



FOR IMMEDIATE RELEASE

Cineplex Inc. Reports Third Quarter Results Company Obtains Extended Covenant Relief Under Credit Facilities

TORONTO, Canada, November 13, 2020 (TSX: CGX) - Cineplex Inc. (“Cineplex” or the “Company”) today released its financial results for the three and nine months ended September 30, 2020. The Company’s third quarter financial results were impacted by the COVID-19 pandemic, as the Company temporarily closed all of its theatres and location-based entertainment (“LBE”) venues effective March 16, 2020, only beginning to reopen in select markets during the last few weeks of June. Unless otherwise specified, all amounts are in Canadian dollars.

“Cineplex is a resilient organization and we remain confident in our financial position and business recovery plans, despite the tough industry and economic conditions.” said Ellis Jacob, President and CEO, Cineplex.

“Building on our response to the pandemic, we continued to focus on adapting our operations, significantly reducing expenses, and strengthening Cineplex’s financial position. In addition to this focus, since Q2, we have raised \$303 million (net of fees) in additional financing, obtained extended relief under our credit facilities, reduced net cash outflows with respect to leases by approximately \$58 million, received approximately \$22.5 million in wage subsidies, and are generating a substantial tax asset which we will realize upon in 2021.”

“In the third quarter, we reopened all of our theatres and with the first major film in five months, Tenet, we welcomed over 1.6 million guests to our theatres. This signals to us, as well as our studio partners, that Canadians have missed the magic of the big screen and are confident in the rigorous health and safety protocols we have put in place in our venues. Keeping our guests and staff safe is our top priority and we are proud that no major outbreaks or transmission of COVID-19 can be attributed to movie theatres.”

“We are always reviewing and refining our operating plans across the entire business and will take the necessary steps that ensure Cineplex remains on solid financial ground and is well positioned for a strong and healthy future,” Mr. Jacob concluded.

Impact of the COVID-19 Pandemic

On March 16, 2020, Cineplex announced the temporary closure of all of its theatres and LBE venues across Canada, as well as substantially all route locations operated by P1AG. On April 1, 2020, in response to applicable government directives and guidance from Canadian public health authorities, Cineplex announced the continued closure of its theatres and LBE venues across Canada.

Cineplex was able to reopen a limited number of venues in late June, and as government restrictions across the country were eased, additional locations were opened. On August 21, 2020, Cineplex became one of the first of all the major film exhibitors in the world to reopen its entire circuit of theatres with all 164 Cineplex theatres and 1,687 screens across Canada reopened, including 22 VIP Cinemas locations, as well as 10 location based entertainment venues.

The COVID-19 pandemic has had a material negative effect on all aspects of Cineplex’s businesses resulting in material decreases in revenues, results of operations and cash flows. Since March 15, 2020, Cineplex has experienced a net cash burn of approximately \$15 million to \$20 million per month as a result of having to close its theatres and LBE venues (for Q3 2020 net cash burn was \$49.7 million for the three months or approximately \$16.6 million monthly) (see Non-GAAP measures section of this news release). When used in this news release, net cash burn is calculated as adjusted EBITDAaL less cash interest (excluding amounts with respect to lease obligations), provision for income taxes and net capital expenditures. Net cash burn assumes that all of Cineplex’s theatres and LBE venues remain closed or have limitations on capacity, current government wage subsidies continue in place, with respect to the Canada Emergency Wage Subsidy (‘CEWS’) and certain lease-related abatements and other lease-related savings currently being negotiated are implemented as expected by management.

As some of Cineplex’s largest expenses, such as film cost and cost of food services, are fully variable, during the closure of its theatres and LBE venues Cineplex focused on reducing its largest fixed and semi-fixed expenses, including those attributed to

theatre payroll and theatre occupancy. Cineplex was able to materially reduce theatre payroll expenses from \$40.9 million reported in the third quarter of 2019 to approximately \$3.9 million in the third quarter of 2020 as a result of assistance received under CEWS. With respect to theatre occupancy expenses, Cineplex worked with its landlord partners to identify relief measures, which resulted in significantly reduced cash rent being paid in the third quarter of 2020. The focus was on identifying opportunities for lease-related abatements during the closure period, converting fixed components of rent to variable rent during the reopening period and looking for other opportunities to extract value under its existing lease agreements

Reopening Plans

Although restrictions on social gatherings are being lifted in many of the markets in which Cineplex operates, there has been a reinstatement of restrictions in certain markets and there is the possibility that further restrictions may be reinstated in the future if there are additional outbreaks of COVID-19 in Canada. Reinstatement of restrictions on social gatherings that would result in the closure of Cineplex's theatres and LBE venues would have a significant negative impact on the ability and timing of Cineplex's return to profitability.

Subsequent to September 30, 2020, social gathering restrictions were reinstated in several key markets that Cineplex operates including select regions in Ontario, Quebec and Manitoba. The restrictions resulted in the mandated temporary closure of certain theatres and LBE locations. In addition, with the global delay of exhibitors reopening, specifically those in California and New York, distributors have shifted the release dates of major movie titles out of 2020 into 2021 and beyond, in an effort to maximize box office revenues on their eventual release. This included *No Time To Die*, and *Dune*. In addition, some previously expected theatrical releases have instead been redirected to streaming services. The impact of the reduction of new releases in the fourth quarter as a result of these postponements in combination with the ongoing and potentially expanded restrictions on the reopening of Cineplex's businesses, has also negatively impacted the timing of Cineplex's return to profitability.

Cineplex has also undertaken the sale of assets and lease rights unlocking value where available. During the third quarter, Cineplex sold certain restrictive lease rights to landlords resulting in the receipt of \$21 million during the quarter. Cineplex also announced during the quarter that it was pursuing the sale of its head office location, with the potential for a leaseback transaction, expected to close in early 2021.

Credit Facility Waiver

On November 12, 2020, Cineplex and Cineplex Entertainment Limited Partnership entered into the Second Credit Agreement Amendment with its lenders. The amendment provides Cineplex with immediate financial covenant suspension in light of the COVID-19 pandemic and its effects on Cineplex's businesses, which will be extended to the second quarter of 2021. As at September 30, 2020, an aggregate of \$460 million was outstanding under the Credit Facilities.

Other Matters

Repudiation of the Arrangement Agreement with Cineworld:

On June 12, 2020, Cineworld delivered a notice to Cineplex purporting to terminate the Arrangement Agreement dated December 15, 2019 between Cineplex and Cineworld (the "Arrangement Agreement"). On July 3, 2020, Cineplex announced that it had commenced an action in the Ontario Superior Court of Justice against Cineworld and 1232743 B.C. Ltd. seeking damages arising from what Cineplex claims was a wrongful repudiation of the Arrangement Agreement. The claim seeks damages, including the approximately \$2.18 billion that Cineworld would have paid upon the closing of the Cineworld Transaction for Cineplex's securities, reduced by the value of the Cineplex securities retained by its security holders, as well as compensation for other losses including the failure of Cineworld to repay or refinance Cineplex's approximately \$664 million in debt and transaction expenses.

On September 2, 2020, Cineworld filed its Statement of Defence and Counterclaim in which it denied Cineplex's claims and advanced a counterclaim seeking reimbursement of an unspecified amount for costs incurred with respect to the transaction and an unspecified amount for punitive damages. Cineplex responded to Cineworld's defence and counterclaim on September 15, 2020, denying all claims levied by Cineworld.

