price performance of other listed companies of a similar size and nature due to the low volumes traded.

The performance conditions were taken into account as follows:

The value of the options have then been adjusted to take account of the performance hurdles by assuming a lognormal distribution of share price returns, based on an expected return on the date of issue. This results in the mean expected return calculated using a lognormal distribution equalling the implied market return on the date of issue validating that the expected return relative to the volatility is proportionately correct. This was then used to calculate an implied probability of the performance hurdles being achieved within the four year window and the Black & Scholes derived option value was adjusted accordingly.

Time based vesting: It has been assumed that there is between a 90% and 95% probability of all share option holders for each award remaining in each consecutive year thereafter.

The weighted average remaining contractual life of the options outstanding at 29 March 2026 is 22.0 months (31 March 2025: 34.0 months). No incremental value has been attributed to the change.

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

Escape Hunt Employee Share Incentive Scheme

In January 2021, the Company established the Escape Hunt Share Incentive Plan ("SIP").

The SIP has been adopted to promote and support the principles of wider share ownership amongst all the Company's employees. The Plan is available to all eligible employees, including Escape Hunt's executive directors, and invites individuals to elect to purchase ordinary shares of 1.25p each in the Company via the SIP trustee using monthly salary deductions. Shares are purchased monthly by the SIP trustee on behalf of the participating employees at the prevailing market price. Individual elections can be as little as £10 per month, but may not, in aggregate, exceed £1,800 per employee in any one tax year. The Ordinary Shares acquired in this manner are referred to as "Partnership Shares" and, for each Partnership Share purchased, participants are awarded one further Ordinary Share, known as a "Matching Share", at nil cost.

Matching Shares must normally be held in the SIP for a minimum holding period of 3 years and, other than in certain exceptional circumstances, will be forfeited if, during that period, the participant in question ceases employment or withdraws their corresponding Partnership Shares from the Plan.

As at 29 March 2026, 921,307 matching shares (31 March 2025, 677,475) had been awarded and were held by the trustees for release to employees pending satisfaction of their retention conditions. A charge of £14,828 (year to 31 March 2025: £17,830) has been recognised in the accounts in respect of the Matching Shares awards. The fair value of the charge is based on the market price of the shares on the day of the matching award.

Director Share Incentive

On 30 January 2026 the Company granted share options to a director under a market-based incentive arrangement. The options are exercisable at the lower of 12 pence per share and the price of the next equity raise and are subject to market-based performance conditions. The first tranche becomes exercisable if the Company's share price equals or exceeds 100% of the exercise price for 30 consecutive business days within four years of grant, whilst the second tranche becomes exercisable if the Company's share price equals or exceeds 200% of the exercise price for the same period. The options vest in twelve equal monthly instalments over the twelve months following the date of grant and become immediately exercisable upon a change of control.

The fair value of the award has been determined using a Monte Carlo simulation model. The model assumes that future share prices are lognormally distributed, based on the volatility and other market assumptions applicable at the date of grant. A large number of possible future share price outcomes are generated and assessed against the terms of the award. Unlike the awards made under the 2020 EMI Plan, the performance conditions attaching to this award require the Company's share price to remain at or above specified levels for a continuous period of 30 business days. The simulation model therefore evaluates both the level and duration of future share price movements when determining the likelihood of the performance conditions being satisfied.

Awards	2026 Director Incentive Award
Date of award	30-Jan-26
Date of expiry	N/A (see note)
Exercise price	Lower of 12.0p and the next equity raise price
100% Option Shares	1,047,860
200% Option Shares	2,127,474
Awards lapsed	Nil
First performance hurdle	100% of exercise price
Second performance hurdle	200% of exercise price
Consecutive trading days required	30 days
Proportion of awards vesting at first vesting price	33.33%
Performance period	4 years
Vesting period	12 equal monthly tranches over 12 months

Note: The award documentation does not specify a contractual expiry date and accordingly the valuation assumes an expected exercise life based on management's estimate.

Awards	2026 Director Incentive Award
Valuation methodology	Monte Carlo Simulation
Exercise price	12.0p
Expected volatility	44.22%
Share price at date of award	14.0p
Expected option life	7 years
Risk-free interest rate	3.96%
Expected dividend yield	Nil
Number of simulations	50,000

Note: The exercise price is the lower of 12 pence per share and the price of the next equity raise. For valuation purposes, management has assumed an exercise price of 12 pence, as no equity raise below this level was sufficiently probable at the grant date.

