

# CINEPLEX INC.

## FIXED INCOME INVESTOR UPDATE PRESENTATION

FEBRUARY 2024

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# PRESENTERS AND AGENDA

## Presenters



**Ellis Jacob**

*President and Chief Executive Officer*

- Assumed position in 2003; previously served as CEO and co-founder of Galaxy Entertainment Inc.
- Received the Order of Canada, the Order of Ontario, Canada's Most Innovative CEO, Canada's Most Admired CEO, ICTA Global Cinema Innovation Award, and the 2022 NATO Marquee Award
- 35+ years of industry experience



**Gord Nelson**

*Chief Financial Officer*

- Appointed Chief Financial Officer in 2004
- Named Canada's CFO of the Year for 2016
- Received Fellowship Designation from the Chartered Professional Accountants (CPA) Ontario in 2021
- Director at Scene+
- 35+ years of industry experience



**Mahsa Rejali**

*Vice President, Corporate Development & Investor Relations*

- Received MBA from Northwestern University – Kellogg School of Management
- 5 years of experience in investment banking, capital markets and finance; 7+ years of industry experience in the corporate development and investor relations capacity



**Bo Wang**

*Vice President, Taxation & Treasury*

- Received the Chartered Professional Accountant designation in 2011
- Received Chartered Financial Analyst designation in 2016
- 15+ years of industry experience

## Agenda

1

### Q4'23 Update & Planned Comprehensive Refinancing Plan

2

### Company Overview

3

### Key Credit Highlights

4

### Historical Financial Overview

5

### Appendix



# **Q4'23 UPDATE** & PLANNED COMPREHENSIVE REFINANCING PLAN



# SUMMARY OF PLANNED REFINANCING

- On February 8, 2024, Cineplex announced a comprehensive refinancing plan to improve financial flexibility and strengthen its balance sheet
  - The proposed refinancing plan follows the previously announced sale of Player One Amusement Group (“P1AG”) which closed on February 1, 2024 for gross proceeds of C\$155 mm
- Under the proposed refinancing plan, Cineplex launched an amendment, extension, and partial redemption of its \$316.3 mm of aggregate principal convertible debentures to, amongst other things, extend the maturity from September 30, 2025 to March 1, 2030, and reduce the principal amount outstanding by \$100 mm (the “Convertible Debenture Amendments”)
  - The Convertible Debenture Amendments are subject to approval by the TSX and at least 66 2/3% of the principal amount of the Debentures voted at a Meeting or via votes in favor of the amendments in advance of a Meeting totaling 66 2/3% of principal amount outstanding
  - As of February 9, 2024, Debentureholders holding approximately 69% of the outstanding Debentures have signed voting support agreements to vote the Debentures beneficially owned or controlled by them FOR the Amendments
- Closing of the Convertible Debenture Amendments will be conditional on certain conditions being met, including, among others:
  - Completion of a minimum \$550 million financing by the Company of secured notes with a maturity of at least five years;
  - Entering into a new \$100 million senior secured credit facility with a minimum maturity of at least three years; and
  - Repayment in full of the Company’s existing senior credit facility and existing second lien secured notes

*All subsequently-presented financials exclude P1AG (unless otherwise stated)*



# HIGHLIGHTS OF 2023 RESULTS



## Theatre Exhibition

- Theatre attendance increased 25.8% to 47.9 million during 2023 as compared to the prior year period
- Achieved strong box office growth of 30.1% and outpaced the North American box office relative to 2022 by an impressive 785 basis points
- Premium format represented 41.4% of box office



## Per Patron Spend

- Annual box office revenues per patron record of \$12.53, up 3.4% from 2022 and up 17.9% from 2019
- Annual concession revenues per patron record of \$8.90, up 2.1% from 2022 and up 32.2% from 2019



## Amusement & Leisure

- Reported full year record revenue of \$132.4 million in LBE, 19.4% increase from 2022
- 2023 record adjusted store level EBITDAaL of \$37.9 million was 10.4% higher than prior year



## Media

- Media revenues increased 6.2% from 2022
- Signed a media agreement with Cadillac Fairview bolstering CDM's out-of-home shopping network to a total of 89 premium shopping destinations in Canada including 9 out of 10 busiest malls



## Loyalty & Subscription

- CineClub program reached over 140,000 members in 2023
- Over 14 million Scene+ members, representing one-third of the Canadian population and 17 years of history



## Profitability

- Reported adjusted EBITDAaL of \$157.4 million compared to \$54.2 million in 2022
- Delivered \$83.7 million of adjusted free cash flow compared to negative \$13.5 million in 2022





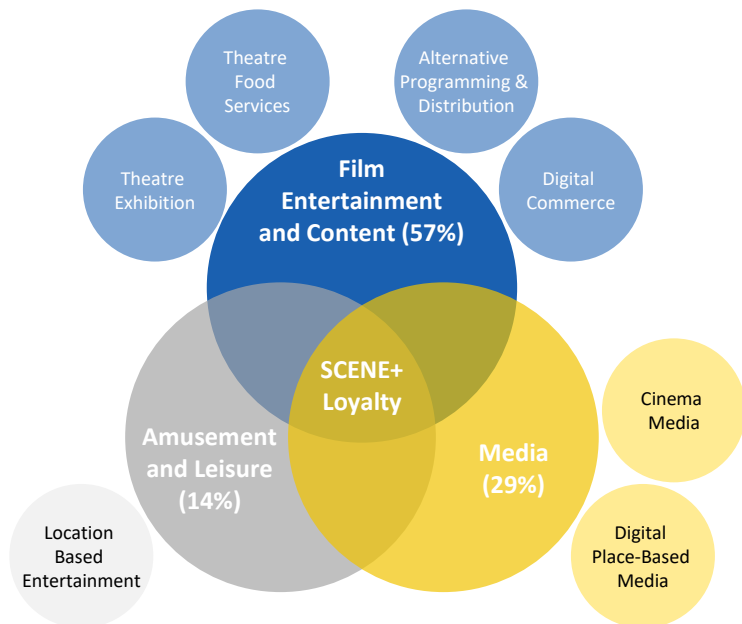
# COMPANY OVERVIEW



  
CINEPLEX

# DIVERSIFIED ENTERTAINMENT AND MEDIA COMPANY

## Diversified Business Segments



Percentages represent 2023 Adjusted EBITDAaL (excluding Corporate and Other expenses) split by division, pro forma for P1AG divestiture

## Corporate Strategy

- ✓ **Continue to enhance and expand Cineplex's presence** as an entertainment destination for Canadians in-theatre, at-home and on-the-go
- ✓ Drive value within businesses by leveraging opportunities to optimize value, realize synergies, implement customer-centric technology and leverage big data across the Cineplex ecosystems

## Key Operating Stats

	2023
Revenue	C\$1,389 mm
Adjusted EBITDAaL	C\$157 mm
Total Screens	1,631
Theatre Locations	158
LBE Locations	13
Attendance (thousands)	47,862

# DISCIPLINED STRATEGY TO CREATE A DIVERSIFIED BUSINESS

## Pure Play Theatre and Cinema Media Company

**1 (1979 – 2002)**

Cineplex Odeon Corporate founded with the first “multiplex” in Toronto  
Ellis Jacob and Gord Nelson join Cineplex in 1987/8

