Prior to publication, certain information contained within this announcement was deemed to constitute inside information for the purposes of Article 7 of EU Regulation 596/2014 (MAR). Upon publication of this announcement, this information is now considered to be in the public domain.

20 July 2017

reach4entertainment enterprises plc
('r4e', the 'Company' or the 'Group')

Update on debt facilities with PNC

r4e, the transatlantic media and entertainment company, is pleased to announce it has agreed a variation of the covenants on its 3-year secured asset based debt facility (the 'Facility') with PNC Business Credit ('PNC') to reflect the shift in the weighting of the Group's revenues in 2016 and 2017 which affected the 12-month rolling covenant test. This variation of the covenants agreement follows on from the statement made in the Company's full year results for the year ended 31 December 2017, announced on 26 April 2017, regarding potential breaches of one of the covenants given by the Company to PNC due to the unusual weighting of revenues towards the first half of 2016. With the revised covenants now accommodating this change in revenue weighting, a breach is not expected to occur. The Company has met all the covenants to date in 2017.

In addition, the Company has been able to repay its Cash Flow Term Debt facility with PNC of £553,081. Repayment was made from unutilised proceeds from the October 2016 share placing, which has not been required for investment into the Company's new initiatives as a result of these initiatives performing better than expected in 2017. The repayment will result in reduced interest costs in 2017. The monies used to repay the Cash Flow Term Debt facility are expected to be replaced over the course of the next 12 months from the cash flows of the subsidiary companies to provide further investment for the ongoing or new initiatives.

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