



FOR IMMEDIATE RELEASE

Cineplex Inc. Reports First Quarter Results Company Continues to Control Costs and Receives Additional Financing

TORONTO, Canada, May 6, 2021 (TSX: CGX) - Cineplex Inc. (“Cineplex” or the “Company”) today released its financial results for the three months ended March 31, 2021. Unless otherwise specified, all amounts are in Canadian dollars.

“Throughout the pandemic, Cineplex has controlled costs, solidified its financial and liquidity position and is prepared to capitalize on the pent-up demand for social experiences as restrictions are lifted and things get back to normal,” said Ellis Jacob, President & CEO, Cineplex.

“During the first quarter, we remained prudent in managing costs and reported an average monthly net cash burn of \$26.9 million. Key liquidity actions included the receipt of \$57 million for the completed sale-leaseback of our Head Office in Toronto and \$250 million in the form of Second Lien Secured Notes – an offering that was significantly oversubscribed and a testament to the market’s faith in our business and our recovery. In addition, we obtained further relief from certain financial covenants under our Credit Facilities.”

“These strategic initiatives, combined with our ongoing focus on minimizing cash burn, provide the runway we need to see us through the pandemic recovery period. Encouraged by recent global box office results and the strong film release schedule, we are confident in our position and eager to welcome our guests back.” Mr. Jacob concluded.

First Quarter Financial Results

	2021	2020	Period over Period Change (i)
Total revenues (ii)	\$ 41.4 million	\$ 282.8 million	-85.4%
Theatre attendance	0.4 million	10.7 million	-96.1%
Net loss from continuing operations (iii)	\$ (89.7) million	\$ (174.2) million	-48.5%
Net loss from discontinued operations	\$ — million	\$ (4.3) million	-100.0%
Net loss (iii)	\$ (89.7) million	\$ (178.4) million	-49.7%
Box office revenues per patron (“BPP”) (iv)	\$ 9.20	\$ 10.36	-11.2%
Concession revenues per patron (“CPP”) (iv)	\$ 6.12	\$ 6.79	-9.9%
Adjusted EBITDA (iv)	\$ (30.1) million	\$ 46.5 million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (62.1) million	\$ 2.4 million	NM
Adjusted EBITDAaL margin (iii) (iv)	(149.9) %	0.8 %	-150.7%
Adjusted free cash flow (iv)	\$ (78.8) million	\$ (0.2) million	NM
Adjusted free cash flow per common share of Cineplex (“Share”) (iv)	\$ (1.244)	\$ (0.003)	NM
Earnings per Share (“EPS”) from continuing operations - basic and diluted (iii)	\$ (1.42)	\$ (2.75)	-48.4%
EPS from discontinued operations - basic and diluted	\$ —	\$ (0.07)	NM
EPS - basic and diluted (iii)	\$ (1.42)	\$ (2.82)	-49.6%

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2021 value less 2020 value.
- ii. All amounts are from continuing operations.
- iii. 2021 includes expenses related to the Cineworld Transaction in the amount of \$2.4 million (2020 - \$1.3 million)..
- iv. Adjusted EBITDA, adjusted EBITDAaL, adjusted EBITDAaL margin, adjusted free cash flow per common share of Cineplex, BPP and CPP are measures that do not have a standardized meaning under generally accepted accounting principles (“GAAP”). These measures as well as other Non-GAAP financial measures reported by Cineplex are defined in the ‘Non-GAAP Financial Measures’ section at the end of this news release.

KEY DEVELOPMENTS IN THE FIRST QUARTER OF 2021

The following describes certain key business initiatives undertaken and results achieved during the first quarter of 2021 in each of Cineplex's core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- During the first quarter, a majority of Cineplex's theatres remained closed or under strict operating restrictions resulting in a 96.1% decrease in theatre attendance. As a result, Cineplex reported box office revenues of \$3.8 million.
- BPP was \$9.20, a decrease of \$1.16 (11.2%) compared to the prior period BPP of \$10.36.

Theatre Food Service

- Mandatory closures of theatres and strict operating restrictions on theatres negatively impacted theatre food service revenues in the quarter. Cineplex continued to focus on food home delivery services and reported \$3.8 million of food delivery revenues in the quarter.
- CPP was \$6.12, a decrease of \$0.67 (9.9%) compared to the prior period CPP of \$6.79, partially as a result of concession restrictions in select regions in Quebec.

Alternative Programming

- Alternative Programming continued with classic films and other repertory film programming during this period. With the limited reopening of Quebec theatres, Cineplex released *100% Wolf* in theatres across the province.

Digital Commerce

- Total registered users for Cineplex Store increased 33% from the prior year period, reaching 2.0 million registered users.

MEDIA

- Media revenues continued to be negatively impacted by the mandatory closures of theatres, retail and digital out of home locations, resulting in a decline in advertising revenue. During the quarter, media revenues were primarily driven by digital place-based media revenues specifically from network management, creative services and media hardware sales.
- A long-term arrangement with Torstar Corporation was announced whereby Torstar will acquire publishing and exclusive theatre distribution rights of *Cineplex Magazine*. Torstar will continue both print and digital publications of the magazine under the brand *Star Cineplex*.

AMUSEMENT AND LEISURE

Amusement Solutions

- PIAG's revenues for the period were primarily earned through route operations including Family Entertainment Centres ("FEC") locations and equipment sales, primarily in the United States which commenced limited reopenings during the quarter.

Location-based Entertainment

- During the quarter, a majority of Cineplex's LBE venues were closed due to government mandated lockdown measures and enforced operating restrictions resulting in a material negative impact on revenue during the quarter.
- Cineplex opened the third location of *Playdium* in Dartmouth, on February 26, 2021 to strong results.

LOYALTY

- Membership in the SCENE loyalty program remained flat during the period ended March 31, 2021.

CORPORATE

- During the quarter, Cineplex completed a sale and leaseback transaction for its head office buildings located at 1303 Yonge Street and 1257 Yonge Street, Toronto, Ontario for gross proceeds of \$57.0 million. Fifty percent of the net proceeds were used to permanently reduce the amount outstanding under Cineplex's Credit Facilities.
- On February 8, 2021, Cineplex and Cineplex Entertainment Limited Partnership entered into the Third Credit Agreement Amendment with The Bank of Nova Scotia providing Cineplex with certain financial covenant relief in light of the COVID-19 pandemic and its effects on Cineplex's business.

- On February 26, 2021, Cineplex completed the \$250.0 million Notes Payable offering. Cineplex used the net proceeds raised in part to permanently repay \$100.0 million of its Credit Facilities. The Notes Payable bear interest at a rate of 7.50% per annum and mature on February 26, 2026.

OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

Total revenues

Total revenues for the three months ended March 31, 2021 decreased \$241.4 million (85.4%) to \$41.4 million as compared to the prior year period. A discussion of the factors affecting the changes in box office, food service, media, amusement and other revenues for the period is provided below.

