

Cineplex Inc.

Interim Condensed Consolidated Balance Sheets (Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		\$ 116,816	\$ 133,997
Trade and other receivables		65,039	108,082
Income taxes receivable		1,998	5,234
Inventories		16,561	15,901
Prepaid expenses and other current assets		16,552	13,286
		<u>216,966</u>	<u>276,500</u>
Non-current assets			
Property, equipment and leaseholds		335,435	350,281
Right-of-use assets	3	693,416	727,129
Deferred income taxes	4	155,672	152,354
Interests in joint ventures and associates		11,420	8,543
Intangible assets		77,658	78,679
Derivative financial instrument	6	19,420	18,380
Goodwill		575,614	575,614
		<u>\$ 2,085,601</u>	<u>\$ 2,187,480</u>
Contingent liabilities and assets			
	13		

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Interim Condensed Consolidated Balance Sheets...continued
(Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	June 30, 2026	December 31, 2025
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 186,976	\$ 222,956
Share-based compensation	5	8,158	—
Provision for Competition Tribunal administrative monetary penalty	13	39,215	39,215
Income taxes payable		92	92
Deferred revenue and other	7	171,858	185,976
Lease obligations	8	84,205	82,484
		<u>490,504</u>	<u>530,723</u>
Non-current liabilities			
Share-based compensation	5	5,667	12,449
Long-term debt	6	748,323	744,101
Lease obligations	8	926,162	967,065
Post-employment benefit obligations		6,795	7,021
Other liabilities		<u>2,421</u>	<u>5,613</u>
		<u>1,689,368</u>	<u>1,736,249</u>
Total liabilities		<u>2,179,872</u>	<u>2,266,972</u>
Shareholders' deficit			
Share capital	9	844,799	851,118
Deficit		(1,066,255)	(1,052,890)
Contributed surplus		<u>127,185</u>	<u>122,280</u>
Total shareholders' deficit		<u>(94,271)</u>	<u>(79,492)</u>
		<u>\$ 2,085,601</u>	<u>\$ 2,187,480</u>

Approved by the Board of Directors

“Phyllis Yaffe”
Director

“Janice Fukakusa”
Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Interim Condensed Consolidated Statements of Operations
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

		Three months ended June 30,		Six months ended June 30,	
	Notes	2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
Revenues	7				
Box office		\$ 176,215	\$ 158,475	\$ 303,608	\$ 260,386
Food service		144,515	130,375	252,735	221,864
Media		20,161	19,311	34,067	36,459
Amusement		22,294	24,183	48,266	52,683
Other		20,539	16,993	36,031	29,668
		<u>383,724</u>	<u>349,337</u>	<u>674,707</u>	<u>601,060</u>
Expenses					
Film cost		98,473	87,643	167,845	141,798
Cost of food service		33,408	30,838	58,551	54,251
Depreciation - right-of-use assets		20,080	20,380	40,035	41,083
Depreciation and amortization - other assets		18,317	19,779	36,722	39,946
Gain on disposal of assets		(298)	(36)	(534)	(190)
Employee wages, salaries and benefits		79,677	75,960	151,036	143,913
Other costs	10	88,266	80,447	167,353	156,849
Share of loss of joint ventures and associates		2,683	44	4,533	168
Interest expense - lease obligations	8	17,558	18,095	35,186	35,355
Interest expense - other		17,561	17,383	34,755	34,412
Interest income		(346)	(109)	(1,781)	(447)
Foreign exchange		31	(811)	(48)	(638)
Loss (income) on financial instruments recorded at fair value	6	(2,070)	(480)	(1,040)	1,370
		<u>373,340</u>	<u>349,133</u>	<u>692,613</u>	<u>647,870</u>
Income (loss) from continuing operations before income taxes		<u>10,384</u>	<u>204</u>	<u>(17,906)</u>	<u>(46,810)</u>
Income taxes expense (recovery)	4				
Current		—	—	—	—
Deferred		2,582	61	(3,319)	(11,823)
		<u>2,582</u>	<u>61</u>	<u>(3,319)</u>	<u>(11,823)</u>
Net income (loss) from continuing operations, net of taxes		<u>7,802</u>	<u>143</u>	<u>(14,587)</u>	<u>(34,987)</u>
Net (loss) income from discontinued operations, net of taxes	2	—	(2,341)	—	(3,826)
Net income (loss)		<u>\$ 7,802</u>	<u>\$ (2,198)</u>	<u>\$ (14,587)</u>	<u>\$ (38,813)</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

For the three and six months ended June 30, 2026 and 2025

(Unaudited)

(expressed in thousands of Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
		2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
	2				
Net income (loss) from continuing operations		<u>\$ 7,802</u>	<u>\$ 143</u>	<u>\$ (14,587)</u>	<u>\$ (34,987)</u>
Other comprehensive (loss) income					
<i>Items that will be reclassified subsequently to net income:</i>					
Foreign currency translation adjustment		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Comprehensive (loss) income from continuing operations		<u>7,802</u>	<u>143</u>	<u>(14,587)</u>	<u>(34,987)</u>
Net (loss) income from discontinued operations, net of taxes	2	<u>—</u>	<u>(2,341)</u>	<u>—</u>	<u>(3,826)</u>
Foreign currency translation adjustment from discontinued operations	2	<u>—</u>	<u>(184)</u>	<u>—</u>	<u>(188)</u>
Total comprehensive (loss) income		<u>\$ 7,802</u>	<u>\$ (2,382)</u>	<u>\$ (14,587)</u>	<u>\$ (39,001)</u>
Earnings (loss) per share from continuing operations - basic	11	<u>\$ 0.12</u>	<u>\$ —</u>	<u>\$ (0.23)</u>	<u>\$ (0.55)</u>
Loss per share from discontinued operations - basic	11	<u>\$ —</u>	<u>\$ (0.03)</u>	<u>\$ —</u>	<u>\$ (0.06)</u>
Earnings (loss) per share - basic	11	<u>\$ 0.12</u>	<u>\$ (0.03)</u>	<u>\$ (0.23)</u>	<u>\$ (0.61)</u>
Earnings (loss) per share from continuing operations - diluted	11	<u>\$ 0.12</u>	<u>\$ —</u>	<u>\$ (0.23)</u>	<u>\$ (0.55)</u>
Loss per share from discontinued operations - diluted	11	<u>\$ —</u>	<u>\$ (0.03)</u>	<u>\$ —</u>	<u>\$ (0.06)</u>
Earnings (loss) per share - diluted	11	<u>\$ 0.12</u>	<u>\$ (0.03)</u>	<u>\$ (0.23)</u>	<u>\$ (0.61)</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CINEPLEX INC.

2026 SECOND QUARTER - CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(4)

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

(expressed in thousands of Canadian dollars)

	Share capital	Contributed surplus	Cumulative translation adjustment	Deficit	Total
January 1, 2026	\$ 851,118	\$ 122,280	\$ —	\$ (1,052,890)	\$ (79,492)
Net loss	—	—	—	(14,587)	(14,587)
Other comprehensive income	—	—	—	—	—
Total comprehensive loss (income)	—	—	—	(14,587)	(14,587)
Share option expense	—	733	—	—	733
PSU/RSU expense	—	4,172	—	—	4,172
Shares repurchased and cancelled	(6,319)	—	—	1,216	(5,103)
Derecognition of joint venture interest	—	—	—	6	6
June 30, 2026	\$ 844,799	\$ 127,185	\$ —	\$ (1,066,255)	\$ (94,271)
January 1, 2025	\$ 853,667	\$ 123,986	\$ 360	\$ (1,017,713)	\$ (39,700)
Net income	—	—	—	(38,813)	(38,813)
Other comprehensive loss	—	—	(188)	—	(188)
Total comprehensive loss (income)	—	—	(188)	(38,813)	(39,001)
Share option expense	—	805	—	—	805
PSU/RSU expense	—	2,304	—	—	2,304
Issuance of shares on exercise of options	167	(167)	—	—	—
June 30, 2025	\$ 853,834	\$ 126,928	\$ 172	\$ (1,056,526)	\$ (75,592)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

