

RNS Number : 7000P  
Reach4Entertainment Enterprises PLC  
10 June 2015

**reach4entertainment enterprises plc**  
(‘r4e’ or the ‘Company’)

**Restructuring Agreement with AIB**

r4e, the transatlantic media and entertainment marketing company, is pleased to announce that, on 9 June 2015, the Company entered into a conditional agreement (the “**Agreement**”) with AIB Group (UK) plc (“**AIB**”) to restructure the Company’s existing £14,785,000 loan facility with AIB (the “**Existing Facility**”) of which £200,000 was repaid in April 2015.

Today’s announcement is the culmination of negotiations between the Company and AIB, aimed at securing a new financial structure for the business which is in line with the size of the business and enables the Company to invest in the future.

Final settlement of the Existing Facility is subject, *inter alia*, to the Company securing funding to fulfil its repayment obligations under the Agreement on or prior to 30 September 2015 and the completion of the Agreement no later than 31 October 2015 (the “**Completion Date**”). It is anticipated by r4e that such funding will be secured through a combination of new debt facilities and the issue of new ordinary shares in the Company, and r4e has started discussions with potential lenders and investors in this regard.

Under the terms of the Agreement:

1. AIB will convert an amount equal to £5,155,000 of the outstanding principal debt due under the Existing Facility into new ordinary shares of 2.5p each in the Company (“**Settlement Shares**”), with the number of Settlement Shares to be equivalent to 12.5% of the fully diluted issued share capital of the Company as at the Completion Date.
2. r4e will grant to AIB a European five year put option over the Settlement Shares (which can only be exercised on the date that is five years from the date of grant) (the “**Option**”), which, if exercised, will result in r4e acquiring the Settlement Shares from AIB for a consideration of £2,000,000 in cash.
3. r4e will make a cash repayment of £9,430,000 in full and final settlement of the principal amount outstanding under the Existing Facility at the Completion Date (the “**Principal Settlement Amount**”). The Principal Settlement Amount due to be paid by r4e to AIB on the Completion Date includes a £430,000 principal repayment due on 7th October under the Existing Facility (“**Principal Repayment**”). Should the Completion Date fall after the due date of the Principal Repayment then the £430,000 shall be paid as due, reducing the final settlement figure to £9,000,000.
4. r4e will pay any unpaid interest accrued under the terms of the Existing Facility up until the Completion Date.
5. r4e will pay the costs incurred by AIB and r4e in connection with the Transaction, whether or not it proceeds.

(together, the “**Transaction**”).

The Agreement includes certain milestones (the “Milestones”) which r4e must use its best endeavours to ensure are achieved in advance of the Completion Date. Included in the Milestones are deadlines for when the Company must have made advancements in securing the debt and equity required to satisfy the Principal Settlement Amount. One such Milestone is for shareholder approval to be obtained at the Company’s annual general meeting (“AGM”) to be held on 30 June 2015 for the authority to issue further ordinary shares in the Company and to dis-apply pre-emptions rights (resolutions 6 and 7), which the directors of r4e currently anticipate will give them sufficient headroom to be able to raise further equity funding for the Transaction. Shareholders are therefore urged to vote in favour of such resolutions at the forthcoming AGM in order that r4e can meet its obligations under the Agreement (failing which r4e must obtain such shareholder approval by 31 August 2015).

In the event of certain events occurring, such as default under the Existing Facility, failure to achieve the Milestones or if r4e is unable to raise new funding, AIB can terminate the Agreement at any time up to the Completion Date. Notwithstanding AIB’s termination rights, the Agreement provides that both parties will each use their reasonable endeavours to co-operate towards reaching a consensual resolution in respect of restructuring the Existing Facility. There is uncertainty over the Company’s ability to meet a significant scheduled repayment of the Existing Facility in April 2016 and therefore if the terms of the Agreement are not met or another resolution to restructure the Existing Facility is not agreed with AIB, the Company will have to re-consider the options available to it in order to facilitate or re-negotiate this payment and to secure the future of the Company.

Commenting on the Agreement, David Stoller, Executive Chairman, said: “We are delighted to have been able to agree terms of settlement with AIB as we now have the framework by which we can recapitalise the Company.

Having entered into initial discussions with new lenders, we are confident we can secure debt facilities which will necessarily be at a lower cost to our current loan facilities, and we are exploring our options for equity funding. Reducing our borrowing costs will assist us in establishing a new platform for growth and allow us to allocate capital to invest in the fast growing areas of our business. This is a very good day for r4e.”

Further announcements with regard to the Agreement and further funding will be made as appropriate.

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