



FOR IMMEDIATE RELEASE

Cineplex Inc. Reports First Quarter 2022 Results
Box office revenue trending toward pre-pandemic levels

TORONTO, Canada, May 13, 2022 (TSX: CGX) - Cineplex Inc. (“Cineplex” or the “Company”) today released its financial results for the three months ended March 31, 2022. Unless otherwise specified, all amounts are in Canadian dollars.

“During the first quarter, we were pleased to welcome 6.7 million guests to our theatres, and achieved a first quarter record BPP of \$12.00 and an all-time quarterly record CPP of \$8.82,” said Ellis Jacob, President and CEO, Cineplex. “With operating restrictions now completely lifted across our entire circuit, guests and customers are quickly returning and we are seeing positive results and momentum across all of our business lines.”

“Looking ahead, we are encouraged by the continuing contributions of our diversified businesses and the strong content supply for the remainder of the year as box office numbers continue their upward trend,” Jacob continued. “It is clear that movie-lovers, social seekers and game enthusiasts are back at our theatres and entertainment venues, looking for a safe, affordable escape.”

“As we move forward in 2022 and gain momentum, we are confident in our ability to effectively emerge from the pandemic and drive long-term value creation for shareholders – all while doing what we do best, entertaining Canadians.”

First Quarter Financial Results

	2022	2021	Period over Period Change (i)
Total revenues	\$ 228.7 million	\$ 41.4 million	452.3%
Theatre attendance	6.7 million	0.4 million	NM
Net loss (ii)	\$ (42.2) million	\$ (89.7) million	-52.9%
Net loss as a percentage of sales (ii)	(18.5) %	(216.6) %	198.1%
Cash used in operating activities	\$ (5.4) million	\$ (35.6) million	-84.7%
Box office revenues per patron (“BPP”) (iii)	\$ 12.00	\$ 9.20	30.4%
Concession revenues per patron (“CPP”) (iii)	\$ 8.82	\$ 6.12	44.1%
Adjusted EBITDA (iii)	\$ 36.5 million	\$ (30.1) million	NM
Adjusted EBITDAaL (ii) (iii)	\$ (5.7) million	\$ (62.1) million	-90.8%
Adjusted EBITDAaL margin (ii) (iii)	(2.5) %	(149.9) %	147.4%
Adjusted free cash flow (iii)	\$ (21.7) million	\$ (78.8) million	-72.4%
Adjusted free cash flow per common share of Cineplex (“Share”) (iii)	\$ (0.343)	\$ (1.244)	-72.4%
Earnings per Share (“EPS”) - basic and diluted (ii)	\$ (0.67)	\$ (1.42)	-52.8%

- i. Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2022 value less 2021 value.
- ii. 2022 includes expenses related to the Cineworld Transaction and associated litigation and claims recovery in the amount of \$0.3 million (2021 - \$2.4 million).
- iii. Adjusted EBITDA, adjusted EBITDAaL, adjusted EBITDAaL margin, adjusted free cash flow per common share of Cineplex, BPP and CPP are measures that do not have a standardized meaning under generally accepted accounting principles (“GAAP”). These measures as well as other Non-GAAP other financial measures reported by Cineplex are defined in the ‘Non-GAAP and Other Financial Measures’ section at the end of this news release.

KEY DEVELOPMENTS IN THE FIRST QUARTER OF 2022

The following describes certain key business initiatives undertaken and results achieved during the first quarter of 2022 in each of Cineplex's core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Reported first quarter box office revenues of \$80.0 million, a \$76.1 million increase from 2021 as a result of increased theatre attendance due to the lifting of government mandated restrictions compared to theatre closures that remained in effect for a majority of the prior year period.
- BPP was \$12.00, a first quarter record, which increased by \$2.80 or 30.4% when compared to the prior year due to new releases and premium offerings in the current period as compared to the prior period which focused on discounted pricing for older and more classic film product.

Theatre Food Service

- Reported first quarter theatre food service revenues of \$58.8 million increase of \$56.2 million compared to the prior year period primarily due to a significant increase in theatre attendance.
- CPP was \$8.82, an all-time quarterly record, an increase of \$2.70 or 44.1% when compared to the prior year, due to product mix, modest price increases and film product that appealed to first-run viewers who tend to have a higher concession spend.

Alternative Programming

- Anime titles led strong box office returns for Event Cinema with *Jujutsu Kaisen 0* and *Belle*. The K-pop sensation "BTS" returned to cinemas for a global one day event *Permission to Dance* becoming the single biggest one day event in the history of event cinema, generating \$0.8 million in box office revenues. Met Opera audiences started to return with the live broadcast of Verdi's *Don Carlos*.
- Cineplex Distribution released the feature film *Ella and the Little Sorcerer* on March 4, 2022.

Digital Commerce

- Total registered users for Cineplex Store increased 13% from the prior year period, reaching over 2.2 million registered users.

MEDIA

- Reported first quarter media revenues of \$15.5 million, an increase of \$6.5 million or 71.3% as compared to the prior year period.

Cinema Media

- Reported first quarter cinema media revenues of \$8.2 million, an increase of \$6.3 million or 334.3% over the prior year, due to increases in cinema advertising as a result of reopened theatres and new film releases.

Digital Place-Based Media

- Reported first quarter revenues of \$7.3 million which remained flat when compared to the prior year period.

AMUSEMENT AND LEISURE

Amusement Solutions

- Reported first quarter revenues of \$50.4 million an increase of \$36.6 million or 263.4% compared to the prior year period primarily due to increases in P1AG amusement revenues from US and Canada route locations at FEC's and theatres and the reopening of LBE businesses.

Location-based Entertainment

- Reported first quarter revenues of \$20.0 million including food service revenues of \$6.4 million, amusement revenues of \$13.5 million and other revenues of \$0.2 million, an increase of \$18.6 million compared to the prior year period. The increase was due to the reopening of LBE businesses compared to closures that remained in effect for a majority of the prior year period.

LOYALTY

- Membership in the Scene+ loyalty program remained flat during the period ended March 31, 2022.

CORPORATE

- Exhibited special screenings of Ukrainian director Oles Sanin's 2014 feature film, *The Guide*, with proceeds raised by ticket sales going to Ukrainian relief efforts.
- Ellis Jacob, President & CEO, was awarded the 2022 National Association of Theatre Owners Marquee Award, recognizing his unparalleled dedication, commitment, and service to the motion picture theatre industry.

OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2022

Total revenues

Total revenues for the three months ended March 31, 2022 increased \$187.3 million (452.3%) to \$228.7 million as compared to the prior year period. A discussion of the factors affecting the changes in box office, food service, media, amusement and other revenues for the two periods is provided below.

