



FOR IMMEDIATE RELEASE

Cineplex Inc. Reports Third Quarter Results
Positive adjusted EBITDAaL across all business segments as guests return to theatres and entertainment venues nationwide

TORONTO, Canada, November 11, 2021 (TSX: CGX) - Cineplex Inc. (“Cineplex” or the “Company”) today released its financial results for the three and nine months ended September 30, 2021. Unless otherwise specified, all amounts are in Canadian dollars.

“Our business has turned a corner, and we are pleased to report adjusted EBITDAaL of \$10.8 million for the quarter, as well as positive quarterly adjusted EBITDAaL across all business segments for the first time since the pandemic began,” said Ellis Jacob, President & CEO, Cineplex. “Our entire theatre circuit and entertainment venues are open nationwide and attendance levels continue to grow as capacity restrictions ease across the country and guests return. We continued our prudent approach to cost management and reduced our average monthly net cash burn to \$2.9 million during the quarter, down from \$24.0 million in Q2 2021.”

“Now more than ever, we are providing every guest with a great entertainment experience and are taking proactive steps to increase visitation. In support of this strategy, during the quarter we introduced our new subscription program - CineClub, which has received an overwhelmingly positive response. We also launched our new brand platform – Where Escape Begins – to welcome guests back to the theatre experience and remind them of what they’ve been missing for so long.”

“Looking ahead, we remain confident in our solid financial position and disciplined cash management processes supporting the continued recovery of our businesses. We are encouraged by the strong pipeline of upcoming film product and the signs of a return to normalcy that we are all craving. Canadians want to reconnect and recharge with family and friends, and we will continue to capitalize on that pent up demand.”

Third Quarter Financial Results

	2021	2020	Period over Period Change (i)
Total revenues (ii)	\$ 250.4 million	\$ 61.0 million	310.3%
Theatre attendance	8.3 million	1.6 million	429.2%
Net loss from continuing operations (iii)	\$ (33.6) million	\$ (121.2) million	-72.3%
Net loss from discontinued operations	\$ — million	\$ — million	NM
Net loss (iii)	\$ (33.6) million	\$ (121.2) million	-72.3%
Box office revenues per patron (“BPP”) (iv)	\$ 11.38	\$ 9.30	22.4%
Concession revenues per patron (“CPP”) (iv)	\$ 8.58	\$ 7.37	16.4%
Adjusted EBITDA (iv)	\$ 48.6 million	\$ (28.9) million	NM
Adjusted EBITDAaL (iii) (iv)	\$ 10.8 million	\$ (46.7) million	NM
Adjusted EBITDAaL margin (iii) (iv)	4.3 %	(76.6) %	80.9%
Adjusted free cash flow (iv)	\$ (5.8) million	\$ (77.3) million	-92.6
Adjusted free cash flow per common share of Cineplex (“Share”) (iv)	\$ (0.091)	\$ (1.221)	-92.5
Earnings per Share (“EPS”) from continuing operations - basic and diluted (iii)	\$ (0.53)	\$ (1.91)	-72.3%
EPS from discontinued operations - basic and diluted	\$ —	\$ —	NM
EPS - basic and diluted (iii)	\$ (0.53)	\$ (1.91)	-72.3%

Year to Date Financial Results

	2021	2020	Period over Period Change (i)
Total revenues (ii)	\$ 356.7 million	\$ 365.8 million	-2.5%
Theatre attendance	9.8 million	12.3 million	-19.9%
Net loss from continuing operations (iii)	\$ (226.9) million	\$ (393.6) million	-42.3%
Net loss from discontinued operations	\$ — million	\$ (5.0) million	NM
Net loss (iii)	\$ (226.9) million	\$ (398.6) million	-43.1%
Box office revenues per patron (“BPP”) (iv)	\$ 11.23	\$ 10.23	9.8%
Concession revenues per patron (“CPP”) (iv)	\$ 8.39	\$ 6.86	22.3%
Adjusted EBITDA (iv)	\$ 1.6 million	\$ (23.8) million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (104.5) million	\$ (116.9) million	-10.6%
Adjusted EBITDAaL margin (iii) (iv)	(29.3) %	(31.9) %	2.6%
Adjusted free cash flow (iv)	\$ (150.5) million	\$ (131.3) million	14.6%
Adjusted free cash flow per common share of Cineplex (“Share”) (iv)	\$ (2.376)	\$ (2.074)	14.6%
Earnings per Share (“EPS”) from continuing operations - basic and diluted (iii)	\$ (3.58)	\$ (6.21)	-42.4%
EPS from discontinued operations - basic and diluted	\$ —	\$ (0.08)	NM
EPS - basic and diluted (iii)	\$ (3.58)	\$ (6.29)	-43.1%

- 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 \$4.1 million (2020 - \$0.5 million) for the third quarter and \$9.1 million (2020 - \$2.8 million) for the 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 2021

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

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Reopened its entire circuit of theatres as of July 17, 2021. The reopening included Cineplex's 161 theatre locations, encompassing 1,656 screens across Canada including 18 VIP Cinemas locations.
- Cineplex reported box office revenues of \$94.1 million an increase of \$79.6 million or 547.7% compared to the \$14.5 million reported in the prior year period. This was primarily due to an increase in attendance, as a result of the theatre reopenings and the strength of the release of *Shang-Chi and the Legend of the Ten Rings*.
- BPP was \$11.38, an all-time quarterly record for Cineplex and an increase of \$2.08 or 22.4% when compared to the prior year due to new releases and premium offerings in the current period as compared to the prior period which focused on discounted pricing for older and more classic film products.
- Opened Western Canada's first standalone VIP Cinemas at *Cineplex VIP Cinemas Brentwood* in Burnaby, British Columbia on July 7, 2021.
- Launched CineClub, Canada's first of its kind movie subscription program providing members with benefits accessible across Cineplex's businesses nationwide including Cineplex theatres, the Cineplex Store and LBE venues.

Theatre Food Service

- Cineplex reported theatre food service revenues of \$70.9 million, an increase of \$59.4 million or 515.9% compared to \$11.5 million reported in the prior year period, primarily due to a significant increase in theatre attendance as a result of the reopening of theatres coupled with an increase in CPP.
- CPP was \$8.58, an all-time quarterly record for Cineplex and an increase of \$1.21 or 16.4% when compared to the prior year, due to product mix, modest price increases and film product that appealed to frequent movie-goers.

Alternative Programming

- Alternative Programming (Cineplex Events) featured multiple concerts including K-pop concert *BLACKPINK: The Movie*, *André Rieu's 2021 Summer Concert: Together Again*, *RUSH Cinema Strangiato* and *Oasis Knebworth 1996*.