(expressed in thousands of Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Notes	2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
	2				
Cash provided by (used in)					
Operating activities					
Net income (loss) from continuing operations		\$ 7,802	\$ 143	\$ (14,587)	\$ (34,987)
Adjustments to reconcile net (loss) income to net cash provided by operating activities					
Depreciation and amortization - other assets		18,317	19,779	36,722	39,946
Depreciation - right-of-use assets		20,080	20,380	40,035	41,083
Accretion of convertible debentures and notes payable		2,161	1,866	4,222	3,645
Other non-cash interest		128	(63)	188	(81)
Gain on disposal of assets		(298)	(36)	(534)	(190)
Deferred income taxes	4	2,582	61	(3,319)	(11,823)
Non-cash share-based compensation		1,946	927	4,905	3,108
Loss (income) on financial instruments recorded at fair value	6	(2,070)	(480)	(1,040)	1,370
Financing fees	6	—	—	—	(117)
Net change in interests in joint ventures and associates		2,684	97	4,533	209
Changes in operating assets and liabilities	12	21,098	4,744	(11,457)	(23,452)
Net cash provided by operating activities from continuing operations		74,430	47,418	59,668	18,711
Net cash (used in) provided by operating activities from discontinued operations	2	—	8,373	—	14,416
Net cash provided by operating activities		74,430	55,791	59,668	33,127
Investing activities					
Proceeds from disposal of assets, including asset related insurance recoveries		2	899	2	1,917
Purchases of property, equipment and leaseholds		(9,163)	(7,549)	(17,917)	(24,489)
Intangible assets additions		(1,523)	(2,110)	(3,211)	(4,308)
Tenant inducements		2,143	1,386	4,240	4,221
Investment in joint ventures and associates		(3,833)	—	(7,219)	(1,892)
Net cash used in investing activities from continuing operations		(12,374)	(7,374)	(24,105)	(24,551)
Net cash (used in) provided by investing activities from discontinued operations	2	—	(254)	—	(439)
Net cash used in investing activities		(12,374)	(7,628)	(24,105)	(24,990)
Financing activities					
Financing fees	6	—	—	(355)	—
Repayments of lease obligations - principal		(23,094)	(22,109)	(47,384)	(46,696)
Common Shares repurchased and cancelled	9	—	—	(5,005)	—
Net cash used in financing activities from continuing operations		(23,094)	(22,109)	(52,744)	(46,696)
Net cash used in financing activities from discontinued operations	2	—	(1,725)	—	(3,032)
Net cash used in financing activities		(23,094)	(23,834)	(52,744)	(49,728)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
	2				
Effect of exchange rate differences on cash from continuing operations		\$ —	\$ —	\$ —	\$ —
Effect of exchange rate differences on cash from discontinued operations		—	(213)	—	(215)
Effect of exchange rate differences on cash		—	(213)	—	(215)
Increase (decrease) in cash and cash equivalents		38,962	24,116	(17,181)	(41,806)
Cash and cash equivalents - Beginning of period		77,854	17,949	133,997	83,871
Cash and cash equivalents - End of period		\$ 116,816	\$ 42,065	\$ 116,816	\$ 42,065
Supplemental information					
Cash paid for interest - lease obligation from continuing operations		\$ 17,478	\$ 18,195	\$ 35,096	\$ 35,509
Cash paid for interest - lease obligation from discontinued operations		—	594	—	1,206
Cash paid for interest - lease obligation		\$ 17,478	\$ 18,789	\$ 35,096	\$ 36,715
Cash paid for interest - other from continuing operations		216	428	31,114	31,201
Cash paid for interest - other from discontinued operations		—	—	—	—
Cash paid for interest - other		\$ 216	\$ 428	\$ 31,114	\$ 31,201
Cash paid for income taxes, net from continuing operations		(3,236)	—	(3,236)	—
Cash paid for income taxes, net from discontinued operations		—	(33)	—	(33)
Cash paid for income taxes, net		\$ (3,236)	\$ (33)	\$ (3,236)	\$ (33)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

1. General information

Cineplex Inc. (“Cineplex”) an Ontario, Canada corporation, is one of Canada’s largest entertainment organizations, with theatres and location-based entertainment venues in ten provinces. Cineplex also operates businesses in cinema media through its wholly owned subsidiaries, Cineplex Entertainment Limited Partnership (the “Partnership”), Famous Players Limited Partnership (“Famous Players”), and Galaxy Entertainment Inc. (“GEI”). Cineplex is headquartered at 1303 Yonge Street, Toronto, Ontario, M4T 2Y9.

The Board of Directors approved these consolidated financial statements on August 10, 2026.

2. Assets held for sale and discontinued operations

On October 16, 2025, Cineplex Entertainment Limited Partnership (“CELP”) announced that it had entered into a definitive agreement to sell 100% of the issued and outstanding shares of DDC Group International Inc., which operates the digital place-based media division through its wholly owned subsidiary (CDM), for cash proceeds of \$70,000 subject to customary post-closing adjustments (the “CDM Sale Transaction”). The CDM Sale Transaction closed on November 7, 2025. The proceeds from the CDM Sale Transaction will be used for share repurchases under Cineplex’s normal course issuer bid announced on August 22, 2025 (the “NCIB”), debt reduction and for general corporate purposes, subject to certain restrictions under Cineplex’s current debt agreements. As part of the CDM Sale Transaction, Cineplex has entered into a five-year agreement to continue as CDM’s exclusive advertising sales agent for CDM operated digital-out-of-home networks across Canada. Cineplex recognized a gain of \$3,264, net of income taxes in connection with the sale of CDM during the fourth quarter of 2025. See note 14, Operating segments for CDM’s earnings for the three and six months ended June 30, 2025.

The gain on sale of CDM was comprised of the following:

Initial cash proceeds, after closing adjustments	\$	60,263
Carrying value of CDM		(52,618)
Transaction costs, including professional services		(3,949)
Gain on sale before income taxes		3,696
Estimated income taxes expense	\$	(432)
Gain on sale of CDM	\$	3,264
Net loss from discontinued operations up until date of sale	\$	(3,573)
Total net loss from discontinued operations, net of taxes	\$	(309)

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

3. Right-of-use assets

The following tables present right-of-use assets for Cineplex for the six months ended June 30, 2026 and 2025:

	Property	Equipment	Total
At June 30, 2026			
Cost	\$ 1,384,353	\$ 3,953	\$ 1,388,306
Accumulated depreciation	(691,564)	(3,326)	(694,890)
Net book value	\$ 692,789	\$ 627	\$ 693,416
Six months ended June 30, 2026			
Opening net book value	\$ 726,331	\$ 798	\$ 727,129
Additions	—	—	\$ —
Extensions and modifications	4,555	—	\$ 4,555
Disposals from continuing operations	1,767	—	\$ 1,767
Depreciation for the period from continuing operations	(39,864)	(171)	\$ (40,035)
Closing net book value	\$ 692,789	\$ 627	\$ 693,416
	Property	Equipment	Total
At June 30, 2025			
Cost	\$ 1,396,065	\$ 61,696	\$ 1,457,761
Accumulated depreciation	(627,418)	(28,261)	(655,679)
Net book value	\$ 768,647	\$ 33,435	\$ 802,082
Six months ended June 30, 2025			
Opening net book value	\$ 734,899	\$ 38,473	\$ 773,372
Additions	—	31	\$ 31
Extensions and modifications	74,746	—	\$ 74,746
Depreciation for the period from continuing operations	(40,898)	(185)	\$ (41,083)
Depreciation for the year from discontinued operations	(100)	(4,884)	(4,984)
Closing net book value	\$ 768,647	\$ 33,435	\$ 802,082

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

4. Deferred income taxes

Based on substantively enacted corporate tax rates, expected timing of reversals and expected taxable income allocation to various tax jurisdictions, deferred income taxes are as follows:

