



FOR IMMEDIATE RELEASE

Cineplex Inc. Reports Fourth Quarter and Year End Results

TORONTO, Canada, February 11, 2021 (TSX: CGX) - Cineplex Inc. ("Cineplex" or the "Company") today released its financial results for the three months and year ended December 31, 2020. Unless otherwise specified, all amounts are in Canadian dollars.

"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 we operate. Our teams worked diligently throughout the year to mitigate the negative effects of COVID-19, support the Company's long-term stability and implement industry leading operating procedures focused on the health, safety and well-being of its employees and guests," said Ellis Jacob, President & CEO, Cineplex.

"Specifically, during the fourth quarter we remained focused and agile in adapting our operations, reducing expenses, and strengthening Cineplex's liquidity. Key liquidity actions included the receipt of \$60 million related to the reorganization of the SCENE loyalty program and advancing the \$57 million sale-leaseback of our Head Office in Toronto, which closed in early January 2021. We also recently announced further relief from certain financial covenants under our Credit Facilities and the planned financing of a minimum \$200 million in the form of Second Lien Secured Notes. These initiatives, combined with our ongoing focus on minimizing cash burn, will provide the liquidity we need to see us through the pandemic recovery period as vaccines are rolled out, restrictions are lifted and a return to normalcy begins."

"We know Canadians are going to be looking for safe and affordable out of home entertainment choices coming out of the pandemic and our focus right now is how best to leverage and capitalize on this inevitable resurgence. We remain confident in our strategy and will continue to take the necessary actions to ensure that Cineplex not only survives, but thrives in the future," Mr. Jacob concluded.

Impact of the COVID-19 Pandemic

On March 16, 2020, Cineplex announced the temporary closure of all of its theatres and LBE venues across Canada, as well as substantially all route locations operated by P1AG. On April 1, 2020, in response to applicable government directives and guidance from Canadian public health authorities, Cineplex announced that the closure of its theatres and LBE venues across Canada would remain in effect and that the reopening of such locations would be reassessed as further guidance is provided by Canadian public health authorities and applicable government authorities.

Cineplex was able to reopen a limited number of venues in late June, and as government restrictions across the country were eased, additional locations were opened. On August 21, 2020, Cineplex became one of the first of all the major film exhibitors in the world to reopen its entire circuit of theatres across Canada, including location based entertainment venues. During this period, Cineplex continued its negotiations with landlords, finalizing the majority of discussions and realizing material reductions in rent payments for both the closure period in the second, third, as well as for the fourth quarter and future periods.

The COVID-19 pandemic has had a material negative effect on all aspects of Cineplex's businesses resulting in material decreases in revenues, results of operations and cash flows. Since March 15, 2020, Cineplex has experienced a net cash burn of approximately \$15 million to \$20 million per month as a result of having to close its theatres and LBE venues (for Q4 2020 net cash burn was \$74.3 million for the three months or approximately \$24.8 million monthly) (see Non-GAAP measures section of this news release). When used in this news release, net cash burn is calculated as adjusted EBITDAaL less cash interest (excluding amounts with respect to lease obligations), provision for income taxes and net capital expenditures.

As some of Cineplex's largest expenses, such as film cost and cost of food services, are fully variable, during the closure of its theatres and LBE venues Cineplex focused on reducing its largest fixed and semi-fixed expenses, including those attributed to theatre payroll and theatre occupancy. As a result of the measures described above and below, including receipt of assistance under the CEWS, Cineplex was able to materially reduce theatre payroll expenses from \$41.9 million reported in the fourth quarter of 2019 to approximately \$5.2 million in the fourth quarter of 2020. In total, Cineplex has received approximately \$57.0 million in wage subsidies to end of the fourth quarter, primarily under the CEWS program. With respect to theatre occupancy

expenses, Cineplex has worked with its landlord partners to obtain relief measures, which resulted in significantly reduced cash rent being paid in 2020 subsequent to the lockdowns. During the fourth quarter Cineplex was able to reduce occupancy costs by approximately \$14.9 million. Including the sale of certain restrictive lease rights to landlords during the third quarter, on an annual basis Cineplex was able to materially reduce net cash lease outflows by approximately \$72.5 million. The focus was on identifying opportunities for lease-related abatements during the closure period, converting fixed components of rent to variable rent during the reopening period and looking for other opportunities to extract value under its existing lease agreements. With the second wave of COVID-19 resulting in another round of closures in the fall and winter of 2020/2021, Cineplex continues to work with landlord partners to obtain further relief.

Reopening Plans

Although restrictions on social gatherings were partially lifted in many of the markets in which Cineplex operated during the third quarter, social gathering restrictions were reinstituted in the fourth quarter with the increased number of COVID-19 cases throughout the country. The second wave of increased cases during the fall months resulted in several provinces across Canada implementing mandatory lockdown measures which have resulted in prolonged mandatory theatre closures and operating restrictions on the LBE businesses. Due to the uncertainty of the timing of the reductions of many government-imposed restrictions and the potential long-term effects that the COVID-19 pandemic may have on the exhibition and amusement and leisure businesses, COVID-19 may have a prolonged negative impact on Cineplex's operations. In addition, with the global delay of exhibitors reopening, specifically those in California and New York, distributors shifted the release dates of major movie titles out of 2020 into 2021 and beyond, in an effort to maximize box office revenues on the eventual release of such titles.

In addition, a limited number of previously expected theatrical releases have instead been redirected to streaming services. The impact of the reduction of new releases in the fourth quarter as a result of these changes in combination with the ongoing and potentially expanded restrictions on the reopening of Cineplex's businesses, also negatively impacted the timing of Cineplex's return to profitability.

In December 2020, Health Canada approved and authorized the Pfizer-BioNTech and Moderna COVID-19 vaccines for use in Canada with the first doses arriving during the holiday season. Canada has begun the inoculation process of Canadians, starting with front line workers and high-risk individuals with plans to start vaccinating the general population during the spring of 2021, and having all Canadians immunized by the fall of 2021. The efficient rollout of vaccines is a significant leap forward to the return of normalcy and end of the COVID-19 pandemic. However, the supply and roll-out of approved vaccines in Canada has been inconsistent to date and there can be no assurance that vaccines will be widely available or distributed as currently anticipated, which would delay a return to normalcy.

With the unknown duration of the pandemic and yet to be determined timing of the phased complete reopening of Cineplex's businesses, as well as consumers' future risk tolerance regarding health matters, it is not possible to know the impact of the pandemic on future results. However, Cineplex is optimistic that the exhibition and amusement and leisure industries will recover over time. Cineplex believes consumer demand for the theatrical experience combined with a backlog of anticipated releases of strong film content will help drive visitation, and that LBE activities will increase as people seek out-of-home experiences they have been restricted from enjoying for almost a year.

Management continues to pursue all viable options to maintain adequate liquidity to fund operations for the currently anticipated duration of the pandemic. During the fourth quarter, Cineplex entered into an agreement to enhance and expand the SCENE Scotiabank Loyalty program receiving \$60.0 million with respect to the reorganization. In addition, Cineplex continues to explore other measures to maintain adequate liquidity, including but is not limited to planned asset sales such as Cineplex's head office building in Toronto which was completed subsequent to year end, additional financing sources and amendments to existing credit facilities. All proceeds are used to repay the credit facilities, in part as a permanent reduction.

Credit Facility Waiver

On February 8, 2020, Cineplex and Cineplex Entertainment Limited Partnership entered into the third credit agreement amendment with its lenders. The amendment provides Cineplex with immediate financial covenant suspension in light of the COVID-19 pandemic and its effects on Cineplex's businesses, which will be extended to the third quarter of 2021. As at December 31, 2020, an aggregate of \$506.0 million was outstanding under the Credit Facilities.

Other Matters

Non-cash impairment charges

During the quarter-ended December 31, 2020 the Company recorded \$53.4 million in non-cash impairment charges related to goodwill and property, equipment and leaseholds. The triggering event for the re-evaluation was the ongoing COVID-19 pandemic and the mandatory closure of theatres. Key contributors to the magnitude of the charge include uncertainty of the length of the mandated closures, initial delays in the vaccine roll out, and the changing film release schedule, all impacting estimates regarding the timeline of the business volumes return to normalized levels.

Repudiation of the Arrangement Agreement with Cineworld

On June 12, 2020, Cineworld delivered a notice to Cineplex purporting to terminate the Arrangement Agreement dated December 15, 2019 between Cineplex and Cineworld (the “Arrangement Agreement”). On July 3, 2020, Cineplex announced that it had commenced an action in the Ontario Superior Court of Justice against Cineworld and 1232743 B.C. Ltd. seeking damages arising from what Cineplex claims was a wrongful repudiation of the Arrangement Agreement. The claim seeks damages, including the approximately \$2.18 billion that Cineworld would have paid upon the closing of the Cineworld Transaction for Cineplex’s securities, reduced by the value of the Cineplex securities retained by its security holders, as well as compensation for other losses including the failure of Cineworld to repay or refinance Cineplex’s approximately \$664 million in debt and transaction expenses.