Non-GAAP measures discussed throughout this news release, including adjusted EBITDA, adjusted EBITDAaL, adjusted store level EBITDAaL, adjusted EBITDAaL margin, adjusted store level EBITDAaL margin, adjusted free cash flow, theatre attendance, BPP, premium priced product, same theatre metrics, CPP, film cost percentage, food service cost percentage and concession margin per patron are defined and discussed in Non-GAAP measures section of this news release.

Box office revenues

The following table highlights the movement in box office revenues, theatre attendance and BPP for the quarter (in thousands of dollars, except theatre attendance reported in thousands of patrons and per patron amounts, unless otherwise noted):

Box office revenues	First Quarter		
	2021	2020	Change
Box office revenues	\$ 3,818	\$ 111,002	-96.6%
Theatre attendance (i)	415	10,710	-96.1%
Box office revenue per patron (i)	\$ 9.20	\$ 10.36	-11.2%
BPP excluding premium priced product (i)	\$ 8.84	\$ 9.33	-5.3%
Same theatre box office revenues (i)	\$ 3,818	\$ 110,152	-96.5%
Same theatre attendance (i)	415	10,609	-96.1%
% Total box from premium priced product (i)	11.5%	28.7%	-17.2%

(i) See Non-GAAP measures section of this news release.

Box office continuity	First Quarter	
	Box Office	Theatre Attendance
2020 as reported	\$ 111,002	10,710
Same theatre attendance change	(105,842)	(10,194)
Impact of same theatre BPP change	(492)	—
Disposed and closed theatres (i)	(850)	(101)
2021 as reported	\$ 3,818	415

(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.

First Quarter 2021 Top Cineplex Films			First Quarter 2020 Top Cineplex Films		
	3D	% Box		3D	% Box
1		19.3 %	1		9.7 %
2		16.1 %	2	✓	9.2 %
3		15.5 %	3	✓	9.1 %
4		5.1 %	4		8.7 %
5		4.2 %	5		6.4 %

Box office revenues decreased \$107.2 million, or 96.6%, to \$3.8 million during the first quarter of 2021, compared to \$111.0 million reported in the same period in 2020. The decrease was due to the 96.1% decrease in theatre attendance to 0.4 million as a result of continued mandatory lockdown measures, capacity and operating restrictions in venues that remained open and limited first run film product availability. As a result of the emergence of more transmissible variants of COVID-19, there has been the onset of a third wave of the pandemic across a majority of provinces resulting in expanded government mandated lockdown measures which continue to negatively impact Cineplex's box office revenues.

BPP for the three months ended March 31, 2021 was \$9.20, a \$1.16 decrease (11.2%) from the prior year period. The decrease in BPP was primarily due to a lower percentage of box office revenue from premium priced offerings, lower ticket pricing on previously released content, SCENE promotions and limited new film releases.

Food service revenues

The following table highlights the movement in food service revenues, theatre attendance and CPP for the quarter (in thousands of dollars, except theatre attendance and same theatre attendance reported in thousands of patrons and per patron amounts):

Food service revenues	First Quarter		
	2021	2020	Change
Food service - theatres	\$ 2,539	\$ 72,681	-96.5%
Food delivery - theatres	3,778	—	NM
Food service - LBE	171	6,684	-97.4%
Food delivery - LBE	37	—	NM
Total food service revenues	\$ 6,525	\$ 79,365	-91.8%
Theatre attendance (i)	415	10,710	-96.1%
CPP (i) (ii)	\$ 6.12	\$ 6.79	-9.9%
Same theatre food service revenues (i)	\$ 2,538	\$ 72,242	-96.5%
Same theatre attendance (i)	415	10,609	-96.1%

(i) See Non-GAAP measures section of this news release.
(ii) Food service revenue from LBE and delivery is not included in the CPP calculation.

Theatre food service revenue continuity	First Quarter	
	Theatre Food Service	Theatre Attendance
2020 as reported	\$ 72,681	10,710
Same theatre attendance change	(69,415)	(10,194)
Impact of same theatre CPP change	(289)	—
Disposed and closed theatres (i)	(439)	(101)
2021 as reported	\$ 2,538	415

(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.

Food service revenues are comprised primarily of concession revenues, which includes food service sales at theatre locations and through delivery services including Uber Eats and Skip the Dishes. Food service revenues also include food and beverage sales at LBE venues, *The Rec Room* and *Playdium*.

Food services revenues have continued to be materially impacted by the COVID-19 government mandated closures and capacity restrictions of theatres and LBE venues. For a majority of the current period, indoor dining was prohibited in most markets in which *The Rec Room* and *Playdium* operate also contributing to the material decrease in food service revenues. Food service revenues decreased \$72.8 million, or 91.8% to \$6.5 million due to the impact of the 96.1% decrease in theatre attendance, limited concession menu options and operating restrictions on Cineplex's theatre circuit and LBE venues. Food delivery sales continue to provide steady results with total food delivery sales of \$3.8 million during the period.

CPP decreased 9.9% to \$6.12 compared to \$6.79 in the prior year period. The decrease in CPP compared to the prior year period is due to limited concession menu options and operating restrictions on Cineplex's theatre circuit and LBE venues. For example, Cineplex re-opened theatres in the Quebec region but was unable to offer concessions at a majority of re-opened locations due to government restrictions on concessions, contributing to the decrease in CPP when compared to the prior year period.

Media revenues

The following table highlights the movement in media revenues for the quarter (in thousands of dollars):

Media revenues	First Quarter		
	2021	2020	Change
Cinema media	\$ 1,899	\$ 17,262	-89.0%
Digital place-based media	7,175	14,895	-51.8%
Total media revenues from continuing operations	\$ 9,074	\$ 32,157	-71.8%
Media revenues from discontinued operations	—	382	-100.0%
Total media revenues	\$ 9,074	\$ 32,539	-72.1%

Total media revenues from continuing operations decreased \$23.1 million or 71.8% compared to the prior year period to \$9.1 million. During the period, media revenues were primarily driven by digital place-based media revenues specifically from network management, creative services and media hardware sales. The decrease in media revenues compared to the prior year period is due to a \$15.4 million decrease in cinema media revenues with the decline in show-time and pre-show advertising revenues due to prolonged theatre closures, and \$7.7 million decrease in digital place-based media revenues, due to continued mandatory lockdown measures which resulted in mall and retail closures, leading to a decline in installation and media advertising revenue.

