



FOR IMMEDIATE RELEASE

**Cineplex Inc. Reports Fourth Quarter and 2022 Year End Results**  
 Company Also Reports January 2023 Box Office Results

**TORONTO, Canada**, February 7, 2023 (TSX: CGX) - Cineplex Inc. (“Cineplex” or the “Company”) today released its financial results for the three months and year ended December 31, 2022. Unless otherwise specified, all amounts are in Canadian dollars.

**Fourth Quarter Summary**

- Total revenues increased 16.7% to \$350.1 million as compared to the fourth quarter of 2021.
- Net income improved to \$10.2 million as compared to a net loss of \$21.8 million in the fourth quarter of 2021.
- Adjusted EBITDAaL increased 54.5% to \$31.2 million as compared to the fourth quarter of 2021.
- Record fourth quarter adjusted EBITDAaL of \$5.4 million in the Player One Amusement Group business.
- Record fourth quarter adjusted store level EBITDAaL of \$9.3 million in the Location-Based Entertainment business.
- Record fourth quarter total box office from premium experiences of 50.0%.
- All time quarterly record box office revenues per patron of \$13.06.
- All time quarterly record concession revenues per patron of \$8.93.

“This year, Cineplex nearly doubled its revenues and generated positive net income as compared to a net loss of \$248.7 million the previous year, despite 2022 continuing to be tumultuous for the entertainment industry,” said Ellis Jacob, President & CEO. “Our performance over the last year demonstrates that we can successfully manage the turbulent environment caused by content and other supply chain disruptions, inflationary pressures, and labour shortages. In fact, during the fourth quarter, Cineplex’s box office recovery as compared to 2019 levels exceeded the North American recovery by 533 basis points. Our strategy of investing in premium formats across our theatre circuit is paying off, and this past quarter we set a record of 50 per cent of box office revenues derived from premium experiences. We also continue benefiting from broadening our content strategy, as we consistently take an industry leading market share in international film product. Lastly, we continue our growth momentum as our diversified business strategy continues delivering strong results, including an all-time annual record adjusted EBITDAaL in the Player One Amusement Group and our Location-Based Entertainment businesses, with both exceeding pre-pandemic levels.”

Jacob continued, “we were excited in December to share the news of the grand opening of our the first location of our new ‘Junxion’ entertainment concept, with *Cineplex Junxion Kildonan* opening its doors in Winnipeg, Manitoba. It provides an expanded entertainment experience for our guests and generates additional revenue-per-square-foot by driving incremental attendance and spend from the expanded offerings. Then in January, we announced a theatrical distribution agreement with Lionsgate for its 2023 film slate, bringing 11 titles to Canadian audiences and expanding our Cineplex Pictures distribution business.”

“As we move forward, we remain optimistic about the future of theatrical exhibition and all of the other industries we operate in. We have confidence in the ongoing recovery of content volume and box office as traditional and non-traditional studios derive increasing awareness and economic value from theatrical. Our investment in diversification is paying off as we continue to see growth and record results in our Amusement and Leisure businesses. Cineplex is in a stronger position now than it was a year ago and we expect this momentum will continue into 2023,” Jacob concluded.

Month	2019 Box Office (i)	2022 / 2023 Box Office (i)	2022 / 2023 as a Percentage of 2019
October	\$54,528	\$33,907	62%
November	\$52,314	\$37,981	73%
December	\$74,947	\$48,359	65%
<b>Q4 Total</b>	<b>\$181,789</b>	<b>\$120,248</b>	<b>66%</b>
January	\$52,034	\$45,744	88%

(i) Amounts are in thousands of dollars.