On September 2, 2020, Cineworld filed its Statement of Defence and Counterclaim in which it denied Cineplex’s claims and advanced a counterclaim seeking reimbursement of an unspecified amount for costs incurred with respect to the transaction and an unspecified amount for punitive damages. Cineplex responded to Cineworld’s defence and counterclaim on September 15, 2020, denying all claims levied by Cineworld.

While a trial date has been set for September 2021, due to uncertainties inherent in litigation, it is not possible for Cineplex to predict the timing or final outcome of the legal proceedings against Cineworld or to determine the amount of damages, if any, that may be awarded.

Fourth Quarter Financial Results

	2020	2019	Period over Period Change (i)
Total revenues (ii)	\$ 52.5 million	\$ 443.2 million	-88.2%
Theatre attendance	0.8 million	16.8 million	-95.3%
Net (loss) income from continuing operations (iii)	\$ (230.4) million	\$ 4.7 million	NM
Net loss from discontinued operations	\$ — million	\$ (1.2) million	NM
Net (loss) income (iii)	\$ (230.4) million	\$ 3.5 million	NM
Box office revenues per patron (“BPP”) (iv)	\$ 9.23	\$ 10.79	-14.5%
Concession revenues per patron (“CPP”) (iv)	\$ 9.06	\$ 6.81	33.0%
Adjusted EBITDA (iv)	\$ (32.1) million	\$ 106.5 million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (65.9) million	\$ 62.3 million	NM
Adjusted EBITDAaL margin (iii) (iv)	(125.7) %	14.1 %	-139.8%
Adjusted free cash flow (iv)	\$ (30.5) million	\$ 39.1 million	NM
Adjusted free cash flow per common share of Cineplex (“Share”) (iv)	\$ (0.482)	\$ 0.618	NM
Earnings per Share (“EPS”) from continuing operations - basic and diluted (iii)	\$ (3.64)	\$ 0.08	NM
EPS from discontinued operations - basic and diluted	\$ —	\$ (0.02)	NM
EPS - basic and diluted (iii)	\$ (3.64)	\$ 0.06	NM

Full Year Financial Results

	2020	2019	Period over Period Change (i)
Total revenues (ii)	\$ 418.3 million	\$ 1,665.1 million	-74.9%
Theatre attendance	13.1 million	66.4 million	-80.3%
Net (loss) income from continuing operations (iii)	\$ (624.0) million	\$ 36.5 million	NM
Net loss from discontinued operations	\$ (5.0) million	\$ (7.6) million	-34.2%
Net (loss) income (iii)	\$ (629.0) million	\$ 28.9 million	NM
Box office revenues per patron ("BPP") (iv)	\$ 10.17	\$ 10.63	-4.3%
Concession revenues per patron ("CPP") (iv)	\$ 6.99	\$ 6.73	3.9%
Adjusted EBITDA (iv)	\$ (55.9) million	\$ 405.8 million	NM
Adjusted EBITDAaL (iii) (iv)	\$ (182.8) million	\$ 230.5 million	NM
Adjusted EBITDAaL margin (iii) (iv)	(43.7) %	13.8 %	-57.5%
Adjusted free cash flow (iv)	\$ (161.9) million	\$ 168.5 million	NM
Adjusted free cash flow per common share of Cineplex ("Share") (iv)	\$ (2.556)	\$ 2.660	NM
Earnings per Share ("EPS") from continuing operations - basic and diluted (iii)	\$ (9.85)	\$ 0.58	NM
EPS from discontinued operations - basic and diluted	\$ (0.08)	\$ (0.12)	-33.3%
EPS - basic and diluted (iii)	\$ (9.93)	\$ 0.46	NM

- Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2020 value less 2019 value.
- All amounts are from continuing operations.
- 2020 includes expenses related to the Cineworld Transaction and associated Litigation in the amount of \$1.3 million for the fourth quarter and \$4.1 million for the full year.
- 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 financial measures reported by Cineplex are defined in the 'Non-GAAP Financial Measures' section at the end of this news release.

KEY DEVELOPMENTS IN 2020

The following describes certain key business initiatives undertaken and results achieved during 2020 in each of Cineplex's core business areas:

FILM ENTERTAINMENT AND CONTENT

Theatre Exhibition

- Government operating restrictions and mandated closures during the fourth quarter resulted in the closure of most of Cineplex's theatres by the end of the year.
- Reported annual box office revenues of \$132.8 million, a 81.2% decrease from 2019 as a result of the impact of the COVID-19 pandemic on theatre operations commencing at the end of the first quarter.
- Opened two new ScreenX auditoriums: *Scotiabank Theatre Halifax* in Nova Scotia and *Cineplex Cinemas Ottawa* in Ontario.
- Converted four auditoriums to recliner seating during the year.
- Announced a multi-year agreement with Universal Filmed Entertainment Group that provides theatrical exclusivity of their film releases for a shortened window of a minimum of 17 days up to a maximum of 31 days after which the studio will have the option to make its title available on Premium Video on Demand ("PVOD").
- Launched Private Movie Nights offering up to 20 guests to enjoy a private moving-screening experience with more than 1,000 movies to choose from.

Theatre Food Service

- Reported annual theatre food service revenues of \$91.4 million, a 79.5% decrease from 2019 as a result of the impact of COVID-19 on theatre operations.
- Expanded alcohol beverage service to an additional four theatres, now totaling 91 (not including VIP auditoriums).
- Increased focus on home delivery services with Uber Eats and Skip the Dishes as a result of the theatre and LBE restrictions and closures, reporting annual theatre food service delivery revenues of \$8.4 million. During the year, added five additional locations to the Uber Eats delivery platform, and seven additional locations to the Skip the Dishes platform.

Alternative Programming

- Alternative Programming (Cineplex Events) included the feature release of *On The Rocks*, concerts included *Stevie Nicks 24 Karat Gold* and the re-release of *Break The Silence: The Movie* starring *BTS* along with anime title *Fate/stay night [Heaven's Feel] III, Akira 4K*.
- Cineplex released the feature *100% Wolf* on October 9, 2020 across the country with the exception of Quebec. While theatres did continue to shut down in most markets, the film remained on-screen through mid-December and was in Cineplex's top five films for the quarter.

Digital Commerce

- Experienced significant growth for the Cineplex Store benefiting from PVD releases including *Wonder Woman 1984* and *The Croods: A New Age*.
- Total registered users for Cineplex Store increased by 39% from the prior year, reaching over 1.9 million users.
- Cineplex Store continued to show significant growth with a 36% increase over the prior year in active monthly users and an increase of 57% in device activation compared to the prior year.
- Cineplex offered a collection of "Understanding Black Stories" films that were available free to rent or stream to support the Black Lives Matter movement.

MEDIA

- Reported annual media revenues of \$65.4 million, a decrease of \$131.4 million or 66.8% compared to the prior year.

Cinema Media

- Cinema media reported annual revenues of \$23.6 million in 2020, a decrease of \$91.8 million or 79.6%, due to decreases in show-time and pre-show advertising as a result of theatre closures and limited film releases.

Digital Place-Based Media

- Reported annual revenues of \$41.8 million in 2020, a decrease of \$39.6 million or 48.6%, compared to 2019 mainly due to decreases in recurring revenue and lower project installation revenues as a result of COVID-19 and reductions in customers' business.

AMUSEMENT AND LEISURE

Amusement Solutions

- Reported annual revenues of \$62.5 million in 2020 (\$2.5 million from Cineplex theatre gaming and \$60.0 million from all other sources of revenues), a decrease of \$126.6 million as compared to the prior year. The decrease is due to closures and capacity restrictions of route operations that remained in effect for a majority of the year and decreased distribution sales as a result of the negative economic impact of COVID-19 across all markets.

Location-based Entertainment

- Increased operating restrictions for non-essential businesses in addition to new government mandated lockdown measures were implemented across Canada in response to the second wave of COVID-19, resulting in closures of most LBE locations.
- Reported total annual revenues of \$25.5 million including food service revenues of \$9.1 million, amusement revenues of \$15.4 million and other revenues of \$1.0 million, a decrease of \$53.7 million or 67.8% as compared to 2019 due to closures and capacity restrictions on locations that were able to open.
- Opened *The Rec Room* at *Seasons of Tuxedo* in Winnipeg, Manitoba, on February 18, 2020, the eighth location of *The Rec Room*.
- Terminated its partnership with Topgolf in the third quarter of 2020.