**2 (2003 – 2012)**

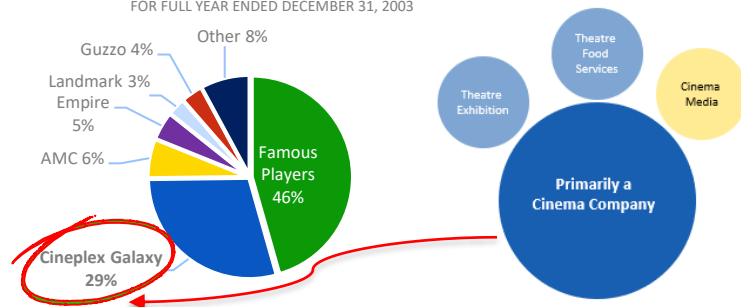
Strengthened market share in the theatrical exhibition market and established a national presence in Canada; share of exhibition business grows from 29% to 75%

## Diversified Entertainment and Media Company

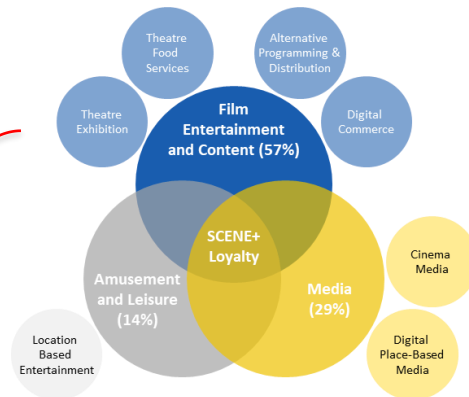
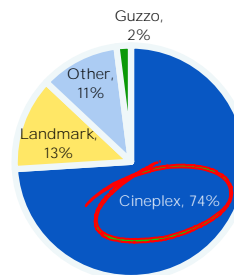
**3 (2012 – Present)**

Created diversified entertainment and media business with entry into Amusement & Leisure and expanded Media through acquisitions and organic growth

**BOX OFFICE MARKET SHARE<sup>(1)</sup>**  
FOR FULL YEAR ENDED DECEMBER 31, 2003



**BOX OFFICE MARKET SHARE<sup>(2)</sup>**  
FOR FULL YEAR ENDING DECEMBER 31, 2023



Following a strategic focus centered around strengthening market position in the exhibition business, current management has executed on its strategic plan and transformed Cineplex into a leading and diversified Media & Entertainment Company. Cineplex is the **LARGEST** motion picture exhibition company in Canada.

1. Source: A.C. Nielson EDI Data  
2. Source: Rentrak  
3. Percentages represent 2023 adjusted EBITDAaL (excl. Corporate & Other) split by division, pro forma for P1AG divestiture



# DIVERSIFIED BUSINESS SEGMENTS

## FILM ENTERTAINMENT & CONTENT



- Includes Theatre Exhibition, Theatre Food Service, Alternative Programming, Digital Commerce, Junxion
- Cineplex is the largest motion picture company in Canada and operates 1,600+ screens in 158 theatres
- ~74% market share in Canada

2023

Revenue: \$1.1 billion

Adjusted EBITDAaL / Margin: \$131 million / 11.5%

## MEDIA



CINEPLEX  
DIGITAL MEDIA

- Includes in-theatre advertising (Cineplex Media) and a digital place-based media business (Cineplex Digital Media) that operates in four key verticals: quick service restaurants, retail, financial and digital-out-of-home

2023

Revenue: \$117 million

Adjusted EBITDAaL / Margin: \$66 million / 55.9%

## AMUSEMENT & LEISURE



- Includes Location-Based Entertainment (LBE) venues under brand names *The Rec Room* and *Playdium*
- Cineplex operates 13 LBE locations across Canada

2023

Revenue: \$132 million

Adjusted EBITDAaL / Margin: \$32 million / 24.0%

## LOYALTY & MARKETING

- Includes Canada's leading loyalty program, Scene+, which has over 14 million members
- Cineplex's entertainment subscription program, CineClub, has over 140,000 members and was the first of its kind launched in Canada



Scene+

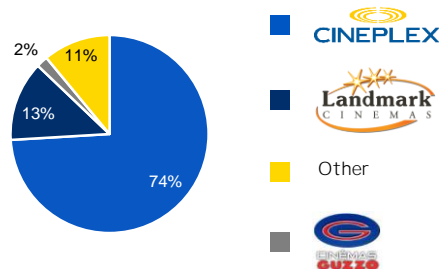


# SEGMENT OVERVIEW – THEATRE EXHIBITION AND FOOD SERVICE

## Segment Overview

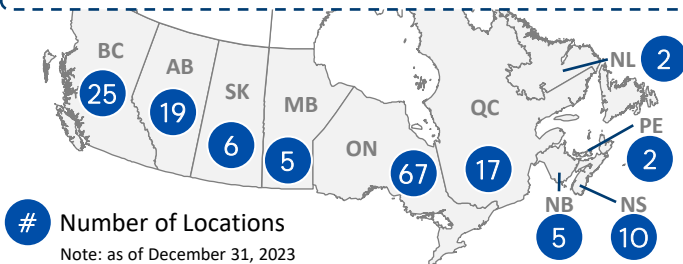
- Operates modern multiplex theatres across Canada
- Offers multiple premium experiences which made up 41.4% of box office revenues in 2023
- Highly diversified food service product offerings through proprietary and third party brands
- Integrated Scene+ offers

### 2023 CANADIAN BOX OFFICE MARKET SHARE



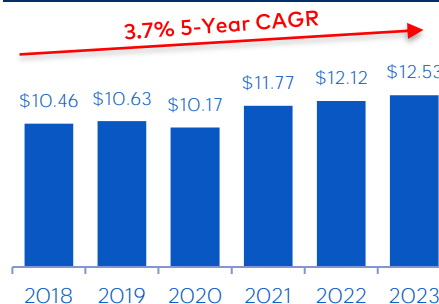
### Location Overview

Operates 1,631 screens in 158 theatres across Canada

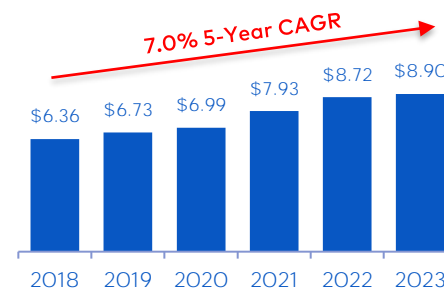


# Number of Locations  
Note: as of December 31, 2023

### Box Office per Patron (\$)



### Concession per Patron<sup>(1)</sup> (\$)



1. Food service revenue from LBE and delivery is not included in the CPP calculation.



# ALTERNATIVE PROGRAMMING & DIGITAL COMMERCE

## Alternative Programming



Escape into new sights, big sounds, and rich culture through the movie magic of foreign language film.



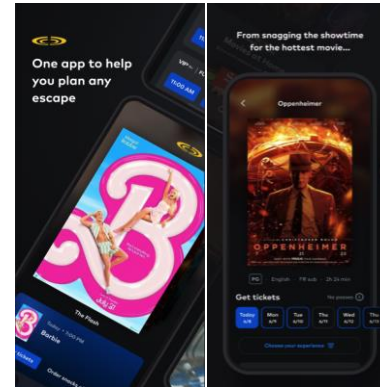
Arts & Culture, sporting events, and concert presentation with front row and centre stage seating!



An expansion of Cineplex's distribution business, bringing more titles to Canadian audiences.

## Digital Commerce

### Mobile App



Improves the guest experience by providing:

- Movie showtimes and information
- Online and mobile ticketing
- Pre-order concessions ahead of arrival

### Cineplex Store



Premier destination for Canadians to buy, rent and download digital movies and allows for at home and on-the-go viewing



# SEGMENT OVERVIEW – CINEPLEX MEDIA AND DIGITAL MEDIA

## Cineplex Media

Cineplex Media unlocks access to premium entertainment & leisure audiences, at the height of engagement to the end of their physical or digital customer journey.

