



FOR IMMEDIATE RELEASE

Cineworld Repudiates Transaction to Acquire Cineplex

TORONTO, ON, June 12, 2020 (TSX: CGX) – Cineplex Inc. (“Cineplex”) today announced that Cineworld Group plc (LSE: CINE) (“Cineworld”) has delivered notice (the “Termination Notice”) to Cineplex purporting to terminate the arrangement agreement among Cineplex and Cineworld dated December 15, 2019 (the “Arrangement Agreement”). Under the Arrangement Agreement, Cineworld agreed to acquire all of the issued and outstanding common shares of Cineplex (the “Transaction”). Cineplex believes that Cineworld has no legal basis to terminate the Arrangement Agreement and that Cineworld has breached its contractual obligations. Cineworld’s repudiation of the Arrangement Agreement has been acknowledged by Cineplex and the Transaction will not proceed. Cineplex intends to commence legal proceedings promptly against Cineworld and seek damages for Cineworld’s breaches of the Arrangement Agreement and failure to discharge its obligations thereunder.

In the Termination Notice, Cineworld alleges that Cineplex has taken certain actions that constitute breaches of Cineplex’s covenants under the Arrangement Agreement, including failing to operate its business in the ordinary course. In addition, Cineworld alleges that a material adverse effect has occurred with respect to Cineplex.

Cineplex vigorously denies Cineworld’s allegations. The Arrangement Agreement explicitly excludes any “outbreaks of illness or other acts of God” from the definition of material adverse effect and all of Cineworld’s allegations stem from an outbreak of illness and act of God (COVID-19). Cineplex believes that Cineworld’s allegations represent buyer’s remorse, and are an attempt by Cineworld to avoid its obligations under the Arrangement Agreement in light of the COVID-19 pandemic.

Cineworld has breached the Arrangement Agreement and other contractual obligations because, among other failures, it did not use its reasonable best efforts to obtain approval under the Investment Canada Act as soon as reasonably practicable (“ICA Approval”) and has now repudiated the Arrangement Agreement. If

Cineworld had complied with its obligations to obtain ICA Approval, Cineplex believes that the ICA Approval would have been obtained and the Transaction would have closed months ago. Cineplex will file suit promptly to recover all damages available to it to under the Arrangement Agreement and hold Cineworld responsible for its breaches and failure to complete the Transaction at \$34.00 per common share.

The foregoing summary of certain provisions of the Arrangement Agreement is qualified in its entirety by the provisions of the Arrangement Agreement, a copy of which is available on SEDAR at www.sedar.com.

Since May 7, 2020, being the date Cineplex announced that it was relying on the blanket relief provided by the Canadian Securities Administrators to delay the filing of its interim financial statements and related management discussion and analysis for the three month period ended March 31, 2020, there have been no material business developments other than as described in this news release.

About Cineplex

Cineplex (TSX:CGX) is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. A leading entertainment and media company, Cineplex welcomes millions of guests annually through its circuit of theatres and location based entertainment venues across the country. In addition to being Canada's largest and most innovative film exhibitor, Cineplex also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media) and amusement solutions (Player One Amusement Group). Additionally, Cineplex operates Canada's favourite destination for 'Eats & Entertainment' (The Rec Room) and entertainment complexes specially designed for teens and families (Playdium). Cineplex is a joint venture partner in SCENE, Canada's largest entertainment loyalty program.

Caution Regarding Forward-Looking Statements

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. The words "may," "will," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Cineplex's control. The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by Cineplex.

Forward-looking statements are subject to various risks and uncertainties which could cause actual results and experience to differ materially from the anticipated results or expectations expressed in this news release. The key risks and uncertainties include, but are not limited to: the outcome of any litigation surrounding the termination of the Transaction, the impact of the COVID-19 pandemic on Cineplex, the motion picture exhibition industry and the economy in general, including Cineplex's response to the COVID-19 pandemic as it relates to theatre and venue closings, employee reductions and other cost-cutting measures, as well as increased expenses relating to safety measures taken at Cineplex's theatres and location based entertainment venues in order to protect the health and well-being of Cineplex's customers and employees; general global economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; relationships with employees, customers, business partners and competitors; and diversion of management time on litigation related to the Transaction.

Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. A comprehensive discussion of other risks that impact Cineplex can also be found in Cineplex's public filings which are available under Cineplex's profile on SEDAR at www.sedar.com.

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