LOYALTY

- Membership in the SCENE loyalty program increased by 0.1 million in 2020, reaching 10.4 million members at December 31, 2020.
- Cineplex entered into an agreement with Scotiabank to bring together the full benefits of SCENE with Scotia Rewards, Scotiabank's flexible customer loyalty program. The repositioning includes adding new rewards partners, driving value through future consolidation of SCENE and Scotia Rewards. Cineplex received cash proceeds of \$60.0 million for the reorganization of its joint operation with SCENE.
- During the year, SCENE announced a strategic three-year extension with its long-standing partners at Recipe Unlimited Corporation.

CORPORATE

- On June 12, 2020, Cineworld delivered the Termination Notice to Cineplex purporting to terminate the Arrangement Agreement. Cineplex has commenced legal action against Cineworld for its wrongful termination of the Agreement.
- On June 29, 2020, Cineplex and Cineplex Entertainment Limited Partnership entered into an amendment agreement with The Bank of Nova Scotia, as administrative agent, and the lenders from time to time named therein, to the seventh amended and restated credit agreement with a syndicate of lenders.
- Cineplex completed the offering of \$316.3 million aggregate principal amount of convertible unsecured subordinated debentures on July 17, 2020.
- In July, Cineplex announced a cost restructuring program incurring \$8.3 million in related costs during the year.
- On June 29, 2020, Cineplex sold its interest in World Gaming Network for a nominal amount.
- Cineplex announced the appointment and return of Phyllis Yaffe to the Board of Directors. Ms. Yaffe returned to the role of Board Chair, replacing Ian Greenberg who did not stand for re-election at the Annual and Special Meeting of shareholders held in October 2020.
- On November 12, 2020, Cineplex and Cineplex Entertainment Limited Partnership entered into the Second Credit Agreement Amendment with the Bank of Nova Scotia, as administrative agent, and the lenders from time to time named therein, to the seventh amended and restated credit agreement with a syndicate of lenders.
- During the year, Cineplex initiated a process to sell its head office building located at 1303 Yonge Street and 1257 Yonge Street, Toronto, Ontario. Subsequent to period end, Cineplex completed a sale-leaseback transaction for cash proceeds of \$57.0 million.

OPERATING RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2020

Total revenues

Total revenues for the three months ended December 31, 2020 decreased \$390.8 million (88.2%) to \$52.5 million as compared to the prior year period. Total revenues for the year ended December 31, 2020 decreased \$1.2 billion (74.9%) to \$418.3 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 measures discussed throughout this news release, including adjusted EBITDA, adjusted EBITDAaL, adjusted store level EBITDAaL, adjusted EBITDAaL margin, adjusted store level EBITDAaL margin, adjusted free cash flow, theatre attendance, BPP, premium priced product, same theatre metrics, CPP, film cost percentage, food service cost percentage and concession margin per patron are defined and discussed in Non-GAAP 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 and the full year (in thousands of dollars, except theatre attendance reported in thousands of patrons and per patron amounts, unless otherwise noted):

[illegible]

Box office continuity	Fourth Quarter		Full Year	
	Box Office	Theatre Attendance	Box Office	Theatre Attendance
2019 as reported	\$ 181,789	16,849	\$ 705,521	66,360
Same theatre attendance change	(171,789)	(15,908)	(558,074)	(52,517)
Impact of same theatre BPP change	(1,220)	—	(6,163)	—
New and acquired theatres (i)	(535)	(45)	(4,278)	(299)
Disposed and closed theatres (i)	(985)	(110)	(4,186)	(479)
2020 as reported	\$ 7,260	786	\$ 132,820	13,065
(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.				

Fourth Quarter and Full Year

Fourth Quarter 2020 Top Cineplex Films			Fourth Quarter 2019 Top Cineplex Films		
	3D	% Box		3D	% Box
1 Honest Thief		11.9 %	1 Joker		15.4 %
2 Tenet		11.3 %	2 Frozen II	✓	14.4 %
3 The War With Grandpa		10.3 %	3 Star Wars: The Rise Of Skywalker	✓	13.9 %
4 The Croods: A New Age		7.6 %	4 Jumanji: The Next Level	✓	7.3 %
5 100% Wolf		5.3 %	5 Maleficent: Mistress Of Evil	✓	3.6 %

Full Year 2020 Top Cineplex Films			Full Year 2019 Top Cineplex Films		
	3D	% Box		3D	% Box
1 1917		8.1 %	1 Avengers: Endgame	✓	8.6 %
2 Star Wars: The Rise of Skywalker	✓	7.7 %	2 The Lion King	✓	4.7 %
3 Jumanji: The Next Level	✓	7.6 %	3 Captain Marvel	✓	4.3 %
4 Bad Boys For Life		7.2 %	4 Joker		4.0 %
5 Sonic The Hedgehog		5.4 %	5 Frozen II	✓	3.7 %

Fourth Quarter and Full Year

Box office revenues decreased \$174.5 million, or 96.0%, to \$7.3 million during the fourth quarter of 2020, compared to \$181.8 million recorded in the same period in 2019. This decrease was due to a 95.3% decrease in theatre attendance as a result of mandatory lockdown measures during the fourth quarter of 2020 in many provinces in response to the second wave of rising COVID-19 infections, as well as reduced seating capacity restrictions in venues that were open and limited first run film product.

BPP for the three months ended December 31, 2020 was \$9.23, a \$1.56 decrease from the prior year period as a result of lower ticket pricing on classic film product, SCENE promotions and reduced premium offerings.

Box office revenues for the year ended December 31, 2020 were \$132.8 million, a decrease of \$572.7 million or 81.2% from the prior year. The decrease in box office revenues was primarily due to a 80.3% decrease in theatre attendance as a result of the negative impact of COVID-19 government mandated restrictions that have kept a theatres closed or operating below full capacity for a majority of the year.

Cineplex's BPP for the year ended December 31, 2020 decreased \$0.46, or 4.3%, from \$10.63 in 2019 to \$10.17 in 2020. This decrease was primarily due to lower ticket pricing on previously released content with limited new film releases during the year as a distributors have continued to push their film slates further out in the calendar and into 2021.

Food service revenues

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

Food service revenues	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Food service - theatres	\$ 7,122	\$ 114,678	-93.8 %	\$ 91,384	\$ 446,639	-79.5 %
Food delivery - theatres	2,660	—	NM	8,175	—	NM
Food service - LBE	632	10,481	-94.0 %	\$ 8,882	36,691	-75.8 %
Food delivery - LBE	129	—	NM	191	—	NM
Total food service revenues	\$ 10,543	\$ 125,159	-91.6 %	\$ 108,632	\$ 483,330	-77.5 %
Theatre attendance (i)	786	16,849	-95.3 %	13,065	66,360	-80.3 %
CPP (i) (ii)	\$ 9.06	\$ 6.81	33.0 %	\$ 6.99	\$ 6.73	3.9 %
Same theatre food service revenues (i)	\$ 7,131	\$ 113,706	-93.7 %	\$ 89,282	\$ 439,444	-79.7 %
Same theatre attendance (i)	778	16,686	-95.3 %	12,825	65,342	-80.4 %

(i) See Non-GAAP 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	Fourth Quarter		Full Year	
	Theatre Food Service	Theatre Attendance	Theatre Food Service	Theatre Attendance
2019 as reported	\$ 114,678	16,849	\$ 446,639	66,360
Same theatre attendance change	(111,112)	(15,908)	(361,365)	(52,517)
Impact of same theatre CPP change	4,444	—	11,205	—
New and acquired theatres (i)	(293)	(45)	(2,462)	(299)
Disposed and closed theatres (i)	(595)	(110)	(2,633)	(479)
2020 as reported	\$ 7,122	786	\$ 91,384	13,065

(i) See Non-GAAP measures section of this news release. Represents theatres opened, acquired, disposed or closed subsequent to the start of the prior year comparative period.

Fourth Quarter and Full Year

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 LBE venues, *The Rec Room* and *Playdium*.

Food services revenues were materially impacted by the government mandated capacity restrictions and closures of theatres and LBE venues as a result of COVID-19. Food delivery sales continue to produce strong results with quarterly revenues of \$2.8 million. Theatre food service revenues decreased \$107.6 million (93.8%) as compared to the prior year period to \$7.1 million.

CPP increased 33.0% as compared to the prior year period to \$9.06 from \$6.81. The increase in CPP compared to the prior period is largely attributable to increased concession purchases as a result of customers excited to return to the theatre incurring a higher spend per visit in addition to a higher percentage of theatres open in provinces that historically have a higher CPP.

