

Business Update

LEI: 213800TXKD6XZWOFTE12

1 July 2021

The Rank Group Plc (LSE: RNK) ('Rank' or 'the Group') provides an update on trading, liquidity and its VAT refund claim

Trading

Trading in the first six weeks following the reopening of the Group's venues has been in line with management's expectations. The Group's venues are trading above cash breakeven and we expect trading to continue to improve as social distancing and international travel restrictions are eased, and when the current 10.30pm curfew is removed in Scotland.

£m	Average weekly LFL NGR	Average weekly breakeven NGR	LFL NGR vs same period in 2019
Grosvenor	5.5	4.2	(17)%
Mecca	2.6	2.5	(20)%
Enracha	0.5	0.4	(34)%
Total	8.6	7.1	(19)%

In Grosvenor, LFL NGR in venues outside of London is close to 2019 levels. In London, LFL NGR is down 38% on 2019 levels as a result of the lack of international tourism, significantly reduced numbers of office workers in the city and the ongoing late night travel challenges for consumers. Whilst it is very early days, trading in Mecca is strongest in those venues where we are trialling elements of our new proposition including enhancements to the mainstage bingo game. In Spain, trading has improved as regional restrictions on capacity limits and opening hours have gradually been relaxed.

Performance in Rank's digital businesses in Q4 is expected to be at a level between that achieved in Q2 and Q3 of this financial year.

Liquidity

The Group will comfortably meet its £50m minimum liquidity test at 30 June 2021 and expects to continue to meet all future liquidity and financial covenant tests. The first scheduled term loan amortisation payment of £19.7m was made as expected in May 2021.

VAT claim decision

Rank is pleased to note yesterday's ruling in its favour by the First-Tier Tax Tribunal on its claim to be refunded VAT paid on slot machine income in the period from April 2006 to January 2013. HMRC has 56 days to lodge an appeal. The parties also have 56 days to agree the exact quantum of the claim; Rank expects that the value will be materially in line with its previous estimate of circa £80m.

Rank intends to report its Preliminary Results for the 12 months ending 30 June 2021 on 19 August 2021.

Ends

Contacts:

Rank

Sarah Powell – investor relations Tel: +44 1628 504 303

Media Enquiries:

FTI Consulting LLP (PR adviser to Rank)

Edward Bridges Tel: +44 20 3727 1067

Alex Beagley Tel: +44 20 3727 1045

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Notes to editors:

1. NGR means Net Gaming Revenue.
2. Average weekly LFL NGR is the average weekly LFL NGR generated by the business segments in the six weeks from 17 May 2021 to 27 June 2021.
3. Average weekly breakeven NGR refers to the level of NGR required for the Group to be cash breakeven after operating costs, interest, tax and capital expenditure.
4. All comparisons are with the same period in calendar year 2019 which was before the impact of COVID-19.
5. Like-for-like ('LFL') excludes the effects of club openings, closures, acquired businesses and foreign exchange.