Digital Commerce

- Total registered users for Cineplex Store increased by 23% as compared to the prior year period, in addition to a year-over-year increase of 19% in device activations.
- Cineplex Store continues to benefit from Premium Video On Demand ("PVOD") and Premium Electronic Sell Through ("PEST") releases.

MEDIA

- Cinema media revenue doubled to \$6.6 million when compared to the prior year period, mainly driven by the reopening of theatres during the quarter resulting in increased pre-show and show-time advertising revenue.

AMUSEMENT AND LEISURE

Amusement Solutions

- Reported third quarter revenues of \$53.3 million, an increase of \$40.1 million or 302.8% compared to the prior year amusement revenues of \$13.2 million as a result of P1AG route locations reopenings in Canada and the United States.

Location-based Entertainment

- *The Rec Room* reported third quarter revenue of \$21.8 million, an increase of \$16.7 million or 325.0% compared to the prior year period. The increase was due to the reopening of LBE businesses in the third quarter combined with the opening of two additional LBE locations in July 2021, compared to closed or significantly reduced operating restrictions in the prior period.
- Opened British Columbia's first location of *The Rec Room* in Burnaby on July 5, 2021. Opened *The Rec Room* in Barrie, Ontario, on July 26, 2021. With these openings, Cineplex has 10 locations of *The Rec Room* and three *Playdiums* across Canada.

LOYALTY

- Membership in the SCENE loyalty program remained flat during the period ended September 30, 2021.
- Announced the upcoming launch of Scene+, an expansion of the Scene program, which will provide members with more reward options and ways to earn and to redeem points.

CORPORATE

- On September 30, Cineplex commemorated National Truth and Reconciliation Day by creating and running a Pre-Show and media spot for the Orange Shirt Society to help raise awareness for their charity and mission.

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

Total revenues

Total revenues for the three months ended September 30, 2021 increased \$189.4 million (310.3%) to \$250.4 million as compared to the prior year period. Total revenues for the nine months ended September 30, 2021 decreased \$9.1 million (2.5%) to \$356.7 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 MD&A, 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, concession margin per patron and net cash burn 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		
	2021	2020	Change	2021	2020	Change
Box office revenues	\$ 94,114	\$ 14,531	547.7%	\$ 110,430	\$ 125,560	-12.1%
Theatre attendance (i)	8,272	1,563	429.2%	9,835	12,279	-19.9%
Box office revenue per patron (i)	\$ 11.38	\$ 9.30	22.4%	\$ 11.23	\$ 10.23	9.8%
BPP excluding premium priced product (i)	\$ 10.21	\$ 8.47	20.5%	\$ 10.13	\$ 9.22	9.9%
Same theatre box office revenues (i)	\$ 93,514	\$ 14,475	546.0%	\$ 109,810	\$ 124,588	-11.9%
Same theatre attendance (i)	8,243	1,555	430.1%	9,803	12,162	-19.4%
% Total box from premium priced product (i)	30.4%	28.3%	2.1%	28.9 %	28.6 %	0.3%

(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
2020 as reported	\$ 14,531	1,563	\$ 125,560	12,279
Same theatre attendance change	62,275	6,688	(24,160)	(2,358)
Impact of same theatre BPP change	16,764	—	9,382	—
New and acquired theatres (i)	600	29	601	29
Disposed and closed theatres (i)	(56)	(8)	(953)	(115)
2021 as reported	\$ 94,114	8,272	\$ 110,430	9,835

(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

Third Quarter 2021 Top Cineplex Films				Third Quarter 2020 Top Cineplex Films			
	3D	% Box		3D	% Box		
1	✓	17.7 %	1		37.2 %	1	Tenet
2	✓	9.9 %	2		14.3 %	2	The Spongebob Movie: Sponge On The Run
3	✓	9.9 %	3		9.6 %	3	Unhinged
4		7.6 %	4		8.4 %	4	The New Mutants
5	✓	7.3 %	5		4.8 %	5	After We Collided

Year to Date 2021 Top Cineplex Films				Year to Date 2020 Top Cineplex Films			
	3D	% Box		3D	% Box		
1	✓	15.0 %	1		8.6 %	1	1917
2	✓	8.4 %	2		7.7 %	2	Bad Boys For Life
3	✓	8.4 %	3	✓	6.8 %	3	Jumanji: The Next Level
4		7.2 %	4	✓	6.4 %	4	Star Wars: The Rise of Skywalker
5		6.5 %	5		5.7 %	5	Sonic The Hedgehog

Third Quarter and Year to Date

Box office revenues increased by \$79.6 million to \$94.1 million during the third quarter of 2021 as compared to \$14.5 million recognized in the prior year period. The increase in revenues is due to the reopening of theatres across Cineplex's circuit during the beginning of the quarter as strict operating restrictions across Canada were eased. Theatres in Ontario, which represented 42% and 44% of Cineplex's total locations and screens in the third quarter of 2021 and 2020, respectively, were permitted to reopen on July 16, 2021 after extended periods of closures. Box office revenue generated during the current quarter represented 53% of box office revenues generated during the third quarter of 2019, when operations were at normal capacity levels. The pent-up demand for social experiences resulted in a significant increase in theatre attendance further contributing to the increase in box office revenues compared to the prior year period. The quarter included the release of the Marvel Studios highly anticipated *Shang-Chi and the Legend of the Ten Rings* which has set the all-time record for a Labour Day opening weekend and the biggest domestic gross since the start of the pandemic in March 2020.

Cineplex's BPP for the period was \$11.38, an all-time quarterly record for Cineplex which was mainly due to price increases in select key markets and increases in VIP theatre locations and screens which drive higher per patron spend. When compared to the prior year period, BPP increased \$2.08, or 22.4% from \$9.30 due to new releases and premium offerings in the current period as compared to the prior period which focused on discounted pricing for older and more classic film products.

Box office revenues for the nine months ended September 30, 2021 were \$110.4 million, a decrease of \$15.1 million or 12.1% 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 a majority of the period. Prior year figures include the first quarter of 2020 prior to the pandemic related closures.