While a trial date has been set for September 2021, due to uncertainties inherent in litigation, it is not possible for Cineplex to predict the timing or final outcome of the legal proceedings against Cineworld or to determine the amount of damages, if any, that may be awarded.

Third Quarter Financial Results

	2020	2019	Period over Period Change (i)
Total revenues (ii)	\$ 61.0 million	\$ 418.4 million	-85.4%
Theatre attendance	1.6 million	17.5 million	-91.1%
Net (loss) income from continuing operations (iii)	\$ (121.2) million	\$ 15.1 million	NM
Net loss from discontinued operations	\$ — million	\$ (1.7) million	NM
Net (loss) income (iii)	\$ (121.2) million	\$ 13.4 million	NM
Box office revenues per patron ("BPP") (iv)	\$ 9.30	\$ 10.16	-8.5%
Concession revenues per patron ("CPP") (iv)	\$ 7.37	\$ 6.68	10.3%
Adjusted EBITDA (iv)	\$ (28.9) million	\$ 106.1 million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (46.7) million	\$ 62.3 million	NM
Adjusted EBITDAaL margin (iii) (iv)	(76.6) %	14.9 %	-91.5%
Adjusted free cash flow (iv)	\$ (77.3) million	\$ 48.2 million	NM
Adjusted free cash flow per common share of Cineplex ("Share") (iv)	\$ (1.221)	\$ 0.762	NM
Earnings per Share ("EPS") from continuing operations - basic and diluted (iii)	\$ (1.91)	\$ 0.24	NM
EPS from discontinued operations - basic and diluted	\$ —	\$ (0.03)	NM
EPS - basic and diluted (iii)	\$ (1.91)	\$ 0.21	NM

Year to Date Financial Results

	2020	2019	Period over Period Change (i)
Total revenues (ii)	\$ 365.8 million	\$ 1,221.9 million	-70.1%
Theatre attendance	12.3 million	49.5 million	-75.2%
Net (loss) income from continuing operations (iii)	\$ (393.6) million	\$ 31.8 million	NM
Net loss from discontinued operations	\$ (5.0) million	\$ (6.4) million	NM
Net (loss) income (iii)	\$ (398.6) million	\$ 25.4 million	NM
Box office revenues per patron ("BPP") (iv)	\$ 10.23	\$ 10.58	-3.3%
Concession revenues per patron ("CPP") (iv)	\$ 6.86	\$ 6.70	2.4%
Adjusted EBITDA (iv)	\$ (23.8) million	\$ 299.3 million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (116.9) million	\$ 168.2 million	NM
Adjusted EBITDAaL margin (iii) (iv)	(31.9) %	13.8 %	-45.7%
Adjusted free cash flow (iv)	\$ (131.3) million	\$ 129.3 million	NM
Adjusted free cash flow per common share of Cineplex ("Share") (iv)	\$ (2.074)	\$ 2.042	NM
Earnings per Share ("EPS") from continuing operations - basic and diluted (iii)	\$ (6.21)	\$ 0.50	NM
EPS from discontinued operations - basic and diluted	\$ (0.08)	\$ (0.10)	NM
EPS - basic and diluted (iii)	\$ (6.29)	\$ 0.40	NM

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2020 value less 2019 value.
- ii. All amounts are from continuing operations.
- iii. 2020 includes expenses related to the Cineworld Transaction/Litigation in the amount of \$0.5 million for the third quarter and \$2.8 million for year to date.
- 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 THIRD QUARTER OF 2020

The following describes certain key business initiatives undertaken and results achieved during the third quarter of 2020 in each of Cineplex's core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Reported third quarter box office revenues of \$14.5 million, a decrease of \$163.3 million (91.8%) from \$177.9 million reported in the prior year period due to the 91.1% decrease in theatre attendance from 17.5 million in 2019 to 1.6 million in the third quarter of 2020 due to the slow rollout of the opening of theatres in the third quarter after the closures in the second quarter, strict capacity restrictions and limited number of first-run movies.
- BPP was \$9.30, a decrease of \$0.86 (8.5%) versus the prior year period BPP of \$10.16.

Theatre Food Service

- Reported third quarter theatre food service revenues of \$13.9 million, a decrease of \$103.1 million (88.1%) from the prior year period as a result of the decrease in theatre attendance and restricted food offerings.
- CPP was \$7.37, an increase of \$0.69 (10.3%) versus the prior period CPP of \$6.68.

Alternative Programming

- Alternative Programming (Cineplex Events) featured the release of the *Break the Silence: The Movie starring BTS, Bill & Ted Face The Music, André Rieu's Magical Maastricht: Together In Music and A Night At The Louvre: Leonardo Da Vinci*.

Digital Commerce

- Total registered users for Cineplex Store increased by 41% in the third quarter of 2020 as compared to the prior year period.

MEDIA

- Reported third quarter media revenues of \$12.8 million, a decrease of \$30.5 million or 70.4% compared to the prior year period.

Cinema Media

- Reported third quarter revenues of \$3.3 million, compared to \$22.6 million in the prior year period, a decrease of 85.2%, primarily due to the decreases in show-time and pre-show advertising as a result of the limited screens and new releases available.

Digital Place-Based Media

- Reported third quarter revenues of \$9.5 million, compared to \$20.7 million in the prior year period, a decrease of 54.2%, primarily due to the lower project installation revenues as a result of COVID-19 and reductions in customers' businesses.

AMUSEMENT AND LEISURE

Amusement Solutions

- Reported third quarter revenues of \$13.2 million, a decrease of \$36.7 million (77.2%) versus the prior year period as a result of the temporary closures of P1AG route locations and capacity restrictions due to COVID-19.

Location-based Entertainment

- As of August 4, 2020, all of Cineplex's LBE venues were reopened with province specific restrictions on capacity in both the gaming and restaurant areas.
- Reported third quarter revenues of \$5.1 million, a decrease of \$14.3 million (73.8%) as compared to the prior year period due to locations being partially closed for the third quarter and capacity restrictions at the reopened locations.

LOYALTY

- Membership in the SCENE loyalty program remained flat at 10.5 million members as at September 30, 2020.

CORPORATE

- On July 15, 2020, Cineplex completed the offering of \$275.0 million aggregate principal amount of convertible unsecured subordinated debentures. On July 17, 2020, the underwriters purchased an over-allotment option for an additional \$41.3 million aggregate principal amount of the Debentures.
- During the quarter, Cineplex initiated a sales process for its head office building located at 1303 Yonge Street, Toronto, Ontario.

- Cineplex announced the appointment and return of Phyllis Yaffe to the Board of Directors. Ms. Yaffe returned to the role of Board Chair, replacing Ian Greenberg who did not stand for re-election at the Annual Special Meeting of shareholders in October 2020.
- In July, Cineplex announced a cost restructuring program incurring \$5.4 million in associated costs during the quarter.