**Extensive portfolio of media assets including:**

- In-Cinema advertising
- Location based entertainment destinations
- National footprint of represented shopping destinations with annual reach of over 680 million Canadian shoppers

## Cineplex Digital Media

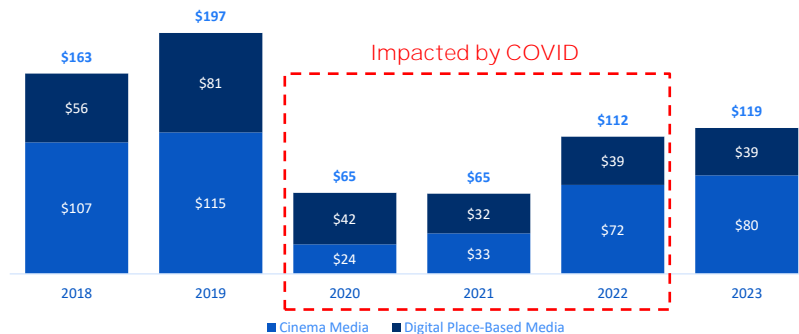
- Full service, digital placed based ecosystem based on experiential technologies servicing QSR's, financial, retail, and shopping mall and concourse clients.
- **Contractual exclusive relationships** with leading malls and, concourses covering over 100 malls and urban pathways, including 9 of the top 10 busiest malls in Canada.



## Media Assets



## Revenues (\$M)



# SEGMENT OVERVIEW – LOCATION-BASED ENTERTAINMENT (LBE)

## Segment Overview



- Amusement gaming, live entertainment, feature attractions and dining experiences
- Large gaming and attractions area, bar, live entertainment and upscale casual dining
- Target: Millennials, GenX with kids, and corporate groups



- Large entertainment complexes in mid-sized communities across Canada
- Large game floors, active attractions, fun and playful food
- Target: Teens, their friends and families and groups
- Currently operating 3 locations across Canada

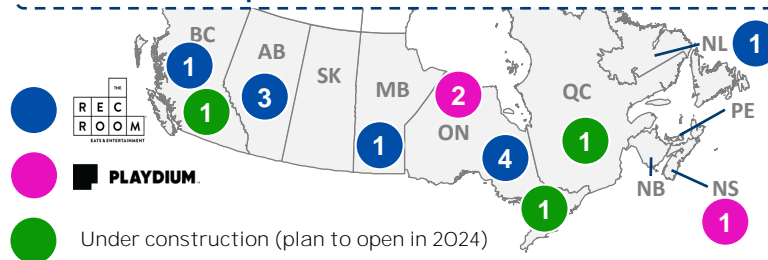


Plan to open 3 locations in 2024

Opportunity to roll out 30 locations across Canada

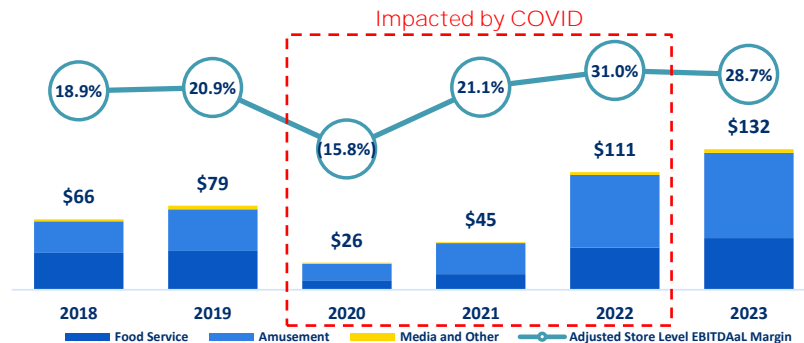
## Location Overview

Operates 13 locations across Canada



Note: as of December 31, 2023

## Revenues (\$M)



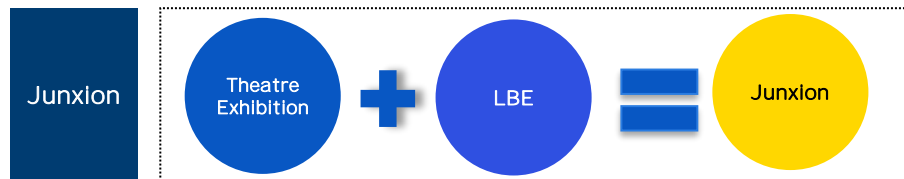


# JUNXION: INNOVATION & OPTIMIZATION

**Cineplex's immersive** Junxion concept provides a one-stop shop entertainment experience that maximizes revenue-per-square-foot



- First Cineplex Junxion location opened in December 2022 in Winnipeg, Manitoba
- Second location opened in May 2023 in Mississauga, Ontario



## THE COMPLETE NIGHT OUT



Social



Live Entertainment



Movie Theatre



Food & Beverage



Amusement Gaming

# INDUSTRY OUTLOOK

## Resiliency

- Theatrical exhibition has historically demonstrated stable, long-term growth trends across technology disruptions including VCR, internet, DVD and streaming
- Industry box office historically resilient to economic cycles with box office growth in 7 of the last 9 recessionary periods
- Movie ticket prices remain the most affordable out-of-home entertainment option

## Demand

- Consumer enthusiasm for the theatrical experience continues to be strong across a range of genres and for all demographics
- Demand has remained in line with historical levels when compelling content is available
  - Nine out of top 10 film releases since 2021 have outperformed the top ten movies released in 2019
- Strong per patron spend at the box office and concessions driven by higher demand for premium experiences and higher spend on food and beverage
  - Cineplex 2023 BPP and CPP increased 18% and 32% compared to 2019, respectively

## Supply

- Remain highly encouraged about the long-term prospects of the recovery of content supply based on progress to date and the input we continue to receive from studio partners
- Even more encouraging is that the writer's and actor's strikes have both been resolved and Hollywood is back at work
- Traditional studio partners continue to reinforce their intentions of rebuilding annual theatrical film output to pre-pandemic levels over the next two to three years
- Amazon and Apple are also stepping up their theatrical ambitions and have expressed plans to develop theatrical slates that would approach levels comparable to traditional studio partners by 2025
- Significant opportunity to increase alternative content including international films and concerts (e.g. Taylor Swift and Beyonce)



# STRONG CONSUMER DEMAND

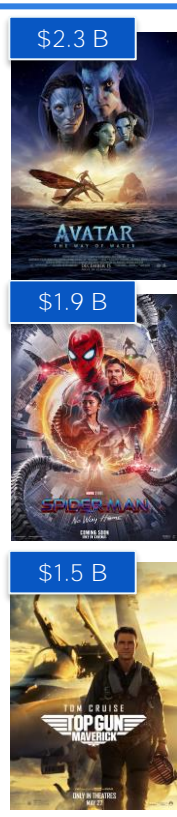


## BARBIE

- Highest grossing Warner Bros. film of all time

## BARBENHEIMER

- \$2.4B combined global box office and counting



THREE OF  
THE  
TOP 10  
HIGHEST  
GROSSING  
DOMESTIC  
FILMS OF  
ALL TIME















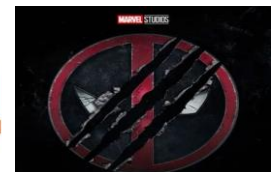










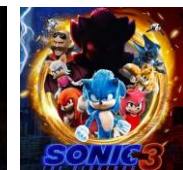

EACH DID  
BETTER  
THAN  
THEIR  
RESPECTIVE  
FRANCHISES



ONE OF  
TOP 5  
FAMILY  
FILMS OF  
ALL TIME

1. All dollars reported on slide represent Worldwide box office revenue

# 2024 FILM SLATE

Q1							
Q2							
Q3							
Q4							

2024 expected to be a further year of recovery and improvement in content volume and box office

## STUDIO & STREAMER COMMITMENT TO THEATRICAL



**"We believe in the full windowing of motion pictures. We do not want to do direct-to-streaming movies."**

David Zaslav, CEO, Warner Bros.



