

Cineplex Inc.

Investor Presentation

July 7, 2020



Disclaimer

General

Prospective investors should rely only on the information contained in the preliminary prospectus dated July 7, 2020 (the "prospectus"). This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the prospectus. Capitalized terms used herein that are not otherwise defined have the meanings ascribed to such terms in the prospectus. A prospective investor is not entitled to rely on parts of the information contained in this presentation to the exclusion of others. Cineplex Inc. (the "Company" or "Cineplex") and the Underwriters have not authorized anyone to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers should not rely on it. Prospective purchasers should not assume that the information contained in this presentation is accurate as of any date other than the date of the prospectus, or where information is stated to be as of a date other than the date of the prospectus, such other applicable date. No securities regulatory authority has expressed an opinion about the securities described herein and it is an offence to claim otherwise. An investment in the securities described herein is speculative and involves a high degree of risk.

The prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered thereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. The prospectus does not constitute an offer to sell or solicitation of an offer to buy any securities in the United States.

Forward-Looking Information

This presentation contains "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements contained in this presentation may be based on forecasts of future results and estimates of amounts not yet determinable. These statements may include, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. All statements other than statements of historical facts included in this presentation may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, among others, statements pertaining to:

the Company's outlook, goals, expectations and projected results of operations, including factors and assumptions underlying the Company's projections regarding the duration and impact of the 2019 novel coronavirus ("COVID-19") pandemic on Company, the movie exhibition industry and the economy in general, as well as the Company's response to the pandemic related 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 guests and employees;

- the Company'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;
- the Company's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic;
- the anticipated completion of the Offering;
- the use of proceeds from the Offering; and
- the Company's assessment of market risks.

Forward-looking statements, by their nature, are based on assumptions, including those described in this presentation, the prospectus and the documents incorporated by reference therein and are subject to important risks and uncertainties. In particular, the Company's expectations with respect to net cash burn are subject to current assumptions regarding its ability to successfully implement and sustain a variety of measures to reduce its expenses discussed in the prospectus and the documents incorporated by reference therein. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business of the Company. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those discussed below.

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 the Company 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, the Company'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 on freedom of movement. There is limited visibility on when these restrictions will be lifted in many of the markets in which the Company operates and how quickly guests will return to the Company's locations once its operations resume due to prolonged safety concerns and adverse economic conditions. The Company is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves.

Cineplex cautions purchasers that the foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, purchasers and others 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 "Risk Factors" section of the prospectus, in the "Risk Factors" section of Cineplex's 2020 AIF, in the "Risks and Uncertainties" sections and elsewhere in Cineplex's 2020 Q1 MD&A and 2019 Annual MD&A and in the Company's other filings with Canadian securities regulatory authorities. Cineplex does not undertake to update any forward-looking statements, except as required by applicable Canadian securities law; such statements speak only as of the date made. Forward-looking statements contained in this presentation represent Cineplex's expectations as of the date of this presentation (or as of the date they are otherwise stated to be made) and have not been updated except as expressly provided herein.

Non-GAAP Financial Measures

This presentation makes reference to certain non-GAAP measures that are used by management to evaluate the performance of Cineplex. Because non-GAAP measures do not have standardized meanings, securities regulations require that non-GAAP measures be clearly defined and qualified, and reconciled to their nearest GAAP measure. The Company's key performance measures include EBITDA, adjusted EBITDA and adjusted EBITDAaL. Readers are advised to review the section entitled non-GAAP measures in the 2020 Q1 MD&A for a further discussion of such non-GAAP measures.

Certain Other Matters

Any information demonstrating the Company's historical performance contained in the prospectus are intended only to illustrate past performance and are not necessarily indicative of the Company's future performance. In this presentation, all amounts are in Canadian dollars, unless otherwise indicated.