Amusement Revenues

The following table highlights the movement in amusement revenues for the quarter (in thousands of dollars):

Amusement revenues	First Quarter		
	2021	2020	Change
Amusement - PIAG excluding Cineplex exhibition and LBE (i)	\$ 12,559	\$ 34,961	-64.1%
Amusement - Cineplex exhibition (i)	72	2,196	-96.7%
Amusement - LBE	1,243	10,180	-87.8%
Total amusement revenues	\$ 13,874	\$ 47,337	-70.7%

(i) Cineplex receives a venue revenue share on games revenues earned at in-theatre game rooms and XSCAPE Entertainment Centres. Amusement - Cineplex exhibition reports the total of this venue revenue share which is consistent with the historical presentation of Cineplex's amusement revenues. Amusement - PIAG excluding Cineplex exhibition and LBE reflects PIAG's gross amusement revenues, net of the venue revenue share paid to Cineplex reflected in Amusement - Cineplex exhibition above.

Amusement revenues decreased 70.7%, or \$33.5 million, to \$13.9 million in the first quarter of 2021 compared to the prior year period. The decrease was primarily due to continued government mandated closures of PIAG route locations, Cineplex theatres and LBE venues, and mandated capacity restrictions in locations that were able to open.

Other revenues

The following table highlights the other revenues which includes revenues from the Cineplex Store, promotional activities, screenings, private parties, corporate events, breakage on gift card sales and revenues from management fees for the quarter (in thousands of dollars):

Other revenues	First Quarter		
	2021	2020	Change
Other revenues from continuing operations	\$ 8,121	\$ 12,940	-37.2%
Other revenues from discontinued operations	—	199	NM
Total other revenues	\$ 8,121	\$ 13,139	-38.2%

Other revenues from continuing operations decreased \$4.8 million or 37.2% in the first quarter of 2021 compared to the prior year period due primarily due to the suspension of the recognition of deferred revenues on gift cards and other related products during the shutdown of theatre and LBE venues. In addition, the mandatory closures of theatres and LBE venues reduced other ancillary revenues generated from theatres such as venue rentals.

Film cost

The following table highlights the movement in film cost and the film cost percentage for the quarter (in thousands of dollars, except film cost percentage):

Film cost	First Quarter		
	2021	2020	Change
Film cost	\$ 1,235	\$ 56,500	-97.8%
Film cost percentage (i)	32.3%	50.9%	-18.6%

(i) See Non-GAAP measures section of this news release.

Film cost varies primarily with box office revenues, and can vary from quarter to quarter based on the relative strength of the titles exhibited during the period, impacted by film cost terms varying by title and distributor. Film cost percentage during the first quarter of 2021 was 32.3%, a 18.6% decrease from the prior year period. Film costs decreased during the period compared to the prior year period due to limited releases of first run product and lower settlement rates on older and classic film product.

Cost of food service

The following table highlights the movement in cost of food service and food service cost as a percentage of food service revenues (“concession cost percentage”) for both theatres and LBE for the quarter (in thousands of dollars, except percentages and margins per patron):

Cost of food service	First Quarter		
	2021	2020	Change
Cost of food service - theatre	\$ 1,333	\$ 20,201	-93.4%
Cost of food service - LBE	79	2,008	-96.1%
Total cost of food service	\$ 1,412	\$ 22,209	-93.6%
Theatre concession cost percentage (i)	21.1%	27.8%	-6.7%
LBE food cost percentage (i)	38.1%	30.0%	8.1%
Theatre concession margin per patron (i)	\$ 4.83	\$ 4.90	-1.4%

(i) See Non-GAAP measures section of this news release.

Cost of food service at the theatres varies primarily with theatre attendance as well as the quantity and mix of offerings sold. Cost of food service at LBE varies primarily with the volume of guests who visit the locations as well as the quantity and mix of food and beverage items sold.

The lower food service revenues for both segments as a result of the government mandated temporary closures and operating restrictions placed on Cineplex’s theatres and LBE locations in response to COVID-19 resulted in lower cost of food sales. The decrease in theatre concession cost percentage compared to the prior year is due to the higher costs arising on the sudden closure of the theatres in 2020 which required the reduction of inventory and included, donations of perishable food items to those in need, including to local food banks. The increase in LBE food cost percentage as compared to the prior period is primarily due to higher costs arising from prepackaged products associated with food delivery services and decreases in groups and events bookings which have historically reduced the average cost of food purchases.

Depreciation and amortization

The following table highlights the movement in depreciation and amortization expenses during the quarter (in thousands of dollars):

Depreciation and amortization expenses	First Quarter		
	2021	2020	Change
Depreciation of property, equipment and leaseholds	\$ 26,783	\$ 30,689	-12.7%
Amortization of intangible assets and other	2,726	3,273	-16.7%
Sub-total - depreciation and amortization - other assets	\$ 29,509	\$ 33,962	-13.1%
Depreciation - right-of-use assets	26,318	35,533	-25.9%
Total depreciation and amortization	\$ 55,827	\$ 69,495	-19.7%

The quarterly decrease in depreciation of property, equipment and leaseholds of \$3.9 million or 12.7% as compared to the prior year period is primarily due to fully depreciated property, equipment and leaseholds.

The quarterly decrease in amortization of intangible assets compared to the prior period is due to fully amortized intangible assets.

The decrease in depreciation of right-of-use assets is primarily due to modifications to lease agreements as a result of COVID-19 which reduced the corresponding right-of-use asset and depreciation recognized.

Impairment of long-lived assets, goodwill and investments

The following table highlights the movement in impairment of long-lived assets and goodwill during the quarter (in thousands of dollars):

Impairment of long-lived assets and goodwill	First Quarter		
	2021	2020	Change
Impairment of property, equipment and leaseholds	\$ —	\$ 33,949	NM
Impairment of right-of-use assets	—	50,610	NM
Impairment of goodwill	—	88,495	NM
Impairment of long-lived assets and goodwill	\$ —	\$ 173,054	NM

Cineplex generally performs its annual test for impairment of goodwill and indefinite-lived intangible assets in the fourth quarter, in accordance with the policy described in its annual consolidated financial statements. Assessment of impairment for long-lived assets, including property, equipment, leaseholds, right-of-use assets, intangible assets and goodwill is performed more frequently as specific events or circumstances dictate triggering events and changes in circumstances indicate that the carrying amount of the asset group may not be fully recoverable.

On March 31, 2021, Cineplex reassessed the underlying key assumptions and inputs used during the impairment testing completed at December 31, 2020 and determined that there were no material changes in those key judgements and conclusions.