## Fourth Quarter and Full Year Financial Results

Financial highlights (in thousands of dollars, except theatre attendance in thousands of patrons and per share and per patron amounts)	Fourth Quarter			Full Year		
	2022	2021	Change (i)	2022	2021	Change (i)
Total revenues	\$350,124	\$299,951	16.7%	\$1,268,562	\$656,669	93.2%
Theatre attendance	9,208	10,245	-10.1%	38,045	20,080	89.5%
Net income (loss) (ii)	\$10,168	\$(21,778)	NM	\$113	\$(248,722)	NM
Net income (loss) as a percentage of sales (ii)	2.9%	(7.3)%	10.2%	—%	(37.9)%	NM
Cash provided by operating activities	\$59,622	\$27,480	117.0%	\$107,148	\$61,004	75.6%
Box office revenues per patron ("BPP") (iii)	\$13.06	\$12.29	6.3%	\$12.12	\$11.77	3.0%
Concession revenues per patron ("CPP") (iii)	\$8.93	\$7.49	19.2%	\$8.72	\$7.93	10.0%
Adjusted EBITDA (iii)	\$74,186	\$58,328	27.2%	\$251,694	\$59,927	320.0%
Adjusted EBITDAaL (ii) (iii)	\$31,197	\$20,198	54.5%	\$81,672	\$(84,295)	NM
Adjusted EBITDAaL margin (ii) (iii)	8.9%	6.7%	2.2%	6.4%	(12.8)%	19.2%
Adjusted free cash flow (iii)	\$1,672	\$(1,032)	NM	\$3,339	\$(151,517)	NM
Adjusted free cash flow per share (iii)	\$0.026	\$(0.016)	NM	\$0.053	\$(2.392)	NM
Earnings per share ("EPS") - basic and diluted (ii)	\$0.16	\$(0.34)	NM	\$—	\$(3.93)	NM

- 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 \$0.9 million (2021 - \$2.3 million) for the fourth quarter and \$3.6 million (2021 - \$11.4 million) for the full year.
- 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 2022

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

### FILM ENTERTAINMENT AND CONTENT

#### Theatre Exhibition

- Reported annual box office revenues of \$461.3 million, an increase of \$225.0 million (95.2%) from \$236.3 million due to a 89.5% increase in theatre attendance.
- Reported an annual record BPP of \$12.12, \$0.35 or 3.0% higher than \$11.77 reported during the prior year.
- Starting in April 2022, Cineplex reopened its entire circuit of theatres and LBE venues without any government mandated restrictions.
- Introduced an online booking fee on June 15, 2022 that applies to tickets purchased through Cineplex's mobile app and website that will contribute to Cineplex's further investment in its digital infrastructure.
- Celebrated National Cinema Day on September 3, 2022, welcoming approximately 550,000 guests across the theatre exhibition circuit, representing the largest attendance for a single day in 2022, and the third largest attendance for a single day in the last five years, following *Avengers: Endgame* that opened in April 2019 and *Avengers: Infinity War* that opened in April 2018.
- Opened four ScreenX auditoriums, including locations in British Columbia, Ontario and Quebec.
- Opened Cineplex's first-ever *Junxion* location at *Cineplex Junxion Kildonan* in Winnipeg, Manitoba on December 9, 2022. *Cineplex Junxion* is an innovative entertainment destination that brings movies, amusement gaming, dining and live performances together for the ultimate guest experience.
- Opened British Columbia's first 4DX auditorium at *Cineplex Cinemas Metropolis* on December 15, 2022.

#### Theatre Food Service

- Reported annual theatre food service revenues of \$331.6 million, an increase of \$172.4 million (108.3%) compared to the prior year period primarily due to a 89.5% increase in theatre attendance.
- Reported an annual record CPP of \$8.72, an increase of \$0.79 or 10.0% when compared to the prior year.
- Opened a streetfront Starbucks location in *Cinéma Banque Scotia Montréal*, in Montreal Quebec under a licensing arrangement signed in 2022.

### *Alternative Programming*

- Alternative Programming (Cineplex Events) opened the Metropolitan Opera Live in HD season during the fourth quarter, featuring three live operas *Medea* (Cherubini), *La Traviata* (Verdi) and *The Hours* (Kevin Puts). Other top events included the season three premiere of the faith based series *The Chosen* and the *Coldplay* broadcast live from Buenos Aires.
- Cineplex Distribution (Cineplex Pictures) released feature films including *Ella and the Little Sorcerer* on March 4, 2022, the horror thriller *Prey for the Devil* on October 28, 2022, anime feature *One Piece Film Red* on November 4, 2022 and *Bones and All* on November 23, 2022.
- Featured numerous strong performing international films, including *Babe Bhangra Paunde Ne* (Punjabi), *Drishyam 2* (Hindi) and *The Legend of Maula Jatt* (Punjabi), of which Cineplex represented 80.5%, 48.2% and 44.3%, respectively, of the total North American market share.

### *Digital Commerce*

- Total registered users for Cineplex Store increased 4% from the prior year, reaching approximately 2.3 million registered users.

## **MEDIA**

- Reported annual media revenues of \$111.7 million, an increase of \$46.4 million or 71.0% as compared to the prior year period.

