E V E N T

HOSPITALITY & ENTERTAINMENT

7 December 2020

ASX ANNOUNCEMENT

CINESTAR SALE UPDATE

EVENT Hospitality & Entertainment Limited (the "Group") today provided an update regarding the sale of its German cinema exhibition operation ("Cinestar") to Vue International Bidco plc ("Vue") (the "Cinestar Sale").

The Group previously announced the Cinestar Sale subject to German Federal Cartel Office ("FCO") approval. Conditional FCO approval for the Cinestar Sale was granted on 28 February 2020 subject to the divestment of six sites, of which one has been completed. The divestment process for the remaining five divestment sites (the "Divestment") was well advanced with a shortlist of three parties, all of which have received in-principle approval from the FCO subject to final review and approval of the transaction documents. The FCO's extended deadline for completion of the Divestment is 14 December 2020.

The Group previously announced that the Sale and Purchase Agreement ("SPA") for the Cinestar Sale was conditional only upon FCO approval being obtained. In addition, Vue has a responsibility to do all things necessary to complete the Divestment and the SPA has no material adverse event clause. Notwithstanding, Vue has sought to renegotiate the terms of the Cinestar Sale and put a pause on the Divestment. The Group has been in discussions with Vue whilst continuing to reserve its full legal rights regarding the Cinestar Sale.

The Group continues the discussion with Vue in relation to the Divestment and the Cinestar Sale, but the most recent proposal put forward by Vue has made it clear that there is a material risk that Vue will not complete the Divestment by the FCO's extended deadline. Should the Divestment not occur by the deadline, the Cinestar Sale as notified to the FCO will be prohibited by the FCO.

Authorised for release by the Board

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Further information

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