All data as of July 6, 2020, unless otherwise noted

Today's Presenters



Ellis Jacob

*President and Chief
Executive Officer*

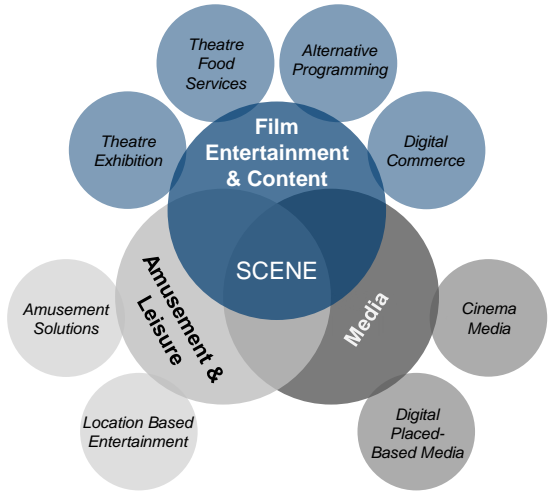


Gord Nelson

*Chief Financial
Officer*

Executive Summary

- Cineplex Inc. (“Cineplex” or the “Company”) is the largest and most successful motion picture exhibition company in Canada, serving over 70 million visitors in 2019 across 1,687 screens in 164 theatres and other venues⁽¹⁾
- The Company also has an extensive collection of other assets, including the following:
 - Significant portfolio of full-service cinema media and digital place-based signage
 - Growing digital commerce business
 - Leading amusement gaming company in North America
 - Unique location based entertainment (“LBE”) complexes (The Rec Room and Playdium) offering affordable entertainment and casual dining
- In addition, the Company operates Canada’s largest entertainment loyalty program with over 10 million members
- The Company is seeking \$275 million aggregate principal amount of Convertible Unsecured Subordinated Debentures (the “Debentures”) due 2025 (the “Offering”)
- Upon completion of the Offering, the Company will have available liquidity of ~\$318 million, providing ample capacity to fund operations well into 2021 based on management’s current assumptions
- The Company has entered into an amendment agreement for its credit facilities that provides covenant relief for Q2 and Q3 2020 when certain conditions are met
 - Completion of the Offering will satisfy these conditions



(1) As of the date hereof; represents owned, leased and JV locations

Offering Details

Summary Terms

Security	<ul style="list-style-type: none"> Treasury offering of Convertible Unsecured Subordinated Debentures
Launch Size	<ul style="list-style-type: none"> \$275 million, before giving effect to the Over-Allotment Option
Over-Allotment Option	<ul style="list-style-type: none"> 15%
Coupon	<ul style="list-style-type: none"> 5.25 - 5.75% (commencing September 30, 2020)
Conversion Premium	<ul style="list-style-type: none"> 27.50 - 32.50%
Redemption	<ul style="list-style-type: none"> Not callable for 3 years, redeemable at par in year 4 subject to market test of 125%, redeemable at par in year 5
Maturity	<ul style="list-style-type: none"> September 30, 2025
Form of Offering	<ul style="list-style-type: none"> Marketed public issue, eligible for sale in each of the provinces and territories of Canada, pursuant to a short form prospectus. Offered in the U.S. via Rule 144A
Anticipated Pricing Date	<ul style="list-style-type: none"> Expected on or about July 8, 2020
Anticipated Closing Date	<ul style="list-style-type: none"> Expected on or about July 15, 2020

Recent Developments

Overview

- The Company had been working to ensure it maintained the conditions related to the Cineworld acquisition in recent months, pursuant to an arrangement agreement entered into on December 15, 2019 (the “Arrangement Agreement”)
- On June 12, 2020, Cineworld announced that it was terminating the Arrangement Agreement claiming certain breaches by Cineplex
- Cineplex believes that Cineworld had no legal basis to terminate the Arrangement Agreement and filed a statement of claim in the Ontario Superior Court of Justice on July 3, 2020
 - The claim seeks damages including ~\$2.18 billion that Cineworld would have paid upon closing, as well as compensation for other losses related to Cineplex’s debt and transaction expenses
- As a prudent measure, the Company had been working to develop a strategy to operate the business in the case that the Cineworld transaction did not close by the end of June 2020
- As part of that strategy, the Company plans to raise funds as outlined in this presentation

COVID-19 Response Plan

- Response to COVID-19 has been focused on the safety of guests / employees and to be responsive to government mandated closures
- COVID-19 strategies and financial support programs continue to evolve and the Company continues to maximize its opportunities under these programs
- Cineplex has been able to maintain connections with its guests via various channels and will use these to communicate the various safety measures put in place to ensure their safety during a long-deserved outing

Reopening of Theatres

- Selected provinces are advancing into initial stages of post-COVID reopening, often with some level of capacity restrictions; to date, Cineplex has reopened selected Rec Room locations and six theatres in AB
 - Management has calculated that if capacity at its theatres had been limited to 50% of maximum capacity during 2019, this capacity restriction would have resulted in a decline in attendance of ~9% based on 2019 attendance levels⁽¹⁾
- Pent-up demand and a backlog of movie releases is expected to aid in the recovery of traffic

(1) Although historically Cineplex has operated at an overall seat capacity utilization rate of ~15%, it is substantially lower during weekday matinee shows and higher during weekend evening shows