**"And now other studios realize the value of exclusive theatrical windows and are reversing course. Now, even some streamers are giving their best films exclusive theatrical runs"**

Josh Greenstein, Co-President,  
Sony Pictures Entertainment



**"We need theatrical to make streaming work....Theatrical Films Are Cornerstone of Our Business"**

Brian Robbins, CEO,  
Paramount Pictures



**"We can see that the audience wants to go back to the cinema ... but movies matter most when they get a nice big release in theatre"**

Donna Langley, Chairman,  
Universal Pictures



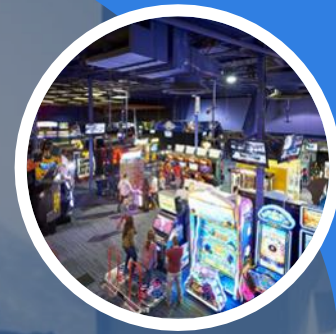
**Apple and Amazon Plan to Spend Billions on Movies for the Big Screen**

Variety





# KEY CREDIT HIGHLIGHTS



  
CINEPLEX

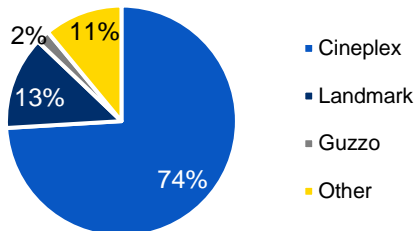
## CREDIT HIGHLIGHTS

- 1 Leading Box Office Market Share and Diversity of Markets Across Canada
- 2 Diversification of Business and Revenue Streams
- 3 Premium Brand Offering Driving Strong Cash Flows and Margins
- 4 Leading Canadian Loyalty Program
- 5 Defensive Business and Resilient to Recessionary Periods
- 6 Industry-Leading Management Team

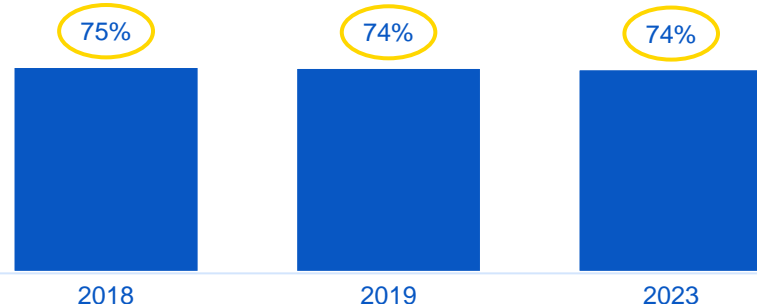


# LEADING BOX OFFICE MARKET SHARE AND GEOGRAPHIC DIVERSITY ACROSS CANADA

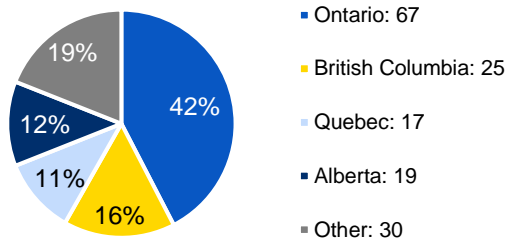
Box Office Market Share (as of December 31, 2023)



Cineplex Box Office Market Share Over Time



Diversified Provincial Exposure



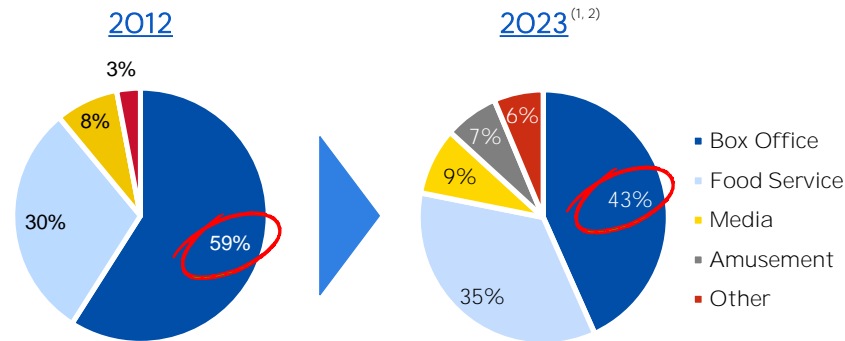
- A key component of Cineplex's business strategy is to position itself as the leading exhibitor in the Canadian market by focusing on providing customers with an exceptional entertainment experience
- Cineplex's leading market position enables it to effectively manage film, food service and other theatre-level costs in order to maximize operating efficiencies

Largest and most successful motion picture exhibition company in Canada



## 2 DIVERSIFICATION OF BUSINESS AND REVENUE STREAMS

### Revenue Mix – Then and Now



- Diversification in revenue streams beyond traditional movie exhibition model and into Media and Amusement & Leisure businesses has resulted in shift in revenue mix
  - This provides protection from competitive pressures in the film business and reduces dependence on film studio content and seasonality in business results

### Growth Drivers



Box Office

- Expansion of premium theatre experiences
- Alternative programming including classic films, sports events, live experiences, and international programming, where Cineplex dominates the North American box office
- Junxion provides a one-stop-shop entertainment experience including both theatre exhibition and LBE



Food Service

- Expanded food offerings through development of proprietary brands and QSR partnerships
- Increasing number of locations in AB, ON and MB having liquor licenses
- Home delivery through Uber Eats and Skip the Dishes



Media

- High impact cinema advertising
- Online advertising on Cineplex.com and mobile app
- Expansion of digital place-based media offerings in malls, restaurants, financial centres and retail locations



Amusement & Leisure

- Expansion of the number location-based entertainment (LBE) locations including The Rec Room and Playdium
- Currently have 13 locations with plans to open three additional locations in 2024
- See an opportunity to open 30 locations across Canada

Diversification of revenue streams continues to drive growth and reduces company risk profile

1. Media includes revenue for Cineplex Magazine which has been discontinued.  
 2. Excluding P1AG revenue.

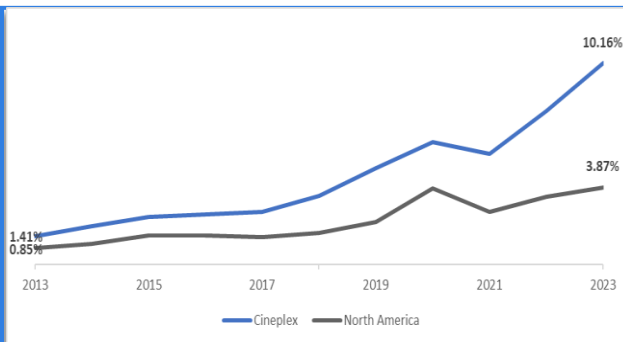


## DIVERSIFICATION OF BUSINESS AND REVENUE STREAMS (CONT'D) – ALTERNATIVE PROGRAMMING

### International Cinema

- Cineplex has developed a focused, data-driven strategy to deliver international content, which typically does not find a home in the traditional national-chain multiplex
- Cineplex derived ~10% of its box office revenues from international content in 2023 as compared to ~4% for the North American industry