Annual food service revenues decreased \$374.7 million, or 77.5% as compared to the prior year to \$108.6 million, due to impact of COVID-19 on its business. Cineplex continued to provide home delivery services through Uber Eats and Skip the Dishes and reported revenues of \$8.4 million.

Media revenues

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

Media revenues	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Cinema media	\$ 1,368	\$ 42,171	-96.8%	\$ 23,568	\$ 115,415	-79.6%
Digital place-based media	11,128	27,374	-59.3%	41,790	81,340	-48.6%
Total media revenues from continuing operations	\$ 12,496	\$ 69,545	-82.0%	\$ 65,358	\$ 196,755	-66.8%
Media revenues from discontinued operations	—	248	-100.0%	602	1,075	-44.0%
Total media revenues	\$ 12,496	\$ 69,793	-82.1%	\$ 65,960	\$ 197,830	-66.7%

Fourth Quarter and Full Year

Total media revenues from continuing operations decreased 82.0% to \$12.5 million in the fourth quarter of 2020 compared to the prior year period. This decrease was due to a \$40.8 million decrease in cinema media and \$16.2 million decrease in digital place-based media. The second wave of rising COVID-19 infections during the fourth quarter further prolonged the closure of theatres leading to a sharp decline in pre-show and show-time revenues which have historically provided strong results during the holiday season. Further, re-imposed mandatory lockdown measures during the fourth quarter kept many malls and restaurants closed for a majority of the quarter leading to a decline in installation and digital advertising revenues.

Total media revenues from continuing operations decreased \$131.4 million, or 66.8%, in the year ended December 31, 2020 compared to the prior year to \$65.4 million. This decrease was due to a \$91.8 million decrease in cinema media revenue primarily as a result of a decrease in pre-show advertising and show time advertising revenue due to theatre closures and limited first run film product available. In addition, digital place-based media decreased \$39.6 million as compared to the prior period. The decrease compared to the prior period is primarily attributable to a decrease in media hardware sales, and digital media revenue as a result of mall and theatre closures that have remained in effect for a majority of the year due to the COVID-19 pandemic.

Amusement Revenues

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

Amusement revenues	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Amusement - P1AG excluding Cineplex exhibition and LBE (i)	\$ 11,815	\$ 39,931	-70.4%	\$ 60,027	\$ 178,209	-66.3%
Amusement - Cineplex exhibition (i)	130	2,668	-95.1%	2,457	10,907	-77.5%
Amusement - LBE	1,652	10,872	-84.8%	15,417	39,115	-60.6%
Total amusement revenues	\$ 13,597	\$ 53,471	-74.6%	\$ 77,901	\$ 228,231	-65.9%
(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.						

Fourth Quarter and Full Year

Amusement revenues decreased \$39.9 million (74.6%) to \$13.6 million during the quarter compared to the prior year period. For the full year period, amusement revenues decreased by \$150.3 million (65.9%) to \$77.9 million. The quarterly and full year decrease in revenue was primarily due to the government mandated closures of P1AG route locations, Cineplex theatres and LBE venues due to COVID-19 implemented throughout the second to fourth quarters.

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 and the full year (in thousands of dollars):

Other revenues	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Other revenues from continuing operations	\$ 8,556	\$ 13,256	-35.5%	\$ 33,552	\$ 51,309	-34.6%
Other revenues from discontinued operations	—	—	NM	199	16	NM
Total other revenues	\$ 8,556	\$ 13,256	-35.5%	\$ 33,751	\$ 51,325	-34.2%

Fourth Quarter and Full Year

The quarterly and annual decreases in other revenues from continuing operations were primarily due to the suspension of the recognition of deferred revenues on gift card and other related products during the shutdown of theatre and LBE venues. In addition, the shutdown reduced other ancillary revenues generated from theatres, such as venue rentals. This decrease was partially offset by higher sales from Cineplex Store during the year resulting from the widespread closures and lockdowns across all businesses and the strength of PVID titles including *Wonder Woman 1984*.

Film cost

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

Film cost	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Film cost	\$ 3,151	\$ 93,925	-96.6%	\$ 66,922	\$ 369,386	-81.9%
Film cost percentage (i)	43.4%	51.7%	-8.3%	50.4%	52.4%	-2.0%
(i) See Non-GAAP measures section of this news release.						

Fourth Quarter and Full Year

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 varying by title and distributor.

Film costs decreased during the fourth quarter and annual period due to limited releases of first run product and lower settlement rates on older and classic film products. Due to the ongoing pandemic, major distributors have continued to delay films which were initially scheduled to release in 2020 further into 2021 and beyond or have released via other platforms.

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 and the full year (in thousands of dollars, except percentages and margins per patron):

Cost of food service	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Cost of food service - theatre	\$ 3,704	\$ 25,223	-85.3%	\$ 27,845	\$ 97,306	-71.4%
Cost of food service - LBE	285	2,478	-88.5%	2,822	9,517	-70.3%
Total cost of food service	\$ 3,989	\$ 27,701	-85.6%	\$ 30,667	\$ 106,823	-71.3%
Theatre concession cost percentage (i)	37.9%	22.0%	15.9%	28.0%	21.8%	6.2%
LBE food cost percentage (i)	37.4%	23.6%	13.8%	31.1%	25.9%	5.2%
Theatre concession margin per patron (i)	\$ 5.63	\$ 5.31	6.0%	\$ 5.04	\$ 5.26	-4.2%
(i) See Non-GAAP measures section of this news release.						

Fourth Quarter and Full Year

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 locations as well as the quantity and mix between food and beverage items sold. The increase in theatre and LBE food cost percentages as compared to the prior period is primarily due to increases in prepackaged products associated with food delivery services, and a decrease in groups and events bookings which have historically reduced the average cost of food purchases and increased reserves taken for perishable concession items as a result of year end closures.

Decreases in cost of food service for both segments are primarily attributable to the temporary capacity restrictions and mandated closures at Cineplex’s theatres and LBE locations. Cineplex opened a limited number of theatres and LBE locations, which were then subsequently closed as several provinces across Canada experienced a surge in COVID-19 cases during the fourth quarter, further limiting the reopening phase of theatre circuits. Increases in theatre and LBE food cost percentages were primarily due to lower volumes of foods sales, and increased reserves taken on perishable concession items as a result of year end closures after limited openings during the summer and fall periods.

Depreciation and amortization

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

Depreciation and amortization expenses	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Depreciation of property, equipment and leaseholds	\$ 27,043	\$ 29,967	-9.8%	\$ 113,346	\$ 116,911	-3.0%
Amortization of intangible assets and other	1,707	3,168	-46.1%	11,500	11,972	-3.9%
Sub-total - depreciation and amortization - other assets	\$ 28,750	\$ 33,135	-13.2%	\$ 124,846	\$ 128,883	-3.1%
Depreciation - right-of-use assets	28,136	36,471	-22.9%	128,393	145,946	-12.0%
Total depreciation and amortization from continuing operations	\$ 56,886	\$ 69,606	-18.3%	\$ 253,239	\$ 274,829	-7.9%
Depreciation and amortization from discontinued operations	—	—	NM	—	3,623	-100.0%
Total depreciation and amortization	\$ 56,886	\$ 69,606	-18.3%	\$ 253,239	\$ 278,452	-9.1%

Fourth Quarter and Full Year

Depreciation of property, equipment and leaseholds from continuing operations decreased by \$2.9 million, or 9.8% during the quarter compared to the prior year period, and by \$3.6 million or 3.0% for the year compared to the prior year period. The decrease was due to the impact of the impairment recorded in the first quarter of 2020 on the carrying amount of long-lived assets.

The quarterly and annual amortization of intangible assets and other from continuing operations decreased as compared to the prior year periods as a result of fully depreciated intangible assets.

The quarterly and annual decrease in depreciation of right-of-use assets from continuing operations was due to reduced carrying values resulting from the impairment recorded in the first quarter of 2020 in addition to modifications to lease agreements related to COVID-19 that reduced the carrying value of these assets.

Impairment of long-lived assets, goodwill and investments

The following table highlights the movement in impairment of long-lived assets and goodwill during the quarter and the full year (in thousands of dollars):

Impairment of long-lived assets, goodwill and investments	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Impairment of property, equipment and leaseholds	\$ (5,243)	\$ —	NM	\$ (39,192)	\$ —	NM
Impairment of right-of-use assets	(21,236)	—	NM	(71,846)	—	NM
Impairment of goodwill	(26,906)	—	NM	(181,035)	—	NM
Impairment of investments	(2,790)	—	NM	(2,790)	—	NM
Impairment of long-lived assets, goodwill and investments	\$ (56,175)	\$ —	NM	\$ (294,863)	\$ —	NM

Fourth Quarter and Full Year

With the closure of its operations on March 16, 2020 as a result of the declaration of a global pandemic, and the ensuing negative impact on Cineplex's businesses throughout the remainder of the year, triggering events for purposes of testing long-lived assets and goodwill for impairment occurred at each quarter end.

