

# BLB&G Secures Additional Shares for AMC Stockholders in Landmark Recapitalization Settlement

April 3, 2023



*Common stockholders to receive shares valued at more than \$100 million based on recent trading prices; stockholders represented by Bernstein Litowitz, Grant & Eisenhofer, Fields Kupka, and Saxena White*

NEW YORK/WILMINGTON, DE (April 3, 2023) – Common stockholders of international cinema chain AMC Entertainment Holdings, Inc. have reached a landmark agreement with the company that will provide them additional shares as part of a recapitalization that will afford AMC access to the equity it asserts it needs to service its debt obligations as it continues its recovery from the pandemic.

The settlement, announced by lawyers representing the stockholder group, will grant holders of AMC common stock one share of common stock for every 7.5 shares held following a reverse stock split carried out in connection with a planned conversion of preferred share units, called APEs, into common stock. Any fractional shares owed will be paid in cash.

By providing meaningful consideration to common stockholders in exchange for the conversion and reverse split, the settlement will preserve over \$100 million of common stockholders' stake in the company. The settlement also will allow AMC to proceed with its recapitalization, which was designed to afford the company additional flexibility in paying down its debt, providing an important runway for the chain to manage its financial obligations in the long and short term.

The settlement consideration, comprising approximately 6.9 million post-reverse split shares, will be distributed to pre-conversion holders of AMC common stock. While the value of those shares at issuance will depend on market prices, their aggregate value is expected to exceed \$100 million based on recent trading prices of AMC equity.

Stockholders brought suit in the Delaware Court of Chancery on February 20 against AMC and its board of directors, seeking a restraining order to block amendments to the company's charter that would have dramatically increased the number of authorized common shares and diluted existing common stockholders, without giving them any compensation in return. A hearing on the preliminary injunction had been scheduled for April 27. Absent this case and settlement, those amendments would have gone through without any additional consideration to common stockholders.

The parties anticipate that the share distribution will be made approximately 10 trading days after the company files for stock exchange approval of the conversion and reverse split, which is expected to occur on Tuesday, April 4. Common stockholders do not need to take any action to receive their shares. For more information, please contact either counsel of record in this case or AMC's investor relations at: [InvestorRelations@amctheatres.com](mailto:InvestorRelations@amctheatres.com).

Common stockholders are jointly represented by law firms Bernstein Litowitz Berger & Grossmann, Grant & Eisenhofer, Fields Kupka & Shukurov, and Saxena White.

"Our clients are pleased to have reached this successful agreement on behalf of all AMC common stockholders," lawyers from the firms said. "The settlement provides investors with additional shares in satisfaction of their voting rights claims, while allowing the company to move forward with its plan to pay down its debt. Common stockholders will have a greater stake in AMC as it continues on its path to recovery."

The case is titled ***In re AMC Entertainment Holdings, Inc. Stockholder Litigation***, C.A. No. 2023-0215-MTZ.