International Product as  
a % of Box Office  
Revenue



Kal Jotta  
83%<sup>(1)</sup>



Jodi  
80%<sup>(1)</sup>



Carry on Jatta 3  
77%<sup>(1)</sup>



Mastaney  
69%<sup>(1)</sup>



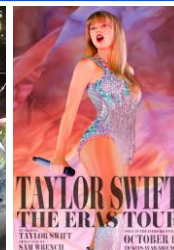
Animal  
42%<sup>(1)</sup>



Pathaan  
31%<sup>(1)</sup>

### Event Cinema

Anime Features	Concert and Music Events
Stage Productions	Sporting Events
The Met: Live in HD	Classic Film Series






### Cineplex Pictures

In addition to many other titles, Cineplex Pictures & Lionsgate entered into strategic collaboration Canadian Distribution of 11 titles in 2023, and extended the contract through 2024



1. Cineplex's share of 2023 North American box office revenue.

### 3 PREMIUM BRAND OFFERING DRIVING STRONG CASH FLOWS AND MARGINS

Company	Operating Segments		 Film Entertainment Media Location-Based Entertainment	 Film Entertainment	 Film Entertainment
	Geography		Canada	U.S. (42 states) 14 countries in Latin America	U.S. (44 states) 10 countries in Europe
Operating Metrics (Q3 2023)	Domestic Market Share (2023)	(%)	74.0% of Canadian Market	17.0% of US Market	27.0% of US Market
	Box Office per Patron <sup>(1)</sup>	(local \$)	C\$12.00	US\$9.34	US\$11.40
	Concessions per Patron <sup>(1)</sup>	(local \$)	C\$8.44	US\$7.15	US\$7.43
	Premium Screen Formats <sup>(2)</sup>	(%)	54.9%	n.d.	14.5%
	Box Office Revenue per Screen (Q3 2023) <sup>(1)</sup>	(local \$ thousands)	C\$115	US\$80	US\$79
Financial Performance	LTM Q3 '22 - LTM Q3 '23 Revenue Growth	(%)	29.5%	20.1%	14.8%

Note: Excluding PIAG.

1. Domestic market.

2. Premium Screen Formats include 3D, UltraAVX, VIP, DBOX, IMAX, Dolby Cinema, Premium Large Format ("PLF"), and Dine-In formats (does not include recliner seats).

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# PREMIUM BRAND OFFERING DRIVING STRONG CASH FLOWS AND MARGINS (CONT'D) – THEATRE EXHIBITION

  
CINEPLEX  
3D Digital Screens

  
ULTRA  
AVX  
AUDIO VISUAL EXPERIENCE

**IMAX**

  
CINEPLEX  
VIP  
CINEMAS

**D-BOX**

**4DX**

**SCREENX**

  
CLUBHOUSE

  
CINEPLEX  
Recliners

Screens <sup>(1)</sup>	808	97	26	99	102	7	17	5	299
Locations <sup>(1)</sup>	158	80	26	25	88	7	17	5	35
Premium Pricing	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reserved Seating	✓	✓	✓	✓	✓	✓	✓	✓	✓
Features	<ul style="list-style-type: none"> <li>Highly-sophisticated screens, capable of playing 2D and 3D pictures</li> <li>Laser projection being brought to 800 screens</li> <li>Wall-to-wall screens</li> <li>Dolby ATMOS surround sound at most locations</li> <li>Extra-wide, high back, rocker seats</li> <li>Immersive movie experience</li> <li>Crystal-clear images</li> <li>Giant screens</li> <li>Powerful digital surround sound</li> <li>Enhanced food and beverage menu</li> <li>Adult-only licensed auditoriums</li> <li>Reserved luxury seating</li> <li>Exceptional service at your seat</li> <li>Exclusive licensed lounge</li> <li>Seats move in synchronization with the action on screen</li> <li>Specially designed motion seats set in pods of four and synchronized to on-screen action</li> <li>Environmental effects like wind, mist, bubbles and more</li> <li>270-degree, panoramic movie-watching experience</li> <li>Colorful décor and playful seating</li> <li>A selection of family-friendly films and an indoor play structure where kids can climb, slide and explore</li> <li>In-auditorium food service</li> <li>Luxury recliners with powered footrests</li> </ul>								

1. As of December 31, 2023.



## 4 LEADING CANADIAN LOYALTY PROGRAM

### Evolution of Scene



- The SCENE loyalty program commenced in 2007 with Cineplex and Scotiabank each owning a 50% interest in the program
- In December 2020, Cineplex entered into an agreement with Scotiabank to enhance and expand the SCENE loyalty program in combining with Scotia Rewards
  - In conjunction with this agreement, Cineplex reduced its interest in the program from 50% to 33.3% for \$60 million
- In December 2021, SCENE and Scotia Rewards merged, and SCENE became Scene+
- In August 2022, Empire Company Limited became co-owners, along with Cineplex and Scotiabank, with each party owning 1/3<sup>rd</sup> of Scene+
  - Expand grocery category across all Empire banners

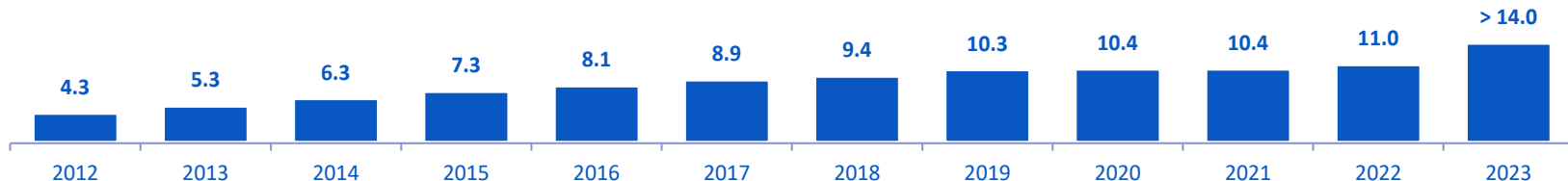
### Competitive Advantage

- ✓ Provides Cineplex with significant data and a more comprehensive understanding of the demographics and behaviors of its audience
- ✓ Third-party data helps drive attendance and higher per patron spend through targeted marketing programs and tailored messaging
- ✓ Ability to reach non moviegoers through expanded Scene+ partners including the Empire's family of brands, Scotia Rewards and Home Hardware



- ✓ Cineplex will continue to gain more robust user insights through artificial intelligence and machine learning