	June 30, 2026	December 31, 2025
Deferred income tax assets		
Property, equipment and leaseholds and deferred tenant inducements - difference between net carrying value and undepreciated capital cost	\$ 9,747	\$ 9,928
Accounting provisions not currently deductible	89,584	90,701
Deferred revenue	1,766	1,810
Income tax credits available	3,313	3,313
Operating losses available for carry-forward	113,428	107,982
Other	4,603	6,273
Total gross deferred income tax assets	222,441	220,007
Future deferred tax liabilities		
Intangible assets	(11,650)	(11,890)
Interest rate swap agreements	(153)	(153)
Goodwill	(36,970)	(35,887)
Convertible debentures	(17,996)	(19,723)
Total gross deferred income tax liabilities	(66,769)	(67,653)
Net deferred income tax asset recognized	\$ 155,672	\$ 152,354

Cineplex has determined that the net deferred tax assets were recoverable in the ordinary course of business at the current balance sheet date and has continued to recognize its net deferred tax assets. Cineplex had \$411,219 of non-capital losses available based on income tax returns filed up to tax year 2025. Cineplex utilized a portion of its net operating losses against the taxable gain from the sale of CDM, which resulted in no taxes payable resulting from the disposition. Cineplex will continue to evaluate the recoverability of net deferred tax assets in the ordinary course of business at each balance sheet date.

Cineplex's combined statutory income tax rate at June 30, 2026 was 26.3% (2025 - 26.3%).

By Notice of Reassessment dated January 22, 2019, the Canada Revenue Agency disallowed the deduction of \$26,600 of losses of AMC Ventures Inc. ("AMC") that Cineplex had obtained on the acquisition of AMC in 2012 and applied against Cineplex's 2014 taxable income. On January 15, 2026, the Tax Court of Canada rendered a judgment fully in favour of Cineplex, allowing the claim of \$26,510 of non-capital losses in respect of its 2014 taxation year. The Crown did not appeal the judgment to the Federal Court of Appeal, and as a result the decision is now final and Cineplex has received a refund of a portion of the prepaid taxes plus applicable interest and is expected to receive the remaining amount in 2026.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

5. Share-based compensation

Omnibus Incentive Plan

Cineplex has an Omnibus Incentive Plan (the “Incentive Plan”) in which all employees and consultants are eligible to participate. The Incentive Plan consists of stock options, RSUs and PSUs. Awards of RSUs and PSUs are granted during a service year subject to a service period as determined by management at the time of issuance. The aggregate number of Common Shares that may be issued under the Incentive Plan is 7,357,905 provided that no more than 3,500,000 Common Shares may be issued in aggregate pursuant to the settlement of RSUs and PSUs. The base Common Share equivalents granted as RSU and PSU awards attract compounding notional dividends at the same rate as outstanding Common Shares, which are notionally re-invested as additional base Common Share equivalents. PSU and RSU awards may be settled in Common Shares issued from treasury, cash, or a mix of Common Shares and cash, at Cineplex’s option at the time of settlement. As at June 30, 2026, 2,245,584 (2025 - 2,873,451) Common Shares are available to be issued under the Incentive Plan for settlement of RSUs and PSUs. Options that were issued prior to the Incentive Plan and are subsequently cancelled are available to be issued under the Incentive Plan.

Stock Options

Stock options issued under the Incentive Plan are administered by Cineplex’s Board of Directors which establishes the exercise price at the time each option is granted, which in all cases is not to be less than the market price on the grant date. All of the options must be exercised over specified periods not to exceed ten years from the date granted. Options issued under the Incentive Plan may be exercised for cash or on a cashless basis, both of which result in the issuance of Common Shares from treasury. Options granted are accounted for as equity-settled.

Cineplex recognized employee benefits expense of \$376 and \$733 with respect to options during the three and six months ended June 30, 2026 (2025 - \$411 and \$805, respectively)

A summary of option activities in 2026 and 2025 is as follows:

	Weighted average remaining contractual life (years)	2026		2025	
		Number of underlying shares	Weighted average exercise price	Number of underlying shares	Weighted average exercise price
Options outstanding, January 1	6.08	2,753,426	\$ 14.57	2,735,869	\$ 15.00
Granted		509,841	9.81	454,511	11.28
Exercised		—	—	(54,177)	8.26
Forfeited		—	—	(128,144)	14.21
Options outstanding, June 30	6.23	3,263,267	\$ 13.83	3,008,059	\$ 14.59
Options vested and exercisable		2,072,124		1,861,422	

The exercise price was equal to the market price of Cineplex shares at the grant date.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

The fair value of options granted during the six months ended June 30, 2026 and 2025 were determined using the Black-Scholes valuation model using the following significant inputs:

	June 30, 2026	June 30, 2025
Number of options granted	509,841	454,511
Share price on grant date	\$ 9.81	\$ 11.28
Exercise price	\$ 9.81	\$ 11.28
Expected option life (years)	4.0	4.0
Volatility	34.1 %	37 %
Annual risk-free rate	2.56 %	2.84 %
Fair value of options granted	\$ 2.99	\$ 3.71

Upon cashless exercises, the options exercised in excess of Shares issued are cancelled and returned to the pool available for future grants. At June 30, 2026, 1,132,386 options (2025 - 1,424,801) are available for grant.

RSU and PSU awards

The grants of Share equivalents were as follows:

	PSU Share equivalents granted	RSU Share equivalents granted	PSU Share equivalents minimum payout	PSU Share equivalents maximum payout
2026 LTIP awards granted in Q1 2026	310,790	411,792	—	621,580
2025 LTIP awards granted in Q1 2025	299,250	404,536	—	598,500
2024 LTIP awards granted in Q1 2024	381,265	541,347	—	762,530

RSU

During the first quarter of 2026, Cineplex issued 411,792 equity-settled RSUs with a fair value of \$9.81 per unit (total fair value of \$4,040 on issuance). The fair value was initially assessed based on Cineplex's closing Common Share price on the grant date. The RSUs issued will vest in the third quarter of 2028.

PSU

During the first quarter of 2026, Cineplex issued 310,790 equity settled PSUs with a fair value of \$9.81 per unit (total fair value of \$3,049 on issuance). The fair value was assessed based on Cineplex's closing Share price on the grant date. The PSU awards issued will vest in the third quarter of 2028.

Compensation expense is recorded based on the number of units expected to vest, the current market price of Cineplex's Common Shares, and the application of a performance multiplier that ranges from a minimum of zero to a maximum of two. Performance multipliers are developed based on Total Shareholder Return percentile rank relative to a select peer group and composite group. Participants will receive fully paid Common Shares issued from treasury that can vary depending on the achievement of established performance targets. Performance conditions are reflected in Cineplex's estimate of the grant-date fair value for equity instruments granted.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

Incentive Plan costs are estimated at the grant date based on expected performance results then accrued and recognized on a graded basis over the vesting period. Forfeitures are estimated to be nominal based on historical forfeiture rates. Cineplex recognized compensation expense of \$3,326 and \$6,211 for the three and six months ended June 30, 2026 (2025 - \$1,774 and \$3,346, respectively) under the Incentive Plan relating to RSUs and PSUs. At June 30, 2026, \$8,158 (2025 - \$5,695) was included in share-based compensation liability and \$4,757 in contributed surplus (2025 - \$5,489).

Deferred equity units

Members of the Board of Directors and certain officers of Cineplex may elect to defer a portion of their compensation in the form of deferred equity units. Cineplex recognized compensation expense of \$853 and expense of \$564 during the three and six months ended June 30, 2026 (2025 - \$888 expense and \$759 recovery, respectively) associated with the deferred equity units. At June 30, 2026, \$5,667 (2025 - \$7,047) was included in non-current share-based compensation liability.