At each of March 31st and September 30th carrying values of assets were tested for recoverability measured as the fair value based on internal budgets which reflected the negative impact of the COVID-19 pandemic on Cineplex's current and future results. Where the carrying value of assets were assessed as exceeding the recoverable value of those assets at those points in time, impairments were recognized. As at June 30th, management determined that there were no material changes in key judgements or assumptions from those determined as at March 31st and therefore concluded that there was no impairment as at June 30th.

In addition to its required annual testing for impairment of goodwill and indefinite-lived intangible assets in the fourth quarter, the closure of most theatre and location-based entertainment operations resulted in further decreases in revenues, results of operations and cash flows which represented an indicator to trigger impairment testing for both long-lived assets and goodwill at December 31, 2020. Based on the results of the impairment tests, Cineplex recognized non-cash impairment charges of \$53.4 million (\$26.9 million to goodwill and \$26.5 million to tangible and right-of-use assets) for the three months ended December 31, 2020 and \$292.1 million (\$181.0 million to goodwill and \$111.1 million to tangible and right-of-use assets) for the full year.

Where an impairment has been recorded with respect to a long-lived asset, it will be reversed when and if the recoverable value of the related asset increases. Management will monitor and re-assess the recoverable value of the impaired assets, reversing the impairments where it increases. Impairments recorded with respect to goodwill cannot be reversed.

If the return to business continues to be delayed as a result of actions outside of the control of management, including but not limited to additional changes to the film slate release schedule, ongoing government restrictions impacting the re-opening of entertainment venues and delays in the vaccine roll out, management's estimates of operating results and further cash flows for the forecasted period may be negatively impacted. As a result, they may be insufficient to support the recoverability of goodwill and long lived assets in certain CGUs, thus requiring further impairment charges. Cineplex will continue to evaluate the recoverability of goodwill at the cash generating unit level on an annual basis during its fourth quarter and whenever events or changes in circumstances indicate there may be a potential impairment.

During the quarter, Cineplex assessed the recoverability of its investment in VR Studios Inc. and recognized impairment of \$2.8 million, reducing the carrying value of its investment to \$nil.

Impairment of intangible assets - discontinued operations

The following table highlights the movement in impairment of intangible assets - discontinued operations during the quarter and the full year (in thousands of dollars):

Impairment of intangible assets - discontinued operations	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Impairment of intangible assets - discontinued operations	\$ —	\$ —	NM	\$ 5,156	\$ —	NM

Intangible assets included in assets held for sale were written down prior to disposition to reflect their expected net realizable value.

(Gain) loss on disposal of assets

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

(Gain) loss on disposal of assets	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
(Gain) loss on disposal from continuing operations	\$ (283)	\$ 868	NM	\$ (13,101)	\$ 1,764	NM
Loss on disposal from discontinued operations	—	—	NM	129	—	NM
(Gain) loss on disposal of assets	\$ (283)	\$ 868	NM	\$ (12,972)	\$ 1,764	NM

The quarterly and annual movements in (gain) loss on disposal of assets from continuing operations as compared to the prior year periods were due mainly to the negotiated sale of certain restrictive lease rights completed during the third quarter.

Other costs

Other costs include three main sub-categories of expenses; theatre occupancy expenses, which capture the rent and 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 include 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 and the full year (in thousands of dollars):

Other costs	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Theatre occupancy expenses	\$ 9,891	\$ 18,493	-46.5%	\$ 60,514	\$ 71,867	-15.8%
Other operating expenses	55,567	167,416	-66.8%	276,092	629,849	-56.2%
General and administrative expenses	11,755	29,014	-59.5%	39,084	80,977	-51.7%
Total other costs from continuing operations	\$ 77,213	\$ 214,923	-64.1%	\$ 375,690	\$ 782,693	-52.0%
Other costs from discontinued operations	—	1,471	NM	2,212	7,001	-68.4%
Total other costs	\$ 77,213	\$ 216,394	-64.3%	\$ 377,902	\$ 789,694	-52.1%

Theatre occupancy expenses

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

Theatre occupancy expenses	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
Cash rent paid/payable (i)	\$ 23,727	\$ 39,042	-39.2%	\$ 109,161	\$ 156,921	-30.4%
Other occupancy	12,820	18,545	-30.9%	65,545	73,736	-11.1%
One-time items (ii)	(169)	(62)	NM	(2,108)	(2,275)	-7.3%
Total theatre occupancy including cash lease payments paid/payable	\$ 36,378	\$ 57,525	-36.8%	\$ 172,598	\$ 228,382	-24.4%
Cash rent paid/payable related to lease obligations (iii) (v)	(26,487)	(39,032)	-32.1%	(112,084)	(156,515)	-28.4%
Theatre occupancy as reported	\$ 9,891	\$ 18,493	-46.5%	\$ 60,514	\$ 71,867	-15.8%

(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. 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	Fourth Quarter Occupancy	Year to Date Occupancy
2019 as reported	\$ 18,493	\$ 71,867
Impact of new and acquired theatres	(20)	580
Impact of disposed theatres	(251)	(1,241)
Same theatre rent change (i)	(15,094)	(44,623)
One-time items	(107)	167
Other	(5,675)	(10,667)
Impact of IFRS 16 adoption:		
Cash rent paid/payable related to lease obligations	12,545	44,431
2020 as reported	\$ 9,891	\$ 60,514

(i) See Non-GAAP measures section of this news release.

Fourth Quarter

Theatre occupancy expenses decreased \$8.6 million during the fourth quarter of 2020 compared to the prior year period. This decrease was primarily due to the rent relief measures Cineplex has undertaken with landlord partners resulting in lower theatre rent related expense including common area maintenance and taxes as compared to the prior year period. In addition, the decrease compared to the prior period can be attributed to rent and realty tax subsidies totaling \$2.8 million and \$3.2 million, of which \$2.7 million and \$2.9 million were offset against theatre occupancy costs during the period, respectively.

Full Year

The decrease in theatre occupancy expenses of \$11.4 million for the 2020 year compared the prior year was mainly due to lower theatre rent related expense including common area maintenance and taxes as compared to the prior year period, net of rent and realty tax subsidies received.

Other operating expenses

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

Other operating expenses	Fourth Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
Theatre payroll	\$ 5,157	\$ 41,925	-87.7%	\$ 40,689	\$ 160,593	-74.7%
Theatre operating expenses	12,717	32,986	-61.4%	61,359	121,833	-49.6%
Media	8,513	27,762	-69.3%	42,913	88,621	-51.6%
P1AG	15,494	36,818	-57.9%	71,638	156,687	-54.3%
LBE (i)	5,037	14,692	-65.7%	26,731	53,110	-49.7%
LBE pre-opening (ii)	785	603	30.3%	1,907	2,447	-22.1%
SCENE	4,890	2,470	98.0%	13,423	15,549	-13.7%
Marketing	2,136	5,128	-58.3%	7,223	16,254	-55.6%
Other (iii)	5,093	9,686	-47.4%	24,389	32,879	-25.8%
Other operating expenses including cash lease payments	\$ 59,822	\$ 172,070	-65.2%	\$ 290,272	\$ 647,973	-55.2%
Cash rent paid/payable related to lease obligations (iv)	(4,255)	(4,654)	-8.6%	(14,180)	(18,124)	-21.8%
Other operating expenses from continuing operations	\$ 55,567	\$ 167,416	-66.8%	\$ 276,092	\$ 629,849	-56.2%
Other operating expenses from discontinued operations	—	1,471	NM	2,212	7,001	-68.4%
Total other operating expenses	\$ 55,567	\$ 168,887	-67.1%	\$ 278,304	\$ 636,850	-56.3%
(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 continuity from continuing operations	Fourth Quarter Other Operating	Year to Date Other Operating
2019 as restated	\$ 167,416	\$ 629,849
Impact of new and acquired theatres	(166)	(1,182)
Impact of disposed theatres	(535)	(1,953)
Same theatre payroll change (i)	(36,233)	(117,621)
Same theatre operating expenses change (i)	(20,102)	(59,626)
Media operating expenses change	(19,249)	(45,708)
P1AG operating expenses change	(21,324)	(85,049)
LBE operating expenses change	(9,655)	(26,379)
LBE pre-opening change	182	(540)
SCENE change	2,420	(2,126)
Marketing change	(2,992)	(9,031)
Other	(4,594)	(8,486)
Impact of IFRS 16 adoption:		
Cash rent related to lease obligations	399	\$ 3,944
2020 as reported	\$ 55,567	\$ 276,092
(i) See Non-GAAP measures section of this news release.		