26. Capital management

The Board defines capital as share capital and all components of equity.

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. In particular, the Company has in the past raised equity as a means of executing its acquisition strategy and as a sound basis for operating the acquired Escape Hunt and Boom Battle Bar businesses in line with the Group's strategy. The Board of Directors will also monitor the level of dividends to ordinary shareholders.

The Company is not subject to externally imposed capital requirements.

27. Reserves

The share-based payment reserve represents the cumulative charge for share options over the vesting period with such charges calculated at the fair value at the date of the grant.

The currency translation reserve represents cumulative foreign exchange differences arising from the translation of the Financial Statements of foreign subsidiaries and is not distributable by way of dividends.

The capital redemption reserve has arisen following the purchase by the Company of its own shares pursuant to share buy-back agreements and comprises the amount by which the distributable profits were reduced on these transactions in accordance with the Companies Act 2006.

28. 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 there were no material related party transactions.

29. Directors and key management remuneration

Details of the Directors' remuneration are set out in Note 8 above.

30. Financial risk management

General objectives, policies and processes

The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

The Directors review the Company's monthly reports through which they assess the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Categories of financial assets and liabilities

The Company's activities are exposed to credit, market and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- cash and cash equivalents;
- trade and other receivables; and
- trade and other payables;

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The Company had no financial assets or liabilities carried at fair values. The Directors consider that the carrying amount of financial assets and liabilities approximates to their fair value.

A summary of the financial instruments held by category is provided below:

Financial assets at amortised cost:

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Trade receivables	1,340	843
Other receivables and deposits	651	1,601
Cash and cash equivalents	2,805	1,095
	4,796	3,539

Financial liabilities at amortised cost:

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Trade payables	5,237	3,663
Accruals and other payables	6,373	5,199
Other loans	8,655	5,987
	20,265	14,849

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group will provide against the carrying value receivables when the board considers that there is no reasonable expectation of full recovery. The provision reflects the extent to which a loss is expected. The financial asset will be fully written off and removed from the books when there is no longer any prospect of enforcement action.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

As at 29 March 2026 £2,689k (2025: £810k) of the cash and bank balances, as detailed in Note 19 to the financial statements are held in financial institutions which are regulated and located in the UK, which management believes are of high credit quality. Management does not expect any losses arising from non-performance by these counterparties.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Management have assessed the increase in credit risk over the last 12 months and have adjusted the carrying values of receivables where appropriate. In aggregate, Management does not consider there to have been a significant change in credit risk since initial recognition of receivables balances. Management reviews credit risk on an ongoing basis taking into account the circumstances at the time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment of financial assets

As described in Note 2 above, the Group applies the "expected loss" model which focuses on the risk that a loan or receivable will default rather than whether a loss has been incurred.

The carrying amount of financial assets in the statement of financial position represents the Group's maximum exposure to credit risk, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets.

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables. The ageing of trade receivables at the reporting date was as follows:

Gross amounts (before impairment):	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Not past due	972	535
Past due 0-30 days	53	165
Past due 31-60 days	223	19
Past due more than 60 days	418	457
	1,666	1,176

Impairment losses:

The movement in the allowance for impairment losses in respect of trade receivables during the period was as follows:

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
At beginning of period	(332)	(410)
Impairment losses recognised	(38)	(285)
Bad debts written off	91	433
Other adjustments	(47)	(70)
At end of period	(326)	(332)

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group assesses collectability based on historical default rates expected credit losses to determine the impairment loss to be recognised. Management has reviewed the trade receivables ageing and believes that, except for certain past due receivables which are specifically assessed and impaired, no impairment loss is necessary on the remaining trade receivables due to the good track records and reputation of its customers.

During the year ended 2020 the Group recognised an impairment in full against both the capital and accrued interest portions of the loan receivable from a master franchise. Further impairments have been recognised against all interest due in the current financial period. Therefore as at 29 March 2026 the net balance outstanding on this loan per these financial statements is nil (2025: £nil).