Non-GAAP and other financial measures discussed throughout this news release, including adjusted EBITDA, adjusted EBITDAaL, adjusted EBITDAaL margin, adjusted free cash flow, theatre attendance, BPP, premium priced product, same theatre metrics, CPP, film cost percentage, food service cost percentage, concession margin per patron and net cash burn are defined and discussed in Non-GAAP and other financial measures section of this news release.

Box office revenues

The following table highlights the movement in box office revenues, theatre attendance and BPP for the quarter (in thousands of dollars, except theatre attendance reported in thousands of patrons and per patron amounts, unless otherwise noted):

Box office revenues	First Quarter		
	2022	2021	Change
Box office revenues	\$ 79,952	\$ 3,818	NM
Theatre attendance (i)	6,661	415	NM
Box office revenue per patron (i)	\$ 12.00	\$ 9.20	30.4%
BPP excluding premium priced product (i)	\$ 10.49	\$ 8.84	18.7%
Same theatre box office revenues (i)	\$ 78,879	\$ 3,812	NM
Same theatre attendance (i)	6,609	414	NM
% Total box from premium priced product (i)	36.5%	11.5%	25.0%

(i) Represents a supplementary financial measure. See Non-GAAP and other financial measures section of this news release.

Box office continuity	First Quarter	
	Box Office	Theatre Attendance
2021 as reported	\$ 3,818	415
Same theatre attendance change	57,013	6,195
Impact of same theatre BPP change	16,646	—
New and acquired theatres (i)	1,059	51
Disposed and closed theatres (i)	9	—
Scene+ points issued presented as marketing costs	1,407	—
2022 as reported	\$ 79,952	6,661

(i) See Non-GAAP and other financial measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period and is used to report on Cineplex's supplementary financial measures.

First Quarter 2022 Top Cineplex Films		3D	% Box	First Quarter 2021 Top Cineplex Films		3D	% Box
1	The Batman		27.6 %	1	Tom & Jerry		19.3 %
2	Spider-Man: No Way Home	✓	20.4 %	2	The Croods: A New Age		16.1 %
3	Uncharted		13.1 %	3	Wonder Woman 1984		15.5 %
4	Sing 2	✓	5.6 %	4	The Little Things		5.1 %
5	Jackass Forever		3.4 %	5	News Of The World		4.2 %

Box office revenues increased \$76.1 million to \$80.0 million during the first quarter of 2022, compared to \$3.8 million recorded in the same period in 2021. This increase was mainly due to a 6.2 million increase in theatre attendance as Cineplex's theatre circuit was open for a majority of the quarter subject to operating restrictions, compared to closures that remained in effect for a majority of the prior year period. As restrictions were gradually eased, Cineplex was permitted to operate at 100% capacity in several provinces across the country, contributing to the increase in box office revenues. The release of the highly anticipated film, *The Batman* and the continued strong performance of *Spider-Man: No Way Home* also contributed to the significant increase in box office revenues when compared to the prior year. *The Batman* grossed \$134.0 million during its opening weekend in North America and \$338.2 million since its release in North America up to March 31, 2022. *Spider-Man: No Way Home* grossed \$801.3 million in North America since its release up to March 31, 2022.

BPP for the three months ended March 31, 2022 was a first quarter record of \$12.00, an increase of \$2.80 or 30.4% from \$9.20 reported in the prior year period. Price increases in select key markets and additional VIP theatre locations which drive higher per patron spend attributed to the increase. The release of first run film product available in the current period drove guests to premium experiences compared to limited film product in the prior year, further contributing to the increase in BPP. The reorganization of SCENE resulted in a change in revenue recognition leading to higher box office revenues of \$1.4 million and a BPP increase of approximately \$0.21 with a corresponding increase in marketing costs of \$1.4 million with respect to Scene+ points issued on box office transactions.

Food service revenues

The following table highlights the movement in food service revenues, theatre attendance and CPP for the quarter (in thousands of dollars, except theatre attendance and same theatre attendance reported in thousands of patrons and per patron amounts):

Food service revenues	First Quarter		
	2022	2021	Change
Food service - theatres	\$ 58,759	\$ 2,539	NM
Food delivery - theatres	3,249	3,778	-14.0%
Food service - LBE	6,359	171	NM
Food delivery - LBE	21	37	-42.9%
Total food service revenues	\$ 68,388	\$ 6,525	948.1%
Theatre attendance (i)	6,661	415	NM
CPP (i) (ii)	\$ 8.82	\$ 6.12	44.1%
Same theatre food service revenues (i)	\$ 57,667	\$ 2,531	NM
Same theatre attendance (i)	6,609	414	NM

(i) Represents a supplementary financial measure. See Non-GAAP and other financial measures section of this news release.

(ii) Food service revenue from LBE and delivery is not included in the CPP calculation.

Theatre food service revenue continuity	First Quarter	
	Theatre Food Service	Theatre Attendance
2021 as reported	\$ 2,539	415
Same theatre attendance change	37,851	6,195
Impact of same theatre CPP change	15,844	—
New and acquired theatres (i)	1,092	51
Disposed and closed theatres (i)	(8)	—
Scene+ points issued presented as marketing costs	1,441	—
2022 as reported	\$ 58,759	6,661

(i) See Non-GAAP and other financial measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period and is used to report on Cineplex's supplementary financial measures.

Food service revenues are comprised primarily of concession revenues, which includes food service sales at theatre locations and through delivery services including Uber Eats and Skip the Dishes. Food service revenues also include food and beverage sales at *The Rec Room* and *Playdium*.

Food service revenues increased by \$61.9 million primarily due to the \$56.2 million increase in theatre food service revenues to \$58.8 million in the quarter. The increase in food service revenues is primarily due to an increase in theatre attendance due to the easing of government mandated restrictions, resulting in a 6.2 million increase in theatre attendance from 0.4 million reported in the prior year period to 6.7 million in the current period. During the current period, Cineplex's theatre circuit and LBE businesses were open for a majority of the period compared to extended periods of government mandated closure requirements and capacity restrictions on theatre and LBE businesses enforced in the prior year period. Food service revenues from LBE

businesses increased by \$6.2 million from \$0.2 million recognized in the prior year period to \$6.4 million in the current period, further contributing to the increase in total food service revenues. CPP increased by \$2.70 or 44.1% to an all-time quarterly record of \$8.82. Product mix, modest prices increases to Cineplex's core food service products, additional VIP theatre locations and film product targeted towards adult demographics all contributed to the increase in CPP. During the prior year period, government mandated closure requirements and restrictions limited consumer spend resulting in minimal premium purchases which historically generate higher CPP, contributing to a lower CPP recognized during the prior year period. The reorganization of SCENE resulted in a change in revenue recognition leading to an increase concession revenues of \$1.4 million and a CPP increase of approximately \$0.22 with a corresponding increase in marketing costs of \$1.4 million with respect to Scene+ points issued on concession transactions.