6. Long-term debt

Long-term debt consists of the following as at June 30, 2026, and December 31, 2025:

	June 30, 2026		December 31, 2025	
	Book Value (i)	Face Value	Book Value (i)	Face Value
Credit Facilities	\$ —	\$ —	\$ —	\$ —
Convertible Debentures - 7.75% due March 1, 2030	173,323	216,250	169,101	216,250
Notes Payable - 7.625% due March 31, 2029	575,000	575,000	575,000	575,000
Total	\$ 748,323	\$ 791,250	\$ 744,101	\$ 791,250

(i) Book value represents the carrying value of the debt component, which is the initial fair value of the instrument, plus cumulative accretion.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

Interest expense	Three months ended June 30,		Six months ended June 30,	
	2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
Interest expense on long-term debt	\$ 15,323	\$ 15,481	\$ 30,397	\$ 30,577
Lease interest expense (i)	17,479	18,194	35,096	35,509
Financing fees	28	—	38	117
Sub-total - cash interest expense from continuing operations	\$ 32,830	\$ 33,675	\$ 65,531	\$ 66,203
Other non-cash interest	49	36	98	73
Lease interest - non-cash	79	(99)	90	(154)
Accretion expense on Debentures and Notes Payable	2,161	1,866	4,222	3,645
Sub-total - non-cash interest expense from continuing operations	2,289	1,803	4,410	3,564
Total interest expense from continuing operations	\$ 35,119	\$ 35,478	\$ 69,941	\$ 69,767
Total cash interest paid from continuing operations	\$ 17,694	\$ 18,623	\$ 66,210	\$ 66,710

(i) Represents total cash interest paid and accrued cash interest related to lease obligations.

Credit facilities

2024 Credit Facility

On March 4, 2024, Cineplex entered into a new credit agreement with a syndicate of banks led by Scotiabank (the “**2024 Credit Agreement**”), terminating and replacing the Eighth Amended and Restated Credit Agreement in its entirety. On March 19, 2026, Cineplex amended the 2024 Credit Agreement to, among other things, extend the maturity date from March 4, 2027 to either September 18, 2028 (if the existing Notes Payable due March 31, 2029 have not been repaid, redeemed, or refinanced in full) or March 18, 2029. The 2024 Credit Agreement, as amended, provides for a \$100 million “covenant-lite” revolving credit facility (the “**2024 Credit Facility**”).

At Cineplex’s election, borrowings under the 2024 Credit Agreement will bear interest at a floating rate based on the Canadian dollar prime rate, U.S. Base Rate or CORRA (Canadian Overnight Repo Rate Average) plus, in each case, an applicable margin to those rates. Borrowings are available in either Canadian or US dollars.

The 2024 Credit Agreement does not contain financial maintenance covenants, unless borrowings utilized under the agreement (including issued letters of credit) exceed 40% (the “Utilization Threshold”) of the total available credit facility measured as at the end of a fiscal quarter of Cineplex. In the event that Utilization Threshold is exceeded, Cineplex will be required to maintain a Total Leverage Ratio of not greater than 4.75 to 1 thereafter until the borrowings drop below 40% utilization.

As a so-called “covenant-lite” credit facility, as long as the Utilization Threshold has not been exceeded, the 2024 Credit Agreement does not restrict the discretion of Cineplex’s management with respect to matters such as the payment of dividends or making certain other payments, making investments, loans and guarantees and otherwise being able to sell or dispose of assets. Cineplex’s ability to take such actions when the Utilization Threshold has been exceeded requires that Cineplex’s Total Leverage Ratio be less than 4.25 to 1.00, on a pro forma basis after giving effect to such payment or transaction.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

The obligations under the 2024 Credit Agreement are guaranteed jointly and severally, by Cineplex and each direct or indirect restricted subsidiary of Cineplex, other than certain excluded immaterial subsidiaries.

This summary of the 2024 Credit Facility is qualified in its entirety by reference to the provisions of the Credit Agreement which contains a complete statement of those terms and conditions, and was filed on SEDAR+ on March 4, 2024, and the amendment to the 2024 Credit Agreement was filed on SEDAR+ on March 25, 2026.

The 2024 Credit Facility is drawn upon and repaid on a regular basis and as such is presented on a net basis in the Statement of Cash flows.

	Available	Drawn	Reserved	Remaining
Revolving Facility	\$ 100,000	\$ —	\$ 7,457	\$ 92,543

At June 30, 2026, Cineplex was subject to a margin of 3.25% (2025 - 3.25%) on the prime rate and margin of 4.25% (2025 - 4.25% on bankers' acceptances) on the CORRA advances plus a 0.25% (2025 - 0.25%) per annum fee for letters of credit issued. Cineplex pays a commitment fee on the daily unadvanced portion of the 2024 Credit Agreement, which will vary based on the Total Leverage Ratio and was 0.85% at June 30, 2026 (2025 - 0.85%).

Convertible debentures

Cineplex's 7.75% convertible unsecured subordinated debentures are due March 1, 2030 (the "**Convertible Debentures**"), with interest paid semi-annually on March 1 and September 1.

The Convertible Debentures are not redeemable by Cineplex prior to March 1, 2027. On or after March 1, 2027 and prior to March 1, 2029, Cineplex may, at its option, redeem the Convertible Debentures in whole or in part from time to time provided that the volume-weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On or after March 1, 2029, the Convertible Debentures may be redeemed in whole or in part from time to time at the option of Cineplex at a price equal to their principal amount plus accrued and unpaid interest. Redemption may be in the form of cash or in the form of shares, at the option of Cineplex.

At the holder's option, the Convertible Debentures may be converted into shares at a conversion price of \$10.29 per share at any time prior to the close of business on the earlier of: (i) five business days prior to the Maturity Date, and (ii) if called for redemption, five business days immediately preceding the date fixed for redemption of the Convertible Debentures, at a conversion price to be determined at the time of pricing. Holders who convert their Convertible Debentures into shares will receive accrued and unpaid interest for the period from the date of the latest interest payment date to the date of conversion. Conversion of outstanding Convertible Debentures will result in the issuance of shares from treasury.

The foregoing is a summary of the key terms of the Convertible Debentures. This summary is qualified in its entirety by reference to the provisions of the Convertible Debentures trust indenture which contains a complete statement of those terms and conditions. The trust indenture for the Convertible Debentures and the Supplemental Indenture were filed on SEDAR+ on July 15, 2020 and March 4, 2024, respectively.

The fair value of the liability component of the Convertible Debentures was assessed at inception based on an estimated market discount rate of 14.88% , and will be accreted to the full face value of \$216,250 over the term of the Convertible Debentures. The residual value of \$54,348 (\$70,191 net of \$15,843 deferred income taxes) was

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

allocated to the equity component less the pro-rata portion of transaction costs as prescribed by IFRS 9, *Financial instruments* and IAS 32, *Financial instruments: Presentation*.

Unaccreted deferred financing fees and discount as at June 30, 2026 related to the 7.75% Convertible Debentures due March 1, 2030 is \$42,927.

Cineplex recorded cash interest expense of \$4,178 and \$8,380 on the Debentures during the three and six months ended June 30, 2026 (2025 - \$4,179 and \$8,315, respectively) and recorded accretion expense of \$2,161 and \$4,222 during the three and six months ended June 30, 2026 (2025 - \$1,866 and \$3,645, respectively), both of which are included as part of the interest expense in the consolidated statement of operations. As at June 30, 2026, Cineplex has \$216,250 principal amount of Convertible Debentures outstanding.

Notes Payable

During the three and six months ended June 30, 2026, Cineplex recorded cash interest expense on the Notes Payable \$10,931 and \$21,562 (2025 - \$10,931 and \$21,562, respectively) and Cineplex recorded accretion expense during the three and six months ended June 30, 2026 of nil for both periods (2025 - \$nil, for both periods), both of which are included as part of interest expense in the consolidated statement of operations. As at June 30, 2026, Cineplex has \$575,000 principal amount of 2024 Notes outstanding. Cineplex's derivative financial instrument on the outstanding 2024 Notes, as applicable, relates to the early prepayment option that fluctuates in value based on market interest rates. The fair value of the embedded derivative was determined using an option pricing model with observable market inputs and is consistent with accepted methods for valuing financial instruments, and is categorized as level 2 in the fair value hierarchy. Cineplex has estimated the fair value of this embedded derivative at \$19,420 as at June 30, 2026 (2025 - \$18,380) which is presented on the consolidated balance sheets as a derivative financial instrument.