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		
	2021	2020	Change	2021	2020	Change
Food service - theatres	\$ 70,945	\$ 11,519	515.9%	\$ 82,506	\$ 84,262	-2.1%
Food delivery - theatres	2,599	2,409	7.9%	10,053	5,433	85.0%
Food service - LBE	6,402	1,479	332.7%	7,089	8,250	-14.1%
Food delivery - LBE	25	61	-58.5%	106	144	-26.6%
Total food service revenues	\$ 79,971	\$ 15,468	417.0%	\$ 99,754	\$ 98,089	1.7%
Theatre attendance (i)	8,272	1,563	429.2%	9,835	12,279	-19.9%
CPP (i) (ii)	\$ 8.58	\$ 7.37	16.4%	\$ 8.39	\$ 6.86	22.3%
Same theatre food service revenues (i)	\$ 70,383	\$ 11,537	510.1%	\$ 81,918	\$ 83,611	-2.0%
Same theatre attendance (i)	8,243	1,555	430.1%	9,803	12,162	-19.4%

(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
2020 as reported	\$ 11,519	1,563	\$ 84,262	12,279
Same theatre attendance change	49,698	6,688	(16,311)	(2,358)
Impact of same theatre CPP change	9,210	—	14,521	—
New and acquired theatres (i)	562	29	562	29
Disposed and closed theatres (i)	(44)	(8)	(528)	(115)
2021 as reported	\$ 70,945	8,272	\$ 82,506	9,835

(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* and *Playdium*.

Food services revenues increased by \$64.5 million or 417.0% mainly due to an increase in theatre food service revenues of \$59.4 million or 515.9% to \$70.9 million, during the third quarter of 2021. The increase in food service revenues is due to the reopening of theatres and LBE businesses across Canada as restrictions have eased, resulting in an increase in both attendance across Cineplex's businesses and consumer spend. CPP increased \$1.21 or 16.4% to \$8.58 in the current period, an all-time quarterly record. Product mix, modest price increases to Cineplex's core food service products, additional VIP theatre locations and film product targeted towards adult demographics have contributed to the increase and all-time quarterly record CPP.

Food service revenues from LBE venues increased by \$4.9 million or 332.7% to \$6.4 million when compared to the prior year period. The increase in revenues is primarily due to the reopening of LBE businesses across Canada and the opening of two additional *The Rec Room* locations in Burnaby, British Columbia and Barrie, Ontario.

Food service revenues for the nine months ended September 30, 2021 were \$99.8 million, an increase of \$1.7 million or 1.7% compared to the prior year. The increase in food service revenues is primarily driven by the significant increases in theatre food service revenue recognized during the reopening period of Cineplex's business compared to extended closure periods experienced in the prior year.

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		
	2021	2020	Change	2021	2020	Change
Cinema media	\$ 6,640	\$ 3,334	99.2%	\$ 10,951	\$ 22,200	-50.7%
Digital place-based media	7,420	9,491	-21.8%	21,584	30,662	-29.6%
Total media revenues from continuing operations	\$ 14,060	\$ 12,825	9.6%	\$ 32,535	\$ 52,862	-38.5%
Media revenues from discontinued operations	—	—	—%	—	602	-100.0%
Total media revenues	\$ 14,060	\$ 12,825	9.6%	\$ 32,535	\$ 53,464	-39.1%

Third Quarter and Year to Date

For the three months ended September 30, 2021, total media revenues from continuing operations increased \$1.2 million or 9.6% to \$14.1 million in the third quarter compared to the prior year period. Uncertainty with respect to the timing and success of theatre reopenings and continued changes to the film release schedule constrained the return of advertisers to cinema media. Despite that, cinema media increased \$3.3 million doubling revenue as compared to the prior year. The increase to cinema media revenues was partially offset by a \$2.1 million or 21.8% decrease in digital placed-based media revenues due to lower hardware sales, and creative and digital media revenues.

For the nine months ended September 30, 2021, media revenues from continuing operations were \$32.5 million, a decrease of \$20.3 million or 38.5% compared to the prior year. The decrease is primarily due to a \$11.2 million decrease in Cinema media revenue due to theatre closures and limited new releases subsequent to the first quarter of 2020, ultimately resulting in a sharp decline in show-time and pre-show advertising revenue. Digital place-based media revenues decreased \$9.1 million primarily due to lower media hardware sales and media revenue, further contributing to the overall decrease in total media revenues.

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		
	2021	2020	Change	2021	2020	Change
Amusement - P1AG excluding Cineplex exhibition and LBE (i)	\$ 35,473	\$ 9,564	270.9%	\$ 68,478	\$ 48,212	42.0%
Amusement - Cineplex exhibition (i)	2,709	119	NM	2,980	2,327	28.0%
Amusement - LBE	15,137	3,553	326.1%	17,919	13,765	30.2%
Total amusement revenues	\$ 53,319	\$ 13,236	302.8%	\$ 89,377	\$ 64,304	39.0%

(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 increased \$40.1 million, to \$53.3 million during the third quarter of 2021 compared to the prior year period. The quarterly increase in revenues was primarily due to the reopening of P1AG US and Canada route locations at FECs and theatres.

For the year to date, amusement revenues increased \$25.1 million or 39.0% when compared to the prior year period. The increase was due to strong reopening of P1AG US route locations at FECs where restrictions and closures were lifted earlier than in Canada, theatres and increased equipment sales when compared to the prior year. The opening of two additional *The Rec Room* locations in Burnaby, British Columbia and Barrie, Ontario during the quarter also contributed to the increase in amusement revenues.

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		
	2021	2020	Change	2021	2020	Change
Other revenues from continuing operations	\$ 8,916	\$ 4,962	79.7%	\$ 24,622	\$ 24,996	-1.5%
Other revenues from discontinued operations (i)	—	—	NM	—	199	NM
Total other revenues	\$ 8,916	\$ 4,962	79.7%	\$ 24,622	\$ 25,195	-2.3%

(i) Other revenues generated by WorldGaming Network LP.

Third Quarter and Year to Date

The quarterly increase in other revenues from continuing operations is primarily due to the resumption of the recognition of breakage revenues relating to gift card sales as the business reopened and redemptions grew, and increases in digital commerce sales.

The year to date decrease in other revenues from continuing operations was primarily due to lower digital commerce sales and breakage revenues relating to gift cards which were lower due to fewer opportunities for redemption. In addition, the prolonged shutdown reduced other ancillary revenues generated from theatres, such as venue rentals. This was partially offset by increases in revenue generated from SCENE.

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		
	2021	2020	Change	2021	2020	Change
Film cost	\$ 45,838	\$ 7,261	NM	\$ 52,684	\$ 63,771	-17.4%
Film cost percentage (i)	48.7%	50.0%	-1.3%	47.7%	50.8%	-3.1%
(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 which vary by title and distributor. The increase in film cost in the third quarter over the prior year period was mainly due to the full reopening of theatres that commenced at the beginning of the quarter and new releases including *Shang-Chi and the Legend of the Ten Rings* and *Free Guy*. In the prior year period, there were a limited number of theatres open operating at significantly reduced capacities, resulting in a less meaningful comparison of film cost percentages. The lower film cost percentage in the third quarter and year to date reflects the outsized weighting of the fewer films released in 2020.