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

Total revenues

Total revenues for the three months ended September 30, 2020 decreased \$357.4 million (85.4%) to \$61.0 million as compared to the prior year period. Total revenues for the nine months ended September 30, 2020 decreased \$856.1 million (70.1%) to \$365.8 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 two periods 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 and the year to date (in thousands of dollars, except theatre attendance reported in thousands of patrons and per patron amounts, unless otherwise noted):

Box office revenues	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Box office revenues	\$ 14,531	\$ 177,865	-91.8%	\$125,560	\$523,732	-76.0%
Theatre attendance (i)	1,563	17,512	-91.1%	12,279	49,511	-75.2%
Box office revenue per patron (i)	\$ 9.30	\$ 10.16	-8.5%	\$ 10.23	\$ 10.58	-3.3%
BPP excluding premium priced product (i)	\$ 8.47	\$ 8.95	-5.4%	\$ 9.22	\$ 9.08	1.5%
Same theatre box office revenues (i)	\$ 14,453	177,278	-91.8%	\$123,467	\$517,727	-76.2%
Same theatre attendance (i)	1,553	17,440	-91.1%	12,106	48,980	-75.3%
% Total box from premium priced product (i)	28.3%	35.8%	-7.5%	28.6 %	42.8 %	-14.2%

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

Box office continuity	Third Quarter		Year to Date	
	Box Office	Theatre Attendance	Box Office	Theatre Attendance
2019 as reported	\$ 177,865	17,512	\$ 523,732	49,511
Same theatre attendance change	(161,493)	(15,887)	(389,763)	(36,874)
Impact of same theatre BPP change	(1,332)	—	(4,497)	—
New and acquired theatres (i)	78	10	(1,856)	(122)
Disposed and closed theatres (i)	(587)	(72)	(2,056)	(236)
2020 as reported	\$ 14,531	1,563	\$ 125,560	12,279

(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.

Third Quarter 2020 Top Cineplex Films			3D	% Box	Third Quarter 2019 Top Cineplex Films			3D	% Box
1	Tenet			37.2 %	1	The Lion King	✓	18.2 %	
2	The Spongebob Movie: Sponge On The Run			14.3 %	2	Spider-Man: Far From Home	✓	13.8 %	
3	Unhinged			9.6 %	3	Fast & Furious		6.7 %	
4	The New Mutants			8.4 %	4	It Chapter Two		6.6 %	
5	After We Collided			4.8 %	5	Once Upon A Time In Hollywood		5.8 %	

Year to Date 2020 Top Cineplex Films			3D	% Box	Year to Date 2019 Top Cineplex Films			3D	% Box
1	1917			8.6 %	1	Avengers: Endgame	✓	11.6 %	
2	Star Wars: The Rise of Skywalker	✓		6.4 %	2	The Lion King	✓	6.3 %	
3	Jumanji: The Next Level	✓		6.8 %	3	Captain Marvel	✓	5.9 %	
4	Bad Boys For Life			7.7 %	4	Spider-Man: Far From Home	✓	4.7 %	
5	Sonic The Hedgehog			5.7 %	5	Aladdin	✓	4.0 %	

Third Quarter and Year to Date

As of August 21, 2020, Cineplex had reopened its entire circuit of theatres with limited show times and reduced seating capacity to ensure physical distancing, enhanced cleaning protocols and staff equipped with personal protective equipment. As a result of these restrictions, the gradual reopening of the theatres throughout the summer, and limited film product, box office revenues decreased \$163.3 million, or 91.8%, to \$14.5 million during the period, compared to \$177.9 million reported in the third quarter of 2019.

Cineplex's BPP for the period decreased \$0.86, or 8.5%, from \$10.23 in the prior year to \$9.30 in the current period. The decrease was due to lower ticket pricing on previously released content, SCENE promotions and reduced premium offerings. The quarter included the release of the much anticipated Christopher Nolan's film "Tenet" on August 26, one week before it was released in the US. Distributors have continued to push their film slates further out in the calendar and into 2021 and beyond in response to the impact of COVID-19 on exhibitors.

Box office revenues for the nine months ended September 30, 2020 were \$125.6 million, a decrease of \$398.2 million or 76.0% compared to the prior year. The decrease in box office revenues was primarily due to the decrease in attendance as a result of the government mandated restrictions that have kept theatres closed or operating below full capacity for the majority of the year.

Food service revenues

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

Food service revenues	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Food service - theatres	\$ 11,519	\$ 117,048	-90.2 %	\$ 84,262	\$ 331,961	-74.6 %
Food service - LBE	1,479	8,502	-82.6 %	8,250	26,210	-68.5 %
Food service - delivery	2,470	—	NM	5,577	—	NM
Total food service revenues	\$ 15,468	\$ 125,550	-87.7 %	\$ 98,089	\$ 358,171	-72.6 %
Theatre attendance (i)	1,563	17,512	-91.1 %	12,279	49,511	-75.2 %
CPP (i) (ii)	\$ 7.37	\$ 6.68	10.3 %	\$ 6.86	\$ 6.70	2.4 %
Same theatre food service revenues (i)	\$ 11,264	\$ 116,622	-90.3 %	\$ 82,573	\$ 327,958	-74.8 %
Same theatre attendance (i)	1,553	17,440	-91.1 %	12,106	48,980	-75.3 %

(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	Third Quarter		Year to Date	
	Theatre Food Service	Theatre Attendance	Theatre Food Service	Theatre Attendance
2019 as reported	\$ 117,048	17,512	\$ 331,961	49,511
Same theatre attendance change	(108,732)	(15,887)	(252,409)	(36,874)
Impact of same theatre CPP change	3,411	—	7,024	—
New and acquired theatres (i)	135	10	(980)	(122)
Disposed and closed theatres (i)	(425)	(72)	(1,416)	(236)
2020 as reported	\$ 11,437	1,563	\$ 84,180	12,279

(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.

Third Quarter and Year to Date

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 *The Rec Room*.

Food services revenues were materially impacted by the government mandated closures of theatres and LBE venues as a result of COVID-19. By the latter part of the third quarter, Cineplex reopened its entire circuit of theatres with limited seating capacity to ensure appropriate physical distancing measures were in place. Food services revenues decreased \$110.1 million, or 87.7%, to \$15.5 million which included home delivery revenues of \$2.5 million during the quarter, compared to \$125.6 million reported in the third quarter of 2019. The decrease in food service revenue was primarily due to the decrease in theatre attendance, limited concession menu options, and government mandated capacity restrictions at theatres and LBE venues.

Despite the limited menu offering, CPP increased \$0.69, or 10.3%, to \$7.37 in the current period from \$6.68 in the prior year period.

Food service revenues for the nine months ended September 30, 2020 were \$98.1 million, a decrease of \$260.1 million or 72.6% compared to the prior year. Cineplex continued to support its home delivery services while focusing on the safe reopening of theatres and LBE venues in the third quarter. The year to date decrease in food service revenue primarily due to the decrease in theatre attendance, limited concession menu options, and government mandated capacity restrictions at theatres and LBE venues.

Media revenues

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

Media revenues	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Cinema media	\$ 3,334	\$ 22,572	-85.2%	\$ 22,200	\$ 73,244	-69.7%
Digital place-based media	9,491	20,736	-54.2%	30,662	53,966	-43.2%
Total media revenues from continuing operations	\$ 12,825	\$ 43,308	-70.4%	\$ 52,862	\$ 127,210	-58.4%
Media revenues from discontinued operations	—	138	NM	602	827	-27.2%
Total media revenues	\$ 12,825	\$ 43,446	-70.5%	\$ 53,464	\$ 128,037	-58.2%

Third Quarter and Year to Date

Total media revenues from continuing operations decreased \$30.5 million (70.4%) to \$12.8 million in the third quarter compared to the prior year period. During the third quarter media revenues were primarily driven by digital placed-based media revenues specifically from creative services, network management, support services and digital advertising with the gradual/limited reopening of malls. Cinema media revenues were materially negatively impacted by the closure of theatres and limited first run film product in the third quarter leading to a sharp decline in show-time and pre-show advertising revenue. Total media revenues from continuing operations for the nine months ended September 30, 2020 were \$52.9 million, a decrease of \$74.3 million or 58.4% compared to the prior year. The decrease resulted from a \$23.3 million decrease in digital place-based media revenues due to lower hardware and digital media revenue and a \$51.0 million decrease in Cinema media due to theatre closures effective March 16, 2020 with limited reopening and a minimal number of new releases beginning in the third quarter.