In early 2020, in response to the outbreak of the COVID-19 pandemic as declared by the WHO, governmental authorities announced mandated closure of schools, public facilities and non-essential businesses. Consequently, effective March 16, 2020 and continuing throughout the remainder of the year, Cineplex had to either temporarily close its theatres and location-based entertainment venues or operate with strict capacity restrictions across Canada, resulting in material decreases in revenues, results of operations and cash flows and a material decrease in Cineplex's market value due to a sharp decline in its share price. These represented triggering events at each balance sheet date in 2020. As a result of the triggering events, Cineplex performed impairment testing and recognized non-cash impairment charges in each of the three months ended March 31, September 30, and December 31, 2020 as follows:

Impairment of long-lived assets, goodwill and investments	2020			
	Q1	Q3	Q4	Total
Impairment of property, equipment and leaseholds	\$ 33,949	\$ —	\$ 5,243	\$ 39,192
Impairment of right-of-use assets	50,610	—	21,236	71,846
Impairment of goodwill	88,495	65,634	26,906	181,035
Impairment of investments	—	—	2,790	2,790
Impairment of long-lived assets, goodwill and investments	\$ 173,054	\$ 65,634	\$ 56,175	\$ 294,863

In assessing long-lived assets and goodwill for impairment, Cineplex compared the aggregate recoverable amount of the assets included in the relevant Cash Generating Units ("CGUs") to their respective carrying amounts. The recoverable amount was determined based on the fair value less costs of disposal of the groups CGUs.

The determination of fair value less costs of disposal is sensitive to the growth rates, discount rates, and long-term growth rates used. The risk premiums expected by market participants related to uncertainties about the industry and assumptions relating to future cash flows may differ, depending on economic conditions and other events. Accordingly, it is reasonably possible that future changes in assumptions may negatively impact future assessments of the recoverable amount for groups of CGUs.

If the return to business continues to be delayed as a result of actions outside of the control of management, including but not limited to additional changes to the film slate release schedule, ongoing government restrictions impacting the re-opening of entertainment venues and delays in the vaccine roll out, management's estimates of operating results and further cash flows for the forecasted period may be negatively impacted. As a result, cash flows may be insufficient to support the recoverability of goodwill and long-lived assets in certain CGUs, thus requiring further impairment charges. Cineplex will continue to evaluate the recoverability of goodwill at the CGU level on an annual basis during its fourth quarter and whenever events or changes in circumstances indicate there may be a potential impairment.

Impairment of intangible assets - discontinued operations

The following table highlights the movement in impairment of intangible assets - discontinued operations during the quarter (in thousands of dollars):

Impairment of intangible assets - discontinued operations	First Quarter		
	2021	2020	Change
Impairment of intangible assets - discontinued operations	\$ —	\$ 5,135	NM

Intangible assets included in assets held for sale were written down to reflect their expected net realizable value in the prior period. On June 29, 2020, Cineplex sold all of its interest in WGN for a nominal amount. No other operations were classified as a discontinued operation in the current period.

(Gain) loss on disposal of assets

The following table shows the movement in the loss on disposal of assets during the quarter (in thousands of dollars):

(Gain) loss on disposal of assets	First Quarter		
	2021	2020	Change
(Gain) loss on disposal of assets	\$ (30,060)	\$ 817	NM

The change in the (gain) loss on disposal of assets as compared to the prior year period is due to the sale of the head office building for gross proceeds of \$57.0 million completed during the quarter. Cineplex will continue to occupy its head office buildings as a tenant.

Other costs

Other costs include three main sub-categories of expenses; theatre occupancy expenses, which capture associated occupancy costs for Cineplex's theatre operations; other operating expenses, which include the costs related to running Cineplex's film entertainment and content, media, as well as amusement and leisure; and general and administrative expenses, which include costs related to managing Cineplex's operations, including head office expenses. Please see the discussions below for more details on these categories.

The following table highlights the movement in other costs for the quarter (in thousands of dollars):

Other costs	First Quarter		
	2021	2020	Change
Theatre occupancy expenses	\$ 6,782	\$ 17,971	-62.3%
Other operating expenses	47,806	134,548	-64.5%
General and administrative expenses	14,117	5,029	NM
Total other costs from continuing operations	\$ 68,705	\$ 157,548	-56.4%
Other costs from discontinued operations	—	1,606	-100.0%
Total other costs	\$ 68,705	\$ 159,154	-56.8%

Theatre occupancy expenses

The following table highlights the movement in theatre occupancy expenses for the quarter (in thousands of dollars):

Theatre occupancy expenses	First Quarter		
	2021	2020	Change
Cash rent - theatre (i) (iv)	\$ 22,222	\$ 40,356	-44.9%
Other occupancy	14,307	18,437	-22.4%
One-time items (ii)	(982)	(580)	69.3%
Total theatre occupancy including cash lease payments	\$ 35,547	\$ 58,213	-38.9%
Cash rent related to lease obligations (iii)	(28,765)	(40,242)	-28.5%
Theatre occupancy as reported	\$ 6,782	\$ 17,971	-62.3%

(i) Represents the cash payments for theatre rent paid or payable during the quarter.
(ii) One-time items include amounts related to both theatre rent and other theatre occupancy costs. They are isolated here to illustrate Cineplex's theatre rent and other theatre occupancy costs excluding these one-time, non-recurring items.
(iii) Cash rent that has been reallocated to offset the lease obligations.
(iv) The 2021 balance includes \$1.1 million (2020 - \$1.1 million) of cash rent paid not pertaining to the current period. See Non-GAAP measures section of this news release.

Theatre occupancy continuity	First Quarter Occupancy
2020 as reported	\$ 17,971
Impact of disposed theatres	(517)
Same theatre rent change (i)	(11,322)
One-time items	(403)
Other	(10,424)
Impact of IFRS 16 adoption:	
Cash rent related to lease obligations	11,477
2021 as reported	\$ 6,782

(i) See Non-GAAP measures section of this news release.

Theatre occupancy expenses as reported decreased \$11.2 million or 62.3% during the first quarter of 2021 compared to the prior year period. This decrease was primarily due to rent relief measures Cineplex has undertaken with landlord partners resulting in lower theatre rent related expenses. In addition, Cineplex recognized realty tax subsidies of \$4.4 million and rent subsidies of \$6.5 million during the quarter, both charged against and further contributing to the decrease in theatre occupancy expenses.

Other operating expenses

The following table highlights the movement in other operating expenses during the quarter (in thousands of dollars):

Other operating expenses	First Quarter		
	2021	2020	Change
Theatre payroll	\$ 3,635	\$ 31,430	-88.4%
Theatre operating expenses	9,353	26,489	-64.7%
Media	8,284	18,911	-56.2%
PIAG	15,570	34,422	-54.8%
LBE (i)	3,818	13,076	-70.8%
LBE pre-opening (ii)	228	745	-69.4%
SCENE	4,744	2,573	84.4%
Marketing	1,117	2,921	-61.8%
Other (iii)	5,520	8,735	-36.8%
Other operating expenses including cash lease payments	\$ 52,269	\$ 139,302	-62.5%
Cash rent related to lease obligations (iv)	(4,463)	(4,754)	-6.1%
Other operating expenses from continuing operations	\$ 47,806	\$ 134,548	-64.5%
Other operating expenses from discontinued operations	—	1,606	-100.0%
Total other operating expenses	\$ 47,806	\$ 136,154	-64.9%

(i) Includes operating costs of LBE locations. Overhead relating to management of LBE portfolio are included in the 'Other' line.
(ii) Includes pre-opening costs of LBE.
(iii) Other category includes overhead costs related to LBE and other Cineplex internal departments.
(iv) Cash rent that has been reallocated to offset the lease obligations.