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		
	2021	2020	Change	2021	2020	Change
Cost of food service - theatre	\$ 14,612	\$ 3,210	355.2%	\$ 18,631	\$ 24,141	-22.8%
Cost of food service - LBE	1,750	470	272.3%	2,010	2,537	-20.8%
Total cost of food service	\$ 16,362	\$ 3,680	344.6%	\$ 20,641	\$ 26,678	-22.6%
Theatre concession cost percentage (i)	19.9%	23.0%	-3.1%	20.1%	26.9%	-6.8%
LBE food cost percentage (i)	27.2%	30.5%	-3.3%	27.9%	30.2%	-2.3%
Theatre concession margin per patron (i)	\$ 6.87	\$ 5.67	21.2%	\$ 6.70	\$ 5.01	33.7%
(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 increase in cost of food service is primarily due to higher food service revenue with the restricted reopening of theatres throughout the majority of the current quarter, compared to closures of theatres and LBE locations that remained in effect for a majority of the prior period. The year to date decrease in cost of food service is due to the impact of prolonged mandatory closures and operating restrictions placed on Cineplex's theatres and LBE locations leading to a decline in the year to date attendance, resulting in lower cost of food sales. The quarterly and year to date decrease in theatre concession cost percentage when compared to the prior year is due to higher costs resulting from extended closure periods of theatres in 2020 resulting in lower volume of food sales and increased reserves on concession inventory.

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		
	2021	2020	Change	2021	2020	Change
Depreciation of property, equipment and leaseholds	\$ 25,543	\$ 27,241	-6.2%	\$ 77,523	\$ 86,303	-10.2%
Amortization of intangible assets and other assets	2,754	3,134	-12.1%	8,018	9,793	-18.1%
Sub-total - depreciation and amortization - other assets	\$ 28,297	\$ 30,375	-6.8%	\$ 85,541	\$ 96,096	-11.0%
Depreciation - right-of-use assets	25,151	30,539	-17.6%	77,206	100,257	-23.0%
Total depreciation and amortization	\$ 53,448	\$ 60,914	-12.3%	\$ 162,747	\$ 196,353	-17.1%

Third Quarter and Year to Date

The quarterly depreciation of property, equipment and leaseholds decreased \$1.7 million, or 6.2%, to \$25.5 million during the third quarter of 2021 compared to the prior year period, and year to date decreased \$8.8 million, or 10.2%, to \$77.5 million compared to the prior year. The decrease was due primarily to fully depreciated property, equipment and leaseholds.

The quarterly and year to date decrease in amortization of intangible assets and other assets as compared to the prior year periods is due to fully amortized intangible assets.

The quarterly and year to date decrease of \$5.4 million and \$23.1 million, respectively, 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 related 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 and the year to date (in thousands of dollars):

Impairment of long-lived assets and goodwill	Third Quarter			Year to Date		
	2021	2020	Change	2021	2020	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

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 September 30, 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 its operations, 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 more regular business volumes continues to be delayed for longer than currently anticipated 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 and future impacts of COVID-19, 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 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		
	2021	2020	Change	2021	2020	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 in the prior period. On June 29, 2020, Cineplex sold all of its interest in WorldGaming Network LP for a nominal amount. No other operations were classified as a discontinued operation in the current period.

Loss (gain) 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):

Loss (gain) on disposal of assets	Third Quarter			Year to Date		
	2021	2020	Change	2021	2020	Change
Loss (gain) on disposal from continuing operations	\$ 22	\$ (14,113)	NM	\$ (29,859)	\$ (12,818)	132.9
Loss on disposal from discontinued operations	—	—	—%	—	129	-100.0%
Loss (gain) on disposal of assets	\$ 22	\$ (14,113)	NM	\$ (29,859)	\$ (12,689)	135.3%

The gain on disposal of assets in the third quarter of 2020 was due to the negotiated sale of certain restrictive lease rights completed in the prior year period, compared to limited activity in the current period.

The current year to date gain on disposal of assets arose from the sale of the head office buildings completed in the first quarter of 2021, for gross proceeds of \$57.0 million. Cineplex continues to occupy its head office buildings as a tenant. The prior year gain includes the third quarter sale of certain restrictive lease rights in the third quarter.

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

Other costs	Third Quarter			Year to Date		
	2021	2020	Change	2021	2020	Change
Theatre occupancy expenses	\$ 15,638	\$ 14,917	4.8%	\$ 27,769	\$ 50,623	-45.1%
Other operating expenses	108,694	50,939	113.4%	210,290	220,525	-4.6%
General and administrative expenses	15,195	12,898	17.8%	43,525	27,329	59.3%
Total other costs from continuing operations	\$ 139,527	\$ 78,754	77.2%	\$ 281,584	\$ 298,477	-5.7%
Other costs from discontinued operations	—	—	—%	—	2,212	-100.0%
Total other costs	\$ 139,527	\$ 78,754	77.2%	\$ 281,584	\$ 300,689	-6.4%

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		
	2021	2020	Change	2021	2020	Change
Cash rent paid/payable (i) (iv)	\$ 32,913	\$ 7,419	343.6%	\$ 80,665	\$ 85,434	-5.6%
Other occupancy	16,555	15,921	4.0%	43,066	52,725	-18.3%
One-time items (ii)	(608)	(799)	-23.9%	(3,827)	(1,939)	97.4%
Total theatre occupancy including cash lease payments paid/payable	\$ 48,860	\$ 22,541	116.8%	\$ 119,904	\$ 136,220	-12.0%
Cash rent related to lease obligations (iii)	(33,222)	(7,624)	335.8%	(92,135)	(85,597)	7.6%
Theatre occupancy as reported	\$ 15,638	\$ 14,917	4.8%	\$ 27,769	\$ 50,623	-45.1%

(i) Represents the cash payments for theatre rent paid or payable net of subsidies 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 year to date balance includes \$0.8 million (2020 - \$0.4 million) of cash rent paid not pertaining to the current period. See Non-GAAP measures section of this news release.

Theatre occupancy continuity	Third Quarter Occupancy	Year to Date Occupancy
2020 as reported	\$ 14,917	\$ 50,623
Impact of new and acquired theatres	144	145
Impact of disposed theatres	(144)	(1,057)
Same theatre rent change (i)	26,084	7,549
One-time items	191	(1,888)
Other (ii)	45	(21,064)
<u>Impact of IFRS 16 adoption:</u>		
Cash rent paid/payable related to lease obligations	(25,599)	(6,539)
2021 as reported	\$ 15,638	\$ 27,769

(i) See Non-GAAP measures section of this news release.
(ii) Other items also include amounts related to realty tax and rent subsidies received.