Liquidity risk

The ageing of financial liabilities at the reporting date was as follows:

	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
Not past due	16,435	13,717
Past due 0-30 days	2,471	304
Past due 31-60 days	257	43
Past due more than 60 days	1,102	785
	20,265	14,849

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group arise in respect of trade and other payables which are all payable within 12 months. At 29 March 2026, total trade payables within one year were £3,924k (2025: £3,663k), which is more than the Group's cash held at the year-end of £2,844k (2025: £1,095k). However, the Board receives and reviews cash flow projections on a regular basis as well as information on cash balances and projections show that cash generation from the sites in the Group, plus the availability of borrowing facilities will allow the Group to meet these liabilities as they fall due.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has insignificant financial assets or liabilities that are exposed to interest rate risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency risk

The Group has exposure to foreign currency movements on trade and other receivables, cash and cash equivalents and trade and other payables denominated in currencies other than the respective functional currencies of the Group entities. It also exposed to foreign currency risk on sales and purchases that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States ("US") dollar and the Euro ("EUR"). Currently, the Group does not hedge its foreign currency exposure. However, management monitors the exposure closely and will consider using forward exchange or option contracts to hedge significant foreign currency exposure should the need arise.

The Group's exposure to foreign currency risk expressed in Pounds was as follows:

As at 29 March 2026	UK Pound Sterling £'000	United States Dollar £'000	Euro £'000	Australian Dollar £'000	Other £'000	Total £'000
Financial assets:						
Trade receivables	1,220	–	52	–	68	1,340
Other receivables and deposits	555	–	81	–	15	651
Cash and bank balances	2,617	18	107	3	60	2,805
	4,392	**18**	**240**	**3**	**143**	**4,796**
Financial liabilities:						
Trade payables	5,036	–	74	–	127	5,237
Other payables and accruals	6,108	–	201	–	64	6,373
Other loans	8,546	–	–	–	109	8,655
	19,690	**–**	**275**	**–**	**300**	**20,265**
Foreign currency exposure (net)	–	**18**	**(35)**	**3**	**(157)**	**(171)**

As at 31 March 2025	UK Pound Sterling £'000	United States Dollar £'000	Euro £'000	Australian Dollar £'000	Other £'000	Total £'000
Financial assets:						
Trade receivables	736	2	26	–	79	843
Other receivables and deposits	1,497	5	99	–	–	1,601
Cash and bank balances	669	10	291	3	122	1,095
	2,902	**17**	**416**	**3**	**201**	**3,539**
Financial liabilities:						
Trade payables	3,495	–	34	–	134	3,663
Other payables and accruals	6,246	–	309	–	158	6,713
Other loans	5,755	–	0	–	232	5,987
	15,496	**–**	**343**	**–**	**524**	**16,363**
Foreign currency exposure (net)	–	**17**	**73**	**3**	**(323)**	**(230)**

Sensitivity analysis

A 10% strengthening of the Pound against the following currencies at 29 March 2026 would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Increase/ (Decrease) £'000 2025/26	Increase/ (Decrease) £'000 2024/25
Effects on profit after taxation/equity		
United States Dollar:		
– strengthened by 10%	(2)	(2)
– weakened by 10%	2	2
Euro:		
– strengthened by 10%	(1)	(1)
– weakened by 10%	1	1
United Arab Emirates Dirham:		
– strengthened by 10%	16	32
– weakened by 10%	(16)	(32)

31. Commitments

As at 29 March 2026, the Group had capital expenditure commitments in respect of leasehold improvements totalling £151,781 (2025: £292,669).

32. Contingencies

The Directors are not aware of any other contingencies which might impact on the Company's operations or financial position.

33. Events after the reporting period

Since the period end, new Escape Hunt sites have opened in Colchester and Wandsworth. The Group continued to invest in growth and has drawn a further £4m of its Revolving credit facility with HSBC to fund these new sites and other capital expenditure. These events do not give rise to adjustments for the financial statements for the period ended 29 March 2026.