Fourth Quarter

The overall decrease in other operating expenses was a result of the restricted operations and temporary closures of theatres, LBE locations and P1AG route locations and the resulting impact on all other parts of the business. In managing its costs, Cineplex benefited from government subsidy programs in Canada and the United States. During the fourth quarter, Cineplex recognized \$14.3 million in payroll subsidies, with \$6.9 million offsetting theatre payroll and additionally \$1.8 million offsetting utilities.

Full Year

The overall decrease in other operating expenses was as a result of the temporary closure of theatres, LBE locations and P1AG route locations leading to a decrease in business volumes. Rising COVID-19 cases during the fall months resulted in delayed rollouts of re-openings and limited operating capacity on locations permitted to remain open.

General and administrative expenses

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

G&A expenses	Fourth Quarter			Year to Date		
	2020	2019	Change	2020	2019	Change
G&A excluding the following items	\$ 7,261	\$ 16,403	-55.7%	\$ 43,717	\$ 64,108	-31.8%
Restructuring	2,396	189	NM	8,258	1,078	NM
Transaction / Litigation costs	1,279	11,711	-89.1%	4,101	11,711	-65.0%
LTIP (i)	248	466	NM	(15,104)	3,076	NM
Option plan	718	407	76.4%	(1,203)	1,605	NM
G&A expenses including cash lease payments	\$ 11,902	\$ 29,176	-59.2%	\$ 39,769	\$ 81,578	-51.3%
Cash rent paid/payable included as part of lease obligations (ii)	(147)	(162)	-9.3%	(685)	(601)	14.0%
G&A expenses as reported	\$ 11,755	\$ 29,014	-59.5%	\$ 39,084	\$ 80,977	-51.7%
(i) LTIP includes the expense 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.						

Fourth Quarter and Full Year

G&A expenses decreased \$17.3 million during the fourth quarter of 2020 compared to the prior year period. This was primarily due to a \$9.1 million decrease in G&A excluding LTIP costs as a result of the \$2.3 million received under the COVID-19 CEWS wage subsidy program, and \$10.4 million decrease in Cineworld Transaction related costs as compared to the prior period. These savings were partially offset by costs of \$2.4 million arising from a cost restructuring program implemented in the third quarter.

G&A expenses for 2020 decreased \$41.9 million (51.7%) as compared to the prior year. The decrease is due to a \$26.6 million decrease in Incentive Plan expenses, \$8.4 million of which was included in the \$11.7 million Cineworld Transaction costs, a \$2.8 million decrease in option plan expense and the \$9.4 million received under the COVID-19 CEWS wage subsidy program that was recorded against payroll costs. Additionally, payroll costs were reduced mainly due to voluntary salary reductions for full-time employees. With the termination of the Arrangement Agreement, Share options have been reclassified to being accounted for as equity-settled and equity instruments issued under the previous Long-Term Incentive Plan have been accounted for over their original vesting periods (prior to the Arrangement Agreement). These savings were partially offset by an increase in restructuring costs of \$7.2 million compared to the prior period.

EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION (“EBITDA”) (see Non-GAAP measures section of this news release)

The following table presents EBITDA, adjusted EBITDA and adjusted EBITDAaL for the three months and year ended December 31, 2020 as compared to the prior year periods (expressed in thousands of dollars, except adjusted EBITDAaL margin):

EBITDA	Fourth Quarter			Full Year		
	2020	2019	Change	2020	2019	Change
EBITDA	\$ (90,897)	\$ 106,905	NM	\$(345,244)	\$ 407,584	NM
Adjusted EBITDA	\$ (32,097)	\$ 106,529	NM	\$ (55,866)	\$ 405,786	NM
Adjusted EBITDAaL	\$ (65,948)	\$ 62,327	NM	\$(182,815)	\$ 230,546	NM
Adjusted EBITDAaL margin	-125.7%	14.1%	-139.8%	-43.7%	13.8%	-57.5%

Adjusted EBITDAaL for the fourth quarter of 2020 decreased \$128.3 million, as compared to the prior year period. For the year ended December 31, 2020, adjusted EBITDAaL decreased \$413.4 million, as compared to the prior year period. The quarterly and annual decreases were primarily due to the impact of the COVID-19 government imposed restrictions and resulting closure of substantially all of Cineplex businesses since March 2020. In computing adjusted EBITDAaL, cash rents paid or payable have been partially offset by the quantified lease-related savings negotiated with landlords as a result of the COVID-19 closures. This includes agreements with landlords that are evidenced by way of written confirmation of the terms agreed upon up to the date of this MD&A, and are in the process of being formally documented. Adjusted EBITDAaL margin is calculated as adjusted EBITDAaL divided by total revenues.

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

For the fourth quarter of 2020, adjusted free cash flow per common share of Cineplex was \$(0.48) as compared to \$0.62 in the prior year period. The declared dividends per common share of Cineplex were nil in the fourth quarter of 2020 and \$0.45 in the prior year period. During the 12 months ended December 31, 2020, Cineplex generated adjusted free cash flow per Share of \$(2.55), compared to \$2.66 in the prior 12 month period. Cineplex declared dividends per Share of \$0.15 and \$1.78, respectively, in each 12 month period. The payout ratios for these periods were (5.9)% and 66.9%, respectively.

NON-GAAP FINANCIAL MEASURES

EBITDA and Adjusted Free Cash Flow

EBITDA and adjusted free cash flow are not measures recognized by GAAP and do not have standardized meanings in accordance with such principles. Therefore, EBITDA and adjusted free cash flow may not be comparable to similar measures presented by other issuers.

EBITDA is calculated by adding back to net income or net loss, income tax expense, depreciation and amortization expense, and interest income from continuing operations. Adjusted EBITDA excludes the change in fair value of financial instrument, (gain) loss on disposal of assets, foreign exchange, impairment of long-lived assets, goodwill and investments, the equity loss (income) of CDCP, the non-controlling interests' share of adjusted EBITDA of TG-CPX Limited Partnership, and 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 net of quantified savings negotiated with landlords as a result of the COVID-19 closures, including savings negotiated after the period end. This includes agreements with landlords that are evidenced by way of written confirmation of the terms agreed upon to the date of approval of the financial statements and MD&A, and are in the process of being formally documented.

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.

Adjusted free cash flow is a non-GAAP measure generally used by Canadian corporations, as an indicator of financial performance and it should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. For a detailed reconciliation of net income or net loss to EBITDA, adjusted EBITDA and adjusted EBITDAaL and from cash provided by operating activities to adjusted free cash flow, please refer to Cineplex's management's discussion and analysis filed on www.sedar.com.

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 measure, earnings is defined as net income or net loss excluding the change in fair value of financial instrument.

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, 2020 the impact of one location that has been opened or acquired and four locations that have been closed have been excluded, resulting in 157 theatres being included in the same theatre metrics. For the year ended December 31, 2020 the impact of the two locations that have been opened or acquired and five locations that have been closed have been excluded, resulting in 155 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. This includes agreements that are evidenced by way of written confirmation of the terms agreed upon to the date of the MD&A, and are in the process of formally documented.

Net Cash Burn

Calculated as adjusted EBITDAaL less cash interest expense (excluding amounts with respect to lease obligations), provision for income taxes and net capital expenditures.

Net cash burn	2020		
	Q4	Q3	Q2
Adjusted EBITDAaL	\$ (65,948)	\$ (46,725)	\$ (72,532)
Cash interest expense excluding lease obligations	(13,412)	(11,317)	(7,782)
Provision for income taxes	12,355	16,497	34,440
Net capital expenditures	(7,272)	(8,198)	(8,019)
Total net cash burn	\$ (74,277)	\$ (49,743)	\$ (53,893)
Average monthly net cash burn	\$ (24,759)	\$ (16,581)	\$ (17,964)

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 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 net cash burn, 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 include, among other things, the introduction of social distancing measures and restrictions including those on capacity. There is limited visibility on when these restrictions will be lifted in many of the markets in which Cineplex operates and how quickly guests will return to Cineplex's locations once its operations resume due to prolonged safety concerns and adverse economic conditions. 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"), Cineplex's management's discussion and analysis ("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 it relates to the closure of its theatres and location-based entertainment venues, employee reductions and other cost-cutting initiatives, and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of customers and employees; Cineplex's expectations with respect to liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; Cineplex's ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic; risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters; the outcome of any litigation surrounding the termination of the Cineworld transaction; and diversion of management time on litigation related to the Cineworld transaction.