Media revenues

The following table highlights the movement in media revenues for the quarter (in thousands of dollars):

Media revenues	First Quarter		
	2022	2021	Change
Cinema media	\$ 8,249	\$ 1,899	334.4%
Digital place-based media	7,296	7,175	1.7%
Total media revenues	\$ 15,545	\$ 9,074	71.3%

Total media revenues increased \$6.5 million or 71.3% to \$15.5 million in the first quarter of 2022 compared to the prior year period. This increase was due to a \$6.3 million increase in Cinema media due to significant increases in pre-show and show-time advertising revenues. During the first quarter of 2022, Cineplex's theatre circuit was open for a majority of the period compared to theatre closures that remained in effect for a majority of the prior year period as a result of government mandated closure requirements. The current period also featured the release of the highly anticipated films *The Batman* and *Uncharted* and continued strong performance of *Spider-Man: No Way Home* compared to limited first run product releases in the prior year period. Cineplex's cinema media arrangements are impacted by theatre attendance levels which drive impressions and ultimately impact media revenue generated by Cineplex. Accordingly, the increase in cinema media revenue reflects the increase in attendance levels when compared to the prior period. Digital placed-based media revenues remained flat when compared to the prior year.

Amusement revenues

The following table highlights the movement in amusement revenues for the quarter (in thousands of dollars):

Amusement revenues	First Quarter		
	2022	2021	Change
Amusement - P1AG excluding Cineplex exhibition and LBE (i)	\$ 34,839	\$ 12,559	177.4%
Amusement - Cineplex exhibition (i)	2,091	72	NM
Amusement - LBE	13,494	1,243	985.4%
Total amusement revenues	\$ 50,424	\$ 13,874	263.4%

(i) Cineplex receives a venue revenue share on games revenues earned at in-theatre game rooms and XSCAPE Entertainment Centres. Amusement - Cineplex exhibition reports the total of this venue revenue share which is consistent with the historical presentation of Cineplex's amusement revenues. Amusement - P1AG excluding Cineplex exhibition and LBE reflects P1AG's gross amusement revenues, net of the venue revenue share paid to Cineplex reflected in Amusement - Cineplex exhibition above.

Amusement revenues increased \$36.6 million or 263.4% to \$50.4 million during the quarter compared to the prior year period. The increase was primarily due to a \$22.3 million increase in P1AG amusement revenues from US and Canada route locations at FEC's and theatres. The increase was also attributable to a \$12.3 million increase in LBE amusement revenues. The easing of government mandated closure requirements and capacity restrictions in the current period resulted in increased operating activities at P1AG US and Canada route locations at FEC's and theatres, as well as LBE businesses compared to government mandated closure requirements or capacity restrictions that remained in effect for a majority of the prior year period.

Other revenues

The following table highlights the other revenues which includes revenues from the Cineplex Store, promotional activities, screenings, private parties, corporate events, breakage on gift card sales and revenues from management fees for the quarter (in thousands of dollars):

Other revenues	First Quarter		
	2022	2020	Change
Total other revenues	\$ 14,414	\$ 8,121	77.5%

The increase in other revenues during the first quarter of 2022 is primarily due to breakage revenues relating to higher gift card redemptions compared to the prior year.

Film cost

The following table highlights the movement in film cost and the film cost percentage for the quarter (in thousands of dollars, except film cost percentage):

Film cost	First Quarter		
	2022	2021	Change
Film cost	\$ 39,016	\$ 1,235	NM
Film cost percentage (i)	48.8%	32.3%	16.5%
(i) Represents a supplementary financial measure. See Non-GAAP and other financial measures section of this news release.			

Film cost varies primarily with box office revenues and can vary from quarter to quarter usually based on the relative strength of the titles exhibited during the period, impacted by film cost terms which vary by title and distributor.

The increase in film cost and film cost percentage in the first quarter of 2022 over the prior year period is due to the performance of first run film product including *The Batman*, *Uncharted* and *Spider-Man: No Way Home* compared to limited releases in the comparative period.

Cost of food service

The following table highlights the movement in cost of food service and food service cost as a percentage of food service revenues (“concession cost percentage”) for both theatres and LBE for the quarter (in thousands of dollars, except percentages and margins per patron):

Cost of food service	First Quarter		
	2022	2021	Change
Cost of food service - theatre	\$ 13,036	\$ 1,333	878.1 %
Cost of food service - LBE	1,821	79	NM
Total cost of food service	\$ 14,857	\$ 1,412	952.2 %
Theatre concession cost percentage (i)	21.0%	21.1%	-0.1 %
LBE food cost percentage (i)	28.5%	38.1%	-9.6 %
Theatre concession margin per patron (i)	\$ 6.97	\$ 4.83	44.3 %
(i) Represents a supplementary financial measure. See Non-GAAP and other financial measures section of this news release.			

Cost of food service at the theatres varies primarily with theatre attendance as well as the quantity and mix of offerings sold. Cost of food service at LBE venues varies primarily with the volume of guests who visit the location as well as the quantity and mix between food and beverage items sold.

The increase in cost of food service during the first quarter of 2022 compared to the prior year period is positively correlated to the increase in food service revenues recognized during the quarter as Cineplex’s theatre circuit and LBE businesses were open for a majority of the current period, compared to closures or capacity restrictions that remained in effect for a majority of the prior year period. Theatre concession cost percentage remained flat when compared to the prior year period. LBE food cost percentage decreased when compared to the prior year period which had mainly food delivery service with lower margins.

Depreciation and amortization

The following table highlights the movement in depreciation and amortization expenses during the quarter (in thousands of dollars):

Depreciation and amortization expenses	First Quarter		
	2022	2021	Change
Depreciation of property, equipment and leaseholds	\$ 24,267	\$ 26,783	-9.4%
Amortization of intangible assets and other assets	2,625	2,726	-3.7%
Sub-total - depreciation and amortization - other assets	\$ 26,892	\$ 29,509	-8.9%
Depreciation - right-of-use assets	24,263	26,318	-7.8%
Total depreciation and amortization	\$ 51,155	\$ 55,827	-8.4%

Depreciation of property, equipment and leaseholds decreased by \$2.5 million, or 9.4% during the quarter compared to the prior year period. The decrease was primarily due to fully depreciated property, equipment and leaseholds.