Amusement Revenues

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

Amusement revenues	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Amusement - P1AG excluding Cineplex exhibition and LBE (i)	\$ 9,564	\$ 44,788	-78.6%	\$ 48,212	\$ 138,278	-65.1%
Amusement - Cineplex exhibition (i)	119	2,847	-95.8%	2,327	8,239	-71.8%
Amusement - LBE	3,553	10,508	-66.2%	13,765	28,243	-51.3%
Total amusement revenues	\$ 13,236	\$ 58,143	-77.2%	\$ 64,304	\$ 174,760	-63.2%

(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 - P1AG excluding Cineplex exhibition and LBE reflects P1AG's gross amusement revenues, net of the venue revenue share paid to Cineplex reflected in Amusement - Cineplex exhibition above.

Third Quarter and Year to Date

Amusement revenues decreased 77.2%, or \$44.9 million, to \$13.2 million during the third quarter of 2020 compared to the prior year period. Amusement revenues for the nine months ended September 30, 2020 were \$64.3 million, a decrease of \$110.5 million or 63.2% compared to the prior year. The quarterly and year to date decrease in revenue was primarily due to the government mandated closures of P1AG route locations, Cineplex theatres and LBE venues due to COVID-19 mandated capacity restrictions and resulting decreased attendance. P1AG's revenues were primarily earned through the reopening of select FEC locations in both Canada and the United States as well as equipment sales during the quarter.

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 and the year to date (in thousands of dollars):

Other revenues	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Other revenues from continuing operations	\$ 4,962	\$ 13,582	-63.5%	\$ 24,996	\$ 38,053	-34.3%
Other revenues from discontinued operations	—	—	NM	199	16	NM
Total other revenues	\$ 4,962	\$ 13,582	-63.5%	\$ 25,195	\$ 38,069	-33.8%

Third Quarter and Year to Date

The quarterly and year to date decreases in other revenues from continuing operations were primarily due to the suspension of the recognition of deferred revenues on gift card and other related products during the shut-down of theater and LBE venues. In addition, the shut downs 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 and the year to date (in thousands of dollars, except film cost percentage):

Film cost	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Film cost	\$ 7,261	\$ 93,735	-92.3%	\$ 63,771	\$ 275,461	-76.8%
Film cost percentage (i)	50.0%	52.7%	-2.7%	50.8%	52.6%	-1.8%

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

Third Quarter and Year to Date

Film cost varies primarily with box office revenues and can vary from quarter to quarter usually based on the relative strength of the titles exhibited during the period, impacted by film cost terms varying by title and distributor.

Film costs in the third quarter related primarily to the exhibition of the film *Tenet*. However, lower settlement rates on older and classic film products resulted in a lower film cost as compared to the prior year period.

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 and the year to date (in thousands of dollars, except percentages and margins per patron):

Cost of food service	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Cost of food service - theatre	\$ 3,210	\$ 25,222	-87.3%	\$ 24,141	\$ 72,083	-66.5%
Cost of food service - LBE	470	2,217	-78.8%	2,537	7,039	-64.0%
Total cost of food service	\$ 3,680	\$ 27,439	-86.6%	\$ 26,678	\$ 79,122	-66.3%
Theatre concession cost percentage (i)	23.0%	21.5%	1.5%	26.9%	21.7%	5.2%
LBE food cost percentage (i)	30.5%	26.1%	4.4%	30.2%	26.9%	3.3%
Theatre concession margin per patron (i)	\$ 5.67	\$ 5.24	1.5%	\$ 5.01	\$ 5.25	-6.7%

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

Third Quarter and Year to Date

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 venues varies primarily with the volume of guests who visit the location as well as the quantity and mix between food and beverage items sold.

The quarterly and year to date decreases were due to the lower food service revenues for both segments as a result of the temporary closure of Cineplex’s theatre and LBE locations in response to COVID-19.

Depreciation and amortization

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

Depreciation and amortization expenses	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Depreciation of property, equipment and leaseholds	\$ 27,241	\$ 28,714	-5.1%	\$ 86,303	\$ 86,944	-0.7%
Amortization of intangible assets and other	3,134	2,998	4.5%	9,793	8,804	11.2%
Sub-total - depreciation and amortization - other assets	\$ 30,375	\$ 31,712	-4.2%	\$ 96,096	\$ 95,748	0.4%
Depreciation - right-of-use assets	30,539	36,456	-16.2%	100,257	109,475	-8.4%
Total depreciation and amortization from continuing operations	\$ 60,914	\$ 68,168	-10.6%	\$ 196,353	\$ 205,223	-4.3%
Depreciation and amortization from discontinued operations	—	1,215	-100.0%	—	3,623	-100.0%
Total depreciation and amortization	\$ 60,914	\$ 69,383	-12.2%	\$ 196,353	\$ 208,846	-6.0%

Third Quarter and Year to Date

Depreciation of property, equipment and leaseholds from continuing operations decreased \$1.5 million, or 5.1%, to \$27.2 million during the third quarter of 2020 compared to the prior year period, and a year to date decrease of \$0.6 million, or 0.7%, to \$86.3 million compared to the prior year. The decrease was due to the impact of the impairment recorded in the first quarter of 2020 on the carrying value of long-lived assets.

The quarterly and year to date movements in amortization of intangible assets and other from continuing operations as compared to the prior year periods were due to internally developed software for digital products including the Cineplex mobile app and website platforms, net of the reallocation to amortization of intangible assets from discontinued operations in the prior year.

The quarterly and year to date decrease of \$5.9 million and \$9.2 million in amortization of right-of-use assets from continuing operations were due to reduced carrying values, resulting from the impairment recorded in the first quarter of 2020 in addition to modifications to lease agreements related to COVID-19.

Impairment of long-lived assets and goodwill

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

Impairment of long-lived assets and goodwill	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Impairment of property, equipment and leaseholds	\$ —	\$ —	NM	\$ (33,949)	\$ —	NM
Impairment of right-of-use assets	—	—	NM	(50,610)	—	NM
Impairment of goodwill	(65,634)	—	NM	(154,129)	—	NM
Impairment of long-lived assets and goodwill	\$ (65,634)	\$ —	NM	\$ (238,688)	\$ —	NM

Third Quarter and Year to Date

The closure of its operations on March 16, 2020 as a result of the declaration of a global pandemic, was identified as a triggering event for purposes of testing long-lived assets and goodwill for impairment. Carrying values of assets were tested for recoverability measured as the fair value based on internal budgets which reflect the negative impact of COVID-19 pandemic on Cineplex's current and future results. Where the carrying value of assets at March 31, 2020 was assessed as exceeding the recoverable value of those assets at that point in time, an impairment has been recognized. Because impairments are measured at a point in time, the impact of COVID-19 pandemic on the 2020 results, which will be reflected in the results of operations in 2020, has also impacted the measurement of recoverable value, and is therefore included in the impairment calculation. Where an impairment has been recorded with respect to a long-lived asset, it will be reversed when and if the recoverable value of the related asset increases. Management will monitor and re-assess the recoverable value of the impaired assets, reversing the impairments where it increases. Impairments recorded with respect to goodwill cannot be reversed.