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

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

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

**Thursday, February 11, 2021
10:00 am Eastern Time**

In order to participate in the conference call, please dial 647-792-1240, or from outside Toronto and from the U.S., dial 1-800-437-2398 at least five to 10 minutes prior to 10:00 a.m. ET. Please quote the conference confirmation code 9829938 to access the call.

If you cannot participate in a live mode, a replay will be available. Please dial 647-436-0148, or from outside Toronto and from the U.S., dial 1-888-203-1112. The replay passcode is 9829938.

The replay will begin at 1:00 p.m. ET on Thursday, February 11, 2021 and end at 1:00 p.m. ET on Thursday, February 18, 2021.

Note that media are welcome to join the call in listen-only mode.

- 30 -

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. As a leading entertainment and media company, Cineplex welcomes millions of guests annually through its circuit of theatres and location-based entertainment (“LBE”) venues across the country. In addition to being Canada’s largest and most innovative film exhibitor, Cineplex also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media “CDM”) and amusement solutions (Player One Amusement Group “PIAG”). Additionally, Cineplex operates an LBE business through Canada’s newest destinations for ‘Eats & Entertainment’ (*The Rec Room*), and entertainment complexes specifically designed for teens and families (*Playdium*). 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](https://www.cineplex.com) or download the Cineplex App.

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

	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 16,254	\$ 26,080
Trade and other receivables	51,834	168,065
Income taxes receivable	66,551	9,757
Inventories	21,712	30,995
Prepaid expenses and other current assets	11,613	14,226
Fair value of interest rate swap agreements	—	1,022
Assets held for sale	—	6,573
	<u>167,964</u>	<u>256,718</u>
Non-current assets		
Property, equipment and leaseholds	555,340	662,798
Right-of-use assets	881,418	1,232,849
Deferred income taxes	—	14,197
Fair value of interest rate swap agreements	—	472
Interests in joint ventures and associates	8,644	28,221
Intangible assets	84,922	88,367
Goodwill	635,582	816,790
	<u>\$ 2,333,870</u>	<u>\$ 3,100,412</u>

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

	December 31, 2020	December 31, 2019
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 82,992	\$ 220,188
Share-based compensation	482	25,681
Dividends payable	—	9,500
Income taxes payable	802	1,183
Deferred revenue	219,983	222,998
Lease obligations	97,259	106,352
Fair value of interest rate swap agreements	7,202	1,874
Liabilities related to assets held for sale	—	2,808
	<u>408,720</u>	<u>590,584</u>
Non-current liabilities		
Share-based compensation	2,670	—
Long-term debt	506,000	625,000
Fair value of interest rate swap agreements	19,157	10,837
Lease obligations	1,073,666	1,261,243
Post-employment benefit obligations	11,503	10,678
Other liabilities	68,649	9,813
Deferred income taxes	—	1,263
Convertible debentures	219,271	—
	<u>1,900,916</u>	<u>1,918,834</u>
Total liabilities	<u>2,309,636</u>	<u>2,509,418</u>
Equity		
Share capital	852,379	852,379
Deficit	(903,394)	(264,310)
Hedging reserves and other	(131)	(131)
Contributed surplus	75,882	4,052
Cumulative translation adjustment	(502)	(887)
Total equity attributable to owners of Cineplex	<u>24,234</u>	<u>591,103</u>
Non-controlling interests	—	(109)
Total equity	<u>24,234</u>	<u>590,994</u>
	<u>\$ 2,333,870</u>	<u>\$ 3,100,412</u>

Cineplex Inc.
Consolidated Statements of Operations

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

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Revenues				
Box office	\$ 7,260	\$ 181,789	\$ 132,820	\$ 705,521
Food service	10,543	125,159	108,632	483,330
Media	12,496	69,545	65,358	196,755
Amusement	13,597	53,471	77,901	228,231
Other	8,556	13,256	33,552	51,309
	52,452	443,220	418,263	1,665,146
Expenses				
Film cost	3,151	93,925	66,922	369,386
Cost of food service	3,989	27,701	30,667	106,823
Depreciation - right-of-use assets	28,136	36,471	128,393	145,946
Depreciation and amortization - other assets	28,750	33,135	124,846	128,883
(Gain) loss on disposal of assets	(283)	868	(13,101)	1,764
Other costs	77,213	214,922	375,690	782,693
Share of loss (income) of joint ventures and associates	2,345	(1,597)	8,409	(4,169)
Interest expense - lease obligations	14,200	11,879	49,085	48,659
Interest expense - other	19,375	18,610	61,483	36,063
Interest income	(33)	(44)	(182)	(252)
Foreign exchange	759	496	57	1,065
Impairment of long-lived assets, goodwill and investments	56,175	—	294,863	—
	233,777	436,366	1,127,132	1,616,861
(Loss) income from continuing operations before income taxes	(181,325)	6,854	(708,869)	48,285
Provision for income taxes				
Current	(65,776)	5,414	(73,495)	21,759
Deferred	114,854	(3,228)	(11,373)	(9,990)
	49,078	2,186	(84,868)	11,769
Net (loss) income from continuing operations	\$ (230,403)	\$ 4,668	\$ (624,001)	\$ 36,516
Net loss from discontinued operations, net of taxes	—	(1,196)	(4,952)	(7,625)
Net (loss) income	\$ (230,403)	\$ 3,472	\$ (628,953)	\$ 28,891
Net (loss) income from continuing operations attributable to:				
Owners of Cineplex	\$ (230,403)	\$ 4,672	\$ (623,996)	\$ 36,540
Non-controlling interests	—	(4)	(5)	(24)
Net (loss) income from continuing operations	\$ (230,403)	\$ 4,668	\$ (624,001)	\$ 36,516
Net (loss) income attributable to:				
Owners of Cineplex	\$ (230,403)	\$ 3,476	\$ (628,948)	\$ 28,915
Non-controlling interests	—	(4)	(5)	(24)
Net (loss) income	\$ (230,403)	\$ 3,472	\$ (628,953)	\$ 28,891
Net (loss) income per share attributable to owners of Cineplex - basic and diluted:				
Continuing operations	\$ (3.64)	\$ 0.08	\$ (9.85)	\$ 0.58
Discontinued operations	—	(0.02)	(0.08)	(0.12)
Total operations	\$ (3.64)	\$ 0.06	\$ (9.93)	\$ 0.46

Cineplex Inc.
Consolidated Statements of Comprehensive Income

(expressed in thousands of Canadian dollars)

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Net (loss) income from continuing operations	\$ (230,403)	\$ 4,668	\$ (624,001)	\$ 36,516
Other comprehensive (loss) income from continuing operations				
<i>Items that will be reclassified subsequently to net income:</i>				
Gain on hedging instruments	—	7,295	—	4,853
Associated deferred income taxes recovery	—	(1,943)	—	(1,306)
Foreign currency translation adjustment	(1,862)	(1,189)	378	(3,398)
Recognition of currency translation adjustment on disposition of discontinued operations	—	—	(160)	—
<i>Items that will not be reclassified to net income:</i>				
Actuarial loss of post-employment benefit obligations	(495)	1,054	(495)	(1,054)
Associated deferred income taxes expense	133	(282)	133	282
Other comprehensive (loss) income	(2,224)	4,935	(144)	(623)
Comprehensive (loss) income from continuing operations	(232,627)	9,603	(624,145)	35,893
Net loss from discontinued operations, net of taxes	—	(1,196)	(4,952)	(7,625)
Foreign currency translation adjustment from discontinued operations	—	116	7	210
Comprehensive (loss) income	\$ (232,627)	\$ 8,523	\$ (629,090)	\$ 28,478
Comprehensive (loss) income from continuing operations attributable to:				
Owners of Cineplex	\$ (232,627)	\$ 9,607	\$ (624,140)	\$ 35,917
Non-controlling interests	—	(4)	(5)	(24)
Comprehensive (loss) income	\$ (232,627)	\$ 9,603	\$ (624,145)	\$ 35,893
Comprehensive (loss) income attributable to:				
Owners of Cineplex	\$ (232,627)	\$ 8,527	\$ (629,085)	\$ 28,502
Non-controlling interests	—	(4)	(5)	(24)
Comprehensive (loss) income	\$ (232,627)	\$ 8,523	\$ (629,090)	\$ 28,478

Cineplex Inc.