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

The quarterly decrease of \$2.1 million in depreciation of right-of-use assets is primarily due to modifications to lease agreements as a result of COVID-19 which reduced the corresponding right-of-use asset and related depreciation recognized.

Loss (gain) on disposal of assets

The following table shows the movement in the loss on disposal of assets during the quarter (in thousands of dollars):

Loss (gain) on disposal of assets	First Quarter		
	2022	2021	Change
Loss (gain) on disposal of assets	\$ 157	\$ (30,060)	NM

The change in the loss (gain) on disposal of assets as compared to the prior year period was due to the sale of Cineplex's head office buildings for gross proceeds of \$57.0 million completed during the first quarter of 2021, compared to nominal activity in the current year period.

Other costs

Other costs include three main sub-categories of expenses; theatre occupancy expenses, which capture associated occupancy costs for Cineplex's theatre operations; other operating expenses, which include the costs related to running Cineplex's film entertainment and content, media, as well as amusement and leisure; and general and administrative expenses, which includes costs related to managing Cineplex's operations, including head office expenses. Please see the discussions below for more details on these categories.

The following table highlights the movement in other costs for the quarter (in thousands of dollars):

Other costs	First Quarter		
	2022	2021	Change
Theatre occupancy expenses	\$ 11,762	\$ 6,782	73.4%
Other operating expenses	110,506	47,806	131.2%
General and administrative expenses	16,084	14,117	13.9%
Total other costs	\$ 138,352	\$ 68,705	101.4%

Theatre occupancy expenses

The following table highlights the movement in theatre occupancy expenses for the quarter (in thousands of dollars):

Theatre occupancy expenses	First Quarter		
	2022	2021	Change
Cash rent paid/payable (i)	\$ 35,832	\$ 22,222	61.2%
Other occupancy	14,900	14,307	4.1%
One-time items (ii)	(605)	(982)	-38.4%
Total theatre occupancy including cash lease payments	\$ 50,127	\$ 35,547	41.0%
Cash rent paid/payable related to lease obligations (iii)	(38,365)	(28,765)	33.4%
Theatre occupancy as reported	\$ 11,762	\$ 6,782	73.4%

(i) Represents the cash payments for theatre rent paid or payable during the quarter.

(ii) One-time items include amounts related to both theatre rent and other theatre occupancy costs including real estate taxes, business taxes and common area maintenance. They are isolated here to illustrate Cineplex's theatre rent and other theatre occupancy costs excluding these one-time, non-recurring items.

(iii) Cash rent paid/payable that has been reallocated to offset the lease obligations.

Theatre occupancy continuity	First Quarter Occupancy
2021 as reported	\$ 6,782
Impact of new and acquired theatres	320
Impact of disposed theatres	158
Same theatre rent change (i)	9,621
One-time items	406
Decrease in subsidies	4,308
Other	(232)
Impact of IFRS 16:	
Cash rent related to lease obligations	(9,601)
2022 as reported	\$ 11,762

(i) Represents a supplementary financial measure. See Non-GAAP and other financial measures section of this news release.

Theatre occupancy expenses increased \$5.0 million or 73.4% during the first quarter of 2022 compared to the prior year period. This increase was primarily due to the reduction in subsidies received as a result of the reopening of Cineplex's businesses. The increase was also attributable to higher theatre rent related expenses including common area maintenance and taxes incurred as Cineplex's theatres were open during the period. During the prior year period, Cineplex recognized lower theatre occupancy expenses as a majority of theatres were closed or operating at far below normal capacity levels. Same-store rent increased \$9.6 million primarily due to rent relief measures negotiated with landlord partners which were \$10.7 million higher in the prior year period. Cineplex was able to reduce theatre occupancy expenses through the recognition of realty tax and rent subsidies of \$6.4 million (2021 - \$10.9 million).

Other operating expenses

The following table highlights the movement in other operating expenses during the quarter (in thousands of dollars):

Other operating expenses	First Quarter		
	2022	2021	Change
Theatre payroll	\$ 16,297	\$ 3,635	348.3%
Theatre operating expenses	22,356	9,353	139.0%
Media	10,180	8,284	22.9%
P1AG	29,854	15,570	91.7%
LBE (i)	11,136	3,818	191.7%
LBE pre-opening (ii)	—	228	NM
SCENE	13,841	4,744	191.8%
Marketing	1,362	1,117	21.9%
Scene+ point issuance	2,996	—	100.0%
Other (iii)	6,915	5,520	25.3%
Other operating expenses including cash lease payments	\$ 114,937	\$ 52,269	119.9%
Cash rent paid/payable related to lease obligations (iv)	(4,431)	(4,463)	-0.7%
Total other operating expenses	\$ 110,506	\$ 47,806	131.2%

(i) Includes operating costs of LBE locations. Overhead relating to management of LBE portfolio are included in the 'Other' line.

(ii) Includes pre-opening costs of LBE.

(iii) Other category includes overhead costs related to LBE and other Cineplex internal departments.

(iv) Cash rent paid/payable that has been reallocated to offset the lease obligations.

Other operating expenses continuity	First Quarter
2021 as reported	\$ 47,806
Impact of new and acquired theatres	558
Impact of disposed theatres	(46)
Same theatre payroll change (i)	12,364
Same theatre operating expenses change (i)	12,831
Media operating expenses change	1,896
PIAG operating expenses change	14,284
LBE operating expenses change	7,318
LBE pre-opening change	(228)
SCENE change	9,097
Marketing change	245
Scene+ point issuance change	2,996
Other	1,353
<u>Impact of IFRS 16:</u>	
Cash rent related to lease obligations	32
2022 as reported	\$ 110,506
(i) See Non-GAAP and other financial measures section of this news release. These are measures included as part of Cineplex's supplementary financial measure calculations.	