A triggering event occurred on September 30, 2020 as a result of the material decrease in Cineplex's market value due to a sharp decline in its share price at that date from June 30, 2020. Cineplex reassessed the underlying key assumptions and inputs used during the impairment testing completed as at March 31, 2020 and June 30, 2020. The recoverable amount was determined using fair value less costs to sell which considered future after-tax cash flows. Based on the results of the impairment tests completed, Cineplex recognized impairment charges of \$65.6 million for the three months ended September 30, 2020.

If business conditions deteriorate further, or should they remain depressed for a prolonged period of time, management's estimates of operating results and future cash flows for the forecasted period may be insufficient to support the goodwill assigned to them, thus requiring impairment charges. Cineplex will continue to evaluate the recoverability of goodwill at the cash generating unit 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 and the year to date (in thousands of dollars):

Impairment of intangible assets - discontinued operations	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Impairment of intangible assets - discontinued operations	\$ —	\$ —	NM	\$ 5,156	\$ —	NM

Intangible assets included in assets held for sale were written down prior to disposition to reflect their expected net realizable value.

(Gain) loss on disposal of assets

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

(Gain) loss on disposal of assets	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
(Gain) loss on disposal from continuing operations	\$ (14,113)	\$ 303	NM	\$ (12,818)	\$ 896	NM
Loss on disposal from discontinued operations	—	—	NM	129	—	NM
(Gain) loss on disposal of assets	\$ (14,113)	\$ 303	NM	\$ (12,689)	\$ 896	NM

The quarterly and year to date movements in (gain) loss on disposal of assets from continuing operations as compared to the prior year periods were due mainly to the negotiated sale of certain restrictive lease rights completed during the quarter.

Other costs

Other costs include three main sub-categories of expenses: theatre occupancy expenses, which capture the rent and 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 includes 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 and the year to date (in thousands of dollars):

Other costs	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Theatre occupancy expenses	\$ 14,917	\$ 18,219	-18.1%	\$ 50,623	\$ 53,374	-5.2%
Other operating expenses	50,939	156,732	-67.5%	220,525	462,434	-52.3%
General and administrative expenses	12,898	16,004	-19.4%	27,329	51,963	-47.4%
Total other costs from continuing operations	\$ 78,754	\$ 190,955	-58.8%	\$ 298,477	\$ 567,771	-47.4%
Other costs from discontinued operations	—	1,391	NM	2,212	5,530	-60.0%
Total other costs	\$ 78,754	\$ 192,346	-59.1%	\$ 300,689	\$ 573,301	-47.6%

Theatre occupancy expenses

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

Theatre occupancy expenses	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Cash rent paid/payable (i) (iv) (v)	\$ 7,419	\$ 39,111	-81.0%	\$ 85,434	\$ 117,879	-27.5%
Other occupancy	15,921	18,230	-12.7%	52,725	55,191	-4.5%
One-time items (ii)	(799)	(323)	NM	(1,939)	(2,213)	-12.4%
Total theatre occupancy including cash lease payments paid/payable	\$ 22,541	\$ 57,018	-60.5%	\$ 136,220	\$ 170,857	-20.3%
Cash rent paid/payable related to lease obligations (iii) (v)	(7,624)	(38,799)	-80.4%	(85,597)	(117,483)	-27.1%
Theatre occupancy as reported	\$ 14,917	\$ 18,219	-18.1%	\$ 50,623	\$ 53,374	-5.2%

(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 paid/payable that has been reallocated to offset the lease obligations.

(iv) The 2020 and 2019 year to date balance each includes \$0.4 million of cash rent paid not pertaining to the current period. See Non-GAAP measures section of this new release.

(v) Does not reflect the impact of \$2.6 million of quantified negotiated lease-related abatements that are included in the total amount in the 2020 quarter and year to date figures.

Theatre occupancy continuity	Third Quarter Occupancy	Year to Date Occupancy
2019 as reported	\$ 18,219	\$ 53,374
Impact of new and acquired theatres	26	920
Impact of disposed theatres	(468)	(874)
Same theatre rent change (i)	(31,381)	(32,611)
One-time items	(477)	274
Other	(2,177)	(2,346)
<u>Impact of IFRS 16 adoption:</u>		
Cash rent paid/payable related to lease obligations	31,175	31,886
2020 as reported	\$ 14,917	\$ 50,623
(i) See Non-GAAP measures section of this news release.		

Third Quarter

Total theatre occupancy decreased \$3.3 million (18.1%) during the third quarter of 2020 compared to the prior year period. This decrease was primarily due to the rent relief measures Cineplex has undertaken with landlord partners resulting in lower theatre rent related expense including common area maintenance and taxes as compared to the prior year period.

Following the closure of all theatre and LBE locations in March 2020, Cineplex has worked with landlord partners to identify relief measures. While Cineplex is still in the process of finalizing the measures, cash rent payments in the third quarter were materially reduced.

Year to Date

For the year to date period, theatre occupancy expenses decreased \$2.8 million (5.2%) compared to the prior year. This decrease was primarily due to lower theatre rent related expense including common area maintenance and taxes as compared to the prior year period.

Other operating expenses

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

Other operating expenses	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Theatre payroll	\$ 3,868	\$ 40,886	-90.5%	\$ 35,532	\$ 118,668	-70.1%
Theatre operating expenses	13,341	30,060	-55.6%	48,642	88,847	-45.3%
Media	8,673	22,932	-62.2%	34,400	60,859	-43.5%
PIAG	12,118	38,375	-68.4%	56,144	119,869	-53.2%
LBE (i)	3,808	13,313	-71.4%	21,694	38,418	-43.5%
LBE pre-opening (ii)	198	480	-58.8%	1,122	1,844	-39.2%
SCENE	4,325	3,981	8.6%	8,533	13,079	-34.8%
Marketing	1,107	4,083	-72.9%	5,087	11,126	-54.3%
Other (iii)	3,891	7,128	-45.4%	19,296	23,193	-16.8%
Other operating expenses including cash lease payments paid/payable	\$ 51,329	\$ 161,238	-68.2%	\$ 230,450	\$ 475,904	-51.6%
Cash rent paid/payable related to lease obligations (iv) (v)	(390)	(4,506)	-91.3%	(9,925)	(13,470)	-26.3%
Other operating expenses from continuing operations	\$ 50,939	\$ 156,732	-67.5%	\$ 220,525	\$ 462,434	-52.3%
Other operating expenses from discontinued operations	—	1,391	NM	2,212	5,530	-60.0%
Total other operating expenses	\$ 50,939	\$ 158,123	-67.8%	\$ 222,737	\$ 467,964	-52.4%

(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 paid/payable that has been reallocated to offset the lease obligations.

(v) Does not reflect the impact of \$2.6 million of quantified negotiated lease-related abatements that are included in the total amount in the 2020 quarter and year to date figures.

Other operating continuity from continuing operations	Third Quarter Other Operating	Year to Date Other Operating
2019 as restated	\$ 156,732	\$ 462,434
Impact of new and acquired theatres	206	(154)
Impact of disposed theatres	(311)	(908)
Same theatre payroll change (i)	(36,946)	(82,387)
Same theatre operating expenses change (i)	(16,686)	(39,895)
Media operating expenses change	(14,259)	(26,459)
PIAG operating expenses change	(26,257)	(63,725)
LBE operating expenses change	(9,505)	(16,724)
LBE pre-opening change	(282)	(722)
SCENE change	344	(4,546)
Marketing change	(2,976)	(6,039)
Other	(3,237)	(3,895)
<u>Impact of IFRS 16 adoption:</u>		
Cash rent paid/payable related to lease obligations (ii)	4,116	3,545
2020 as reported	\$ 50,939	\$ 220,525
(i) See Non-GAAP measures section of this news release.		
(ii) Does not reflect the impact of \$2.6 million of quantified negotiated lease-related abatements that are included in the total amount in the 2020 quarter and year to date figures.		