Third Quarter

Total theatre occupancy increased \$0.7 million or 4.8% during the third quarter of 2021 compared to the prior year period. This increase was primarily due to the increase in theatre rent and other charges incurred during the reopening of theatres as mandatory closure requirements and operating restrictions have been loosened. During the prior year period, Cineplex recognized significantly reduced theatre occupancy expenses as a majority of theatres were closed or operating at far below normal capacity levels. As a result, rent relief measures negotiated with landlord partners were higher in the prior year period as compared to the current period. However, Cineplex was able to reduce theatre occupancy expenses incurred in the current period through the receipt of realty tax subsidies of \$0.9 million and rent subsidies of \$0.7 million, neither of which were available in the prior year.

Year to Date

For the year to date period, theatre occupancy expenses decreased \$22.9 million or 45.1% compared to the prior year. This decrease was primarily due to lower theatre rent related expenses including common area maintenance as compared to the prior year period. Cineplex recognized realty tax subsidies of \$10.5 million (2020 - \$nil) and rent subsidies of \$11.9 million (2020 - \$nil), contributing to the decrease in theatre occupancy expenses.

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		
	2021	2020	Change	2021	2020	Change
Theatre payroll	\$ 23,944	\$ 3,868	519.0%	\$ 33,052	\$ 35,532	-7.0%
Theatre operating expenses	21,611	13,341	62.0%	39,042	48,642	-19.7%
Media	7,874	8,673	-9.2%	24,117	34,400	-29.9%
PIAG	28,463	12,118	134.9%	63,720	56,144	13.5%
LBE (i)	10,882	3,808	185.8%	18,639	21,694	-14.1%
LBE pre-opening (ii)	448	198	126.3%	1,354	1,122	20.7%
SCENE	9,980	4,325	130.8%	20,378	8,533	138.8%
Marketing	3,259	1,107	194.4%	5,499	5,087	8.1%
Other (iii)	5,922	3,891	52.2%	17,071	19,296	-11.5%
Other operating expenses including cash lease payments paid/payable	\$ 112,383	\$ 51,329	118.9%	\$ 222,873	\$ 230,450	-3.3%
Cash rent related to lease obligations (iv)	(3,689)	(390)	845.9%	(12,583)	(9,925)	26.8%
Other operating expenses from continuing operations	\$ 108,694	\$ 50,939	113.4%	\$ 210,290	\$ 220,525	-4.6%
Other operating expenses from discontinued operations	—	—	—%	—	2,212	-100.0%
Total other operating expenses	\$ 108,694	\$ 50,939	113.4%	\$ 210,290	\$ 222,737	-5.6%

(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	Third Quarter Other Operating	Year to Date Other Operating
2020 as reported	\$ 50,939	\$ 220,525
Impact of new and acquired theatres	384	447
Impact of disposed theatres	(230)	(988)
Same theatre payroll change (i)	19,915	(2,335)
Same theatre operating expenses change (i)	8,278	(9,204)
Media operating expenses change	(799)	(10,283)
PIAG operating expenses change	16,345	7,576
LBE operating expenses change	7,074	(3,055)
LBE pre-opening change	250	232
SCENE change	5,655	11,845
Marketing change	2,152	412
Other	2,030	(2,224)
Impact of IFRS 16 adoption:		
Cash rent related to lease obligations	(3,299)	(2,658)
2021 as reported	\$ 108,694	\$ 210,290

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

Third Quarter

Other operating expenses increased \$57.8 million during the third quarter of 2021 or 113.4% compared to the prior year period. The increase was primarily driven by increases in same store theatre payroll and theatre operating expenses of \$20.1 million and \$8.3 million, respectively, as a result of the reopening of all theatres during the quarter. Cineplex also recognized increases in P1AG other operating expenses of \$16.3 million mainly due to the reopening of P1AG US route locations. In the prior year period, prolonged government mandated closures and operating restrictions resulted in closures and operating levels far below normal for a majority of the period. Cineplex was able to open its entire circuit of theatres and LBE venues across Canada early in the quarter and will continue to adjust operating levels as permitted by applicable authorities. Cineplex also recognized increases in marketing costs of \$2.2 million with marketing campaigns focused on the reopening of theatres and the launch of CineClub. Cineplex also recognized a \$5.7 million increase in SCENE costs related to redemption costs. Cineplex received \$15.7 million (2020 - \$19.0 million) of subsidies in the current period, comprised of \$14.9 million (2020 - \$19.0 million) of payroll subsidies of which \$11.0 million (2020 - \$11.0 million) was offset against theatre payroll, and \$0.8 million (2020 - \$nil) of non-theatre rent, realty tax and utilities subsidies.

Year to Date

The overall decrease in other operating expenses from continuing operations compared to the prior year resulted from the temporary closures and subsequent operating restrictions on theatres, LBE locations and P1AG route locations beginning in March 2020. Cineplex received \$45.9 million (2020 - \$35.6 million) of subsidies in the current period, comprised of \$39.6 million (2020 - \$35.6 million) of payroll subsidies of which \$24.1 million (2020 - \$18.4 million) was offset against theatre payroll, and \$6.3 million (2020 - \$nil) 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 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		
	2021	2020	Change	2021	2020	Change
G&A excluding the following items	\$ 10,951	\$ 9,253	18.4%	\$ 31,509	\$ 36,456	-13.6%
Restructuring	—	5,427	-100.0%	—	5,862	-100.0%
Transaction / Litigation costs	4,099	453	804.9%	9,120	2,822	223.2%
LTIP (i)	166	(2,343)	NM	3,265	(15,352)	NM
Option plan	536	273	96.3%	1,380	(1,921)	NM
G&A expenses including cash lease payments	\$ 15,752	\$ 13,063	20.6%	\$ 45,274	\$ 27,867	62.5%
Cash rent paid/payable included as part of lease obligations (ii)	(557)	(165)	237.6%	(1,749)	(538)	225.0%
G&A expenses as reported	\$ 15,195	\$ 12,898	17.8%	\$ 43,525	\$ 27,329	59.3%

(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.

Third Quarter and Year to Date

G&A expenses during the three months ended September 30, 2021 increased \$2.3 million as compared to the prior year period. This was primarily due to lower CEWS benefit in the current period compared to the prior period due to a lower variable subsidy rate as a result of revenue growth in the current period. In addition, the change is also attributable 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 compared to less volatile Share price changes experienced in the current period. The prior year includes costs arising from a cost restructuring program. Cineplex incurred \$4.1 million (2020 - \$0.5 million) of expenses related to litigation arising from the Cineworld Transaction during the period. Employee payroll was reduced by \$1.3 million (2020 - \$3.3 million) under the CEWS program.