### *Cinema Media*

- Reported annual cinema media revenues of \$72.3 million, an increase of \$39.3 million or 119.3% over the prior year period, due to increases in cinema advertising as a return by advertisers to cinema.
- Entered into a partnership with TikTok to leverage new and innovative ways to engage moviegoers in theatres, providing advertisers an unmatched opportunity to engage with audiences.

### *Digital Place-Based Media*

- Reported annual revenues of \$39.5 million, an increase of \$7.1 million or 21.9% due to increased advertising at digital out of home networks and higher project installation revenues.

## **AMUSEMENT SOLUTIONS AND LBE**

- Reported all-time record annual revenues of \$246.6 million, an increase of \$112.1 million or 83.4% compared to the prior year period.

### *Player One Amusement Group*

- Reported annual revenues of \$165.7 million, an increase of \$65.4 million or 65.2% compared to the prior year period. Adjusted EBITDAaL for the full year was an annual record of \$27.5 million, an increase of \$18.8 million or 215.4% compared to the prior year. The increase in revenues and adjusted EBITDAaL were primarily due to increases in P1AG amusement revenues from US and Canada route locations at FEC's and theatres, along with an increase in distribution sales.

### *Location-based Entertainment*

- Reported all-time record annual revenues of \$110.8 million, an increase of \$66.1 million or 147.6% compared to the prior year period.
- Adjusted EBITDAaL for the full year was an annual record of \$34.4 million, an increase of \$24.9 million or 263.9% compared to the prior year period. The increase in revenues and adjusted EBITDAaL were primarily due to all LBE venues being open during the entire period compared to the prior year period that was subject to capacity restrictions.

## **LOYALTY**

- Membership in the Scene+ loyalty program increased to over 11 million members as at December 31, 2022.
- Welcomed Empire Company Limited as a co-owner of Scene+, providing members with increased opportunities to earn and redeem points through Empire's family of brands firstly in Atlantic Canada on August 11, 2022, in Western Canada on September 22, 2022, and across Canada by early 2023.
- Announced that Home Hardware Stores Limited will be joining Scene+ with a launch expected to take place in the summer of 2023, providing members with additional opportunities to earn and redeem points.
- Recognized a gain of \$50.1 million on the disposition of its 1/6th ownership interest in Scene+ during the third quarter of 2022, leaving a 1/3rd ownership interest in Scene+ with the satisfaction of specific non-financial milestones related to the reorganization of Scene+.

## **CORPORATE**

- Celebrated Cineplex's induction into the Hall of Fame for Canada's Most Admired Corporate Cultures, being recognized by Waterstone Human Capital as Best-in-Class Canadian Organization.
- 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.
- Celebrated Community Day on November 19, 2022, by hosting a morning of free, family-friendly movies with discounted concessions, where one dollar from every concession order of select items was donated to BGC Canada (formerly Boys & Girls Clubs of Canada).
- On December 22, 2022, Cineplex entered into the Sixth Credit Agreement Amendment, extending the maturity date of the credit facility from November 13, 2023 to November 13, 2024.

## **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 Cineplex's performance. 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.

## Reconciliation of reported net income (loss) to adjusted EBITDAaL

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
<b>Net income (loss)</b>	\$ 10,168	\$ (21,778)	\$ 113	\$ (248,722)
Depreciation and amortization - other	25,575	27,501	105,197	113,042
Depreciation - right-of-use assets	23,491	25,041	95,517	102,247
Interest expense - lease obligations	16,453	14,648	61,842	58,590
Interest expense - other	20,628	15,584	60,826	65,138
Interest income	(125)	(30)	(277)	(232)
Current income tax expense	1,921	—	1,197	3,339
<b>EBITDA</b>	<b>\$ 98,111</b>	<b>\$ 60,966</b>	<b>\$ 324,415</b>	<b>\$ 93,402</b>
(Gain) loss on disposal of assets	(3,466)	1,576	(57,807)	(28,283)
(Gain) loss on financial instruments recorded at fair value	(970)	(5,420)	6,260	(8,790)
CDCP equity loss (income) (i)	3	(2,439)	(489)	(146)
Foreign exchange loss (gain)	257	(109)	(1,371)	(43)
(Reversal) impairment of long-lived assets	(19,880)	3,717	(19,880)	3,717
Depreciation and amortization - joint ventures and associates (ii)	123	25	517	25
Taxes and interest of joint ventures and associates (ii)	8	12	49	45
<b>Adjusted EBITDA</b>	<b>\$ 74,186</b>	<b>\$ 58,328</b>	<b>\$ 251,694</b>	<b>\$ 59,927</b>
Cash rent paid/payable related to lease obligations (iii)	(42,603)	(37,755)	(170,022)	(144,222)
Cash rent paid not pertaining to current period (iv)	(386)	(375)	—	—
<b>Adjusted EBITDAaL (v)</b>	<b>\$ 31,197</b>	<b>\$ 20,198</b>	<b>\$ 81,672</b>	<b>\$ (84,295)</b>