Consolidated Statements of Changes in Equity

(expressed in thousands of Canadian dollars)

For the periods ended December 31, 2020 and 2019

	Share capital	Contributed surplus	Hedging reserves and other	Cumulative translation adjustment	Deficit	Non- controlling interests	Total
January 1, 2020	\$ 852,379	\$ 4,052	\$ (131)	\$ (887)	\$ (264,310)	\$ (109)	\$ 590,994
Net loss	—	—	—	—	(628,948)	(5)	(628,953)
Other comprehensive loss	—	—	—	385	(522)	—	(137)
Total comprehensive loss	—	—	—	385	(629,470)	(5)	(629,090)
Dividends declared	—	—	—	—	(9,500)	—	(9,500)
Share option expense	—	1,152	—	—	—	—	1,152
PSU/RSU expense	—	76	—	—	—	—	76
Settlement for cancelled options	—	(453)	—	—	—	—	(453)
Conversion to equity-settled option plan	—	3,944	—	—	—	—	3,944
Conversion to equity-settled PSU/RSU plan	—	311	—	—	—	—	311
Issuance of convertible debentures	—	66,800	—	—	—	—	66,800
Non-controlling interests acquired	—	—	—	—	(114)	114	—
December 31, 2020	\$ 852,379	\$ 75,882	\$ (131)	\$ (502)	\$ (903,394)	\$ —	\$ 24,234
January 1, 2019	\$ 852,379	\$ 7,815	\$ (3,678)	\$ 2,301	\$ (179,721)	\$ (85)	\$ 679,011
Net income	—	—	—	—	28,915	(24)	28,891
Other comprehensive loss	—	—	3,547	(3,188)	(772)	—	(413)
Total comprehensive income	—	—	(3,547)	(3,188)	28,143	(24)	28,478
Dividends declared	—	—	—	—	(112,732)	—	(112,732)
Share option expense	—	1,607	—	—	—	—	1,607
Conversion to cash-settled option plan	—	(5,370)	—	—	—	—	(5,370)
December 31, 2019	\$ 852,379	\$ 4,052	\$ (131)	\$ (887)	\$ (264,310)	\$ (109)	\$ 590,994

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

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Cash provided by (used in)				
Operating activities				
Net (loss) income from continuing operations	\$ (230,403)	\$ 4,668	\$ (624,001)	\$ 36,516
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization of property, equipment and leaseholds, and intangible assets	28,750	33,135	124,846	128,883
Depreciation of right-of-use assets	28,136	36,471	128,393	145,946
Unrealized foreign exchange	787	309	342	698
Interest rate swap agreements - non-cash interest	2,509	11,891	13,922	10,472
Accretion of convertible debentures	3,428	—	7,471	—
Other non-cash interest	368	408	1,396	1,745
(Gain) loss on disposal of assets	(283)	868	(13,101)	1,764
Deferred income taxes	114,854	(3,228)	(11,373)	(9,990)
Non-cash share-based compensation	(3,149)	407	1,228	1,608
Impairment of long-lived assets and goodwill	56,175	—	294,863	—
Net change in interests in joint ventures and associates	5,044	(1,466)	12,878	(4,704)
Changes in operating assets and liabilities	(67,257)	40,670	(43,178)	8,727
Net cash (used in) provided by operating activities	(61,041)	124,133	(106,314)	321,665
Investing activities				
Proceeds from disposal of assets, including sale of discontinued operations	59,870	—	80,920	—
Purchases of property, equipment and leaseholds	(9,969)	(51,448)	(73,411)	(146,367)
Intangible assets additions	(2,106)	(2,709)	(9,005)	(7,865)
Tenant inducements	2,697	4,832	24,296	13,985
Net cash received from CDCP	—	2,882	3,910	15,394
Net cash provided by (used in) investing activities	50,492	(46,443)	26,710	(124,853)
Financing activities				
Dividends paid	—	(28,498)	(19,000)	(112,415)
Borrowings (repayment) under credit facilities, net	46,000	(24,000)	(119,000)	45,000
Repayments of lease obligations - principal	(32,323)	(32,352)	(91,946)	(128,252)
Issuance of convertible debentures, net	—	—	303,063	—
Financing fees	(700)	—	(1,500)	(243)
Net cash provided by (used in) financing activities	12,977	(84,850)	71,617	(195,910)
Effect of exchange rate differences on cash	650	345	552	483
Increase (decrease) in cash and cash equivalents from continuing operations	3,078	(6,815)	(7,435)	1,385
Cash flows used in discontinued operations	—	2,821	(2,391)	(547)
Cash and cash equivalents - Beginning of period	13,176	30,074	26,080	25,242
Cash and cash equivalents - End of period	\$ 16,254	\$ 26,080	\$ 16,254	\$ 26,080
Supplemental information				
Cash paid for interest - lease obligation	\$ 13,203	\$ 11,443	\$ 32,371	\$ 47,018
Cash paid for interest - other	\$ 27,247	\$ 6,634	\$ 47,859	\$ 25,302
Cash (received) paid for income taxes, net	\$ (1,124)	\$ 7,315	\$ (16,297)	\$ 36,402

Cineplex Inc.
Condensed Consolidated Supplemental Information
(expressed in thousands of Canadian dollars)
Reconciliation to Adjusted EBITDAaL

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Net (loss) income from continuing operations	\$ (230,403)	\$ 4,668	\$ (624,001)	\$ 36,516
Depreciation and amortization - other	28,750	33,135	124,846	128,883
Depreciation - right-of-use assets	28,136	36,471	128,393	145,946
Interest expense - lease obligations	14,200	11,879	49,085	48,659
Interest expense - other	19,375	18,610	61,483	36,063
Interest income	(33)	(44)	(182)	(252)
Current income tax (recovery) expense	(65,776)	5,414	(73,495)	21,759
Deferred income tax recovery	114,854	(3,228)	(11,373)	(9,990)
EBITDA from continuing operations	\$ (90,897)	\$ 106,905	\$ (345,244)	\$ 407,584
(Gain) loss on disposal of assets	(283)	868	(13,101)	1,764
CDCP equity loss (income) (i)	2,085	(1,803)	7,279	(4,827)
Foreign exchange loss	759	496	57	1,065
Impairment of long-lived assets, goodwill and investments	56,175	—	294,863	—
Non-controlling interest adjusted EBITDA	—	4	5	24
Depreciation and amortization - joint ventures and associates (ii)	11	23	73	99
Taxes and interest of joint ventures and associates (ii)	53	36	202	77
Adjusted EBITDA from continuing operations	\$ (32,097)	\$ 106,529	\$ (55,866)	\$ 405,786
Cash rent paid/payable related to lease obligations	(30,889)	(43,849)	(126,949)	(175,240)
Negotiated lease-related cash savings for the period (iii)	(2,598)	—	—	—
Cash rent paid not pertaining to current period (iv)	(364)	(353)	—	—
Adjusted EBITDAaL (iii)	\$ (65,948)	\$ 62,327	\$ (182,815)	\$ 230,546

(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) See Non-GAAP measures section of this news release.

(iv) Includes amounts pre-paid or deferred to future periods, to better reflect the current period EBITDAaL.

Cineplex Inc.
Consolidated Supplemental Information
(expressed in thousands of Canadian dollars, except number of shares and per share data)
Adjusted Free Cash Flow

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Cash (used in) provided by operating activities	\$ (61,041)	\$ 124,133	\$ (106,314)	\$ 321,665
Less: Total capital expenditures net of proceeds on sale of assets	(10,099)	(51,448)	(73,411)	(146,367)
Standardized free cash flow	(71,140)	72,685	(179,725)	175,298
Add/(Less):				
Changes in operating assets and liabilities (i)	67,257	(40,670)	43,178	(8,727)
Changes in operating assets and liabilities of joint ventures and associates (i)	(2,699)	(131)	(4,469)	535
Principal component of lease obligations	(32,323)	(32,352)	(91,946)	(128,252)
Principal portion of cash rent paid not pertaining to current period	(357)	(346)	—	—
Growth capital expenditures and other (ii)	8,928	37,202	68,032	114,665
Share of income of joint ventures and associates, net of non-cash depreciation	(196)	(147)	(855)	(482)
Non-controlling interest	—	4	5	24
Net cash received from CDCP (iii)	—	2,882	3,910	15,394
Adjusted free cash flow	\$ (30,530)	\$ 39,127	\$ (161,870)	\$ 168,455
Average number of Shares outstanding	63,333,238	63,333,238	63,333,238	63,333,238
Adjusted free cash flow per Share	\$ (0.482)	\$ 0.618	\$ (2.556)	\$ 2.660
Dividends declared	\$ —	\$ 0.450	\$ 0.150	\$ 1.780

(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. Cineplex's revolving facility is available to fund Board approved projects.

(iii) Excludes the share of income 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 cash distributions received from CDCP, are considered to be uses and sources of adjusted free cash flow.