



ErosSTX Announces Preliminary Headline Results for Nine Months Ended December 31, 2020; Update on STX Film Strategy and Global Debt Refinancing

Douglas, ISLE OF MAN and Burbank, CALIFORNIA, February 25, 2021 – Eros STX Global Corporation (NYSE: ESGC) (“ErosSTX” or the “Company”), a global entertainment company, today reported preliminary headline financial results for the nine months ended December 31, 2020, as well as updates on the STX film distribution strategy and the Company’s global debt refinancing.

Preliminary Headline Financial Results for Nine Months Ended December 31, 2020

The following summarizes preliminary financials from April 1, 2020 to December 31, 2020. These results comply with US GAAP accounting standards, are harmonized to legacy STX accounting principles, and are in accordance with SEC reporting guidelines for an interim reporting period merger. Notably, with STX deemed the Accounting Acquirer in the business combination, the ErosSTX consolidated financials include legacy Eros's results starting July 31, 2020 when the merger closed and legacy STX for the entire nine-month period. The financials for the comparable year-ago period for the nine months ended December 31, 2019 reflect only legacy STX results, also consistent with the SEC reporting convention for the Accounting Acquirer. These preliminary results have not yet been reviewed by the Company's recently confirmed global audit firm, Ernst & Young (EY). Final EY reviewed fiscal 2021 interim results for the six months ended September 30, 2020 will be available by March 31, 2021.

- Operating Profit was \$7 million and Adjusted Operating Profit, excluding merger related costs, was \$22 million compared to an operating loss of \$(99) million in the first nine months of fiscal 2020.
- Revenues were \$219 million compared to \$315 million in the prior year period. This decline was driven by a significant reduction in global film releases resulting from the negative effects of COVID, partially offset by revenue growth from the STX film library.
- Operating Expenses were \$212 million and Adjusted Operating Expenses, excluding merger related costs, were \$197 million compared to \$414 million in the prior year period. This decline was driven by significantly lower film release marketing and distribution costs due to COVID.
- Net Cash provided by Operating Activities was \$25 million and Adjusted Net Cash provided by Operating Activities, excluding merger related cash costs, was \$40 million.
- Net debt as of December 31, 2020 was \$284 million, with total cash on hand of \$62 million.



Recent STX Film Performance & Fiscal 2022 Film Strategy

Since the start of the pandemic, the Company has modified its film distribution strategy to capitalize on the increased demand for premium film content in the home, utilizing a mix of Premium Video on Demand (PVOD) and agreements with five different US streaming platforms on the five most recent STX film releases. The five film releases are: *My Spy*, *Songbird*, *Greenland*, *Horizon Line* and *The Mauritanian*.

This strategy has resulted in profitability on all five of these films, including *Greenland*, where the Company used a combination of international theatrical, US PVOD, digital and physical home entertainment and a US streaming deal with HBO to achieve an estimated \$25 million in ultimate cash profit and a 90% return on invested capital. This bespoke film distribution strategy reduces future performance risk, maximizes the return on invested capital and further strategically aligns the Company with the largest global media enterprises.

Global Debt Refinancing

The Company has engaged J.P. Morgan to lead a refinancing of its global debt. The Company's expectation is to refinance all current debt, extend maturities and strengthen the balance sheet. The Company expects to provide a debt refinancing update shortly. Fiscal 2021 ending net debt is currently trending below the \$325 million guided during on the Company's November 4, 2020 investor call.