- (i) CDCP equity (income) loss 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 December 31, 2022. The negotiated lease obligation savings represent forgiveness of lease payments.
- (iv) Includes amounts pre-paid or deferred to future periods, to better reflect the current period EBITDAaL.
- (v) See Non-GAAP and other financial measures section of this news release.

## 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. Adjusted free cash flow includes 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. 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.

## Reconciliation of reported cash provided by operating activities to adjusted free cash flow per share

	Three months ended December 31,		Year ended December 31,	
	2022	2021	2022	2021
<b>Cash provided by operating activities</b>	\$ 59,622	\$ 27,480	\$ 107,148	\$ 61,004
Less: Total capital expenditures net of proceeds on sale of assets	(27,538)	(4,985)	(62,474)	(20,295)
Standardized free cash flow	<b>32,084</b>	<b>22,495</b>	<b>44,674</b>	<b>40,709</b>
Add/(Less):				
Changes in operating assets and liabilities (i)	(15,907)	1,405	26,105	(117,438)
Changes in operating assets and liabilities of joint ventures and associates (i)	(746)	307	1,214	(1,050)
Repayments of lease obligations - principal	(26,141)	(25,525)	(109,166)	(88,259)
Principal portion of cash rent paid not pertaining to current period	(381)	(737)	—	—
Growth capital expenditures and other (ii)	14,804	(350)	37,663	13,358
Share of income of joint ventures and associates, net of non-cash depreciation	(2,103)	(622)	(2,531)	(832)
Net cash received from CDCP (iii)	62	1,995	5,380	1,995
<b>Adjusted free cash flow</b>	<b>\$ 1,672</b>	<b>\$ (1,032)</b>	<b>\$ 3,339</b>	<b>\$ (151,517)</b>
Average number of shares outstanding	63,366,796	63,343,223	63,359,240	63,339,239
<b>Adjusted free cash flow per share</b>	<b>\$ 0.026</b>	<b>\$ (0.016)</b>	<b>\$ 0.053</b>	<b>\$ (2.392)</b>

(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.

(iii) Excludes the share of loss of CDCP, as CDCP is a limited-life financing vehicle funded by virtual print fees collected from distributors. Cash invested into CDCP, as well as distributions received from CDCP, are considered to be uses and sources of adjusted free cash flow.

## 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 December 31, 2022 the impact of two locations that have been opened or acquired and five locations that have been closed or otherwise disposed of have been excluded, resulting in 151 theatres being included in the same theatre metrics. For the year ended December 31, 2022 the impact of three locations that have been opened or acquired and seven locations that have been closed or otherwise disposed of have been excluded, resulting in 148 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. 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.*

*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, 2022 ("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. 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 Cineworld's subsequent bankruptcy proceedings; and diversion of management time on litigation related to the Cineworld transaction and Cineworld's bankruptcy proceedings.*

*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](http://www.sedar.com).*

You are cordially invited to participate in a conference call with the management of Cineplex (TSX: CGX) to review our fourth quarter and year end 2022 results. **Ellis Jacob, President and Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call scheduled for:

Cineplex Inc. Q4/YE 2022 Earnings Webcast:

Date: Tuesday, February 7, 2023

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

Audio Webcast: Audience URL <https://events.q4inc.com/attendee/399583783>

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 477853. 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.

## **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), complexes specially designed for teens and families (Playdium), and a newly launched entertainment concept that brings movies, amusement gaming, dining, and



live performances together under one roof (Cineplex Junxion). It also operates successful businesses in digital commerce (CineplexStore.com), alternative programming (Cineplex Events), motion picture distribution (Cineplex Pictures), 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 approximately 10,000 people in its offices across Canada and the United States. To learn more visit [Cineplex.com](http://Cineplex.com) or download the Cineplex App.

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