2024 Notes

On March 4, 2024, in connection with the 2024 Refinancing, Cineplex closed a private placement offering of \$575,000 aggregate principal amount of 7.625% senior secured notes due March 31, 2029 (the "2024 Notes"). The 2024 Notes were issued pursuant to an indenture entered into among Cineplex and TSX Trust Company, as trustee and collateral agent, dated March 4, 2024 (the "2024 Notes Indenture"). Interest is paid semi-annually on January 31 and July 31.

The 2024 Notes contain a number of prepayment options, and Cineplex recognized a fair value derivative asset of \$10.1 million on issuance. Issuance costs of \$10.1 million resulted in the 2024 Notes being presented at face value on the balance sheet, and no non-cash interest will be recognized.

The 2024 Notes are fully and unconditionally guaranteed, jointly and severally, by Cineplex and each direct or indirect restricted subsidiary of Cineplex that is a borrower or guarantees the obligations of Cineplex or any other borrower under the 2024 Credit Facility.

At any time from and after January 31, 2026, Cineplex may, at its option, redeem the 2024 Notes, in whole or in part, at the redemption prices set forth in the 2024 Notes Indenture, plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date.

If Cineplex sells certain assets without applying the proceeds in a permitted manner, which includes purchasing assets used in business operations or making capital expenditures within 365 days of receipt thereof, Cineplex may be required to make an offer to each holder of 2024 Notes to purchase all or a portion of its Notes at 100% of the aggregate principal amount of the 2024 Notes so repurchased plus accrued and unpaid interest to, but not including, the date of repurchase. If Cineplex undergoes certain change of control events, Cineplex must make an offer to

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

repurchase the 2024 Notes at a purchase price equal to 101% of the aggregate principal amount of the 2024 Notes so repurchased plus accrued and unpaid interest to, but not including, the date of repurchase.

If Cineplex, any guarantor or other payor is required to withhold or deduct any amount for or on account of taxes from any payment made under or with respect to the 2024 Notes or any guarantee, as the case may be, Cineplex, such guarantor or other payor, as applicable, will pay (together with such payment) such additional amounts as may be necessary so that the net amount received by each holder or beneficial owner of a 2024 Note after such withholding or deduction (including any such withholding or deduction from such additional amounts) will not be less than the amount the holder or beneficial owner would have received if such taxes had not been withheld or deducted (subject to certain exceptions).

In addition to the restrictions on asset sales and change of control events described above, the 2024 Notes Indenture contains covenants that restrict, among other things, Cineplex's ability to incur liens other than permitted liens, make restricted payments, incur certain indebtedness and enter into certain transactions with affiliates, in each case, subject to certain conditions which may include requirements for cumulative Adjusted EBITDA to exceed 1.75x cumulative Fixed Charges, and maintaining a Fixed Charge Coverage Ratio greater than 2 to 1.

The 2024 Notes Indenture contains customary events of default substantially similar to those set out in the trust indenture governing the 2021 Notes, and as more specifically set out in the 2024 Notes Indenture. Upon the occurrence of an event of default under the 2024 Notes Indenture, the trustee thereunder, acting on the instruction of the requisite majority of holders of the 2024 Notes, and subject to the Intercreditor Agreement, would be entitled to accelerate all amounts outstanding under the 2024 Notes and, upon such acceleration, to instruct the collateral agent under the Intercreditor Agreement to enforce the security granted to the lenders by Cineplex and the guarantors. Following repayment of the lenders under the 2024 Credit Facility and any other priority lien obligations under the Intercreditor Agreement, the holders of the 2024 Notes would then be repaid from the proceeds of such security, using all available assets. Only after such repayment and the payment of any other secured and unsecured creditors would the holders of common shares of Cineplex (the "Common Shares") receive any proceeds from the liquidation of Cineplex's assets.

The foregoing is a summary of the key terms of the 2024 Notes. This summary is qualified in its entirety by reference to the provisions of the 2024 Notes Indenture which contains a complete statement of those terms and conditions. The 2024 Notes Indenture was filed on SEDAR+ on March 4, 2024.

Security and Ranking

The obligations under both the 2024 Credit Facility and the 2024 Notes are secured by charges granted in favour of TSX Trust Company, as collateral agent, over substantially all of the personal and real property owned by Cineplex and its subsidiaries that are guarantors of such debt, other than certain excluded immaterial subsidiaries. The priorities of the liens securing the obligations under the 2024 Credit Agreement and the 2024 Notes are governed by the terms of a collateral agent and intercreditor agreement (the "Intercreditor Agreement"). Pursuant to the Intercreditor Agreement and the security granted in connection therewith: (i) the 2024 Notes rank effectively junior, to the extent of the value of the collateral, to Cineplex's and the guarantor's obligations under the 2024 Credit Agreement and any other priority lien debt set out therein; (ii) rank pari passu in right of payment with all existing and future senior indebtedness of Cineplex and the guarantors and senior in right of payment to any future subordinated indebtedness of Cineplex and the guarantors; (iii) rank effectively senior to any existing and future unsecured obligations of Cineplex and the guarantors to the extent of the value of the collateral securing the 2024 Notes (subject to the prior payment of any priority lien debt including under the 2024 Credit Agreement); and (iv) are structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of subsidiaries of Cineplex that do not guarantee the 2024 Notes.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

7. Revenue

The following tables disclose the changes in deferred revenue and other for the six months ended June 30, 2026 and 2025:

	December 31, 2025	Additions	Recognized	June 30, 2026
Gift cards	\$ 150,561	\$ 33,424	\$ 53,892	\$ 130,093
SCENE loyalty program	9,796	—	848	8,948
Advances, deposits and other	25,619	29,907	22,709	32,817
	<u>\$ 185,976</u>	<u>\$ 63,331</u>	<u>\$ 77,449</u>	<u>\$ 171,858</u>

	December 31, 2024	Additions	Recognized	June 30, 2025
Gift cards	\$ 152,368	\$ 30,759	\$ 49,975	\$ 133,152
SCENE loyalty program	11,962	—	1,153	10,809
Advances, deposits and other	25,659	38,488	28,078	36,069
	<u>\$ 189,989</u>	<u>\$ 69,247</u>	<u>\$ 79,206</u>	<u>\$ 180,030</u>

Deferred revenue consists mainly of unearned revenue relating to gift cards and the CineClub subscription program. The majority of deferred revenue is expected to be redeemed within one year from issuance. \$77,449 included at the beginning of the period was recognized as revenue year to date.

SCENE loyalty program deferred revenue balance relates to SCENE point obligations issued up to December 12, 2021. New Scene+ points issued are recognized as advertising and promotion in other costs in the Consolidated Statement of Operations and are not reflected in deferred revenue on the balance sheet.