Other operating continuity from continuing operations	First Quarter Other Operating
2020 as reported	\$ 134,548
Impact of disposed theatres	(537)
Same theatre payroll change (i)	(27,521)
Same theatre operating expenses change (i)	(16,873)
Media operating expenses change	(10,627)
P1AG operating expenses change	(18,852)
LBE operating expenses change	(9,258)
LBE pre-opening change	(517)
SCENE change	2,171
Marketing change	(1,804)
Other	(3,215)
<u>Impact of IFRS 16 adoption:</u>	
Cash rent related to lease obligations	\$ 291
2021 as reported	\$ 47,806
(i) See Non-GAAP measures section of this news release.	

Other operating expenses from continuing operations during the first quarter of 2021 decreased \$86.7 million or 64.5% compared to the prior year period. The overall decrease was a result of the temporary closures and operating restrictions on theatres, P1AG route locations and LBE locations. Cineplex continued to benefit from government subsidy programs in Canada and the United States to partially offset other operating costs with \$14.4 million of subsidies recognized in the quarter, comprised of \$11.9 million of payroll subsidies of which \$6.1 million was offset against theatre payroll, and \$2.5 million of non-theatre rent, realty tax and utility subsidies.

General and administrative expenses

The following table highlights the movement in general and administrative (“G&A”) expenses during the quarter, including Share-based compensation costs, and G&A expenses net of these costs (in thousands of dollars):

G&A expenses	First Quarter		
	2021	2020	Change
G&A excluding the following items	\$ 10,618	\$ 17,254	-31.8%
Restructuring	—	360	-100.0%
Transaction / Litigation costs	2,430	1,271	91.2%
LTIP (i)	1,304	(11,437)	NM
Option plan	399	(2,241)	NM
G&A expenses including cash lease payments	\$ 14,751	\$ 5,207	183.3%
Cash rent paid/payable included as part of lease obligations (ii)	(634)	(178)	NM
G&A expenses as reported	\$ 14,117	\$ 5,029	180.7%
(i) LTIP includes the expenses for RSUs and PSUs, as well as the expense for the executive and Board deferred share unit plans.			
(ii) Cash rent that has been reallocated to offset the lease obligations.			

G&A expenses increased \$9.1 million during the first quarter of 2021 compared to the prior year period. The change was primarily due to a significant decrease in LTIP expense in the prior year period due to the sharp decline in Cineplex’s Share price as a result of the impact of the COVID-19 pandemic on Cineplex’s business. Share based compensation reflects the fair value of the share price, which fell from \$33.90 at the beginning of the prior year period to \$11.70 per Share at March 31, 2020. Employee benefit costs were reduced by \$2.9 million under the CEWS program. Cineworld litigation-related costs of \$2.4 million were incurred in the first quarter of 2021 (2020 - costs of \$1.3 million were incurred with respect to the Cineworld Transaction, prior to its termination). Costs incurred in the current quarter are with respect to the ongoing litigation arising from the termination.

EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION (“EBITDA”) (see Non-GAAP measures section of this news release)

The following table presents EBITDA, adjusted EBITDA and adjusted EBITDAaL for the three months ended March 31, 2021 as compared to the prior year period (expressed in thousands of dollars, except adjusted EBITDAaL margin):

EBITDA	First Quarter		
	2021	2020	Change
EBITDA	\$ (2,524)	\$ (126,135)	-98.0
Adjusted EBITDA	\$ (30,105)	\$ 46,472	NM
Adjusted EBITDAaL	\$ (62,090)	\$ 2,390	NM
Adjusted EBITDAaL margin	-149.9%	0.8%	-150.7%

Adjusted EBITDAaL for the first quarter of 2021 decreased \$64.5 million, as compared to the prior year period. The decrease was primarily due to the material negative effect that the COVID-19 pandemic had on all aspects of Cineplex’s businesses. The third wave of COVID-19 due to increased number of cases involving more transmissible variants has led to prolonged mandatory lockdown measures and operating restrictions, resulting in the closure of Cineplex’s theatres and LBE venues for the majority of the first quarter of 2021. In computing adjusted EBITDAaL, cash rents paid or payable have been partially offset by the quantified lease-related savings negotiated with landlords as a result of the COVID-19 closures. This includes agreements with landlords that are evidenced by way of written confirmation of the terms agreed upon up to the date of this MD&A, and are in the process of being formally documented. Adjusted EBITDAaL margin is calculated as adjusted EBITDAaL divided by total revenues.

ADJUSTED FREE CASH FLOW (see Non-GAAP measures section of this news release)

For the first quarter of 2021, adjusted free cash flow per common share of Cineplex was \$(1.24) as compared to \$0.00 in the prior year period. The declared dividends per common share of Cineplex were nil in the first quarter of 2021 and \$0.15 in the prior year period. During the 12 months ended March 31, 2021, Cineplex generated adjusted free cash flow per Share of \$(3.80), compared to \$2.18 in the prior 12 month period. Cineplex declared dividends per Share of \$0.00 and \$1.50, respectively, in each 12 month period. The payout ratios for these periods were 0.0% and 68.7%, respectively.

NON-GAAP FINANCIAL MEASURES

EBITDA and Adjusted Free Cash Flow

EBITDA and adjusted free cash flow are not measures recognized by GAAP and do not have standardized meanings in accordance with such principles. Therefore, EBITDA and adjusted free cash flow may not be comparable to similar measures presented by other issuers.

EBITDA is calculated by adding back to net income or net loss, income tax expense, depreciation and amortization expense, and interest income from continuing operations. Adjusted EBITDA excludes the change in fair value of financial instrument, (gain) loss on disposal of assets, foreign exchange, impairment of long-lived assets, goodwill and investments, the equity loss (income) of CDCP, the non-controlling interests’ share of adjusted EBITDA of TG-CPX Limited Partnership, and depreciation, amortization, interest and taxes of Cineplex’s other joint ventures and associates. Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent paid or payable related to lease obligations net of quantified savings negotiated with landlords as a result of the COVID-19 closures, including savings negotiated after the period end. This includes agreements with landlords that are evidenced by way of written confirmation of the terms agreed upon to the date of approval of the financial statements and MD&A, and are in the process of being formally documented.

Cineplex’s management believes that adjusted EBITDAaL is an important supplemental measure of Cineplex’s profitability at an operational level and provides analysts and investors with comparability in evaluating and valuing Cineplex’s performance period over period. EBITDA, adjusted for various unusual items, is also used to define certain financial covenants in Cineplex’s Credit Facilities. Management calculates adjusted EBITDAaL margin by dividing adjusted EBITDAaL by total revenues.

