



FOR IMMEDIATE RELEASE

Cineplex Responds to Cineworld’s Chapter 11 Filing

TORONTO, ON, September 7, 2022 (TSX: CGX) – Cineplex Inc. (“Cineplex” or the “Company”) responds to the Chapter 11 filing in the United States commenced today by Cineworld Group plc (“Cineworld”) and certain of its subsidiaries (collectively the “Cineworld Bankruptcy Proceedings”). Cineplex remains focused on maximizing and monetizing the value of the judgment awarded against Cineworld by the Ontario Superior Court of Justice (the “Court”), as described further below. Cineplex understands from Cineworld’s publicly filed materials, that it is Cineworld’s position that Cineplex’s claim against Cineworld is initially stayed pursuant to the Cineworld Bankruptcy Proceedings. Cineplex will review in detail the Court materials filed in connection with the commencement of the Cineworld Bankruptcy Proceedings and, with the assistance of Moelis & Company LLC as its financial advisor and Goodmans LLP as its lead counsel, will explore all avenues available to advance its claim against Cineworld, and will actively pursue all available alternatives in the best interests of the Company and its stakeholders.

Background

As previously discussed in further detail in the Company’s publicly filed materials, on December 14, 2021, the Court released its decision in the action commenced by Cineplex against Cineworld (the “Decision”). The Court held that Cineplex did not breach any of its covenants in an arrangement agreement between Cineplex and Cineworld dated December 15, 2019 (the “Arrangement Agreement”), and that Cineworld had no basis for terminating the Arrangement Agreement. The Court held that Cineworld breached the Arrangement Agreement and repudiated the transaction to acquire Cineplex, which actions precluded Cineplex from seeking specific performance and entitled Cineplex to monetary damages. The Court awarded damages for breach of contract to Cineplex in the amount of \$1.24 billion CDN on account of lost synergies, and \$5.5 million CDN for transaction costs, exclusive of prejudgment interest. The Court also held that Cineplex’s shareholders did not have any rights under the Arrangement Agreement to enforce the agreement or sue Cineworld for any breach. The Court also denied Cineworld’s counterclaim against Cineplex. On January 12, 2022, Cineworld filed a Notice of Appeal with the Court of Appeal for Ontario and on January 27, 2022,

Cineplex filed its Notice of Cross Appeal. The hearing in respect of the Cineworld's Appeal and Cineplex's Cross Appeal is scheduled for October 12 and 13, 2022.

While the judgment and next steps are a key focus for Cineplex and its advisors, due to uncertainties inherent in appeals as well as the newly commenced Cineworld Bankruptcy Proceedings, it is not possible for Cineplex to predict the timing or final outcome of the appeal of the Decision. Further, even if Cineworld's appeal is not successful, Cineworld may not have the ability to satisfy the full amount of any damages or costs awarded by the Court. Cineplex will continue to explore all avenues and forms of consideration to satisfy its judgment.

Business Update

As previously disclosed by the Company, Cineplex remains confident in the recovery of its businesses, its strong capital management and liquidity, and its efforts to manage financial uncertainties as it has done during previous economic downturns. While Cineplex anticipated low business volumes in August and September due to pandemic related production delays, August has performed stronger than initially expected and the Company remains optimistic about consumer demand and content supply in the fourth quarter of 2022 and in 2023.

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About Cineplex

Cineplex (TSX:CGX) is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. Cineplex offers a unique escape from the everyday to millions of guests through its circuit of over 170 movie theatres and location-based entertainment venues. In addition to being Canada's largest and most innovative film exhibitor, the company operates Canada's favourite destination for 'Eats & Entertainment' (The Rec Room) and complexes specially designed for teens and families (Playdium). It also operates successful businesses in digital commerce (CineplexStore.com), alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media) and amusement solutions (Player One Amusement Group). Providing even more value for its guests, Cineplex is a partner in Scene+, Canada's largest entertainment and lifestyle loyalty program.

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs over 10,000 people in its offices and venues across Canada and the United States. To learn more, visit [Cineplex.com](https://www.cineplex.com).

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Caution Regarding Forward-Looking Statements

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex's objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"), its MD&A for the year ended December 31, 2021 and for the six months ended June 30, 2022 (collectively, the "MD&A"). Those risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex's control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the duration and impact of the COVID-19 pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex's response to the COVID-19 pandemic as it relates to the closure of its theatres and location-based entertainment venues, employee reductions and other cost-cutting initiatives, and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of customers and employees; Cineplex's expectations with respect to liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; Cineplex's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic; and risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters; the outcome of any litigation surrounding the termination of the Cineworld transaction; and diversion of management time on litigation related to the Cineworld transaction. The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's MD&A.

Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this news release are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and MD&A, can be found on SEDAR at www.sedar.com.