The following tables provide the disaggregation of revenue into categories by nature for the three and six months ended June 30, 2026 and 2025:

Box revenues	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Box office revenues	<u>\$ 176,215</u>	<u>\$ 158,475</u>	<u>\$ 303,608</u>	<u>\$ 260,386</u>

Food service revenues	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Food service - theatres	\$ 129,993	\$ 116,309	\$ 223,906	\$ 192,956
Food delivery - theatres	2,490	2,298	5,051	4,638
Food service - location-based entertainment (LBE)	12,032	11,768	23,778	24,270
Total food service revenues	<u>\$ 144,515</u>	<u>\$ 130,375</u>	<u>\$ 252,735</u>	<u>\$ 221,864</u>

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

Media revenues	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Cinema media	\$ 20,161	\$ 19,311	\$ 34,067	\$ 36,459
Amusement revenues	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Amusement revenue - theatres	\$ 3,434	\$ 3,570	\$ 6,664	\$ 7,132
Amusement revenue - LBE	18,860	20,613	41,602	45,551
Total amusement revenues	\$ 22,294	\$ 24,183	\$ 48,266	\$ 52,683
Other revenues	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Online booking fees	\$ 6,989	\$ 6,239	\$ 12,419	\$ 10,239
Other revenues	13,550	10,754	23,612	19,429
Total Other revenues	\$ 20,539	\$ 16,993	\$ 36,031	\$ 29,668

8. Lease obligations

The following table presents lease obligations for Cineplex for the six months ended June 30, 2026 and 2025:

	Property	Equipment	Total
Six months ended June 30, 2026			
Opening balance	\$ 1,048,693	\$ 856	\$ 1,049,549
Additions	—	—	—
Extensions and modifications	4,555	—	4,555
Tenant inducements	3,558	—	3,558
Lease payments	(82,157)	(324)	(82,481)
Interest expense from continuing operations	35,160	26	35,186
Closing lease obligations	\$ 1,009,809	\$ 558	\$ 1,010,367
Less: current portion	83,868	337	84,205
Non-current portion from continuing operations	\$ 925,941	\$ 221	\$ 926,162

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

	Property	Equipment	Total
Six months ended June 30, 2025			
Opening balance	\$ 1,056,863	\$ 42,311	\$ 1,099,174
Additions	—	31	31
Extensions and modifications	74,746	—	74,746
Tenant inducements	4,042	—	4,042
Lease payments	(82,020)	(4,423)	(86,443)
Interest expense from continuing operations	35,314	41	35,355
Interest expense from discontinued operations	24	1,182	1,206
Closing lease obligations	\$ 1,088,969	\$ 39,142	\$ 1,128,111
Less: current portion	76,621	9,715	86,336
Non-current portion from continuing operations	\$ 1,012,348	\$ 29,427	\$ 1,041,775

9. Share capital

Cineplex is authorized to issue an unlimited number of common shares and 10,000,000 preferred shares of which none are outstanding.

Share capital balances at June 30, 2026 and 2025 and transactions during the periods are as follows:

2026		Amount
	Number of Common Shares issued and outstanding	Share capital
Balance - December 31, 2025	63,466,340	\$ 851,118
Shares repurchased and cancelled under the normal course issuer bid	(463,506)	(6,319)
Balance - June 30, 2026	63,002,834	\$ 844,799

2025		Amount
	Number of Common Shares issued and outstanding	Share capital
Balance - December 31, 2024	63,423,010	853,667
Issuance of shares on exercise of options	4,063	51
Balance - June 30, 2025	63,427,073	\$ 853,718

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

10. Other costs

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
		(Revised - Note 2)		(Revised - Note 2)
Variable rent	\$ 162	\$ 459	\$ 339	\$ 679
Realty and occupancy taxes and maintenance fees	19,409	19,543	39,868	38,968
Utilities	7,383	6,942	16,107	16,860
Services including operating facilities cleaning, maintenance and security	17,916	15,021	32,989	28,908
Other inventories consumed, including amusement	3,880	3,378	6,937	7,227
Repairs, maintenance, and software	14,503	11,259	26,399	21,319
Advertising and promotion	12,256	10,646	20,907	18,765
Office and operating supplies	4,008	2,831	6,541	5,407
Royalty and license fees	2,145	2,822	4,240	4,456
Insurance	1,598	2,144	3,392	3,629
Professional and consulting fees	1,401	1,668	2,388	3,271
Telecommunications and data	1,035	1,218	2,278	2,389
Bad debts	225	126	452	428
Equipment rental	443	363	900	744
Business interruption insurance proceeds	(283)	(5)	(283)	(105)
Other costs	2,185	2,032	3,899	3,904
	<u>\$ 88,266</u>	<u>\$ 80,447</u>	<u>\$ 167,353</u>	<u>\$ 156,849</u>

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

11. Earnings (loss) per share

Basic

Basic earnings (loss) per share is calculated by dividing the net loss by the weighted average number of shares outstanding during the period.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
		(Revised - Note 2)		(Revised - Note 2)
Net income (loss) from continuing operations	\$ 7,802	\$ 143	\$ (14,587)	\$ (34,987)
Weighted average number of shares outstanding	63,002,834	63,430,021	63,022,746	63,427,310
Earnings (loss) per share from continuing operations - basic	\$ 0.12	\$ 0.00	\$ (0.23)	\$ (0.55)
Earnings per share from discontinued operations - basic	\$ —	\$ (0.03)	\$ —	\$ (0.06)
Earnings (loss) per share - basic	\$ 0.12	\$ (0.03)	\$ (0.23)	\$ (0.61)

Diluted

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the outstanding shares for the period), based on the monetary value of the rights attached to the potentially dilutive shares. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of conversions, exchanges or options. For the quarter ended June 30, 2026, dilutive shares that have been included in the current period were 380.373 potential shares that would be issued under the treasury stock method, while the debentures are anti-dilutive. For the year to date period ended June 30, 2026, the options and debentures are anti-dilutive. For the quarter and year to date period of 2025, the options and debentures are anti-dilutive, as applicable.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
Net income (loss) from continuing operations	\$ 7,802	\$ 143	\$ (14,587)	\$ (34,987)
Weighted average number of shares outstanding	63,002,834	63,430,021	63,022,746	63,427,310
Adjustments for stock options	380,373	—	—	—
Weighted average number of shares for diluted EPS	63,383,207	63,430,021	63,022,746	63,427,310
Earnings (loss) per share from continuing operations - diluted	\$ 0.12	\$ —	\$ (0.23)	\$ (0.55)
Earnings per share from discontinued operations - diluted	\$ —	\$ (0.03)	\$ —	\$ (0.06)
Earnings (loss) per share - diluted	\$ 0.12	\$ (0.03)	\$ (0.23)	\$ (0.61)

12. Changes in operating assets and liabilities

The following summarizes the changes in operating assets and liabilities:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025 (Revised - Note 2)	2026	2025 (Revised - Note 2)
Trade and other receivables	\$ (7,421)	\$ (2,961)	\$ 40,571	\$ 49,026
Inventories	(519)	(202)	(660)	1,636
Prepaid expenses and other current assets	(1,262)	(4,518)	(2,950)	(8,699)
Accounts payable and accrued liabilities	29,382	14,209	(38,532)	(50,375)
Income taxes receivable	3,236	—	3,236	—
Deferred revenue	(4,205)	(3,381)	(14,118)	(15,200)
Post-employment benefit obligations	55	45	(226)	248
Share-based compensation	1,988	1,653	1,378	52
Other liabilities	(156)	(101)	(156)	(140)
	<u>\$ 21,098</u>	<u>\$ 4,744</u>	<u>\$ (11,457)</u>	<u>\$ (23,452)</u>

Property, equipment and leasehold purchases included in accounts payable and accrued liabilities as at June 30, 2026, are \$6,219 (2025 - \$3,369).

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

13. Contingent liabilities and assets

Contingencies

Provision: Competition Bureau's Allegation that Cineplex's Online Booking Fee Constitutes Misleading Advertising and Drip Pricing

On May 18, 2023, the Competition Bureau filed a Notice of Application, alleging that Cineplex's online booking fee was misleading and constituted "drip pricing". The Competition Bureau did not contest Cineplex's right to charge the online booking fee; it only contested the manner in which the online booking fee was presented to consumers.

This matter was heard by the Competition Tribunal in February, 2024. On September 23, 2024, the Tribunal issued a decision in the Competition Bureau's favour requiring Cineplex to pay an administrative penalty of \$38,978 plus certain legal and other costs.

On September 23, 2024, Cineplex announced its intention to appeal the Tribunal's decision, and reiterated its belief that the online booking fee fully complied with the letter and spirit of the law. On October 23, 2024, Cineplex filed a Notice of Appeal with the Federal Court of Appeal and, with the Competition Bureau's consent, was granted a stay regarding payment of the administrative monetary penalty, pending the Federal Court of Appeal's decision on Cineplex's appeal.