G&A expenses for the year to date period increased \$16.2 million compared to the prior year period. The change was primarily due to a significant decrease in LTIP expense in the prior period due to the share decline in Cineplex’s Share price as a result of the impact of the COVID-19 pandemic on Cineplex’s business, which fell from \$33.90 at the beginning of the prior year period to \$7.21 per Share at September 30, 2020. Cineplex has incurred year to date costs relating to litigation arising from the Cineworld Transaction of \$9.1 million (2020 - \$2.8 million). The prior year includes costs arising from a cost restructuring program. Employee payroll was reduced by \$7.0 million (2020 - \$7.1 million) under the CEWS program in 2021.

EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION AFTER LEASES (“EBITDAaL”) (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, 2021 as compared to the prior year period (expressed in thousands of dollars, except adjusted EBITDAaL margin):

EBITDA	Third Quarter			Year to Date		
	2021	2020	Change	2021	2020	Change
EBITDA	\$ 52,660	\$ (82,497)	NM	\$ 32,436	\$ (254,347)	NM
Adjusted EBITDA	\$ 48,606	\$ (28,928)	NM	\$ 1,599	\$ (23,769)	NM
Adjusted EBITDAaL	\$ 10,762	\$ (46,725)	NM	\$ (104,493)	\$ (116,867)	-10.6%
Adjusted EBITDAaL margin	4.3 %	(76.6)%	80.9 %	(29.3)%	(31.9)%	2.6%

Adjusted EBITDAaL for the third quarter of 2021 was \$10.8 million compared to a loss of the \$(46.7) million for the prior year period. The movement was primarily due to reopening of Cineplex’s entire circuit of theatres and LBE venues by the latter half of July 2021, in addition to increased cinema media revenues and amusement revenues from route operations in both Canada and the United States. In the prior year period, as a result of COVID-19 government imposed restrictions, Cineplex’s theatres and LBE venues were not all reopened, with strict operating restrictions in effect, until August 21, 2020.

For the nine months ended September 30, 2021, adjusted EBITDAaL was a loss of \$(104.5) million as compared to a loss of \$(116.9) million for the same period in 2020. The change was primarily due all of Cineplex’s businesses being open and operating under restrictions for the majority of the third quarter. In the prior year period, Cineplex operated at full capacity until restrictions and closures began in March 2020 which continued until the latter half of August which allowed for limited reopenings. 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 2021, adjusted free cash flow per common share of Cineplex was \$(0.09) as compared to \$(1.22) in the prior year period. The declared dividends per common share of Cineplex were \$nil in the third quarter of 2021 and \$nil in the prior year period. During the 12 months ended September 30, 2021, Cineplex generated adjusted free cash flow per Share of \$(2.85), compared to \$(1.45) in the prior 12 month period. Cineplex declared dividends per Share of \$0.00 and \$0.60, respectively, in each 12 month period. The payout ratios for these periods were 0.0% and (41.2)%, 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, loss (gain) on disposal of assets, foreign exchange, impairment of long-lived assets, goodwill and investments, the equity (income) loss 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 instruments.

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 (excluding temporary government-mandated shutdowns) or otherwise disposed of subsequent to the start of the prior year comparative period. For the three months ended September 30, 2021 the impact of one location that has been opened or acquired and four locations that have been closed or otherwise disposed of have been excluded, resulting in 156 theatres being included in the same theatre metrics. For the nine months ended September 30, 2021 the impact of one location that has been opened or acquired and five locations that have been closed or otherwise disposed of have been excluded, resulting in 155 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	2021	April 1, 2020 - June 30, 2021	2021		2020		
	Q3		Q2	Q1	Q4	Q3	Q2
Adjusted EBITDAaL	\$ 10,762	\$ (300,460)	\$ (53,165)	\$ (62,090)	\$ (65,948)	\$ (46,725)	\$ (72,532)
Cash interest expense excluding lease obligations	(15,983)	(61,641)	(15,701)	(13,429)	(13,412)	(11,317)	(7,782)
Provision for incomes taxes	—	63,292	—	—	12,355	16,497	34,440
Net capital expenditures	(3,475)	(31,565)	(3,021)	(5,055)	(7,272)	(8,198)	(8,019)
Total net cash burn	\$ (8,696)	\$ (330,374)	\$ (71,887)	\$ (80,574)	\$ (74,277)	\$ (49,743)	\$ (53,893)
Average monthly net cash burn	\$ (2,899)	\$ (22,025)	\$ (23,962)	\$ (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 or operational restrictions 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 vaccine passports or proof of vaccine mandates, social distancing measures and restrictions including those on capacity. Restrictions imposed in many of the markets in which Cineplex operates are gradually being lifted as vaccination rates increase across the country, providing clearer visibility for the reopening of Cineplex's business and the return to normalcy. 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 third quarter. **Ellis Jacob, President and Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call scheduled for:

Cineplex Inc. Q3 2021 Analyst Conference Call Details:

Date: Thursday, November 11, 2021

Time: 8:30 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.

Analysts who cover the Company, should use the dial-in option to participate in the live question period: 647-484-0477 (Toronto) or 1-800-458-4121 (Canada/US Toll-free), conference code: 7607233.

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. Cineplex offers a unique escape from the everyday to millions of guests through its circuit of over 170 movie theatres and location-based entertainment venues. In addition to being Canada's largest and most innovative film exhibitor, the company operates Canada's favourite destination for 'Eats & Entertainment' (*The Rec Room*) and complexes specially designed for teens and families (*Playdium*). It also operates successful businesses in digital commerce (CineplexStore.com), alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media "CDM") and amusement solutions (Player One Amusement Group "PIAG"). Providing even more value for its guests, 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.

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

	September 30,		December 31,
	2021		2020
Assets			
Current assets			
Cash and cash equivalents	\$ 28,471	\$	16,254
Trade and other receivables	45,955		51,834
Income taxes receivable	2,034		66,551
Inventories	25,194		21,712
Prepaid expenses and other current assets	13,023		11,613
	<hr/>		<hr/>
	114,677		167,964
Non-current assets			
Property, equipment and leaseholds	479,020		555,340
Right-of-use assets	787,427		881,418
Interests in joint ventures and associates	4,751		8,644
Intangible assets	83,563		84,922
Goodwill	635,588		635,582
Derivative financial instrument	3,820		—
	<hr/>		<hr/>
	\$ 2,108,846	\$	2,333,870
	<hr/>		<hr/>

