



FOR IMMEDIATE RELEASE

Cineplex Announces Temporary Closure of Theatres and Provides Update on Transaction with Cineworld

TORONTO, ON, March 16, 2020 (TSX: CGX) – In response to growing global concerns around the spread of COVID-19 and various Canadian government directives, Cineplex Inc. (“Cineplex”) today announced that in an abundance of caution it will be temporarily closing its network of theatres and location-based entertainment venues across Canada starting March 16, 2020, through to April 2, 2020. The re-opening of locations will be reassessed at that time.

Cineplex today also provided an update on the status of its previously-announced transaction with Cineworld Group plc (LSE: CINE) (“Cineworld”) pursuant to which an indirect wholly-owned subsidiary of Cineworld has agreed to acquire all of the issued and outstanding common shares (the “shares”) of Cineplex for \$34 per share in cash (the “Transaction”).

Under the definitive arrangement agreement entered into among Cineplex and Cineworld on December 16, 2019 (the “Arrangement Agreement”), closing of the Transaction remains subject to the satisfaction or waiver of certain conditions to closing that have not yet been satisfied, including the receipt of *Investment Canada Act* approvals, the representations and warranties of the parties remaining true and correct (subject to certain materiality qualifiers), the parties having fulfilled or complied in all material respects with each of their covenants contained in the Arrangement Agreement, and as at the date of closing of the Transaction, Cineplex shall have no more than \$725 million outstanding under its credit agreement, subject to certain exclusions (the “Debt Condition”). The impact of the COVID-19 outbreak in Canada and the rapidly evolving reaction of governments and the public to the outbreak have made business planning uncertain for the exhibition and location-based entertainment industries. In response to declining attendance and certain government directed shutdowns of places of public gatherings including theatres, Cineplex is managing its business to reduce expenses in an amount necessary to offset declining revenues so that Cineplex is

supporting its business and would be in a position to satisfy the Debt Condition. The possibility of prolonged closures could impact the ability of Cineplex to mitigate the related revenue decline and satisfy the Debt Condition or other of the remaining conditions by the Outside Date. It is also a condition to closing that there not have occurred a “Company Material Adverse Effect” (as defined in the Arrangement Agreement). The definition of Company Material Adverse Effect *excludes* the impact of certain events and changes, including any change affecting the motion picture theatre industry generally and any outbreaks of illness, provided that such events do not have a materially disproportionate effect on Cineplex relative to other comparable companies operating in the motion picture theatre industry.

The parties are continuing to advance the process to obtain the approvals required under the *Investment Canada Act*. The period for the review of the Transaction has been extended through the end of March, 2020 with the expectation that further extensions may be warranted under section 22(1) of the *Investment Canada Act* in light of the current environment. Cineplex and its advisors are working diligently to provide that all conditions to closing are satisfied on or prior to June 30, 2020 (the “Outside Date”).

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.

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 over 70 million 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 location based entertainment complexes specially designed for teens and families (Playdium) as well as Canada’s favourite destination for ‘Eats & Entertainment’ (The Rec Room). 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 COVID-19 outbreak and the responses of governments and the public to the outbreak (including declining theatre attendance and mandated government shut downs of

theatres), 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 the Transaction. There are also risks that are inherent in the nature of the Transaction, including failure to satisfy the conditions to the completion of the Transaction and failure to obtain any required regulatory approvals (or to do so in a timely manner). The anticipated timeline for completion of the Transaction may change for a number of reasons, including the inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. As a result of the foregoing, readers are cautioned not to place undue reliance on the forward-looking statements contained in this news release.

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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