34. Ultimate controlling party

As at 29 March 2026, no one entity owns greater than 50% of the issued share capital. Therefore the Company does not have an ultimate controlling party.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 29 March 2026

	Note	As at 29 March 2026 £'000	As at 31 March 2025 (Restated) £'000
ASSETS			
Non-current assets			
Intangible assets	4	218	109
Property, plant and equipment	5	22	23
Fixed asset investments	6	26,770	26,292
Deposits		13	11
		27,023	26,435
Current assets			
Trade and other receivables	7	747	405
Amounts due from subsidiaries	8	9,959	10,211
Cash at bank balances	9	6,485	6
		17,191	10,622
TOTAL ASSETS		44,214	37,057
LIABILITIES			
Current liabilities			
Trade and other payables	10	12,749	2,807
Loan notes and other loans	11	85	230
		12,834	3,037
Non-current liabilities			
Loan notes and other loans	11	8,000	4,387
TOTAL LIABILITIES		20,834	7,424
NET ASSETS		23,380	29,633
EQUITY			
Share capital	12	2,190	2,190
Accumulated profits	13	20,706	27,036
Capital redemption reserve	13	46	46
Share based payment reserve	13	438	361
TOTAL EQUITY		23,380	29,633

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included a Profit and Loss account in these separate financial statements. The loss attributable to members of the Company for the period ended 29 March 2026 is £6,330k (year ended 31 March 2025: loss of £5,600k).

The Financial Statements on pages 108 to 120 were authorised for issue by the board of Directors on 3 September 2026 and were signed on its behalf by

Richard Harpham
Director
Registered company number 10184316

The notes on pages 110 to 120 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the Period Ended 31 March 2026

	Share Capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated profits / (losses) £'000	Total equity £'000
At 31 March 2024	2,182	48,831	46	312	(16,195)	35,176
Comprehensive loss for the period					(5,600)	(5,600)
Issue of shares	8	–	–	–	–	8
Capital reduction		(48,831)			48,831	–
Share based payment charge	–	–	–	49	–	49
Total transactions with owners	8	(48,831)	–	49	48,831	57
At 31 March 2025	2,190	–	46	361	27,036	29,633
Comprehensive loss for the period	–	–	–	–	(6,330)	(6,330)
Share based payment charge	–	–	–	77	–	77
Total transactions with owners	–	–	–	77	–	77
At 29 March 2026	2,190	–	46	438	20,706	23,380

The notes on pages 110 to 120 form part of these financial statements

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the Period Ended 31 March 2026

1. General information

XP Factory Plc (the "Company") is a public limited company limited by shares incorporated in England and Wales. The Company's registered office is Boom Battle Bar Oxford Street, Ground Floor And Basement Level, 70-88 Oxford Street, London, W1D 1BS.

2. Material accounting policies

(a) Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements are prepared in UK pounds sterling, the company's functional currency, under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange of assets. Numbers are rounded to the nearest thousand. The principal accounting policies are set out below.

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included a Profit and Loss account in these separate financial statements. The loss attributable to members of the Company for the period ended 29 March 2026 is £6,330k(period ended 31 March 2025: £5,600k).

During the current period, the Company changed its accounting calendar so that each financial quarter comprises two four-week accounting periods followed by one five-week accounting period (commonly referred to as a 4-4-5 calendar). Accordingly, these financial statements have been prepared for the 51 week and 6 day period from 1 April 2025 to 29 March 2026. As a result, the current period is of a different duration to the comparative period and the results are therefore not directly comparable.

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7: Statement of Cash Flows
- the requirements of Section 11: Financial Instruments
- The disclosure of the compensation of Key Management Personnel of the Company
- The disclosures required by Section 26 Share Based Payments in respect of Group settled share-based payments for its own separate financial statements.

The Company produces true and fair consolidated accounts which include the results of the Company.

(b) 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 Company relies on the performance of the Group and the ability to access and utilize cash resources within its subsidiaries. The Group plans to continue the roll out new sites under both the Escape Hunt and Boom Battle Bar brands in the UK which are expected to contribute to performance in future. The Directors have confirmed that there is no intention to restrict access by the Company to the operating decisions of the rest of the Group, and consequently believe that the going concern review, which looks at the Group as a whole, is appropriate for the Company.

The Directors have assessed the Company's ability to continue in operational existence for the foreseeable future which is at least, but not limited to, twelve months from the end of the reporting period 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 Board has prepared detailed cashflow forecasts covering a three-year period from the reporting date.

The central case is based on opening a limited number of new Escape Hunt and Boom owner operated sites in the UK in line with the Board's stated strategy. Sites are expected to take a period of time to reach maturity based on previous experience. The central case does not assume any openings other than sites for which leases have already been secured.