Adjusted free cash flow is a non-GAAP measure generally used by Canadian corporations, as an indicator of financial performance and it should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. For a detailed reconciliation of net income or net loss to EBITDA, adjusted EBITDA and adjusted EBITDAaL and from cash provided by operating activities to adjusted free cash flow, please refer to Cineplex’s management’s discussion and analysis filed on www.sedar.com.

Earnings per Share Metrics

Cineplex has presented basic and diluted earnings per share net of this item to provide a more comparable earnings per share metric between the current periods and prior year periods. In the non-GAAP measure, earnings is defined as net income or net loss attributable to Cineplex excluding the change in fair value of financial instrument.

Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and theatre food service revenue such as BPP, CPP, BPP excluding premium priced product, and concession margin per patron, as these are key measures used by investors to value and assess Cineplex's performance, and are widely used in the theatre exhibition industry. Management of Cineplex defines these metrics as follows:

Theatre Attendance: Theatre attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.

BPP: Calculated as total box office revenues divided by total paid theatre attendance for the period.

BPP excluding premium priced product: Calculated as total box office revenues for the period, less box office revenues from 3D, 4DX, UltraAVX, VIP ScreenX and IMAX product; divided by total paid theatre attendance for the period, less paid theatre attendance for 3D, 4DX, UltraAVX, VIP, ScreenX and IMAX product.

CPP: Calculated as total theatre food service revenues divided by total paid total theatre attendance for the period.

Premium priced product: Defined as 3D, 4DX, UltraAVX, IMAX, ScreenX and VIP film product.

Theatre concession margin per patron: Calculated as total theatre food service revenues less total theatre food service cost, divided by theatre attendance for the period.

Same Theatre Analysis

Cineplex reviews and reports same theatre metrics relating to box office revenues, theatre food service revenues, theatre rent expense and theatre payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries.

Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of subsequent to the start of the prior year comparative period. For the three months ended March 31, 2021 the impact of the four locations that have been closed or otherwise disposed of have been excluded, resulting in 157 theatres being included in the same theatre metrics.

Cost of sales percentages

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and food service revenues as these measures are widely used in the theatre exhibition industry. These measures are reported as film cost percentage and concession cost percentage, respectively, and are calculated as follows:

Film cost percentage: Calculated as total film cost expense divided by total box office revenues for the period.

Theatre concession cost percentage: Calculated as total theatre food service costs divided by total theatre food service revenues for the period.

LBE food cost percentage: Calculated as total LBE food costs divided by total LBE food service revenues for the period.

Lease-related cash saving

Quantified savings negotiated with landlords as a result of the COVID-19 disclosures. This includes agreements that are evidenced by way of written confirmation of the terms agreed upon to the date of the MD&A, and are in the process of formally documented.

Net cash burn

Calculated as adjusted EBITDAaL less cash interest expense (excluding amounts with respect to lease obligations), provision for income taxes and net capital expenditures.

Net cash burn	Last Twelve Months	2021		2020	
		Q1	Q4	Q3	Q2
Adjusted EBITDAaL	\$ (247,295)	\$ (62,090)	\$ (65,948)	\$ (46,725)	\$ (72,532)
Cash interest expense excluding lease obligations	(45,940)	(13,429)	(13,412)	(11,317)	(7,782)
Provision for incomes taxes	63,292	—	12,355	16,497	34,440
Net capital expenditures	(28,544)	(5,055)	(7,272)	(8,198)	(8,019)
Total net cash burn	\$ (258,487)	\$ (80,574)	\$ (74,277)	\$ (49,743)	\$ (53,893)
Average monthly net cash burn	\$ (21,541)	\$ (26,858)	\$ (24,759)	\$ (16,581)	\$ (17,964)

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex's objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. 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. Forward-looking statements also include, statements pertaining to:

- Cineplex's outlook, goals, expectations and projected results of operations, including factors and assumptions underlying Cineplex's projections regarding the duration and impact of a novel strain of coronavirus ("COVID-19") pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex's response to the pandemic related to the closure of its theatres and location-based entertainment ("LBE") venues, employee reductions and other cost-cutting initiatives and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of guests and employees;*
- Cineplex's expectations with respect to net cash burn, liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; and*
- Cineplex's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic.*

The COVID-19 pandemic has had an unprecedented impact on Cineplex, along with the rest of the movie exhibition industry and other industries in which Cineplex operates, including material decreases in revenues, results of operations and cash flows. The situation continues to evolve and the social and economic effects are widespread. As an entertainment and media company that operates spaces where guests gather in close proximity, Cineplex's business has been significantly impacted by the actions taken to control the spread of COVID-19. These actions include, among other things, the temporary closure of theatres and LBE venues, the introduction of social distancing measures and restrictions including those on capacity. There is limited visibility on when these restrictions will be lifted in many of the markets in which Cineplex operates and how quickly guests will return to Cineplex's locations once its operations resume due to prolonged safety concerns and adverse economic conditions. Cineplex is actively monitoring the situation and is adapting its business strategies as the impact of the COVID-19 pandemic evolves.

By their very nature, forward-looking statements involve inherent risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"), and MD&A for the year ended December 31, 2020 ("Annual MD&A") and in this news release. Those risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex's control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the duration and impact of the COVID-19 pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex's response to the COVID-19 pandemic as it relates to the closure of its theatres and LBE venues, employee reductions and other cost-cutting initiatives, and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of customers and employees; Cineplex's expectations with respect to liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; Cineplex's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic; risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters; the outcome of any litigation surrounding the termination of the Cineworld transaction; and diversion of management time on litigation related to the Cineworld transaction.

The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's MD&A.

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. Additionally, Cineplex undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this news release are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and Annual MD&A, can be found on SEDAR at www.sedar.com.

You are cordially invited to participate in a conference call with the management of Cineplex (TSX: CGX) to review our first quarter. **Ellis Jacob, President and Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call scheduled for:

Cineplex Inc. Q1 2021 Analyst Conference Call Details:

Date: Thursday, May 6, 2021

Time: 10:00 a.m. Eastern Daylight Time

Audio Webcast: Available [here](#) or on the Company's investor website homepage at <http://ir.cineplex.com/>.
The webcast will be available for one year.

Dial-in Option: 647-490-5367 (Toronto) or 1-800-823-1563 (Canada/US Toll-free)
Conference code: 2780293

Analysts who cover the Company, should use the dial-in option to participate in the live question period. All attendees should join the event 5-10 minutes prior to the scheduled start time. When prompted, please provide the confirmation code or event title. Media are welcome to join the call in listen-only mode.

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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. As a leading entertainment and media company, Cineplex welcomes millions of guests annually through its circuit of theatres and location-based entertainment ("LBE") 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 "CDM") and amusement solutions (Player One Amusement Group "P1AG"). Additionally, Cineplex operates an LBE business through Canada's newest destinations for 'Eats & Entertainment' (*The Rec Room*), and entertainment complexes specifically designed for teens and families (*Playdium*). Cineplex is a joint venture partner in SCENE, Canada's largest entertainment loyalty program.