Key Short Term Measures in Response to COVID-19

Expense Management

- All non-essential spending has been curtailed (both operating expenses and capital expenditures)
- Salary reductions implemented for all staff; temporary layoffs of all hourly staff as well as selected full-time staff to significantly reduce payroll costs
- Proactive negotiations with landlords for rent relief, including abatements and converting fixed rent to variable rent depending on attendance, until attendance returns to previous levels
- Working with major suppliers to modify the timing and amount of certain contractual payments
- Continuing the suspension of dividends
- Since March 15, 2020, the Company has experienced a net cash burn⁽¹⁾ of ~\$15-20 million per month
 - Expected to improve in Q3 2020 as a result of the planned reopening of the Company's theatres and LBE venues and certain expense reduction measures

Support Programs

- The Company has received the Canada Emergency Wage Subsidy ("CEWS") which covers 75% of wages for full-time employees (up to \$847 per week) for the period from March 15, 2020 to August 29, 2020
 - As a result of the measures mentioned above as well as the CEWS, Cineplex has reduced theatre payroll expenses from ~\$41 million in Q2 2019 to ~\$1 million in Q2 2020

Capex Reductions

- Purchases of property, plant and equipment to be reduced to focus on maintenance capex and certain agreed upon projects
 - Purchases of property, plant and equipment (net of tenant inducements) of ~\$132 million in 2019A to be reduced to ~\$50 million over the next 12 months

(1) Net cash burn is calculated as Adj. EBITDAaL less cash interest, less current tax expense and less net capital expenditures

Positive Momentum in the Sector

Shift Toward Post-COVID Reopening Plans

- Governments and regulators across the U.S., Canada and Europe are turning attention to the reopening of theatres in a post-COVID environment
- Many states in the U.S. have allowed the opening of theatres subject to certain limitations, including capacity restrictions and social distancing requirements
- Many European countries have also announced plans to reopen theatres as early as July 2020
- Opening of theatres in the U.S. and Europe may positively impact decisions to release product by studios
- Cineplex is monitoring the reopening of venues in the U.S. and Europe and will apply any lessons learned to its reopening plan in Canada

Pent-up Consumer Demand

- Canadians are looking forward to resuming a number of activities post-COVID
- Cineplex expects significant pent-up demand as the nationwide reopening effort continues
 - Cineplex believes that consumer demand for the theatrical experience and a backlog of anticipated releases will drive visitation
 - The Company also expects demand for LBE activities to increase as people seek out-of-home experiences that have been restricted
- Theatres have historically fared well during periods of economic hardship; the Company believes the industry will benefit from pent-up social demand as people look for a return to normalcy
 - Theatres and LBE outings provide an outlet for affordable out-of-home entertainment

Timing of Provincial Reopenings

- Most Canadian provinces have adopted a phased approach to reopening theatres and restaurants
 - Each province has unique requirements for reopening and ongoing operations

	Theatres		Restaurants	
British Columbia	✓	<i>Permitted since May 22</i>	✓	<i>Permitted since May 19</i>
Alberta	✓	<i>Permitted since June 12</i>	✓	<i>Permitted since May 14</i>
Saskatchewan	✓	<i>Permitted since June 29</i>	✓	<i>Permitted since June 8</i>
Manitoba	■	<i>Announcement pending</i>	✓	<i>Permitted since June 1</i>
Ontario	■	<i>Announcement pending</i>	●	<i>Outdoor only permitted since June 12 (regionally)</i>
Quebec	✓	<i>Permitted since June 22</i>	✓	<i>Permitted since June 15 (Montreal on June 22)</i>
New Brunswick	✓	<i>Permitted since June 26</i>	✓	<i>Permitted since May 8</i>
Nova Scotia	✓	<i>Permitted since June 19</i>	✓	<i>Permitted since June 5</i>
P.E.I.	✓	<i>Permitted since June 1</i>	✓	<i>Permitted since June 1</i>
Newfoundland	✓	<i>Permitted since June 24</i>	✓	<i>Permitted since June 8</i>