The Directors have also considered a 'downside' scenario. In this scenario the Directors have assessed the potential impact of a reduction in sales across the Group, delays in the opening of sites, and cost increases. In the 'downside' scenario, the Directors believe they can take mitigating actions to preserve cash. Principally the roll-out of further sites would be stopped and cost saving measures would be introduced at head office and in capital expenditure. The Group has previously made significant reductions in its head office property costs, and further cost reductions could be targeted in both people and areas such as IT, professional services and marketing. Other areas of planned capital expenditure would also be curtailed. These include planned expenditure on website and system improvements and capital expenditure at sites. Taking into account the mitigating factors, the Group believes it would have sufficient resources for the foreseeable future.

The Group's £20m revolving credit facility expires on 12 December 2028. The Group's forecasts assume that the facility will be renewed and extended beyond that date rather than being repaid.

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 for the foreseeable future. The going concern basis preparation is therefore considered to be appropriate in preparing these financial statements.

(c) Fixed asset investments

Fixed asset investments are carried at cost less, where appropriate, any provision for impairment.

(d) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the profit and loss account.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software and Customer Portal	- 33%

(g) Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Leasehold Furniture and Fixtures	5 years
Office Equipment	5 years
Computer Hardware	3 years

COMPANY NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2026

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Impairment of assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows taking into account credit risk. The present value of the future cash flows represents the expected value of the future cash flows discounted at the appropriate rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised when the Company has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

The Company has recognised provisions for liabilities of uncertain timing or amount including contingent and deferred consideration.

(l) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Equity-settled share based payments to non-employees are measured at the fair value of services received, or if this cannot be measured, at the fair value of the equity instruments granted at the date that the Company obtains the goods or counterparty renders the service. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 25 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Where the conditions are non- vesting, the expense and equity reserve arising from share-based payment transactions is recognised in full immediately on grant.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

(m) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Share capital

Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction from the proceeds.

(o) Financial instruments

Financial instruments are recognised in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(ii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

COMPANY NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2026

(iii) Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of judgment that have a significant effect on the amounts recognised in the financial statements are described below.

Impairment of fixed asset investments and amounts due from subsidiaries

As described in Note 2 to the financial statements, fixed asset investments are stated at the lower of cost less provision for impairment. The present value of loans to subsidiaries that are repayable on demand is equal to the undiscounted cash amount payable reflecting the Company's right to demand immediate repayment.

At each reporting date fixed asset investments and loans made to subsidiaries are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. The Directors have carried out an impairment test on the value of the loans due from subsidiaries and have concluded that no further impairment provision (2025: £236k) is required to write down the investments and loans to their estimated recoverable amount.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The investments in and loans to subsidiaries are supported by the intangible assets in the subsidiaries, most notably intellectual property and franchise agreements as well as tangible fixed assets, cash and receivables.

The Company tests fixed asset investments and loans made to subsidiaries for impairment only if there are indications that these assets might be impaired. The Company considers that there are no such indications of impairment and impairment testing has not been performed. Accordingly, the Company considers that the value of investments in and loans to subsidiaries are not impaired.

Estimation of share based payment charges

The calculation of the annual charge in relation to share based payments requires management to estimate the fair value of the share-based payment on the date of the award. The estimates are complex and take into account a number of factors including the vesting conditions, the period of time over which the awards are recognized, the exercise price of options which are the subject of the award, the expected future volatility of the company's share price, interest rates, the expected return on the shares, and the likely future date of exercise. An executive scheme was established during the year ended 31 December 2020 and awards have subsequently been made under the scheme, details of which are set out in note 25 to the consolidated accounts. Management has estimated the annual charge in the period to 29 March 2026 related to the awards made to be £76,749 (2025: £30,994) and recognized this charge accordingly.