Cineplex's appeal was heard by the Federal Court of Appeal on October 8, 2025. On January 23, 2026, the Federal Court of Appeal upheld the decision of the Competition Tribunal, including the \$39,215 administrative monetary penalty and costs. On March 23, 2026, Cineplex filed its leave to appeal to the Supreme Court of Canada and, with the Competition Bureau's consent, was granted an interim stay regarding payment of the administrative monetary penalty and costs pending the Supreme Court of Canada's decision on Cineplex's application for leave to appeal.

Notwithstanding Cineplex's application to seek leave to appeal to the Supreme Court of Canada, an amount of \$39,215 has been accrued in Cineplex's consolidated financial statements in relation to the Competition Tribunal order and related online booking fee matters.

Contingent liability: Class Action Lawsuits regarding Cineplex's Online Booking Fee

In January 2024, class action lawsuits were initiated in British Columbia and Quebec with respect to Cineplex's online booking fee. Both lawsuits allege that the online booking fee is misleading and constitutes "drip pricing". The lawsuits seek to include all Canadians who purchased a Cineplex movie ticket and were charged an online booking fee.

Both lawsuits are in their preliminary stages. The British Columbia lawsuit has not yet received the necessary judicial authorization for it to proceed. The Quebec lawsuit has been granted judicial authorization to proceed.

Cineplex believes that these matters will not have a material adverse effect on its operating results, financial position, or cash flows, and no amount has been accrued in Cineplex's consolidated financial statements as at June 30, 2026.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

14. Operating segments

Cineplex has three reportable segments; Film Entertainment and Content, Media, and Location-Based Entertainment. The reportable segments are business units offering differing products and services and managed separately due to their distinct natures. These three reportable segments have been determined by Cineplex's chief operating decision makers. The Film Entertainment and Content reporting segment does not charge an access fee to the Media reporting segment. All other inter-segment transactions are eliminated in the Corporate and other category, which includes all corporate general and administrative costs not directly associated with a segment.

Film Entertainment and Content

The Film Entertainment and Content reporting segment includes all direct and ancillary revenues from theatre attendance, including box office and food service revenues and the associated costs to provide those products and services. Also included in the Film Entertainment and Content segment are in-theatre amusement, theatre rentals and digital commerce rental and sales and associated costs.

Media

The Media reporting segment is comprised of advertising revenues and costs, including pre-show, showtime and lobby advertising, as well as the commission on advertisement sales on digital out of home networks. This segment previously included CDM prior to its disposal.

Location-Based Entertainment

Location-based entertainment is comprised of the social entertainment destinations featuring gaming, entertainment and dining. These entertainment options are complemented with an upscale casual dining environment, featuring an open kitchen and contemporary menu, as well as a larger bar with a wide range of digital monitors and a large screen for watching sporting and other major events.

In accordance with IFRS 8, *Operating Segments*, Cineplex discloses information about its reportable segments based upon the measures used by management in assessing the performance of those reportable segments. Cineplex uses adjusted EBITDAaL to measure the performance of its reportable segments.

Management defines EBITDA as earnings before interest income and expense, income taxes and depreciation and amortization expense. Adjusted EBITDA excludes the change in fair value of financial instrument, loss on disposal of assets, foreign exchange, and impairment, depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates, and other items that do not in management's view represent a factor relevant to the ongoing performance of the business such as the Competition Tribunal's administrative monetary penalty. Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent paid or payable related to lease obligations.

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.

Cineplex's cash management and other treasury functions are centralized; interest expense not related to the lease obligations and interest income are not allocated to segments. Income taxes are accounted for by entity, and cannot be attributable to individual segments. Cineplex does not report balance sheet information by segment because that information is not used to evaluate performance or allocate resources between segments.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

The following tables disclose the results of the Film Entertainment and Content, Media, and Location-Based Entertainment segments for the six months ended June 30, 2026 and 2025.

	Film Entertainment and Content (i)	Media (i)	Location- Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations
Three months ended June 30, 2026					
Major product and service lines					
Box office	\$ 176,215	\$ —	\$ —	\$ —	\$ 176,215
Food service	132,483	—	12,032	—	144,515
Media	—	19,698	463	—	20,161
Amusement	3,434	—	18,860	—	22,294
Other	19,897	—	642	—	20,539
Total revenues	\$ 332,029	\$ 19,698	\$ 31,997	\$ —	\$ 383,724
Timing of revenue recognition					
Transferred at a point in time	\$ 332,029	\$ 276	\$ 31,997	\$ —	\$ 364,302
Transferred over time	—	19,422	—	—	19,422
Total revenues	\$ 332,029	\$ 19,698	\$ 31,997	\$ —	\$ 383,724
Film cost	\$ 98,473	\$ —	\$ —	\$ —	\$ 98,473
Cost of food service	29,961	—	3,447	—	33,408
Employee wages, salaries and benefits	44,924	3,038	11,971	19,744	79,677
Occupancy (incl. cash lease payments)	54,664	6	5,917	1,070	61,657
Other Expenses	55,759	1,643	8,937	3,371	69,710
	\$ 283,781	\$ 4,687	\$ 30,272	\$ 24,185	\$ 342,925
Adjusted EBITDAaL	\$ 48,248	\$ 15,011	\$ 1,725	\$ (24,185)	\$ 40,799
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					(2,936)
Other adjustments (ii)					(2,181)
Depreciation and amortization - other assets					18,317
Interest expense - other					17,561
Interest income					(346)
Provision for income taxes					2,582
Net income from continuing operations					\$ 7,802
Other operating segment disclosures					
Depreciation - right-of-use assets	\$ 18,455	\$ —	\$ 1,528	\$ 97	\$ 20,080
Depreciation and amortization - other assets	\$ 13,220	\$ —	\$ 5,097	\$ —	\$ 18,317
Interest expense - lease obligations	\$ 15,581	\$ —	\$ 1,845	\$ 132	\$ 17,558
Goodwill balance	\$ 413,915	\$ 161,699	\$ —	\$ —	\$ 575,614
(i) The Film Entertainment and Content reporting segment does not charge an access fee to the Media reporting segment for in-theatre advertising.					
(ii) Other adjustments include change in fair value of financial instruments, loss on extinguishment of debt, (loss)/gain on disposal of assets, foreign exchange, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.					
(iii) Corporate and other represents the cost of centralized corporate overhead.					

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

	Film Entertainment and Content (i)	Media (i) (Revised - Note 2)	Location- Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations	Discontinued Operations Media (CDM) (Revised - Note 2)
Three months ended June 30, 2025						
Major product and service lines						
Box office	\$ 158,475	\$ —	\$ —	\$ —	\$ 158,475	\$ —
Food service	118,607	—	11,768	—	130,375	—
Media	—	19,087	224	—	19,311	12,479
Amusement	3,570	—	20,613	—	24,183	—
Other	16,384	—	609	—	16,993	—
Total revenues	\$ 297,036	\$ 19,087	\$ 33,214	\$ —	\$ 349,337	\$ 12,479
Timing of revenue recognition						
Transferred at a point in time	\$ 297,036	\$ 184	\$ 33,214	\$ —	\$ 330,434	\$ 4,775
Transferred over time	—	18,903	—	—	18,903	7,704
Total revenues	\$ 297,036	\$ 19,087	\$ 33,214	\$ —	\$ 349,337	\$ 12,479
Film cost	\$ 87,643	\$ —	\$ —	\$ —	\$ 87,643	\$ —
Cost of food service	27,588	—	3,250	—	30,838	—
Employee wages, salaries and benefits	42,676	3,098	12,072	18,114	75,960	4,846
Occupancy (incl. cash lease payments)	55,420	8	5,904	954	62,286	163
Other Expenses	47,369	962	7,573	2,812	58,716	7,934
	\$ 260,696	\$ 4,068	\$ 28,799	\$ 21,880	\$ 315,443	\$ 12,943
Adjusted EBITDAaL	\$ 36,340	\$ 15,019	\$ 4,415	\$ (21,880)	\$ 33,894	\$ (464)
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					(1,830)	756
Other adjustments (ii)					(1,533)	924
Depreciation and amortization - other assets					19,779	876
Interest expense - other					17,383	8
Interest income					(109)	—
Provision for income taxes					61	(687)
Net income (loss) from continuing operations and discontinued operations					\$ 143	\$ (2,341)
Other operating segment disclosures						
Depreciation - right-of-use assets	\$ 18,851	\$ —	\$ 1,432	\$ 97	\$ 20,380	\$ 2,481
Depreciation and amortization - other assets	\$ 14,914	\$ (353)	\$ 5,218	\$ —	\$ 19,779	\$ 876
Interest expense - lease obligations	\$ 16,163	\$ —	\$ 1,778	\$ 154	\$ 18,095	\$ 594
Goodwill balance	\$ 413,915	\$ 161,699	\$ —	\$ —	\$ 575,614	\$ 44,686

(i) The Film Entertainment and Content reporting segment does not charge an access fee to the Media reporting segment for in-theatre advertising.