Third Quarter

The overall decrease in other operating expenses was a result of the temporary closure of theatres, LBE locations and PIAG route locations and the resulting impact on all other parts of the business partially offset by costs incurred with the gradual reopening of theatre and LBE locations, including rehiring previously laid off. In order to manage costs Cineplex took advantage of government subsidy programs in Canada and the United States, offsetting Other operating costs with \$19.0 million in the third quarter, including \$11.0 million against theatre payroll, and focused on reducing overall spending. In addition to wage subsidies received, theatre and LBE payroll costs were reduced as a result of limited hours due to slower rollouts of openings which were limited.

Year to Date

The overall decrease in other operating expenses was as a result of the temporary closure of theatres, LBE locations and PIAG route locations leading to a decrease in business volumes.

General and administrative expenses

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

G&A expenses	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
G&A excluding the following items	\$ 9,253	\$ 13,985	-33.8%	\$ 36,456	\$ 47,705	-23.6%
Restructuring	5,427	176	NM	5,862	889	NM
Transaction / Litigation costs	453	—	NM	2,822	—	NM
LTIP (i)	(2,343)	1,598	NM	(15,352)	2,607	NM
Option plan	273	408	-33.1%	(1,921)	1,201	NM
G&A expenses including cash lease payments paid/payable	\$ 13,063	\$ 16,167	-19.2%	\$ 27,867	\$ 52,402	-46.8%
Cash rent paid/payable included as part of lease obligations (ii) (iii)	(165)	(163)	1.2%	(538)	(439)	22.6%
G&A expenses as reported	\$ 12,898	\$ 16,004	-19.4%	\$ 27,329	\$ 51,963	-47.4%
(i) LTIP includes the expense for the LTIP program as well as the expense for the executive and Board deferred share unit plans.						
(ii) Cash rent paid/payable that has been reallocated to offset the lease obligations.						
(iii) Does not reflect the impact of \$2.6 million of quantified negotiated lease-related abatements that are included in the total amount in the 2020 quarter and year to date figures.						

Third Quarter and Year to Date

G&A expenses decreased \$3.1 million during the third quarter of 2020 as compared to the prior year period. This was primarily a result of the \$3.3 million received under the COVID-19 CEWS wage subsidy program. These savings were partially offset by costs of \$5.4 million arising from a cost restructuring program implemented in the third quarter net of a decrease of \$3.9 million in LTIP expense due to the decrease in the Share price from \$8.04 at June 30, 2020 to \$7.21 at September 30, 2020. Transaction costs of \$0.5 million related to the Cineworld Transaction and ensuing litigation resulting from the repudiation of the Cineworld Transaction were incurred during the quarter.

G&A expenses for the year to date period decreased \$24.6 million compared to the prior year period due to a \$18.0 million decrease in LTIP expense, a \$3.1 million decrease in option plan expense and the COVID-19 CEWS wages subsidy program from which \$7.1 million was received and was recorded against payroll. The impact of the COVID-19 pandemic on Cineplex's business led to a sharp decline in the Share price which fell to \$7.21 per Share at September 30, 2020 from \$33.85 at December 31, 2019. With the termination of the Arrangement Agreement, Share options have been reclassified to being accounted for as equity-settled and both LTIP and option expenses have been accounted for over their original vesting periods (prior to the Arrangement Agreement).

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 and nine months ended September 30, 2020 as compared to the prior year periods (expressed in thousands of dollars, except adjusted EBITDAaL margin):

EBITDA	Third Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
EBITDA	\$ (82,497)	\$ 107,025	NM	\$(254,347)	\$ 300,679	NM
Adjusted EBITDA	\$ (28,928)	\$ 106,132	NM	\$ (23,769)	\$ 299,257	NM
Adjusted EBITDAaL	\$ (46,725)	\$ 62,312	NM	\$(116,867)	\$ 168,219	NM
Adjusted EBITDAaL margin	-76.6%	14.9%	-91.5%	-31.9%	13.8%	-45.7%

Adjusted EBITDAaL for the third quarter of 2020 decreased \$109.0 million from the prior year period. For the nine months ended September 30, 2020, adjusted EBITDAaL decreased \$285.1 million, as compared to the same period in 2019. The quarterly and year to date decreases were primarily due the impact of the COVID-19 government imposed restrictions and resulting closure of substantially all of Cineplex businesses in March 2020. 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 disclosures. 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 third quarter of 2020, adjusted free cash flow per common share of Cineplex was \$(1.22) as compared to \$0.76 in the prior year period. The declared dividends per common share of Cineplex were nil in the third quarter of 2020 and \$0.45 in the prior year period. During the 12 months ended September 30, 2020, Cineplex generated adjusted free cash flow per Share of \$(1.45), compared to \$3.00 in the prior 12 month period. Cineplex declared dividends per Share of \$0.60 and \$1.75, respectively, in each 12 month period. The payout ratios for these periods were (41.2)% and 58.3%, 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 and goodwill, 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. 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 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 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 September 30, 2020 the impact of one locations that has been opened or acquired and two locations that have been closed or otherwise disposed of have been excluded, resulting in 163 theatres being included in the same theatre metrics. For the nine months ended September 30, 2020 the impact of the two locations that have been opened or acquired and three locations that have been closed or otherwise disposed of have been excluded, resulting in 162 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	2020	
	Q3	Q2
Adjusted EBITDAaL	\$ (46,725)	\$ (72,532)
Cash interest expense excluding lease obligations	(11,317)	(7,782)
Provision for income taxes	16,497	34,440
Net capital expenditures	(8,198)	(8,019)
Total net cash burn	\$ (49,743)	\$ (53,893)
Average monthly net cash burn	\$ (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 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"), its MD&A for the year ended December 31, 2019 ("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 location-based entertainment 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 Annual 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, we undertake 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 MD&A, can be found on SEDAR at www.sedar.com.

THIRD QUARTER 2020 ANALYST CONFERENCE CALL

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

**Friday, November 13, 2020
10:00 am Eastern Time**

In order to participate in the conference call, please dial 647-792-1240, or from outside Toronto and from the U.S., dial 1-800-437-2398 at least five to 10 minutes prior to 10:00 a.m. ET. Please quote the conference confirmation code 9829938 to access the call.

If you cannot participate in a live mode, a replay will be available. Please dial 647-436-0148, or from outside Toronto and from the U.S., dial 1-888-203-1112. The replay passcode is 9829938.

The replay will begin at 1:00 p.m. ET on Friday, November 13, 2020 and end at 1:00 p.m. ET on Friday, November 20, 2020.

Note that 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 “PIAG”). 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 13,000 people in its offices across Canada and the United States. To learn more visit [Cineplex.com](https://www.cineplex.com) or download the Cineplex App.