4. Intangible assets

	Software and Customer portal £'000
Cost	
Cost at 1 April 2025	117
Additions	165
Cost at 29 March 2026	282
Accumulated amortisation	
Accumulated amortisation at 1 March 2025	9
Amortisation charge for the period	55
Accumulated amortisation at 29 March 2026	64
Carrying amounts	
At 29 March 2026	**218**
At 31 March 2025	108

5. Property, plant and equipment

	Furniture and fittings £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2025	14	14	79	107
Additions	–	–	14	14
Disposals	–	–	–	–
At 29 March 2026	14	14	93	121
Accumulated depreciation				
At 1 April 2025	10	14	60	84
Depreciation charge	1	–	14	15
At 29 March 2026	11	14	74	99
Carrying amounts				
At 29 March 2026	**3**	**–**	**19**	**22**
At 31 March 2025	4	–	19	23

6. Fixed asset investments

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Balance brought forward	26,292	26,292
Additions	478	–
Balance at end of period	26,770	26,292

The Company's investments comprise 100% holdings in the issued ordinary share capital of the following companies:

- Escape Hunt Group Limited
- Escape Franchises Limited
- Escape Hunt IP Limited
- Escape Hunt Innovations Limited
- Escape Hunt USA Franchises Limited

COMPANY NOTES TO THE FINANCIAL STATEMENTS
For the Period Ended 31 March 2026

- Escape Hunt Entertainment LLC (registered in Dubai)
- Escape Hunt Limited
- BGP Escape France (registered in France)
- BGP Entertainment Belgium (registered in Belgium)
- Boom Battle Facilities Management Services LLC (registered in Dubai)
- Boom BB One Limited
- BBB UK Trading Limited
- BBB UK Property Limited
- BBB Franchise Limited
- BBB Thirteen Limited
- BBB Ventures Limited
- BBB Six Limited
- BBB Eleven Limited
- BBB Twelve Limited
- BBB IP Limited
- BBB Fourteen Limited
- Boom Battle Bar Cardiff Limited
- Boom East Limited
- BBB Chelmsford Limited
- BBB Ealing Limited
- BBB Liverpool Limited
- BBB Five Limited

No impairment provision has been made against the investments in subsidiaries. Note 15 to the consolidated financial statements contains further information on the Company's holdings in subsidiaries including their activities and address of registered office.

7. Trade and other receivables

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Trade receivables	222	11
Prepayments	271	294
Other receivables	254	100
	747	405

8. Amounts due from subsidiaries

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Gross receivable	10,452	11,457
Provision made in prior periods	(241)	(5)
Balance brought forward at beginning of period	10,211	11,452
Provision reversed	5	–
Amounts repaid in period	(257)	(1,005)
Additional provisions in period	–	(236)
Balance at end of period	9,959	10,211

The amounts owing from subsidiaries are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash. The present value of amounts that are repayable on demand is equal to the undiscounted cash amount payable reflecting the Company's right to demand immediate repayment.

9. Cash and cash equivalents

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Bank balances	6,485	6
	6,485	6

10. Trade and other payables

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Trade payables	240	69
Accruals	404	820
Taxes and social security	123	117
Other payables	288	103
Amounts due to subsidiaries	11,694	1,698
	12,749	2,807

The amounts owing to subsidiaries are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

Accruals includes an amount for the audit of the parent and Group financial statements for the period ended 29 March 2026 of £167k (2025: £150k).

The directors consider that the carrying amounts of amounts falling due within one year approximate to their fair values.

COMPANY NOTES TO THE FINANCIAL STATEMENTS

For the Period Ended 31 March 2026

11. Loans

	As at 29 March 2026 £'000	As at 31 March 2025 £'000
Amounts due within one year		
Bank and other loans	85	230
	85	230
Amounts due in more than one year		
Bank and other loans	8,000	4,387
	8,000	4,387

On 4 January 2023, the company arranged a finance lease on behalf of its subsidiary to finance fit-out costs. The lease has a 3-year term and is repayable monthly and accrues interest at 14.0% per annum. During the period ended 29 March 2026 the loan balance, including accrued interest, was repaid in full.

On 12 December 2025, the Company repaid its revolving credit facility with Barclays Bank plc and entered into a new 3 year £20m revolving credit facility with HSBC UK Bank plc. The facility is drawable and repayable at the Company's discretion and is repayable at the end of the term. Drawn funds accrue interest at 2.6% above the sterling overnight index average (SONIA), and the Company pays an availability fee of 1.04% on undrawn funds. At 29 March 2026 £8m of the facility had been drawn (31 March 2025: £4.5m). The facility is secured by means of fixed and floating charges over the assets of XP Factory plc and its principal operating subsidiaries, which have also provided cross guarantees.

The company entered into a credit agreement in November 2025 to pay for its insurance policy by monthly instalments. The loan is repayable monthly and includes a usage fee of 6.5% on amounts advanced. As at 29 March 2026 the loan balance was £85,145 (31 March 2025: £184,702), all of which is due within one year.