(ii) Other adjustments include change in fair value of financial instruments, loss on extinguishment of debt, (loss)/gain on disposal of assets, foreign exchange, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.

(iii) Corporate and other represents the cost of centralized corporate overhead.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

	Film Entertainment and Content (i)	Media (i)	Location- Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations
Six months ended June 30, 2026					
Major product and service lines					
Box office	\$ 303,608	\$ —	\$ —	\$ —	\$ 303,608
Food service	228,957	—	23,778	—	252,735
Media	—	33,501	566	—	34,067
Amusement	6,664	—	41,602	—	48,266
Other	34,951	—	1,080	—	36,031
Total revenues	\$ 574,180	\$ 33,501	\$ 67,026	\$ —	\$ 674,707
Timing of revenue recognition					
Transferred at a point in time	\$ 574,180	\$ 363	\$ 67,026	\$ —	\$ 641,569
Transferred over time	—	33,138	—	—	33,138
Total revenues	\$ 574,180	\$ 33,501	\$ 67,026	\$ —	\$ 674,707
Film cost	\$ 167,845	\$ —	\$ —	\$ —	\$ 167,845
Cost of food service	51,891	—	6,660	—	58,551
Employee wages, salaries and benefits	83,296	6,287	23,079	38,374	151,036
Occupancy (incl. cash lease payments)	111,896	12	11,759	2,163	125,830
Other Expenses	102,103	2,558	16,568	5,293	126,522
	\$ 517,031	\$ 8,857	\$ 58,066	\$ 45,830	\$ 629,784
Adjusted EBITDAaL	\$ 57,149	\$ 24,644	\$ 8,960	\$ (45,830)	\$ 44,923
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					(7,260)
Other adjustments (ii)					393
Depreciation and amortization - other assets					36,722
Interest expense - other					34,755
Interest income					(1,781)
Provision for income taxes					(3,319)
Net loss from continuing operations					\$ (14,587)
Other operating segment disclosures					
Depreciation - right-of-use assets	\$ 36,803	\$ —	\$ 3,038	\$ 194	\$ 40,035
Depreciation and amortization - other assets	\$ 26,697	\$ —	\$ 10,025	\$ —	\$ 36,722
Interest expense - lease obligations	\$ 31,211	\$ —	\$ 3,705	\$ 270	\$ 35,186
Goodwill balance	\$ 413,915	\$ 161,699	\$ —	\$ —	\$ 575,614

(i) The Film Entertainment and Content reporting segment does not charge an access fee to the Media reporting segment for in-theatre advertising.

(ii) Other adjustments include change in fair value of financial instruments, (loss)/gain on disposal of assets, foreign exchange, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.

(iii) Corporate and other represents the cost of centralized corporate overhead.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

	Film Entertainment and Content (i)	Media (i) (Revised - Note 2)	Location- Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations	Discontinued Operations (CDM) (Revised - Note 2)
Six months ended June 30, 2025						
Major product and service lines						
Box office	\$ 260,386	\$ —	\$ —	\$ —	\$ 260,386	\$ —
Food service	197,594	—	24,270	—	221,864	—
Media	—	36,036	423	—	36,459	25,039
Amusement	7,132	—	45,551	—	52,683	—
Other	28,579	—	1,089	—	29,668	—
Total revenues	\$ 493,691	\$ 36,036	\$ 71,333	\$ —	\$ 601,060	\$ 25,039
Timing of revenue recognition						
Transferred at a point in time	\$ 493,691	\$ 293	\$ 71,333	\$ —	\$ 565,317	\$ 8,984
Transferred over time	—	35,743	—	—	35,743	16,055
Total revenues	\$ 493,691	\$ 36,036	\$ 71,333	\$ —	\$ 601,060	\$ 25,039
Film cost	\$ 141,798	\$ —	\$ —	\$ —	\$ 141,798	\$ —
Cost of food service	47,425	—	6,826	—	54,251	—
Employee wages, salaries and benefits	79,641	6,369	24,646	33,257	143,913	9,309
Occupancy (incl. cash lease payments)	111,706	18	11,530	1,897	125,151	327
Other Expenses	89,223	1,712	16,223	5,613	112,771	15,961
	\$ 469,793	\$ 8,099	\$ 59,225	\$ 40,767	\$ 577,884	\$ 25,597
Adjusted EBITDAaL	\$ 23,898	\$ 27,937	\$ 12,108	\$ (40,767)	\$ 23,176	\$ (558)
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					(5,768)	1,952
Other adjustments (ii)					1,843	946
Depreciation and amortization - other assets					39,946	1,589
Interest expense - other					34,412	15
Interest income					(447)	—
Provision for income taxes					(11,823)	(1,234)
Net loss from continuing operations and discontinued operations					\$ (34,987)	\$ (3,826)
Other operating segment disclosures						
Depreciation - right-of-use assets	\$ 38,026	\$ —	\$ 2,863	\$ 194	\$ 41,083	\$ 4,984
Depreciation and amortization - other assets	\$ 29,720	\$ (353)	\$ 10,579	\$ —	\$ 39,946	\$ 1,589
Interest expense - lease obligations	\$ 31,465	\$ —	\$ 3,577	\$ 313	\$ 35,355	\$ 1,206
Goodwill balance	\$ 413,915	\$ 161,699	\$ —	\$ —	\$ 575,614	\$ 44,686

(i) The Film Entertainment and Content reporting segment does not charge an access fee to the Media reporting segment for in-theatre advertising.

(ii) Other adjustments include change in fair value of financial instruments, (loss)/gain on disposal of assets, foreign exchange, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.

(iii) Corporate and other represents the cost of centralized corporate overhead.

Cineplex Inc.

Notes to Interim Condensed Consolidated Financial Statements
For the three and six months ended June 30, 2026 and 2025
(Unaudited)

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

15. Basis of presentation and accounting standards

Basis of preparation and measurement

Cineplex prepares its unaudited interim condensed consolidated financial statements in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise judgment in applying Cineplex’s accounting policies. The disclosures contained in these unaudited interim condensed consolidated financial statements do not contain all requirements of IFRS Accounting Standards for annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025. These unaudited interim condensed consolidated financial statements follow the same accounting policies and methods of application as the audited financial statements for the year ended December 31, 2025, with the exception of accounting standards issued in 2026.

Accounting standards issued

Management of Cineplex reviews all changes to the IFRS when issued. The International Accounting Standards Board (“IASB”) has published a number of amendments to existing accounting standards effective for years beginning on or after January 1, 2026. The following amendments have been adopted or are being evaluated by Cineplex:

IFRS 9, Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (“ESG”)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. Cineplex assessed the amendments effective January 1, 2026 and found its prior accounting was consistent with the amended standard with no material impact on the interim condensed consolidated financial statements, including in respect of outstanding cheques. No changes to classification or measurement were required and comparative information was not restated.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18, *Presentation and Disclosure in Financial Statements* that will replace IAS 1, *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, changes to IAS 7, *Statement of Cash Flows*, including requirements for presentation of interests and dividends paid as financing cash flows and interests received as investing cash flows, new requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. Cineplex is assessing the impacts to the consolidated financial statements.