Other operating expenses increased \$62.7 million or 131.2% during the first quarter of 2022 compared to the prior year period. The increase was primarily driven by increases in same store theatre payroll and theatre operating expenses of \$12.4 million and \$12.8 million, respectively, as Cineplex's theatres were permitted to operate in the current period at a greater capacity as compared to extended closures in effect during the prior year. Cineplex also recognized PIAG other operating expenses of \$29.9 million, an increase of \$14.3 million when compared to the prior year. The easing of government mandated closure requirements and capacity restrictions in the current period resulted in increased operating activities at PIAG US and Canadian route locations at FEC's and theatres. The lifting of government-imposed restrictions also resulted in increased operations at LBE businesses leading to a \$7.3 million increase in LBE other operating expenses when compared to the prior year. Cineplex also recognized a \$9.1 million increase in SCENE operating costs, and a \$3.0 million increase in marketing expenses relating to the presentation of the cost of issuance of Scene+ points. Cineplex received \$20.7 million (2021 - \$14.4 million) of subsidies in the current period, comprised of \$18.2 million (2021 - \$11.9 million) of payroll subsidies of which \$13.3 million (2021 - \$6.1 million) was offset against theatre payroll, and \$2.5 million (2021 - \$2.5 million) of non-theatre rent, realty tax and utilities subsidies.

General and administrative expenses

The following table highlights the movement in general and administrative ("G&A") expenses during the quarter, including Share-based compensation costs, and G&A expenses net of these costs (in thousands of dollars):

G&A expenses	First Quarter		
	2022	2021	Change
G&A excluding the following items	\$ 12,688	\$ 10,158	24.9%
Restructuring	1,441	460	213.3%
Transaction / Litigation costs	254	2,430	-89.5%
LTIP (i)	1,741	1,304	33.5%
Option plan	517	399	29.6%
G&A expenses including cash lease payments	\$ 16,641	\$ 14,751	12.8%
Cash rent paid/payable included as part of lease obligations (ii)	(557)	(634)	-12.1%
G&A expenses as reported	\$ 16,084	\$ 14,117	13.9%
(i) LTIP includes the expenses for RSUs and PSUs, as well as the expense for the executive and Board deferred share unit plans.			
(ii) Cash rent paid/payable that has been reallocated to offset the lease obligations.			

G&A expenses increased \$2.0 million during the first quarter of 2022 compared to the prior year period. The change is attributable to \$4.1 million higher head office payroll expenses. This was partially offset by lower professional fees related to the litigation against Cineworld. Cineplex incurred \$0.3 million (2021 - \$2.4 million) of expenses related to litigation and claims recovery arising from the Cineworld Transaction during the quarter. Under the THRP, payroll related subsidies was \$2.0 million (2021 - \$2.9 million).

NET LOSS, EBITDA AND ADJUSTED EBITDAaL (see Non-GAAP and other financial measures section of this news release)

The following table presents net loss, EBITDA, adjusted EBITDA and adjusted EBITDAaL for the three months ended March 31, 2022 as compared to the prior year period (expressed in thousands of dollars, except adjusted EBITDAaL margin):

NET LOSS, EBITDA AND ADJUSTED EBITDAaL	First Quarter		
	2022	2021	Change
Net loss	\$ (42,225)	\$ (89,688)	-52.9 %
Net loss as a percentage of sales	(18.5)%	(216.6)%	198.1 %
EBITDA	\$ 32,963	\$ (2,524)	NM
Adjusted EBITDA	\$ 36,475	\$ (30,105)	NM
Adjusted EBITDAaL	\$ (5,719)	\$ (62,090)	-90.8 %
Adjusted EBITDAaL margin	(2.5)%	(149.9)%	147.4 %

Net loss and adjusted EBITDAaL for the first quarter of 2022 were \$42.2 million and a loss of \$5.7 million, respectively, as compared to the net loss of \$89.7 million and adjusted EBITDAaL of a loss of \$62.1 million, respectively, in the prior year period. The movement in both net loss and adjusted EBITDAaL was primarily due to the reopening and removal of operating restrictions Cineplex's theatres and LBE venues across Canada. In contrast, prolonged mandatory lockdown measures and operating restrictions resulted in the closure of Cineplex's theatres and LBE venues for the majority of the first quarter of 2021.

ADJUSTED FREE CASH FLOW (see Non-GAAP and other financial measures section of this news release)

For the first quarter of 2022, adjusted free cash flow per common share of Cineplex was \$(0.34) as compared to \$(1.24) in the prior year period. Adjusted free cash flow per Share for the first quarter of 2022 increased mainly due to significantly improved operating results with the easing of COVID-19 restrictions on Cineplex's theatres and LBE businesses. During the current period, Cineplex's businesses were permitted to operate at increased capacity levels compared to extended closure periods that remained in effect for a majority of the prior year resulting in significantly reduced operations.

NON-GAAP AND OTHER FINANCIAL MEASURES

National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112") imposes obligations regarding disclosure of non-GAAP financial measures, non-GAAP ratios, and other financial measures. Cineplex reports on certain non-GAAP measures, non-GAAP ratios, supplementary financial measures and total segment measures that are used by management to evaluate the performance of Cineplex. The following measures included in this news release do not have a standardized meaning under GAAP and may not be comparable to similar measures provided by other issuers. Cineplex includes these measures because its management believes that they assist investors in assessing financial performance. These non-GAAP and other financial measures are used throughout this news release and are defined below.

NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures are defined in 52-112 as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

NON-GAAP RATIO

A non-GAAP ratio is defined by 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage or similar representation, (b) has a non-GAAP financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

The below are non-GAAP financial measures or non-GAAP ratios that are reported by Cineplex.

EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDAaL

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, gain on disposal of assets, foreign exchange, the equity income (loss) of CDCP, and impairment, depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates. Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent paid or payable related to lease obligations. During the year, Cineplex agreed to a variety of arrangements with landlords to reduce or defer cash rent paid or payable as a result of the impact of COVID-19.

Subsequent to the adoption of IFRS 16, *Leases*, by Cineplex effective January 1, 2019, the calculation of EBITDA no longer includes a charge for amounts paid or payable with respect to leased property and equipment. Given the majority of Cineplex's businesses are carried on in leased premises, Cineplex introduced the measure of adjusted EBITDAaL which includes a deduction for cash rent paid/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. Management calculates adjusted EBITDAaL margin by dividing adjusted EBITDAaL by total revenues.

EBITDA, adjusted EBITDA and adjusted EBITDAaL are non-GAAP measures generally used as an indicator of financial performance and they should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. Cineplex's EBITDA, adjusted EBITDA and adjusted EBITDAaL may differ from similar calculations as reported by other entities and accordingly may not be comparable to EBITDA, adjusted EBITDA or adjusted EBITDAaL as reported by other entities.