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs approximately 10,000 people in its offices across Canada and the United States. To learn more visit Cineplex.com or download the Cineplex App.

For further information:

Investor Relations contact:

Melissa Pressacco
Senior Manager, Communications and Investor Relations
InvestorRelations@Cineplex.com

Media Relations contact:

Sarah Van Lange
Executive Director, Communications
PressRoom@Cineplex.com

Cineplex Inc.
Interim Condensed Consolidated Balance Sheets
(Unaudited)
(expressed in thousands of Canadian dollars)

	March 31,	December 31,
	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 19,503	\$ 16,254
Trade and other receivables	39,083	51,834
Income taxes receivable	58,725	66,551
Inventories	21,123	21,712
Prepaid expenses and other current assets	10,721	11,613
	<hr/>	<hr/>
	149,155	167,964
Non-current assets		
Property, equipment and leaseholds	521,694	555,340
Right-of-use assets	849,907	881,418
Interests in joint ventures and associates	5,428	8,644
Intangible assets	84,994	84,922
Goodwill	635,475	635,582
	<hr/>	<hr/>
	\$ 2,246,653	\$ 2,333,870
	<hr/>	<hr/>

Cineplex Inc.**Interim Condensed Consolidated Balance Sheets ... continued****(Unaudited)****(expressed in thousands of Canadian dollars)**

	March 31,	December 31,
	2021	2020
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 77,712	\$ 82,992
Share-based compensation	691	482
Income taxes payable	819	802
Deferred revenue	222,113	219,983
Lease obligations	108,649	97,259
Fair value of interest rate swap agreements	8,375	7,202
	<hr/>	<hr/>
	418,359	408,720
Non-current liabilities		
Share-based compensation	3,766	2,670
Long-term debt	739,005	725,271
Fair value of interest rate swap agreements	14,478	19,157
Lease obligations	1,057,761	1,073,666
Post-employment benefit obligations	10,614	11,503
Other liabilities	67,988	68,649
	<hr/>	<hr/>
	1,893,612	1,900,916
	<hr/>	<hr/>
Total liabilities	2,311,971	2,309,636
Shareholders' (deficit) equity		
Share capital	852,422	852,379
Deficit	(993,082)	(903,394)
Hedging reserves and other	(131)	(131)
Contributed surplus	76,403	75,882
Cumulative translation adjustment	(930)	(502)
	<hr/>	<hr/>
Total shareholders' (deficit) equity	(65,318)	24,234
	<hr/>	<hr/>
	\$ 2,246,653	\$ 2,333,870

Cineplex Inc.**Interim Condensed Consolidated Statements of Operations****(Unaudited)****(expressed in thousands of Canadian dollars, except per share amounts)**

	Three months ended March 31,	
	2021	2020
Revenues		
Box office	\$ 3,818	\$ 111,002
Food service	6,525	79,365
Media	9,074	32,157
Amusement	13,874	47,337
Other	8,121	12,940
	<u>41,412</u>	<u>282,801</u>
Expenses		
Film cost	1,235	56,500
Cost of food service	1,412	22,209
Depreciation - right-of-use assets	26,318	35,533
Depreciation and amortization - other assets	29,509	33,962
(Gain) loss on disposal of assets	(30,060)	817
Other costs	68,705	157,548
Share of loss of joint ventures and associates	2,414	735
Interest expense - lease obligations	14,359	11,678
Interest expense - other	13,665	16,886
Interest income	(26)	(72)
Foreign exchange	230	(1,927)
Impairment of long-lived assets and goodwill	—	173,054
	<u>127,761</u>	<u>506,923</u>
Loss from continuing operations before income taxes	<u>(86,349)</u>	<u>(224,122)</u>
Provision for income taxes		
Current	3,339	(233)
Deferred	—	(49,734)
	<u>3,339</u>	<u>(49,967)</u>
Net loss from continuing operations	<u>\$ (89,688)</u>	<u>\$ (174,155)</u>
Net loss from discontinued operations, net of taxes	<u>—</u>	<u>(4,259)</u>
Net loss	<u>\$ (89,688)</u>	<u>\$ (178,414)</u>
Net loss from continuing operations attributable to:		
Owners of Cineplex	\$ (89,688)	\$ (174,154)
Non-controlling interests	—	(1)
Net loss from continuing operations	<u>\$ (89,688)</u>	<u>\$ (174,155)</u>
Net loss attributable to:		
Owners of Cineplex	\$ (89,688)	\$ (178,413)
Non-controlling interests	—	(1)
Net loss	<u>\$ (89,688)</u>	<u>\$ (178,414)</u>
Net loss per share attributable to owners of Cineplex - basic and diluted:		
Continuing operations	\$ (1.42)	\$ (2.75)
Discontinued operations	—	(0.07)
Total operations	<u>\$ (1.42)</u>	<u>\$ (2.82)</u>

Cineplex Inc.**Interim Condensed Consolidated Statements of Comprehensive Loss****(Unaudited)****(expressed in thousands of Canadian dollars)**

	Three months ended March 31,	
	2021	2020
Net loss from continuing operations	\$ (89,688)	\$ (174,155)
Other comprehensive (loss) income from continuing operations		
<i>Items that will be reclassified subsequently to net income:</i>		
Foreign currency translation adjustment	(428)	5,644
Other comprehensive (loss) income	(428)	5,644
Comprehensive loss from continuing operations	(90,116)	(168,511)
Net loss from discontinued operations, net of taxes	—	(4,259)
Foreign currency translation adjustment from discontinued operations	—	(538)
Comprehensive loss	\$ (90,116)	\$ (173,308)
Comprehensive loss from continuing operations attributable to:		
Owners of Cineplex	\$ (90,116)	\$ (168,510)
Non-controlling interests	—	(1)
	\$ (90,116)	\$ (168,511)
Comprehensive loss attributable to:		
Owners of Cineplex	\$ (90,116)	\$ (173,307)
Non-controlling interests	—	(1)
	\$ (90,116)	\$ (173,308)

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited)

(expressed in thousands of Canadian dollars)