### Scene Member Growth

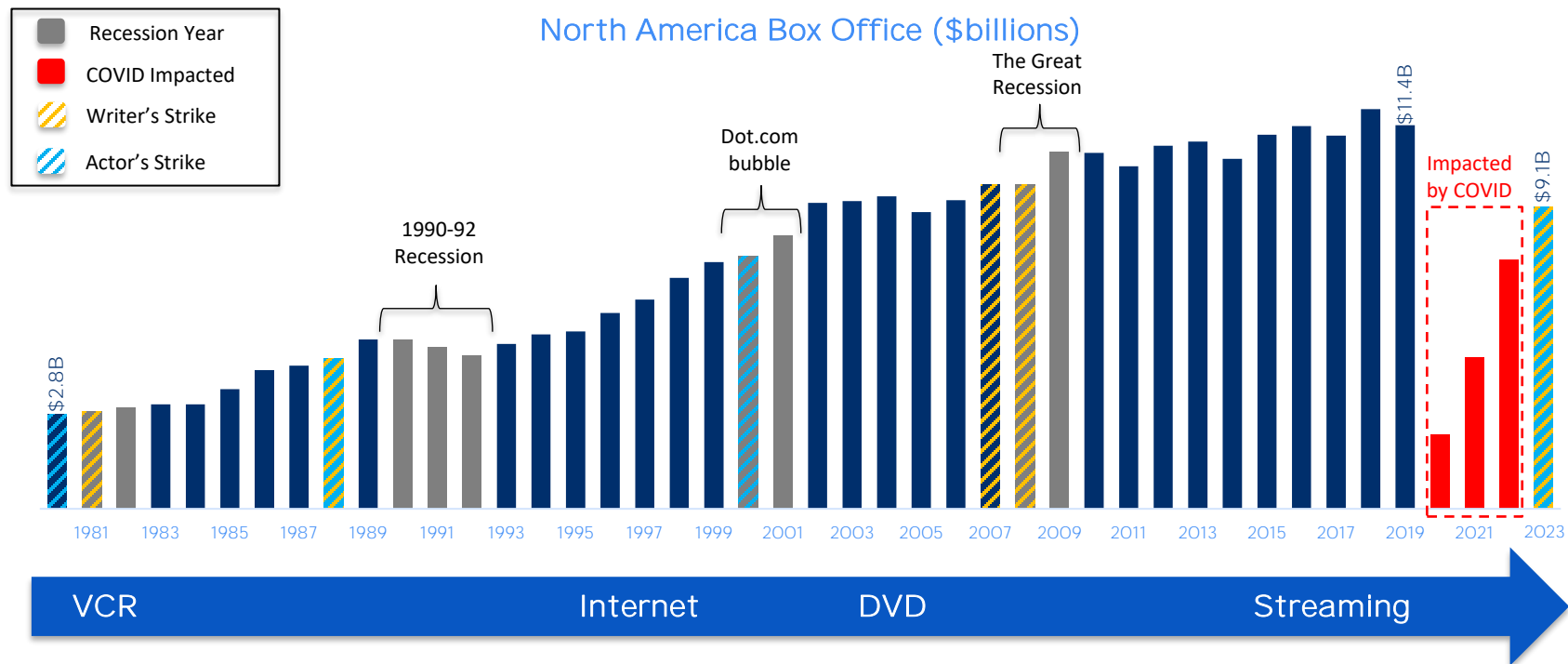


The expanded Scene+ partnership increases program ENGAGEMENT and access to NON-MOVIEGOERS



## 5

## DEFENSIVE BUSINESS AND RESILIENT TO RECESSIONARY PERIODS

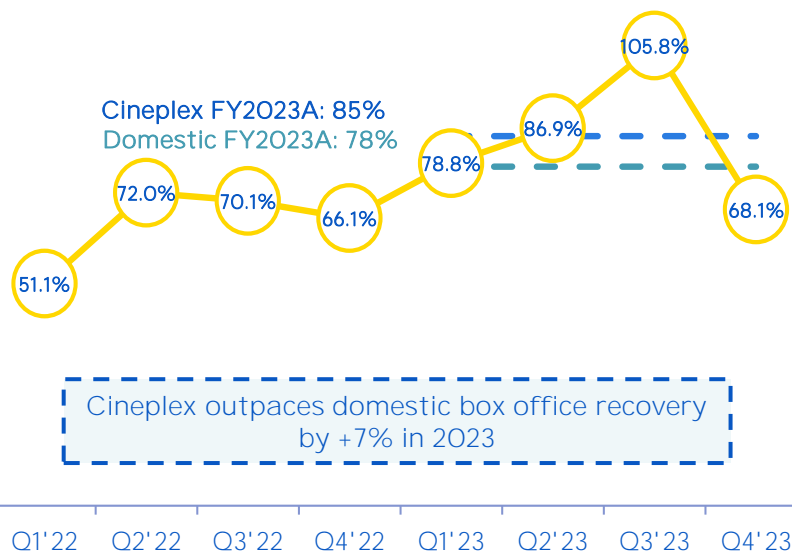


The theatrical exhibition industry has historically exhibited growth throughout recessionary periods and technological disruptions

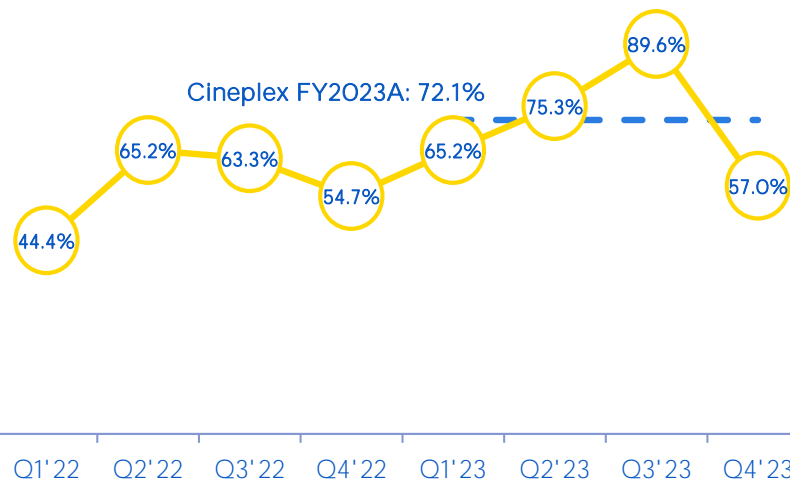


## DEFENSIVE BUSINESS AND RESILIENT TO RECESSIONARY PERIODS (CONT'D)

Box Office Revenue as a % of 2019 Levels



Attendance as a % of 2019 Levels



## 6 EXPERIENCED MANAGEMENT TEAM



**Ellis Jacob**  
*President and Chief Executive Officer*

- 35+ years of industry experience



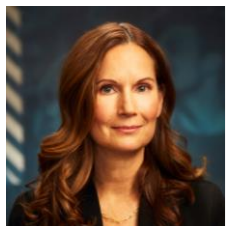
**Dan McGrath**  
*Chief Operating Officer*

- 35+ years of industry experience



**Gord Nelson**  
*Chief Financial Officer*

- 35+ years of industry experience



**Sara Moore**  
*EVP and Chief Marketing Officer*

- 25+ years of industry experience



**Scott Hughes**  
*EVP and Chief Digital and Technology Officer*

- 24+ years of industry experience



**Kevin Watts**  
*EVP, Exhibition and LBE*

- 27+ years of industry experience



**Fab Stanghieri**  
*EVP and Managing Director, Media*

- 25+ years of industry experience



**Thomas Santram**  
*SVP, General Counsel and Corporate Secretary*

- 27+ years of industry experience



**Kim West**  
*VP, Human Resources*

- 25+ years of industry experience

Highly experienced management team with a minimum of 24+ years of industry experience



# FINANCIAL OVERVIEW



# FINANCIAL POLICY

## Target Leverage

- Target is to maintain a leverage ratio within the 2.5x to 3.0x range to balance growth with financial stability achieved through strategic capital allocation and efficient debt management

## Liquidity

- Minimum Liquidity needed to run the business is approximately \$50 mm
- Aim to proactively manage our liquidity to ensure the appropriate balance between liquid assets and efficient capital deployment through regular stress testing to mitigate potential risks
- Expect to generate significant free cash flow per year over the next several years

## Capital Expenditure

- Total capex spending is ~5% of total revenues and includes ~2% annually on maintenance related spending with the remainder on growth initiatives and new builds
- Capex is funded through internally generated cash flows, and supplemented by strategic borrowing when advantageous and carefully planned to avoid adverse impacts on liquidity or leverage
- Maintain disciplined approach to discretionary capex driven by opportunistic initiatives that are margin accretive