Adjusted Free Cash Flow

Free cash flow is a non-GAAP measure generally used by Canadian corporations as an indicator of financial performance and it should not be viewed as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. Standardized free cash flow adjusts the amount of cash from operating activities to deduct capital expenditures net of proceeds on sale of assets in ordinary business operations. Standardized free cash flow is a non-GAAP measure recommended by the CICA in its 2008 interpretive release, *Improved Communication with Non-GAAP Financial Measures: General Principles and Guidance for Reporting EBITDA and Free Cash Flow*, and is designed to enhance comparability. Adjusted free cash flow is also a non-GAAP measure used by Cineplex to modify standardized free cash flow to exclude certain cash flow activities and to measure the amount available for activities such as repayment of debt, dividends to owners and investments in future growth through acquisitions. Beginning with the MD&A for the three months ending March 31, 2019, Adjusted free cash flow included repayments of lease obligations that represented the principal portion of rent expenses that were included in net income calculation prior to the adoption of accounting standard IFRS 16, *Leases*, by Cineplex effective January 1, 2019. Given that the materiality of the principal portion of the rent expenses and comparability of adjusted free cash flow disclosure for comparative periods, adjusted free cash flow also adjusts standard free cash flow to deduct principal amount of repayment of lease obligation.

Cineplex presents standardized free cash flow and adjusted free cash flow per Share because they are key measures used by investors to value and assess Cineplex. Management of Cineplex defines adjusted free cash flow as standardized free cash flow adjusted for certain items, and considers adjusted free cash flow the amount available for distribution to Shareholders. Standardized free cash flow is defined by the CICA as cash from operating activities as reported in the GAAP financial statements, less total capital expenditures minus proceeds from the disposition of capital assets other than those of discontinued operations, as reported in the GAAP financial statements; and dividends, when stipulated, unless deducted in arriving at cash flows from operating activities. The standardized free cash flow calculation excludes common dividends and others that are declared at the Board's discretion.

Net Cash Burn

Management believes that net cash burn is an important non-GAAP measure that is used to analyze Cineplex's cash used to maintain operating activities, make growth capital expenditures and principal repayments on its lease obligations. Net cash burn is calculated as net cash (used in) provided by operating activities adjusted for the timing differences of changes in operating assets and liabilities, less repayments of lease obligations - principal and net capital expenditures, adjusted for the timing of lease payments and tax recoveries.

SUPPLEMENTARY FINANCIAL MEASURES

Supplementary financial measures are financial measures that are not (a) presented in the financial statements and (b) is, or is intended to be, disclosed periodically to depict the historical or expected future financial performance, financial position or cash flow, that is not a non-GAAP financial measure or a non-GAAP ratio as defined in the instrument. The below are supplementary financial measures that Cineplex uses to depict its financial performance, financial position or cash flows.

Earnings per Share Metrics

Cineplex has presented basic and diluted earnings per share net of this item to provide a more comparable earnings per share metric between the current periods and prior year periods. In the non-GAAP and other financial measure, earnings is defined as net income or net loss attributable to Cineplex excluding the change in fair value of financial instruments.

Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and theatre food service revenue such as BPP, CPP, BPP excluding premium priced product, and concession margin per patron, as these are key measures used by investors to value and assess Cineplex's performance, and are widely used in the theatre exhibition industry. Management of Cineplex defines these metrics as follows:

Theatre Attendance: Theatre attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.

BPP: Calculated as total box office revenues divided by total paid theatre attendance for the period.

BPP excluding premium priced product: Calculated as total box office revenues for the period, less box office revenues from 3D, 4DX, UltraAVX, VIP ScreenX and IMAX product; divided by total paid theatre attendance for the period, less paid theatre attendance for 3D, 4DX, UltraAVX, VIP, ScreenX and IMAX product.

CPP: Calculated as total theatre food service revenues divided by total paid total theatre attendance for the period.

Premium priced product: Defined as 3D, 4DX, UltraAVX, IMAX, ScreenX and VIP film product.

Theatre concession margin per patron: Calculated as total theatre food service revenues less total theatre food service cost, divided by theatre attendance for the period.

Same Theatre Analysis

Cineplex reviews and reports same theatre metrics relating to box office revenues, theatre food service revenues, theatre rent expense and theatre payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries.

Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of subsequent to the start of the prior year comparative period. For the three months ended March 31, 2022 the impact of 2 locations that have been opened or acquired and 5 locations that have been closed have been excluded, resulting in 152 theatres being included in the same theatre metrics.

Cost of sales percentages

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and food service revenues as these measures are widely used in the theatre exhibition industry. These measures are reported as film cost percentage and concession cost percentage, respectively, and are calculated as follows:

Film cost percentage: Calculated as total film cost expense divided by total box office revenues for the period.

Theatre concession cost percentage: Calculated as total theatre food service costs divided by total theatre food service revenues for the period.

LBE food cost percentage: Calculated as total LBE food costs divided by total LBE food service revenues for the period.

Lease-related cash saving

Quantified savings negotiated with landlords as a result of the COVID-19 disclosures.

Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex's objectives, goals

and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Forward-looking statements also include, statements pertaining to:

- Cineplex's outlook, goals, expectations and projected results of operations, including factors and assumptions underlying Cineplex's projections regarding the duration and impact of a novel strain of coronavirus ("COVID-19") pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex's response to the pandemic related to the closure or operational restrictions of its theatres and location-based entertainment ("LBE") venues, employee reductions and other cost-cutting initiatives and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of guests and employees;
- Cineplex's expectations with respect to liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; and
- Cineplex's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic.

The COVID-19 pandemic has had an unprecedented impact on Cineplex, along with the rest of the movie exhibition industry and other industries in which Cineplex operates, including material decreases in revenues, results of operations and cash flows. The situation continues to evolve and the social and economic effects are widespread. As an entertainment and media company that operates spaces where guests gather in close proximity, Cineplex's business has been significantly impacted by the actions taken to control the spread of COVID-19. These actions included, among other things, the introduction of vaccine passports or proof of vaccination mandates, social distancing measures and restrictions including those on capacity. The uncertainty of future government-imposed restrictions may potentially have negative effects on Cineplex's businesses. At period end, restrictions relating to capacity limits, vaccine passports and mask mandates have been lifted in a majority of the markets in which Cineplex operates. Subsequent to period end, the remaining capacity limits and mask mandates were lifted as COVID-19 cases declined across the country, providing clearer visibility for Cineplex's business and the return to normalcy. Cineplex is actively monitoring the situation and is adapting its business strategies as the impact of the COVID-19 pandemic evolves.

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

The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's MD&A.

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

You are cordially invited to participate in a conference call with the management of Cineplex (TSX: CGX) to review our first quarter. **Ellis Jacob, President and Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call scheduled for:

Cineplex Inc. Q1 2022 Earnings Webcast:

Date: Friday, May 13, 2022

Time: 10:00 a.m. Eastern Daylight Time

Audio Webcast: Audience URL <https://events.q4inc.com/attendee/349837473>

Pre-registration available.