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

	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 13,176	\$ 26,080
Trade and other receivables	46,397	168,065
Income taxes receivable	2,280	9,757
Inventories	27,058	30,995
Prepaid expenses and other current assets	13,579	14,226
Fair value of interest rate swap agreements	—	1,022
Assets held for sale	—	6,573
	<u>102,490</u>	<u>256,718</u>
Non-current assets		
Property, equipment and leaseholds	578,007	662,798
Right-of-use assets	963,060	1,232,849
Deferred income taxes	114,674	14,197
Fair value of interest rate swap agreements	—	472
Interests in joint ventures and associates	16,478	28,221
Intangible assets	84,612	88,367
Goodwill	662,900	816,790
	<u>\$ 2,522,221</u>	<u>\$ 3,100,412</u>

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

	September 30, 2020	December 31, 2019
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 91,975	\$ 220,188
Share-based compensation	536	25,681
Dividends payable	—	9,500
Income taxes payable	787	1,183
Deferred revenue	219,092	222,998
Lease obligations	109,085	106,352
Fair value of interest rate swap agreements	6,073	1,874
Liabilities related to assets held for sale	—	2,808
	<u>427,548</u>	<u>590,584</u>
Non-current liabilities		
Share-based compensation	3,158	—
Long-term debt	460,000	625,000
Fair value of interest rate swap agreements	17,780	10,837
Lease obligations	1,122,971	1,261,243
Post-employment benefit obligations	10,827	10,678
Other liabilities	7,773	9,813
Deferred income taxes	—	1,263
Convertible debentures	215,842	—
	<u>1,838,351</u>	<u>1,918,834</u>
Total liabilities	<u>2,265,899</u>	<u>2,509,418</u>
Equity		
Share capital	919,179	852,379
Deficit	(672,629)	(264,310)
Hedging reserves and other	(131)	(131)
Contributed surplus	8,543	4,052
Cumulative translation adjustment	1,360	(887)
	<u>256,322</u>	<u>591,103</u>
Total equity attributable to owners of Cineplex	256,322	591,103
Non-controlling interests	—	(109)
	<u>256,322</u>	<u>590,994</u>
Total equity	<u>256,322</u>	<u>590,994</u>
	<u>\$ 2,522,221</u>	<u>\$ 3,100,412</u>

Cineplex Inc.

Interim Condensed Consolidated Statements of Operations

(Unaudited)

(expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenues				
Box office	\$ 14,531	\$ 177,865	\$ 125,560	\$ 523,732
Food service	15,468	125,550	98,089	358,171
Media	12,825	43,308	52,862	127,210
Amusement	13,236	58,143	64,304	174,760
Other	4,962	13,582	24,996	38,053
	<u>61,022</u>	<u>418,448</u>	<u>365,811</u>	<u>1,221,926</u>
Expenses				
Film cost	7,261	93,735	63,771	275,461
Cost of food service	3,680	27,439	26,678	79,122
Depreciation - right-of-use assets	30,539	36,456	100,257	109,475
Depreciation and amortization - other assets	30,375	31,712	96,096	95,748
(Gain) /loss on disposal of assets	(14,113)	303	(12,818)	896
Other costs	78,754	190,955	298,477	567,771
Share of income of joint ventures and associates	2,137	(560)	6,064	(2,572)
Interest expense - lease obligations	11,854	12,091	34,885	36,780
Interest expense - other	15,503	6,244	42,108	17,453
Interest income	(20)	(75)	(149)	(208)
Foreign exchange	166	(449)	(702)	569
Impairment of long-lived assets and goodwill	65,634	—	238,688	—
	<u>231,770</u>	<u>397,851</u>	<u>893,355</u>	<u>1,180,495</u>
(Loss) income from continuing operations before income taxes	<u>(170,748)</u>	<u>20,597</u>	<u>(527,544)</u>	<u>41,431</u>
Provision for income taxes				
Current	146	7,932	(7,719)	16,345
Deferred	(49,685)	(2,435)	(126,227)	(6,762)
	<u>(49,539)</u>	<u>5,497</u>	<u>(133,946)</u>	<u>9,583</u>
Net (loss) income from continuing operations	<u>\$ (121,209)</u>	<u>\$ 15,100</u>	<u>\$ (393,598)</u>	<u>\$ 31,848</u>
Net loss from discontinued operations, net of taxes	—	(1,718)	(4,952)	(6,429)
Net (loss) income	<u>\$ (121,209)</u>	<u>\$ 13,382</u>	<u>\$ (398,550)</u>	<u>\$ 25,419</u>
Net (loss) income from continuing operations attributable to:				
Owners of Cineplex	\$ (121,209)	\$ 15,102	\$ (393,593)	\$ 31,868
Non-controlling interests	—	(2)	(5)	(20)
Net (loss) income from continuing operations	<u>\$ (121,209)</u>	<u>\$ 15,100</u>	<u>\$ (393,598)</u>	<u>\$ 31,848</u>
Net (loss) income attributable to:				
Owners of Cineplex	\$ (121,209)	\$ 13,384	\$ (398,545)	\$ 25,439
Non-controlling interests	—	(2)	(5)	(20)
Net (loss) income	<u>\$ (121,209)</u>	<u>\$ 13,382</u>	<u>\$ (398,550)</u>	<u>\$ 25,419</u>
Net (loss) income per share attributable to owners of Cineplex - basic and diluted:				
Continuing operations	\$ (1.91)	\$ 0.24	\$ (6.21)	\$ 0.50
Discontinued operations	—	(0.03)	(0.08)	(0.10)
Total operations	<u>\$ (1.91)</u>	<u>\$ 0.21</u>	<u>\$ (6.29)</u>	<u>\$ 0.40</u>

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income from continuing operations	\$ (121,209)	\$ 15,100	\$ (393,598)	\$ 31,848
Other comprehensive (loss) income from continuing operations				
<i>Items that will be reclassified subsequently to net income:</i>				
Loss on hedging instruments	—	(527)	—	(12,148)
Associated deferred income taxes recovery	—	128	—	3,249
Foreign currency translation adjustment	(1,145)	727	2,240	(2,209)
Recognition of currency translation adjustment on disposition of discontinued operations	—	—	(160)	—
Other comprehensive (loss) income	(1,145)	328	2,080	(11,108)
Comprehensive (loss) income from continuing operations	(122,354)	15,428	(391,518)	20,740
Net loss from discontinued operations, net of taxes	—	(1,718)	(4,952)	(6,429)
Foreign currency translation adjustment from discontinued operations	—	(65)	7	94
Comprehensive (loss) income	\$ (122,354)	\$ 13,645	\$ (396,463)	\$ 14,405
Comprehensive (loss) income from continuing operations attributable to:				
Owners of Cineplex	\$ (122,354)	\$ 15,430	\$ (391,513)	\$ 20,760
Non-controlling interests	—	(2)	(5)	(20)
Comprehensive (loss) income	\$ (122,354)	\$ 15,428	\$ (391,518)	\$ 20,740
Comprehensive (loss) income attributable to:				
Owners of Cineplex	\$ (122,354)	\$ 13,647	\$ (396,458)	\$ 14,425
Non-controlling interests	—	(2)	(5)	(20)
Comprehensive (loss) income	\$ (122,354)	\$ 13,645	\$ (396,463)	\$ 14,405

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited)

(expressed in thousands of Canadian dollars)