## Capital Allocation

- Cineplex's capital priorities are: (1) maintenance capital expenditures; (2) repayment of outstanding debt; (3) growth capital expenditures; and (4) reinstating dividends
- Cineplex expects to consider the re-introduction of dividends only when targeted leverage ratios have been achieved for successive quarters and free cash flow generation is sufficient
- No acquisitions are being contemplated as Cineplex focuses on strengthening its core businesses



# HISTORICAL FINANCIAL SUMMARY (EXCLUDING P1AG)

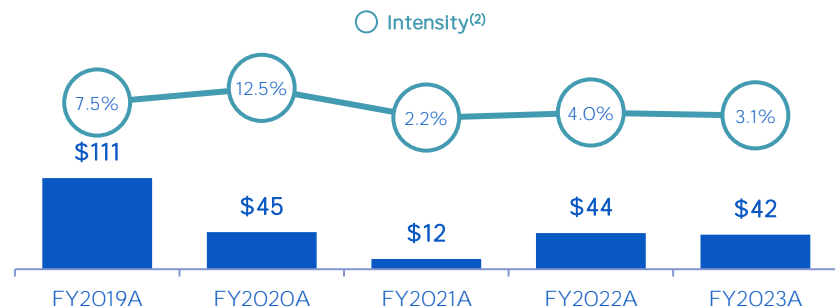
## Revenue



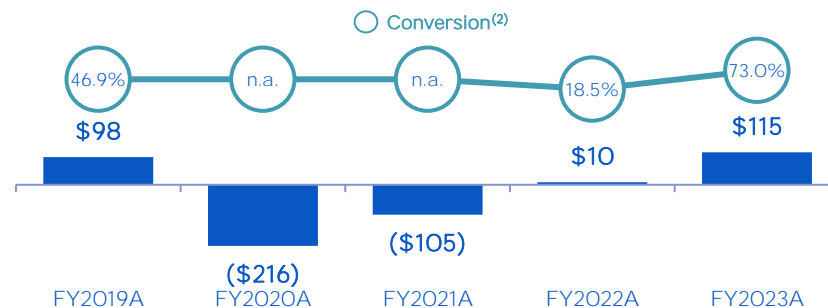
## Adjusted EBITDAaL



## Capital Expenditures



## Free Cash Flow



Note: Excluding P1AG.

1. Box office attendance.

2. Intensity defined as Capex / Revenue; Free Cash Flow defined as EBITDAaL less Capex;

Conversion defined as Free Cash Flow / EBITDAaL.



# APPENDIX



  
CINEPLEX

# FOURTH QUARTER AND FULL YEAR FINANCIAL SUMMARY

IN MILLIONS OF DOLLARS, EXCEPT THEATRE ATTENDANCE IN THOUSANDS OF PATRONS, PER PATRON AMOUNTS, AND MARGINS

QUARTERLY RESULTS						ANNUAL RESULTS				
Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023		2019	2020	2021	2022	2023
\$182	\$7	\$126	\$120	\$124	Box Office	\$706	\$133	\$236	\$461	\$600
\$125	\$11	\$87	\$97	\$104	Food Service	\$483	\$109	\$187	\$381	\$483
\$69	\$12	\$33	\$44	\$41	Media	\$197	\$65	\$65	\$112	\$119
\$14	\$2	\$13	\$21	\$22	Amusement	\$50	\$18	\$34	\$81	\$97
\$13	\$9	\$9	\$27	\$23	Other	\$51	\$34	\$34	\$68	\$91
<b>\$403</b>	<b>\$41</b>	<b>\$268</b>	<b>\$310</b>	<b>\$315</b>	<b>Total Revenue</b>	<b>\$1,487</b>	<b>\$358</b>	<b>\$556</b>	<b>\$1,102</b>	<b>\$1,389</b>
<b>\$8</b>	<b>(\$213)</b>	<b>(\$21)</b>	<b>\$10</b>	<b>(\$12)</b>	<b>Net Income (Loss)</b>	<b>\$38</b>	<b>(\$585)</b>	<b>(\$237)</b>	<b>(\$10)</b>	<b>\$138</b>
<b>\$102</b>	<b>(\$29)</b>	<b>\$53</b>	<b>\$68</b>	<b>\$66</b>	<b>Adjusted EBITDA</b>	<b>\$378</b>	<b>(\$46)</b>	<b>\$47</b>	<b>\$220</b>	<b>\$323</b>
<b>\$59</b>	<b>(\$62)</b>	<b>\$16</b>	<b>\$26</b>	<b>\$24</b>	<b>Adjusted EBITDAaL</b>	<b>\$209</b>	<b>(\$171)</b>	<b>(\$93)</b>	<b>\$54</b>	<b>\$157</b>
14.7%	-153.2%	6.1%	8.3%	7.7%	Adjusted EBITDAaL Margin	14.1%	-47.8%	-16.7%	4.9%	11.3%
1.9%	-524.9%	-7.8%	3.1%	-3.8%	Net Income (Loss) Margin	2.5%	-163.3%	-42.7%	-0.9%	9.9%
16,849	786	10,245	9,208	9,599	Theatre Attendance	66,360	13,065	20,080	38,045	47,862
\$10.79	\$9.23	\$12.29	\$13.06	\$12.90	BPP	\$10.63	\$10.17	\$11.77	\$12.12	\$12.53
\$6.81	\$9.06	\$7.49	\$8.93	\$9.28	CPP	\$6.73	\$6.99	\$7.93	\$8.72	\$8.90

Note: Excluding P1AG.



# YEAR OVER YEAR SEGMENTED FINANCIAL SUMMARY

IN MILLIONS OF DOLLARS

REVENUES						ADJUSTED EBITDAaL and MARGIN				
2019	2020	2021	2022	2023	OPERATING SEGMENT	2019	2020	2021	2022	2023
\$1,212	\$268	\$447	\$881	\$1,139	Film Entertainment and Content	\$179 14.8%	(\$146) -54.4%	(\$65) -14.5%	\$27 3.1%	\$131 11.5%
\$196	\$65	\$65	\$111	\$117	Media	\$106 54.3%	\$22 33.6%	\$28 42.5%	\$60 54.6%	\$66 55.9%
\$79	\$26	\$45	\$111	\$132	Location-Based Entertainment <sup>(1)</sup>	\$7 9.3%	(\$8) -32.0%	\$6 12.9%	\$31 28.2%	\$32 24.0%
\$-	\$-	\$-	\$-	\$-	Corporate and Other	(\$84) N/A	(\$40) N/A	(\$62) N/A	(\$64) N/A	(\$71) N/A
<b>\$1,487</b>	<b>\$358</b>	<b>\$556</b>	<b>\$1,103</b>	<b>\$1,389</b>	<b>Total</b>	<b>\$209 14.1%</b>	<b>(\$171) -47.8%</b>	<b>(\$93) -16.7%</b>	<b>\$54 4.9%</b>	<b>\$157 11.3%</b>

1. Adjusted EBITDAaL per Operating Segment note includes pre-opening costs and overhead relating to the management of Location-Based Entertainment