12. Share capital

Details of the Company's allotted, called-up and fully paid share capital are set out in Note 23 to the Consolidated Financial Statements.

13. Reserves

Share premium account

The share premium account arose on the Company's issue of shares and is not distributable by way of dividends. During the prior period, the Company undertook a capital re-organisation sanctioned by the Courts, to convert share premium into distributable reserves. This resulted in a transfer of £48.8m from the Share Premium account to distributable reserves.

Accumulated profits / (losses)

Accumulated profits / (losses) represent the cumulative losses net of dividends distributed to shareholders together with the amount transferred from the company's share premium account through a court sanctioned capital reduction in the period.

Capital redemption reserve

The capital redemption reserve has arisen following the purchase by the Company of its own shares pursuant to share buy-back agreements and comprises the amount by which the distributable profits were reduced on these transactions in accordance with the Companies Act 2006.

Share-based payment reserve

The share-based payment reserve arises from the requirement to value share options and warrants in existence at the period end at fair value (see note 25 to the Consolidated Financial Statements).

14. Share based payments

Details of the Company's share options and warrants are contained in note 25 to the Consolidated Financial Statements.

15. Segment information

Operating segments are identified on the basis of internal components of the Company that are regularly reviewed by the Board. 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 the completion of the acquisition of Experiential Ventures Limited and its subsidiaries, the Company became the holding company of the Group. The Company's subsidiaries currently operate 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, 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 Company has one segment, namely that of a parent company to its subsidiaries. Accordingly, no segmental analysis has been provided in these financial statements.

16. Related party transactions

The only key management personnel of the Company are the Directors. Details of their remuneration are contained in Note 8 to the Consolidated Financial Statements.

Details of amounts due between the Company and its subsidiaries are shown in Notes 8 and 10 above.

17. Subsequent events

The Company continued to invest in growth and has drawn a further £4m of its Revolving credit facility with HSBC to fund new sites and other capital expenditure. These events do not give rise to adjustments for the financial statements for the period ended 29 March 2026.

18. Financial commitments and guarantees

For the period ended 29 March 2026, the below subsidiaries are exempt from the requirements stipulating that they be audited since they fulfil all the conditions for exemption under section 479A of the Companies Act 2006.

- Escape Hunt Franchises Limited
- Escape Hunt Group Limited
- Escape Hunt IP Limited
- Escape Hunt Innovations Limited
- Escape Hunt USA Franchises Limited
- Escape Hunt Limited
- Boom BB One Limited
- BBB UK Trading Limited
- BBB UK Property Limited
- BBB Franchise Limited
- BBB Thirteen Limited
- BBB Ventures Limited
- BBB Six Limited
- BBB Eleven Limited

COMPANY NOTES TO THE FINANCIAL STATEMENTS
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- BBB Twelve Limited
- BBB IP Limited
- BBB Fourteen Limited
- Boom Battle Bar Cardiff Limited
- Boom East Limited
- BBB Chelmsford Limited
- BBB Ealing Limited
- BBB Liverpool Limited
- BBB Five Limited

The outstanding liabilities at the balance sheet date of the above subsidiary undertakings have been guaranteed by XP Factory Plc pursuant to s479A to s479C of the Companies Act 2006.

19. Ultimate controlling party

As at 29 March 2026, no one entity owns greater than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.

COMPANY INFORMATION

Directors

Richard Rose, Independent Non-Executive Chairman (resigned 24 February 2026)
Richard Harpham, Chief Executive Officer
Graham Bird, Chief Financial Officer (resigned 1 April 2026)
Martin Shuker, Non-Executive Director
Philip Shepherd, Non-Executive Director
James van den Bergh, Independent Non-Executive Chairman (appointed 30 January 2026)

Company secretary

Joanne Briscoe Brown

Company number

10184316

Registered address

Ground Floor and Basement level
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Independent auditors

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Trading as: HW Fisher Audit
Acre House
11-15 William Road
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Nominated adviser and Broker

Panmure Liberum Ltd
Ropemaker Place
Level 12, 25 Ropemaker Street
London
EC2Y 9LY

Registrars

MUFG Corporate Markets (UK) Limited
29 Wellington Street
Leeds
LS1 4DL

xpfactory plc

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