

FINAL Ster-Kinekor (business rescue) press release
November 2022

Ster-Kinekor successfully exits Business Rescue to a bright new future

Ster-Kinekor Business Rescue Practitioner, Stefan Smyth, has successfully concluded the business rescue process. The transaction, which returns the company to solvency, involved the capital raising of R250 million from the UK based asset manager, Blantyre Capital and from the South African asset manager Greenpoint Capital, and forms the basis of the Business Rescue Plan, ('The Plan').

All necessary regulatory requirements for the transaction were fulfilled, including approvals from the South African Reserve Bank and the South Africa Competition Commission. Lease agreements have been renegotiated with the landlords which were a material condition precedent for the conclusion of the transaction.

A delighted Stefan Smyth noted, "We are very pleased that we were able to raise the necessary capital to rescue Ster-Kinekor. Not only does this investment give the business a solid foundation on which to build its future, it has also meant that c.800 jobs have been retained and a dividend has been paid to creditors as proposed in the accepted plan. Trade creditors will further benefit from ongoing trading with the company."

Creditors include strategic international partners who are vital to the market leading position that Ster-Kinekor holds and will assist in this position being maintained and developed further in the next chapter of the company.

Smyth noted further that, "We are seeing that cinema attendance is picking up since the stellar performance of Top Gun: Maverick, which is expected to continue to improve yet further into the holiday season with eagerly awaited additional films being released like Avatar: The way of water and Black Panther 2. The brand new V&A 13 screen cinema in Cape Town continues to perform well since its launch during Business Rescue and is expected to continue its upward trajectory with the recent addition of the latest technology IMAX plus Kids, Prestige and D-box offering in.

In conclusion, Smyth noted, "We thank all the Ster-Kinekor employees, creditors and relevant stakeholders and new shareholders whose efforts assisted us in exiting Business Rescue and creating a foundation for its future. Our thanks also goes to our loyal customer following and we look forward to entertaining you with new formats and great new content in the future."

ENDS

Louise Brugman 083 504 1186 on behalf of Business Rescue Practitioner, Stefan Smyth

Notes to editors

Founded in 1969, Ster-Kinekor Theatres (Proprietary) Limited (SKT) is a private company incorporated in South Africa, which currently holds some 65% of the cinema market in South Africa.

The business was materially impacted by COVID-19 pandemic especially the hard lockdown. A lack of new blockbuster content, due to delays in the release of such movies out of the UK and USA and the second national-lockdown in December 2020, a key period for revenue generation for the business, added further strain to the income-earning operations stream which severely affected the Company's' ability to pay its debts as and when they fell due.

These factors ultimately led the board of directors to conclude that the Company was financially distressed, resulting in the Board of directors passing a resolution for the Company to voluntarily commence business rescue on 26 January 2021.

The Business Rescue plan was published on 28 February 2022 and accepted by over 99% of creditors voting on 10 March 2022.

The BRP filed substantial implementation on the 31 October 2022 and terminated the Business Rescue proceedings.