An archive of the webcast will be available at <https://corp.cineplex.com/investors> after the webcast for a limited time.

Please note, analysts who cover the Company, should use the dial-in option to participate in the live question period: 1-226-828-7575 (Local) or 1-833-950-0062 (Canada Toll-free), access code 280084. All attendees should join the event 5-10 minutes prior to the scheduled start time. Media are welcome to join the call-in listen-only mode.

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About Cineplex

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

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs approximately 10,000 people in its offices across Canada and the United States. To learn more visit Cineplex.com or download the Cineplex App.

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

	March 31,	December 31,
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 24,094	\$ 26,938
Trade and other receivables	59,409	80,679
Income taxes receivable	2,658	1,984
Inventories	29,215	24,899
Prepaid expenses and other current assets	13,865	13,365
	<u>129,241</u>	<u>147,865</u>
Non-current assets		
Property, equipment and leaseholds	445,695	464,439
Right-of-use assets	757,526	768,675
Fair value of interest rate swap agreements	994	—
Interests in joint ventures and associates	7,401	7,423
Intangible assets	80,679	81,651
Goodwill	635,421	635,545
Derivative financial instrument	5,410	9,240
	<u>\$ 2,062,367</u>	<u>\$ 2,114,838</u>

Cineplex Inc.**Consolidated Balance Sheets ... continued**

(expressed in thousands of Canadian dollars)

	March 31, 2022	December 31, 2021
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 141,796	\$ 157,950
Income taxes payable	1,920	1,945
Deferred revenue and other	275,616	293,206
Lease obligations	98,343	101,058
Fair value of interest rate swap agreements	4,562	8,063
	<hr/> 522,237	<hr/> 562,222
Non-current liabilities		
Share-based compensation	5,289	4,940
Long-term debt	786,811	739,211
Fair value of interest rate swap agreements	—	6,160
Lease obligations	992,243	1,004,465
Post-employment benefit obligations	9,162	9,973
Other liabilities	6,819	7,590
	<hr/> 1,800,324	<hr/> 1,772,339
Total liabilities	<hr/> 2,322,561	<hr/> 2,334,561
Shareholders' deficit		
Share capital	852,575	852,465
Deficit	(1,193,619)	(1,151,394)
Hedging reserves and other	(131)	(131)
Contributed surplus	82,088	80,027
Cumulative translation adjustment	(1,107)	(690)
Total shareholders' deficit	<hr/> (260,194)	<hr/> (219,723)
	<hr/> \$ 2,062,367	<hr/> \$ 2,114,838

Cineplex Inc.**Consolidated Statements of Operations****(expressed in thousands of Canadian dollars, except per share amounts)**

	Three months ended March 31,	
	2022	2021
Revenues		
Box office	\$ 79,952	\$ 3,818
Food service	68,388	6,525
Media	15,545	9,074
Amusement	50,424	13,874
Other	14,414	8,121
	<u>228,723</u>	<u>41,412</u>
Expenses		
Film cost	39,016	1,235
Cost of food service	14,857	1,412
Depreciation - right-of-use assets	24,263	26,318
Depreciation and amortization - other assets	26,892	29,509
Loss (gain) on disposal of assets	157	(30,060)
Other costs	138,352	68,705
Share of (income) loss of joint ventures and associates	(686)	2,414
Interest expense - lease obligations	14,704	14,359
Interest expense - other	10,083	13,665
Interest income	(30)	(26)
Foreign exchange	234	230
Loss on financial instruments recorded at fair value	3,830	—
	<u>271,672</u>	<u>127,761</u>
Loss before income taxes	<u>(42,949)</u>	<u>(86,349)</u>
Income tax (recovery) expense		
Current	(724)	3,339
Net loss	<u>\$ (42,225)</u>	<u>\$ (89,688)</u>
Net loss per share - basic and diluted	<u>\$ (0.67)</u>	<u>\$ (1.42)</u>

Cineplex Inc.
Consolidated Statements of Comprehensive Loss
(expressed in thousands of Canadian dollars)

	Three months ended March 31,	
	2022	2021
Net loss	<u>\$ (42,225)</u>	<u>\$ (89,688)</u>
Other comprehensive loss		
<i>Items that will be reclassified subsequently to net income:</i>		
Foreign currency translation adjustment	<u>(417)</u>	<u>(428)</u>
Other comprehensive loss	<u>(417)</u>	<u>(428)</u>
Comprehensive loss	<u>\$ (42,642)</u>	<u>\$ (90,116)</u>

Cineplex Inc.**Consolidated Statements of Changes in Equity****(expressed in thousands of Canadian dollars)****For the periods ended March 31, 2022 and 2021**

	Share capital	Contributed surplus	Hedging reserves and other	Cumulative translation adjustment	Deficit	Total
January 1, 2022	\$ 852,465	\$ 80,027	\$ (131)	\$ (690)	\$ (1,151,394)	\$ (219,723)
Net loss	—	—	—	—	(42,225)	(42,225)
Other comprehensive loss	—	—	—	(417)	—	(417)
Total comprehensive loss	—	—	—	(417)	(42,225)	(42,642)
Share option expense	—	517	—	—	—	517
PSU/RSU expense	—	1,620	—	—	—	1,620
Issuance of shares on exercise of options	110	(76)	—	—	—	—
March 31, 2022	\$ 852,575	\$ 82,088	\$ (131)	\$ (1,107)	\$ (1,193,619)	\$ (260,194)
January 1, 2021	\$ 852,379	\$ 75,882	\$ (131)	\$ (502)	\$ (903,394)	\$ 24,234
Net loss	—	—	—	—	(89,688)	(89,688)
Other comprehensive loss	—	—	—	(428)	—	(428)
Total comprehensive loss	—	—	—	(428)	(89,688)	(90,116)
Share option expense	—	399	—	—	—	399
PSU/RSU expense	—	225	—	—	—	225
Settlement for cancelled options	—	(60)	—	—	—	(60)
Issuance of shares on exercise of options	43	(43)	—	—	—	—
March 31, 2021	\$ 852,422	\$ 76,403	\$ (131)	\$ (930)	\$ (993,082)	\$ (65,318)

Cineplex Inc.**Consolidated Statements of Cash Flows****(expressed in thousands of Canadian dollars)**