For the periods ended March 31, 2021 and 2020

	Share capital	Contributed surplus	Hedging reserves and other	Cumulative translation adjustment	Deficit	Non-controlling interests	Total
January 1, 2021	\$ 852,379	\$ 75,882	\$ (131)	\$ (502)	\$ (903,394)	\$ —	\$ 24,234
Net loss	—	—	—	—	(89,688)	—	(89,688)
Other comprehensive loss	—	—	—	(428)	—	—	(428)
Total comprehensive loss	—	—	—	(428)	(89,688)	—	(90,116)
Share option expense	—	399	—	—	—	—	399
PSU/RSU expense	—	225	—	—	—	—	225
Settlement for cancelled options	—	(60)	—	—	—	—	(60)
Issuance of shares on exercise of options	43	(43)	—	—	—	—	—
March 31, 2021	\$ 852,422	\$ 76,403	\$ (131)	\$ (930)	\$ (993,082)	\$ —	\$ (65,318)
January 1, 2020	\$ 852,379	\$ 4,052	\$ (131)	\$ (887)	\$ (264,310)	\$ (109)	\$ 590,994
Net loss	—	—	—	—	(178,413)	(1)	(178,414)
Other comprehensive income	—	—	—	5,106	—	—	5,106
Total comprehensive loss	—	—	—	5,106	(178,413)	(1)	(173,308)
Dividends declared	—	—	—	—	(9,500)	—	(9,500)
Conversion to equity-settled option plan	—	3,944	—	—	—	—	3,944
March 31, 2020	\$ 852,379	\$ 7,996	\$ (131)	\$ 4,219	\$ (452,223)	\$ (110)	\$ 412,130

Cineplex Inc.**Interim Condensed Consolidated Statements of Cash Flows****(Unaudited)****(expressed in thousands of Canadian dollars)**

	Three months ended March 31,	
	2021	2020
Cash provided by (used in)		
Operating activities		
Net loss from continuing operations	\$ (89,688)	\$ (174,155)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	29,509	33,962
Depreciation of right-of-use assets	26,318	35,533
Unrealized foreign exchange	211	(1,429)
Interest rate swap agreements - non-cash interest	(3,528)	9,386
Accretion of Debentures and Notes Payable	3,738	—
Other non-cash interest	447	349
(Gain) loss on disposal of assets	(30,060)	817
Deferred income taxes	—	(49,734)
Non-cash share-based compensation	624	3,944
Impairment of long-lived assets, goodwill and investments	—	173,054
Net change in interests in joint ventures and associates	3,216	1,891
Changes in operating assets and liabilities	23,581	(10,428)
Net cash (used in) provided by operating activities	(35,632)	23,190
Investing activities		
Proceeds from disposal of assets, net	56,664	—
Purchases of property, equipment and leaseholds	(8,715)	(37,503)
Intangible assets additions	(3,086)	(3,721)
Tenant inducements	3,660	11,877
Net cash received from CDCP	—	3,128
Net cash provided by (used in) investing activities	48,523	(26,219)
Financing activities		
Dividends paid	—	(19,000)
(Repayments) borrowings under credit facilities, net	(234,000)	40,000
Repayments of lease obligations - principal	(19,457)	(33,819)
Issuance of notes payable, net	243,996	—
Financing fees	(321)	—
Net cash used in financing activities	(9,782)	(12,819)
Effect of exchange rate differences on cash	140	(950)
Increase (decrease) in cash and cash equivalents from continuing operations	3,249	(16,798)
Cash flows used in discontinued operations	—	(2,138)
Cash and cash equivalents - Beginning of period	16,254	26,080
Cash and cash equivalents - End of period	\$ 19,503	\$ 7,144
Supplemental information		
Cash paid for interest - lease obligation	\$ 12,605	\$ 11,355
Cash paid for interest - other	\$ 15,594	\$ 5,479
Cash (received) paid for income taxes, net	\$ (4,487)	\$ 1,482

Cineplex Inc.
Interim Condensed Consolidated Supplemental Information
(Unaudited)
(expressed in thousands of Canadian dollars)

Reconciliation to Adjusted EBITDAaL

	Three months ended March 31,	
	2021	2020
Net loss from continuing operations	\$ (89,688)	\$ (174,155)
Depreciation and amortization - other	29,509	33,962
Depreciation - right-of-use assets	26,318	35,533
Interest expense - lease obligations	14,359	11,678
Interest expense - other	13,665	16,886
Interest income	(26)	(72)
Current income tax recovery	3,339	(233)
Deferred income tax recovery	—	(49,734)
EBITDA from continuing operations	\$ (2,524)	\$ (126,135)
(Gain) loss on disposal of assets	(30,060)	817
CDCP equity loss (i)	2,238	590
Foreign exchange loss (gain)	230	(1,927)
Impairment of long-lived assets and goodwill	—	173,054
Non-controlling interest adjusted EBITDA	—	1
Depreciation and amortization - joint ventures and associates (ii)	—	24
Taxes and interest of joint ventures and associates (ii)	11	48
Adjusted EBITDA from continuing operations	\$ (30,105)	\$ 46,472
Cash rent paid/payable related to lease obligations (iii)	(33,861)	(45,174)
Negotiated lease-related cash savings for the period (iii) (iv)	751	—
Cash rent paid not pertaining to current period	1,125	1,092
Adjusted EBITDAaL (iv)	\$ (62,090)	\$ 2,390

(i) CDCP equity loss not included in adjusted EBITDA as CDCP is a limited-life financing vehicle that is funded by virtual print fees collected from distributors.

(ii) Includes the joint ventures with the exception of CDCP (see (i) above).

(iii) The cash rent paid or payable includes negotiated lease obligations savings of \$0.8 million through March 31, 2021.

(iv) See Non-GAAP measures section of this news release.

Cineplex Inc.**Interim Condensed Consolidated Supplemental Information****(Unaudited)****(expressed in thousands of Canadian dollars, except number of shares and per share data)****Adjusted Free Cash Flow**

	Three months ended March 31,	
	2021	2020
Cash (used in) provided by operating activities	\$ (35,632)	\$ 23,190
Less: Total capital expenditures net of proceeds on sale of assets	(8,715)	(37,503)
Standardized free cash flow	(44,347)	(14,313)
Add/(Less):		
Changes in operating assets and liabilities (i)	(23,581)	10,428
Changes in operating assets and liabilities of joint ventures and associates (i)	(802)	(1,156)
Principal component of lease obligations	(19,457)	(33,819)
Principal portion of cash rent paid not pertaining to current period	1,106	1,071
Growth capital expenditures and other (ii)	8,461	34,526
Share of income of joint ventures and associates, net of non-cash depreciation	(165)	(73)
Non-controlling interest	—	1
Net cash received from CDCP (iii)	—	3,128
Adjusted free cash flow	\$ (78,785)	\$ (207)
Average number of Shares outstanding	63,334,317	63,333,238
Adjusted free cash flow per Share	\$ (1.244)	\$ (0.003)
Dividends declared	\$ —	\$ 0.150

(i) Changes in operating assets and liabilities are not considered a source or use of adjusted free cash flow.

(ii) Growth capital expenditures and other represent expenditures on Board approved projects, exclude maintenance capital expenditures, and are net of proceeds on asset sales. Cineplex's revolving facility is available to Cineplex to fund Board approved projects.

(iii) Excludes the share of loss of CDCP, as CDCP is a limited-life financing vehicle funded by virtual print fees collected from distributors.

Cash invested into CDCP, as well as cash distributions received from CDCP, are considered to be uses and sources of adjusted free cash flow.