For the periods ended September 30, 2020 and 2019

	Share capital	Contributed surplus	Hedging reserves and other	Cumulative translation adjustment	Deficit	Non-controlling interests	Total
January 1, 2020	\$ 852,379	\$ 4,052	\$ (131)	\$ (887)	\$ (264,310)	\$ (109)	\$ 590,994
Net loss	—	—	—	—	(398,545)	(5)	(398,550)
Other comprehensive income	—	—	—	2,247	(160)	—	2,087
Total comprehensive loss	—	—	—	2,247	(398,705)	(5)	(396,463)
Dividends declared	—	—	—	—	(9,500)	—	(9,500)
Share option expense	—	160	—	—	—	—	160
Conversion to equity-settled option plan	—	3,944	—	—	—	—	3,944
Issuance of convertible debentures	66,800	—	—	—	—	—	66,800
Non-controlling interests acquired	—	—	—	—	(114)	114	—
September 30, 2020	\$ 919,179	\$ 8,543	\$ (131)	\$ 1,360	\$ (672,629)	\$ —	\$ 256,322
January 1, 2019	\$ 852,379	\$ 7,815	\$ (3,678)	\$ 2,301	\$ (179,721)	\$ (85)	\$ 679,011
Net income	—	—	—	—	25,439	(20)	25,419
Other comprehensive loss	—	—	(8,899)	(2,115)	—	—	(11,014)
Total comprehensive income	—	—	(8,899)	(2,115)	25,439	(20)	14,405
Dividends declared	—	—	—	—	(84,234)	—	(84,234)
Share option expense	—	1,201	—	—	—	—	1,201
September 30, 2019	\$ 852,379	\$ 9,016	\$ (12,577)	\$ 186	\$ (238,516)	\$ (105)	\$ 610,383

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Cash provided by (used in)				
Operating activities				
Net (loss) income from continuing operations	\$ (121,209)	\$ 15,100	\$ (393,598)	\$ 31,848
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	30,375	31,712	96,096	95,748
Depreciation of right-of-use assets	30,539	36,456	100,257	109,475
Unrealized foreign exchange	245	(169)	(445)	389
Interest rate swap agreements - non-cash interest	118	(287)	11,413	(1,419)
Accretion of convertible debentures	4,043	—	4,043	—
Other non-cash interest	351	487	1,028	1,337
(Gain) loss on disposal of assets	(14,113)	303	(12,818)	896
Deferred income taxes	(49,685)	(2,435)	(126,227)	(6,762)
Non-cash share-based compensation	273	408	4,377	1,201
Impairment of long-lived assets and goodwill	65,634	—	238,688	—
Net change in interests in joint ventures and associates	1,765	(149)	7,834	(3,238)
Changes in operating assets and liabilities	(34,894)	(3,666)	24,079	(31,943)
Net cash (used in) provided by operating activities	(86,558)	77,760	(45,273)	197,532
Investing activities				
Proceeds from disposal of assets, including sale of discontinued operations	21,000	—	21,050	—
Purchases of property, equipment and leaseholds	(11,498)	(34,905)	(63,442)	(94,919)
Intangible assets additions	(1,418)	(2,600)	(6,899)	(5,156)
Tenant inducements	3,300	7,804	21,599	9,153
Net cash received from CDCP	—	3,910	3,910	12,512
Net cash used in investing activities	11,384	(25,791)	(23,782)	(78,410)
Financing activities				
Dividends paid	—	(28,500)	(19,000)	(83,917)
(Repayment) borrowings under credit facilities, net	(204,000)	8,000	(165,000)	69,000
Repayments of lease obligations - principal	(24,811)	(31,836)	(59,623)	(95,900)
Issuance of convertible debentures, net	303,063	—	303,063	—
Financing fees	—	—	(800)	(243)
Net cash used in financing activities	74,252	(52,336)	58,640	(111,060)
Effect of exchange rate differences on cash	292	(158)	(98)	138
Increase (decrease) in cash and cash equivalents from continuing operations	(630)	(525)	(10,513)	8,200
Cash flows used in discontinued operations	—	(1,441)	(2,391)	(3,368)
Cash and cash equivalents - Beginning of period	13,806	32,040	26,080	25,242
Cash and cash equivalents - End of period	\$ 13,176	\$ 30,074	\$ 13,176	\$ 30,074
Supplemental information				
Cash paid for interest - lease obligation	\$ 7,647	\$ 11,684	\$ 19,168	\$ 35,575
Cash paid for interest - other	\$ 9,169	\$ 6,406	\$ 20,612	\$ 18,668
Cash (received) paid for income taxes, net	\$ (3,658)	\$ 2,999	\$ (15,173)	\$ 29,087

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

Reconciliation to Adjusted EBITDAaL

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income from continuing operations	\$ (121,209)	\$ 15,100	\$ (393,598)	\$ 31,848
Depreciation and amortization - other	30,375	31,712	96,096	95,748
Depreciation - right-of-use assets	30,539	36,456	100,257	109,475
Interest expense - lease obligations	11,854	12,091	34,885	36,780
Interest expense - other	15,503	6,244	42,108	17,453
Interest income	(20)	(75)	(149)	(208)
Current income tax expense (recovery)	146	7,932	(7,719)	16,345
Deferred income tax recovery	(49,685)	(2,435)	(126,227)	(6,762)
EBITDA from continuing operations	\$ (82,497)	\$ 107,025	\$ (254,347)	\$ 300,679
Loss on disposal of assets	(14,113)	303	(12,818)	896
CDCP equity loss (income) (i)	1,820	(790)	5,194	(3,024)
Foreign exchange loss (gain)	166	(449)	(702)	569
Impairment of long-lived assets and goodwill	65,634	—	238,688	—
Non-controlling interest adjusted EBITDA	—	2	5	20
Depreciation and amortization - joint ventures and associates (ii)	18	23	62	76
Taxes and interest of joint ventures and associates (ii)	44	18	149	41
Adjusted EBITDA from continuing operations	\$ (28,928)	\$ 106,132	\$ (23,769)	\$ 299,257
Cash rent paid/payable related to lease obligations (iii)	(8,180)	(43,466)	(96,060)	(131,391)
Negotiated lease-related cash savings for the period (iii) (iv)	(9,253)	—	2,598	—
Cash rent paid not pertaining to current period (v)	(364)	(354)	364	353
Adjusted EBITDAaL (iv)	\$ (46,725)	\$ 62,312	\$ (116,867)	\$ 168,219

(i) CDCP equity loss (income) 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 incorporates negotiated lease obligation savings from prior arrangements of \$31,365 through September 30, 2020.

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

(v) Includes amounts pre-paid or deferred to future periods, to better reflect the current period EBITDAaL.

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 September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Cash provided by operating activities	\$ (86,558)	\$ 77,760	\$ (45,273)	\$ 197,532
Less: Total capital expenditures net of proceeds on sale of assets	9,502	(34,905)	(42,392)	(94,919)
Standardized free cash flow	(77,056)	42,855	(87,665)	102,613
Add/(Less):				
Changes in operating assets and liabilities (i)	34,894	3,666	(24,079)	31,943
Changes in operating assets and liabilities of joint ventures and associates (i)	372	(411)	(1,770)	666
Principal component of lease obligations	(24,811)	(31,836)	(59,623)	(95,900)
Principal portion of cash rent paid not pertaining to current period	(357)	(345)	357	346
Growth capital expenditures and other (ii)	(10,119)	30,580	38,184	77,463
Share of income of joint ventures and associates, net of non-cash depreciation	(255)	(189)	(659)	(335)
Non-controlling interest	—	2	5	20
Net cash received from CDCP (iii)	—	3,910	3,910	12,512
Adjusted free cash flow	\$ (77,332)	\$ 48,232	\$ (131,340)	\$ 129,328
Average number of Shares outstanding	63,333,238	63,333,238	63,333,238	63,333,238
Adjusted free cash flow per Share	\$ (1.221)	\$ 0.762	\$ (2.074)	\$ 2.042
Dividends declared	\$ —	\$ 0.450	\$ 0.150	\$ 1.330

(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 fund Board approved projects.

(iii) Excludes the share of income 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.