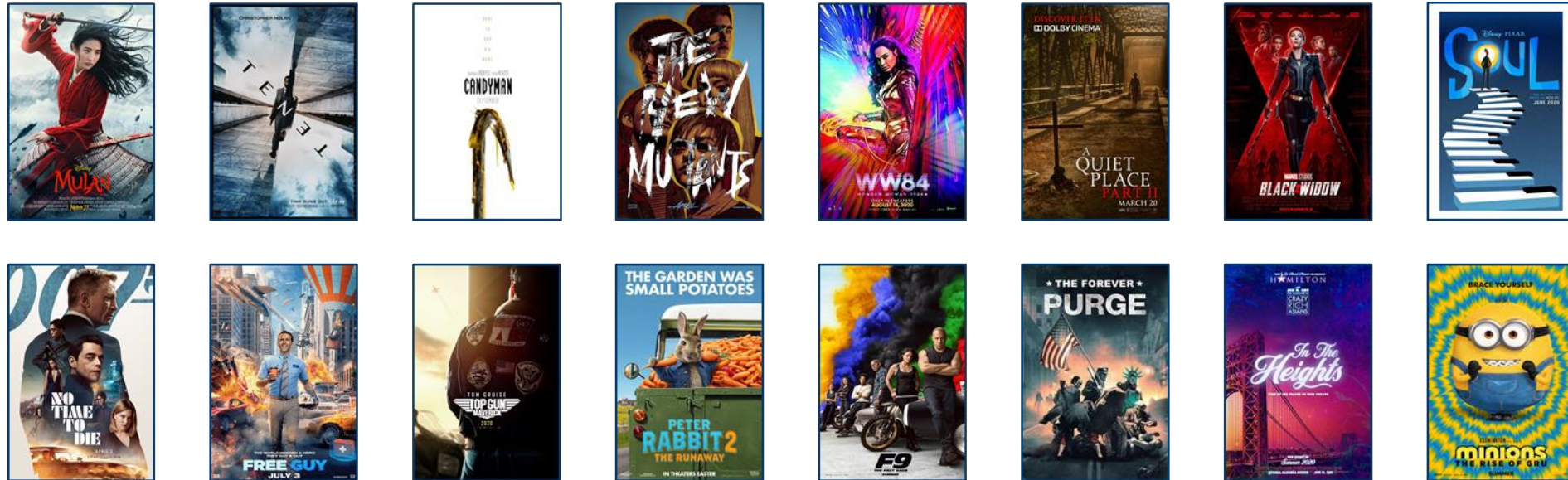
Legend: ✓ Reopened / Plan in Place ● Partially Reopened / In Progress ■ No Detailed Plan / TBD

Source: Local sources; as at July 6, 2020

Significant Backlog of Blockbuster Titles

- Many highly anticipated films that were scheduled for an early 2020 release have been delayed until later in the year or pushed into 2021
 - Strong product pipeline for theatres in the near / medium-term
- Cineplex is optimistic that the industry will recover over time as consumer demand for the theatrical experience, combined with a build-up of anticipated releases of strong film content, will help drive visitation as people look to return to normalcy

Pipeline of Selected Upcoming Titles



Improving Cineplex's Liquidity Position

- Cineplex entered the pandemic with strong liquidity
 - Leverage ratio of ~2.92x as at March 31, 2020⁽¹⁾
- Upon completion of the Offering, the Company will have available liquidity of ~\$318 million⁽²⁾
 - Ample capacity to fund operations well into 2021 based on management's current assumptions
- The Company has entered into an amendment agreement for its credit facilities that provides covenant relief for Q2 and Q3 2020 when certain conditions are met
 - Completion of the Offering will satisfy these conditions

Pro Forma Debt / Liquidity Summary

C\$ Millions

	Maturity	Capacity	Drawn ⁽³⁾
Bank Facilities	Nov. 13, 2023	\$700	\$389
Debentures	Sep. 30, 2025	\$275	\$275
Total		\$975	\$664

(1) As per Q1 2020 MD&A

(2) Calculated based on ~\$975 million of pro forma capacity less ~\$664 million drawn balance plus ~\$7 million cash balance as at March 31, 2020

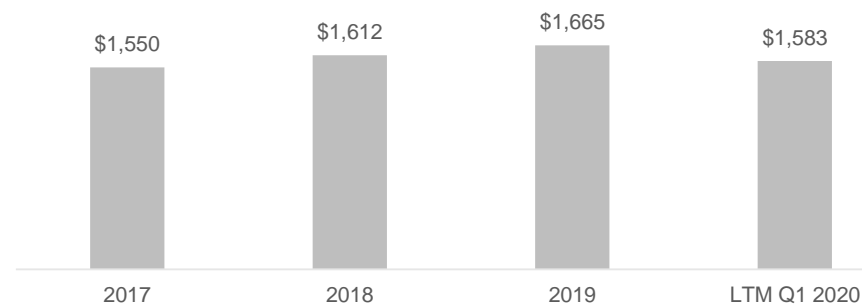
(3) As at June 30, 2020 after giving effect to the Offering (excluding expenses and Over-Allotment option)

(4) Excludes discontinued operations

Key Financial Highlights⁽¹⁾⁽⁴⁾

Revenue

C\$ Millions



Adjusted EBITDAaL & Margin

C\$ Millions | % of Revenue