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

	September 30,	December 31,
	2021	2020
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 130,132	\$ 82,992
Share-based compensation	778	482
Income taxes payable	1,938	802
Deferred revenue	217,970	219,983
Lease obligations	105,711	97,259
Fair value of interest rate swap agreements	9,191	7,202
	<hr/>	<hr/>
	465,720	408,720
Non-current liabilities		
Share-based compensation	4,638	2,670
Long-term debt	734,046	725,271
Fair value of interest rate swap agreements	10,298	19,157
Lease obligations	1,015,294	1,073,666
Post-employment benefit obligations	10,659	11,503
Other liabilities	67,945	68,649
	<hr/>	<hr/>
	1,842,880	1,900,916
	<hr/>	<hr/>
Total liabilities	2,308,600	2,309,636
Shareholders' (deficit) equity		
Share capital	852,456	852,379
Deficit	(1,130,338)	(903,394)
Hedging reserves and other	(131)	(131)
Contributed surplus	78,808	75,882
Cumulative translation adjustment	(549)	(502)
	<hr/>	<hr/>
Total shareholders' (deficit) equity	(199,754)	24,234
	<hr/>	<hr/>
	\$ 2,108,846	\$ 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 September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues				
Box office	\$ 94,114	\$ 14,531	\$ 110,430	\$ 125,560
Food service	79,971	15,468	99,754	98,089
Media	14,060	12,825	32,535	52,862
Amusement	53,319	13,236	89,377	64,304
Other	8,916	4,962	24,622	24,996
	<u>250,380</u>	<u>61,022</u>	<u>356,718</u>	<u>365,811</u>
Expenses				
Film cost	45,838	7,261	52,684	63,771
Cost of food service	16,362	3,680	20,641	26,678
Depreciation - right-of-use assets	25,151	30,539	77,206	100,257
Depreciation and amortization - other assets	28,297	30,375	85,541	96,096
Loss (gain) on disposal of assets	22	(14,113)	(29,859)	(12,818)
Other costs	139,527	78,754	281,584	298,477
Share of (income) loss of joint ventures and associates	(930)	2,137	2,536	6,064
Interest expense - lease obligations	14,842	11,854	43,942	34,885
Interest expense - other	17,990	15,503	49,554	42,108
Interest income	(68)	(20)	(202)	(149)
Foreign exchange	(529)	166	66	(702)
Change in fair value of financial instruments	(2,570)	—	(3,370)	—
Impairment of long-lived assets and goodwill	—	65,634	—	238,688
	<u>283,932</u>	<u>231,770</u>	<u>580,323</u>	<u>893,355</u>
Loss from continuing operations before income taxes	<u>(33,552)</u>	<u>(170,748)</u>	<u>(223,605)</u>	<u>(527,544)</u>
Provision for income taxes				
Current	—	146	3,339	(7,719)
Deferred	—	(49,685)	—	(126,227)
	<u>—</u>	<u>(49,539)</u>	<u>3,339</u>	<u>(133,946)</u>
Net loss from continuing operations	<u>\$ (33,552)</u>	<u>\$ (121,209)</u>	<u>\$ (226,944)</u>	<u>\$ (393,598)</u>
Net loss from discontinued operations, net of taxes	—	—	—	(4,952)
Net loss	<u>\$ (33,552)</u>	<u>\$ (121,209)</u>	<u>\$ (226,944)</u>	<u>\$ (398,550)</u>
Net loss from continuing operations attributable to:				
Owners of Cineplex	\$ (33,552)	\$ (121,209)	\$ (226,944)	\$ (393,593)
Non-controlling interests	—	—	—	(5)
Net loss from continuing operations	<u>\$ (33,552)</u>	<u>\$ (121,209)</u>	<u>\$ (226,944)</u>	<u>\$ (393,598)</u>
Net loss attributable to:				
Owners of Cineplex	\$ (33,552)	\$ (121,209)	\$ (226,944)	\$ (398,545)
Non-controlling interests	—	—	—	(5)
Net loss	<u>\$ (33,552)</u>	<u>\$ (121,209)</u>	<u>\$ (226,944)</u>	<u>\$ (398,550)</u>
Net loss per share attributable to owners of Cineplex - basic and diluted:				
Continuing operations	\$ (0.53)	\$ (1.91)	\$ (3.58)	\$ (6.21)
Discontinued operations	—	—	—	(0.08)
Total operations	<u>\$ (0.53)</u>	<u>\$ (1.91)</u>	<u>\$ (3.58)</u>	<u>\$ (6.29)</u>

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

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net loss from continuing operations	\$ (33,552)	\$ (121,209)	\$ (226,944)	\$ (393,598)
Other comprehensive (loss) income from continuing operations				
<i>Items that will be reclassified subsequently to net income:</i>				
Foreign currency translation adjustment	861	(1,145)	(47)	2,240
Recognition of currency translation adjustment on disposition of discontinued operations	—	—	—	(160)
Other comprehensive income (loss) from continuing operations	<u>861</u>	<u>(1,145)</u>	<u>(47)</u>	<u>2,080</u>
Comprehensive loss from continuing operations	(32,691)	(122,354)	(226,991)	(391,518)
Net loss from discontinued operations, net of taxes	—	—	—	(4,952)
Foreign currency translation adjustment from discontinued operations	—	—	—	7
Comprehensive loss	<u>\$ (32,691)</u>	<u>\$ (122,354)</u>	<u>\$ (226,991)</u>	<u>\$ (396,463)</u>
Comprehensive loss from continuing operations attributable to:				
Owners of Cineplex	\$ (32,691)	\$ (122,354)	\$ (226,991)	\$ (391,513)
Non-controlling interests	—	—	—	(5)
	<u>\$ (32,691)</u>	<u>\$ (122,354)</u>	<u>\$ (226,991)</u>	<u>\$ (391,518)</u>
Comprehensive loss attributable to:				
Owners of Cineplex	\$ (32,691)	\$ (122,354)	\$ (226,991)	\$ (396,458)
Non-controlling interests	—	—	—	(5)
	<u>\$ (32,691)</u>	<u>\$ (122,354)</u>	<u>\$ (226,991)</u>	<u>\$ (396,463)</u>

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited)

(expressed in thousands of Canadian dollars)

For the periods ended September 30, 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	—	—	—	—	(226,944)	—	(226,944)
Other comprehensive loss	—	—	—	(47)	—	—	(47)
Total comprehensive loss	—	—	—	(47)	(226,944)	—	(226,991)
Share option expense	—	1,380	—	—	—	—	1,380
PSU/RSU expense	—	1,683	—	—	—	—	1,683
Settlement for cancelled options	—	(60)	—	—	—	—	(60)
Issuance of shares on exercise of options	77	(77)	—	—	—	—	—
September 30, 2021	\$ 852,456	\$ 78,808	\$ (131)	\$ (549)	\$ (1,130,338)	\$ —	\$ (199,754)
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	—	548	—	—	—	—	548
Conversion to equity-settled option plan	—	3,944	—	—	—	—	3,944
Non-controlling interests acquired	—	—	—	—	(114)	114	—
Issuance of convertible debentures	—	66,800	—	—	—	—	66,800
September 30, 2020	\$ 852,379	\$ 75,343	\$ (131)	\$ 1,360	\$ (672,629)	\$ —	\$ 256,322