# ADJUSTED EBITDA RECONCILIATION

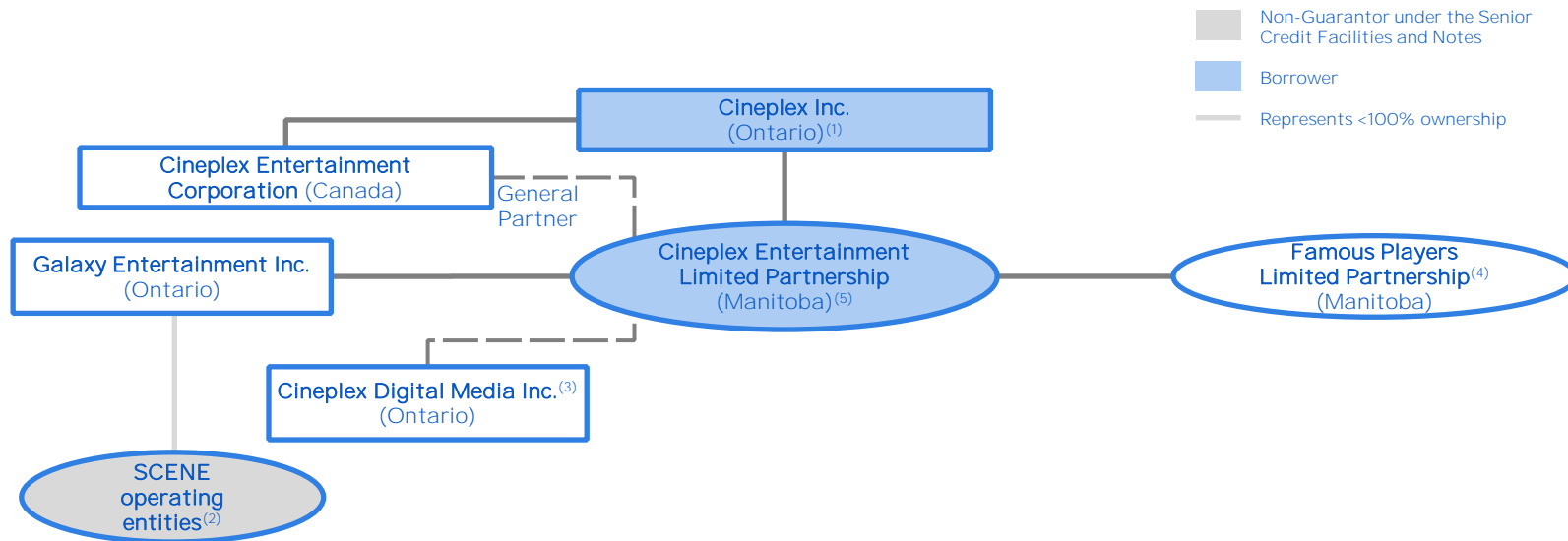
(\$ in thousands)

Line Item	FY 2021	FY 2022	FY 2023
<b>Net Income (Loss)</b>	<b>(\$237,417)</b>	<b>(\$9,679)</b>	<b>\$138,051</b>
Depreciation and Amortization - Other	92,824	89,466	88,881
Depreciation - Right-of-Use Assets	99,093	93,512	87,657
Interest Expense - Lease Obligations	58,071	61,256	66,493
Interest Expense - Other	65,141	60,835	88,445
Interest Income	(228)	(277)	(897)
Current Income Tax Expense (Recovery)	3,339	(724)	(839)
Deferred Income Tax Expense	--	--	(146,724)
<b>EBITDA</b>	<b>\$80,823</b>	<b>\$294,389</b>	<b>\$321,067</b>
Loss (Gain) on Disposal of Assets	(28,362)	(57,748)	2,910
Loss on Financial Instruments Recorded at Fair Value	(8,790)	6,260	(2,610)
CDCP Equity Income	(146)	(489)	--
Foreign Exchange Loss (Gain)	(88)	(2,930)	834
(Reversal) Impairment Of Long-Lived Assets	3,717	(19,880)	--
Depreciation and Amortization - Joint Ventures and Associates	25	517	739
Taxes and Interest of Joint Ventures and Associates	45	49	22
<b>Adjusted EBITDA</b>	<b>\$47,224</b>	<b>\$220,168</b>	<b>\$322,962</b>
Cash Rent Paid/Payable Related to Lease Obligations	(140,228)	(165,967)	(165,607)
Cash Rent Paid Not Pertaining to Current Period	--	--	8
<b>Adjusted EBITDAaL</b>	<b>(\$93,004)</b>	<b>\$54,201</b>	<b>\$157,363</b>

Note: Excluding P1AG.



# CORPORATE STRUCTURE



## Notes:

1. Cineplex Inc. is a borrower under the Senior Credit Facilities and the issuer of both the convertible Debentures and the Notes.
2. Galaxy Entertainment Inc., a wholly owned subsidiary of Cineplex Entertainment Limited Partnership owns 33.33% of Scene Limited Partnership (Ontario) and 33.33% of Scene G.P. Inc. (Ontario), as do Scotia Loyalty Ltd and Empire Company Limited.
3. Cineplex Digital Media Inc. is a wholly owned subsidiary of DDC Group International Inc., which is 100% owned by Cineplex Entertainment LP.
4. Famous Players Co. is the general partner of Famous Players Limited Partnership.
5. Cineplex Entertainment Limited Partnership is a borrower under the Senior Credit Facilities.





# Non-GAAP Financial Measures

Management of Cineplex uses certain non-GAAP financial measures to evaluate performance. These measures are either comparable to similar measures presented by other issuers or are widely used in the theatre exhibition industry. For a detailed discussion of these non-GAAP financial measures, please refer to Cineplex's management's discussion and analysis filed on <https://www.sedarplus.ca/landingpage/>. Non-GAAP financial measures used in investor presentations included the following:

<b>EBITDA</b>	<b>EBITDA is calculated by adding back to net income, interest income and expense, income taxes, depreciation, and amortization.</b>
<b>Adjusted EBITDA</b>	<b>Adjusted EBITDA excludes the change in fair value of financial instrument, (gain)/loss on disposal of assets, foreign exchange, the equity income of CDCP, and impairment, depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates.</b>
<b>Adjusted EBITDAaL</b>	<b>Adjusted EBITDAaL modifies adjusted EBITDA to deduct current cash rent paid or payable related to lease obligations.</b>
<b>Adjusted Free Cash Flow</b>	<b>Adjusted free cash flow is calculated by adjusting cash provided by operating activities by total capital expenditures net of proceeds on sale of assets, changes in operating assets and liabilities, changes in operating assets and liabilities of joint ventures and associates, repayments of principal component of lease obligations, principal portion of cash rent paid not pertaining to current period, growth capital expenditures, share of income of joint ventures and associates net of non-cash depreciation.</b>
<b>Theatre Attendance</b>	<b>Theatre attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.</b>
<b>BPP</b>	<b>Calculated as total box office revenues divided by total paid theatre attendance for the period.</b>
<b>BPP excluding premium priced product</b>	<b>Calculated as total box office revenues for the period, less box office revenues from 3D, UltraAVX, VIP, 4DX, ScreenX and IMAX product divided by total paid theatre attendance for the period less paid theatre attendance for 3D, UltraAVX, VIP, 4DX, ScreenX and IMAX product.</b>
<b>CPP</b>	<b>Calculated as total theatre food service revenues divided by total paid theatre attendance for the period.</b>
<b>Premium Priced Product</b>	<b>Defined as 3D, 4DX, UltraAVX, IMAX, ScreenX and VIP film product.</b>



# Non-GAAP Financial Measures

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 metrics	Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of subsequent to the start of the prior year comparative period.
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.
P1AG Adjusted EBITDAaL	Calculated as amusement revenues of P1AG less the total operating expenses of P1AG, which excludes foreign exchange.
P1AG Adjusted EBITDAaL Margin	Calculated as P1AG Adjusted EBITDAaL divided by total amusement revenues for P1AG for the period.
Adjusted Store Level EBITDAaL Metrics	Calculated as total LBE revenues from all locations less the total of operating expenses of LBE, which excludes pre-opening costs and overhead relating to the management of the LBE businesses.
Adjusted Store Level EBITDAaL Margin	Calculated as adjusted store level EBITDAaL divided by total revenues for LBE for the period.

THANK YOU!

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