	Three months ended March 31,	
	2022	2021
Cash provided by (used in)		
Operating activities		
Net loss	\$ (42,225)	\$ (89,688)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization - other assets	26,892	29,509
Depreciation - right-of-use assets	24,263	26,318
Unrealized foreign exchange	152	211
Interest rate swap agreements - non-cash interest	(10,357)	(3,528)
Accretion of convertible debentures and notes payable	4,600	3,738
Other non-cash interest	170	447
Loss (gain) on disposal of assets	157	(30,060)
Non-cash share-based compensation	2,137	624
Change in fair value of financial instruments	3,830	—
Net change in interests in joint ventures and associates	21	3,216
Changes in operating assets and liabilities	(15,077)	23,581
Net cash used in operating activities	(5,437)	(35,632)
Investing activities		
Proceeds from disposal of assets, net	17	56,664
Purchases of property, equipment and leaseholds	(9,602)	(8,715)
Intangible assets additions	(2,173)	(3,086)
Tenant inducements	562	3,660
Net cash (used in) provided by investing activities	(11,196)	48,523
Financing activities		
Borrowings (repayments) under credit facilities, net	43,000	(234,000)
Repayments of lease obligations - principal	(29,267)	(19,457)
Exercise of cash option	34	—
Issuance of notes payable, net	—	243,996
Financing fees	—	(321)
Net cash provided by (used in) financing activities	13,767	(9,782)
Effect of exchange rate differences on cash	22	140
(Decrease) increase in cash and cash equivalents	(2,844)	3,249
Cash and cash equivalents - Beginning of period	26,938	16,254
Cash and cash equivalents - End of period	\$ 24,094	\$ 19,503
Supplemental information		
Cash paid for interest - lease obligation	\$ 14,367	\$ 12,605
Cash paid for interest - other	\$ 25,719	\$ 15,594
Cash received for income taxes, net	\$ —	\$ (4,487)

Cineplex Inc.
Consolidated Supplemental Information
(expressed in thousands of Canadian dollars)

Reconciliation of reported net loss to adjusted EBITDAaL

	Three months ended March 31,	
	2022	2021
Net loss	\$ (42,225)	\$ (89,688)
Depreciation and amortization - other	26,892	29,509
Depreciation - right-of-use assets	24,263	26,318
Interest expense - lease obligations	14,704	14,359
Interest expense - other	10,083	13,665
Interest income	(30)	(26)
Current income tax (recovery) expense	(724)	3,339
EBITDA	\$ 32,963	\$ (2,524)
Loss (gain) on disposal of assets	157	(30,060)
Loss on financial instruments recorded at fair value	3,830	—
CDCP equity (income) loss (i)	(854)	2,238
Foreign exchange loss	234	230
Depreciation and amortization - joint ventures and associates (ii)	131	—
Taxes and interest of joint ventures and associates (ii)	14	11
Adjusted EBITDA	\$ 36,475	\$ (30,105)
Cash rent paid/payable related to lease obligations (iii)	(43,353)	(33,861)
Negotiated lease-related cash savings for the period (iii) (iv)	—	751
Cash rent paid not pertaining to current period	1,159	1,125
Adjusted EBITDAaL (iv)	\$ (5,719)	\$ (62,090)

(i) CDCP equity loss (income) not included in adjusted EBITDA as CDCP is a limited-life financing vehicle that is funded by virtual print fees collected from distributors.

(ii) Includes the joint ventures with the exception of CDCP (see (i) above).

(iii) The cash rent paid or payable includes negotiated lease obligations savings of \$0.8 million (2021 - \$29.7 million) through March 31, 2022. The negotiated lease obligation savings represent forgiveness of lease payments.

(iv) See Non-GAAP and other financial measures section of this news release.

Cineplex Inc.**Consolidated Supplemental Information**

(expressed in thousands of Canadian dollars, except number of shares and per share data)

Reconciliation of reported cash used in operating activities to adjusted free cash flow per share

	Three months ended March 31,	
	2022	2021
Cash used in operating activities	\$ (5,437)	\$ (35,632)
Less: Total capital expenditures net of proceeds on sale of assets	(9,585)	(8,715)
Standardized free cash flow	(15,022)	(44,347)
Add/(Less):		
Changes in operating assets and liabilities (i)	15,077	(23,581)
Changes in operating assets and liabilities of joint ventures and associates (i)	(707)	(802)
Repayments of lease obligations - principal	(29,267)	(19,457)
Principal portion of cash rent paid not pertaining to current period	1,143	1,106
Growth capital expenditures and other (ii)	7,054	8,461
Share of income of joint ventures and associates, net of non-cash depreciation	(23)	(165)
Adjusted free cash flow	\$ (21,745)	\$ (78,785)
Average number of Shares outstanding	63,316,444	63,334,317
Adjusted free cash flow per Share	\$ (0.343)	\$ (1.244)

(i) Changes in operating assets and liabilities are not considered a source or use of adjusted free cash flow.

(ii) Growth capital expenditures and other represent expenditures on Board approved projects, exclude maintenance capital expenditures, and are net of proceeds on asset sales. The Revolving Facility is available to Cineplex to fund Board approved projects.

Cineplex Inc.

Consolidated Supplemental Information

(expressed in thousands of Canadian dollars)

Reconciliation of net cash (used in) provided by operating activities to net cash burn

Net cash burn	2022	2021				2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net cash (used in) provided by operating activities	\$ (5,437)	\$ 27,480	\$ 52,023	\$ 17,133	\$ (35,632)	\$ (61,041)	\$ (86,558)	\$ 18,095
Changes in operating assets and liabilities	15,077	1,405	(32,640)	(62,622)	(23,581)	67,257	34,894	(69,401)
Repayments of lease obligations - principal	(29,267)	(25,525)	(24,191)	(19,086)	(19,457)	(32,323)	(24,811)	(933)
Net capital expenditures	(9,040)	(4,008)	(3,475)	(3,021)	(5,055)	(7,272)	(8,198)	(8,019)
Timing difference of lease abatements recognized as compared to cash payments	1,777	1,965	1,153	(2,435)	1,830	12,672	18,868	(18,933)
Timing difference of cash tax recoveries as compared to current tax provision	—	—	—	—	3,309	(53,946)	16,643	26,808
Total net cash burn	\$ (26,890)	\$ 1,317	\$ (7,130)	\$ (70,031)	\$ (78,586)	\$ (74,653)	\$ (49,162)	\$ (52,383)
Average monthly net cash burn	\$ (8,963)	\$ 439	\$ (2,377)	\$ (23,344)	\$ (26,195)	\$ (24,884)	\$ (16,387)	\$ (17,461)