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,	
	2021	2020	2021	2020
Cash provided by (used in)				
Operating activities				
Net loss from continuing operations	\$ (33,552)	\$ (121,209)	\$ (226,944)	\$ (393,598)
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization - other assets	28,297	30,375	85,541	96,096
Depreciation - right-of-use assets	25,151	30,539	77,206	100,257
Unrealized foreign exchange	(479)	245	(23)	(445)
Interest rate swap agreements - non-cash interest	(2,071)	118	(7,448)	11,413
Accretion of convertible debentures and notes payable	4,050	4,043	11,809	4,043
Other non-cash interest	188	351	812	1,028
Loss (gain) on disposal of assets	22	(14,113)	(29,859)	(12,818)
Deferred income taxes	—	(49,685)	—	(126,227)
Non-cash share-based compensation	1,246	273	3,064	4,377
Change in fair value of financial instruments	(2,570)	—	(3,370)	—
Impairment of long-lived assets, goodwill and investments	—	65,634	—	238,688
Net change in interests in joint ventures and associates	(899)	1,765	3,893	7,834
Changes in operating assets and liabilities	32,640	(34,894)	118,843	24,079
Net cash provided by (used in) operating activities	52,023	(86,558)	33,524	(45,273)
Investing activities				
Proceeds from disposal of assets, net	3,231	21,000	63,147	21,050
Purchases of property, equipment and leaseholds	(4,834)	(11,498)	(18,575)	(63,442)
Intangible assets additions	(2,130)	(1,418)	(7,208)	(6,899)
Tenant inducements	1,359	3,300	7,024	21,599
Net cash received from CDCP	—	—	—	3,910
Net cash (used in) provided by investing activities	(2,374)	11,384	44,388	(23,782)
Financing activities				
Dividends paid	—	—	—	(19,000)
Repayments under credit facilities, net	(26,000)	(204,000)	(247,000)	(165,000)
Repayments of lease obligations - principal	(24,191)	(24,811)	(62,734)	(59,623)
Issuance of convertible debentures, net	—	303,063	—	303,063
Issuance of notes payable, net	—	—	243,996	—
Financing fees	—	—	(321)	(800)
Net cash (used in) provided by financing activities	(50,191)	74,252	(66,059)	58,640
Effect of exchange rate differences on cash	(189)	292	364	(98)
(Decrease) increase in cash and cash equivalents from continuing operations	(731)	(630)	12,217	(10,513)
Cash flows used in discontinued operations	—	—	—	(2,391)
Cash and cash equivalents - Beginning of period	29,202	13,806	16,254	26,080
Cash and cash equivalents - End of period	\$ 28,471	\$ 13,176	\$ 28,471	\$ 13,176
Supplemental information				
Cash paid for interest - lease obligation	\$ 15,355	\$ 7,647	\$ 42,127	\$ 19,168
Cash paid for interest - other	\$ 2,833	\$ 9,169	\$ 24,345	\$ 20,612
Cash received for income taxes, net	\$ (8,814)	\$ (3,658)	\$ (62,329)	\$ (15,173)

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,	
	2021	2020	2021	2020
Net loss from continuing operations	\$ (33,552)	\$ (121,209)	\$ (226,944)	\$ (393,598)
Depreciation and amortization - other	28,297	30,375	85,541	96,096
Depreciation - right-of-use assets	25,151	30,539	77,206	100,257
Interest expense - lease obligations	14,842	11,854	43,942	34,885
Interest expense - other	17,990	15,503	49,554	42,108
Interest income	(68)	(20)	(202)	(149)
Current income tax expense (recovery)	—	146	3,339	(7,719)
Deferred income tax recovery	—	(49,685)	—	(126,227)
EBITDA from continuing operations	\$ 52,660	\$ (82,497)	\$ 32,436	\$ (254,347)
Loss (gain) on disposal of assets	22	(14,113)	(29,859)	(12,818)
Change in fair value of financial instruments	(2,570)	—	(3,370)	—
CDCP equity (income) loss (i)	(988)	1,820	2,293	5,194
Foreign exchange (gain) loss	(529)	166	66	(702)
Impairment of long-lived assets and goodwill	—	65,634	—	238,688
Non-controlling interest adjusted EBITDA	—	—	—	5
Depreciation and amortization - joint ventures and associates (ii)	—	18	—	62
Taxes and interest of joint ventures and associates (ii)	11	44	33	149
Adjusted EBITDA from continuing operations	\$ 48,606	\$ (28,928)	\$ 1,599	\$ (23,769)
Cash rent paid/payable related to lease obligations (iii)	(37,469)	(8,180)	(106,467)	(96,060)
Negotiated lease-related cash savings for the period (iii) (iv)	—	(9,253)	—	2,598
Cash rent paid not pertaining to current period	(375)	(364)	375	364
Adjusted EBITDAaL (iv)	\$ 10,762	\$ (46,725)	\$ (104,493)	\$ (116,867)

(i) CDCP equity (income) 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 \$29.5 million (2020 - \$31.4 million) through September 30, 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 September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash provided by (used in) operating activities	\$ 52,023	\$ (86,558)	\$ 33,524	\$ (45,273)
Less: Total capital expenditures net of proceeds on sale of assets	(1,603)	9,502	(15,310)	(42,392)
Standardized free cash flow	50,420	(77,056)	18,214	(87,665)
Add/(Less):				
Changes in operating assets and liabilities (i)	(32,640)	34,894	(118,843)	(24,079)
Changes in operating assets and liabilities of joint ventures and associates (i)	(31)	372	(1,357)	(1,770)
Principal component of lease obligations	(24,191)	(24,811)	(62,734)	(59,623)
Principal portion of cash rent paid not pertaining to current period	—	(357)	737	357
Growth capital expenditures and other (ii)	736	(10,119)	13,708	38,184
Share of income (loss) of joint ventures and associates, net of non-cash depreciation	(47)	(255)	(210)	(659)
Non-controlling interest	—	—	—	5
Net cash received from CDCP (iii)	—	—	—	3,910
Adjusted free cash flow	\$ (5,753)	\$ (77,332)	\$ (150,485)	\$ (131,340)
Average number of Shares outstanding	63,342,557	63,333,238	63,339,070	63,333,238
Adjusted free cash flow per Share	\$ (0.091)	\$ (1.221)	\$ (2.376)	\$ (2.074)
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.