Eros STX Global Corporation:

Eros STX Global Corporation, ("ErosSTX") (NYSE: ESGC) is a global entertainment company that acquires, co-produces and distributes films, digital content & music across multiple formats such as theatrical, television and OTT digital media streaming to consumers around the world. Eros International Plc changed its name to Eros STX Global Corporation pursuant to the July 2020 merger with STX Entertainment, merging two international media and entertainment groups. The combination of one of the largest Indian OTT players and premier studio with one of Hollywood's fastest-growing independent media companies has created an entertainment powerhouse with a presence in over 150 countries. ErosSTX delivers star-driven premium feature film and episodic content across a multitude of platforms at the intersection of the world's most dynamic and fastest-growing global markets, including US, India, Middle East, Asia and China. The Company also owns the rapidly growing OTT platform Eros Now which has rights to over 12,000 films across Hindi and regional languages and had 211.5 million registered users and 36.2 million paying subscribers as of September 30, 2020. For further information, please visit ErosSTX.com.

USE OF NON-GAAP FINANCIAL MEASURES

In addition to the results prepared in accordance with generally accepted accounting principles ("GAAP"),



the Company has presented other financial measures that are not defined by GAAP. The Company uses non-GAAP financial measures, among other measures, to evaluate the operating performance of our business. These non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. These measures should not be considered in isolation and may not be comparable to similarly titled measures employed by other companies.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS:

Information provided in this communication includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are subject to the safe harbors created thereby. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “approximately,” “anticipate,” “believe,” “estimate,” “continue,” “could,” “expect,” “future,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will” and similar expressions. Those statements include, among other things, the discussions of the Company’s business strategy and expectations concerning its and the Company’s market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. All such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we are expecting, including, without limitation: our ability to successfully and cost-effectively source film content; the Company’s ability to achieve the desired growth rate of Eros Now, its digital over-the-top (“OTT”) entertainment service; our ability to maintain or raise sufficient capital; delays, cost overruns, cancellation or abandonment of the completion or release of the Company’s films; our ability to predict the popularity of its films, or changing consumer tastes; our ability to maintain existing rights, and to acquire new rights, to film content; our ability to successfully defend any future class action lawsuits we are a party to in the U.S.; anonymous letters to regulators or business associates or anonymous allegations on social media regarding the Company’s business practices, accounting practices and/or officers and directors; our ability to recoup the full amount of box office revenues to which it is entitled due to underreporting of box office receipts by theater operators; our dependence on our relationships with theater operators and other industry participants to exploit the Company’s film content; our ability to mitigate risks relating to distribution and collection in international markets; our ability to compete with other forms of entertainment; our ability to combat piracy and to protect our intellectual property; our ability to maintain an effective system of internal control over financial reporting; contingent liabilities that may materialize, our exposure to liabilities on account of unfavorable judgments/decisions in relation to legal proceedings involving the Company or its subsidiaries and certain of its directors and officers; our ability to successfully respond to technological changes; our ability to satisfy debt obligations, fund working capital and pay dividends; the monetary and fiscal policies of countries around the world, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; our ability to address the risks associated with acquisition



opportunities; risks that the ongoing novel coronavirus pandemic and its spread, and related public health measures, may have material adverse effects on our business, financial position, results of operations and/or cash flows; challenges, disruptions and costs of the Merger and related transactions, integrating the Eros and STX businesses and achieving anticipated synergies, and the risk that such synergies will take longer to realize than expected or may not be realized in whole or in part; the amount of any costs, fees, expenses, impairments and charges related to the Merger and related transactions; uncertainty as to the effects of the consummation of the Merger and related transactions on the market price of our A Ordinary Shares and/or the Company's financial performance; and uncertainty as to the long-term value of the Company's ordinary shares.

The forward-looking statements contained in this communication are based on historical performance and management's current plans, estimates and expectations in light of information currently available and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting the Company will be those that it has anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond the Company's control. Should one or more of these risks or uncertainties materialize or should any of the Company's assumptions prove to be incorrect, the Company's actual results may vary in material respects from what the Company may have expressed or implied by these forward-looking statements. The Company cautions that you should not place undue reliance on any of its forward-looking statements. Any forward-looking statement made by the Company in this communication speaks only as of the date on which the Company makes it. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable securities laws.

Investor Contact:

Drew Borst

EVP, Investor Relations & Business Development

ErosSTX Global Corporation

drew@erosstx.com