Cineplex Inc.

Interim Condensed Consolidated Balance Sheets
(Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		$ 17,949	$ 83,871
Trade and other receivables		60,414	116,533
Income taxes receivable		5,525	5,529
Inventories		18,206	20,724
Prepaid expenses and other current assets		15,344	11,003
		117,438	237,660
Non-current assets			
Property, equipment and leaseholds		384,176	399,115
Right-of-use assets	3	750,958	773,372
Deferred income taxes	4	161,982	149,547
Interests in joint ventures and associates		8,551	6,771
Intangible assets		80,476	81,132
Derivative financial instrument	6	17,570	19,420
Goodwill		620,300	620,300
		$ 2,141,451	$ 2,287,317
Contingent liabilities and assets	13		

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

(expressed in thousands of Canadian dollars)

	Notes	March 31, 2025	December 31, 2024
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 160,728	$ 236,612
Provision for Competition Tribunal administrative monetary penalty	13	39,215	39,215
Income taxes payable		92	92
Deferred revenue and other	7	176,398	189,989
Lease obligations	8	96,915	88,669
		473,348	554,577
Non-current liabilities			
Share-based compensation	5	11,088	12,689
Long-term debt	6	738,248	736,468
Lease obligations	8	979,938	1,010,505
Post-employment benefit obligations		7,092	6,889
Other liabilities		5,875	5,889
		1,742,241	1,772,440
Total liabilities		2,215,589	2,327,017
Shareholders' deficit			
Share capital	9	853,718	853,667
Deficit		(1,054,328)	(1,017,713)
Contributed surplus		126,116	123,986
Cumulative translation adjustment		356	360
Total shareholders' deficit		(74,138)	(39,700)
		$ 2,141,451	$ 2,287,317

Approved by the Board of Directors

"Phyllis Yaffe"
Director

"Janice Fukakusa"
Director

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

Cineplex Inc.

Interim Condensed Consolidated Statements of Operations
For the three months ended March 31, 2025 and 2024
(Unaudited)

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

	Notes	Three months ended March 31, 2025	2024
Revenues	7		
Box office		$ 101,911	$ 125,061
Food service		91,489	101,826
Media		29,708	22,350
Amusement		28,500	25,776
Other		12,675	19,746
		264,283	294,759
Expenses			
Film cost		54,155	64,827
Cost of food service		23,413	24,504
Depreciation - right-of-use assets		23,206	24,471
Depreciation and amortization - other assets		20,880	21,795
Gain on disposal of assets		(154)	(391)
Employee wages, salaries and benefits		72,416	71,588
Other costs	10	82,674	86,484
Share of loss of joint ventures and associates		124	829
Interest expense - lease obligations	8	17,872	17,910
Interest expense - other		17,036	19,554
Interest income		(338)	(275)
Foreign exchange		195	(236)
Loss on financial instruments recorded at fair value and loss on extinguishment of debt	6	1,850	51,946
		313,329	383,006
Loss from continuing operations before income taxes		(49,046)	(88,247)
Income taxes recovery	4		
Current		3	(640)
Deferred		(12,434)	(24,637)
		(12,431)	(25,277)
Net loss from continuing operations, net of taxes		(36,615)	(62,970)
Net income from discontinued operations, net of taxes	2	—	68,130
Net (loss) income		$ (36,615)	$ 5,160

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

Cineplex Inc.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the three months ended March 31, 2025 and 2024
(Unaudited)

(expressed in thousands of Canadian dollars)

		Three months ended March 31, 2025	Three months ended March 31, 2024
Net loss from continuing operations		$ (36,615)	$ (62,970)
Other comprehensive (loss) income			
Items that will be reclassified subsequently to net income:			
Foreign currency translation adjustment		(4)	(81)
Comprehensive loss from continuing operations		(36,619)	(63,051)
Net income from discontinued operations, net of taxes	2	—	68,130
Total comprehensive (loss) income		$ (36,619)	$ 5,079
Loss per share from continuing operations - basic	11	$ (0.58)	$ (0.99)
Earnings per share from discontinued operations - basic	11	$ —	$ 1.07
(Loss) earnings per share - basic	11	$ (0.58)	$ 0.08
Loss per share from continuing operations - diluted	11	$ (0.58)	$ (0.99)
Earnings per share from discontinued operations -diluted	11	$ —	$ 1.07
(Loss) earnings per share - diluted	11	$ (0.58)	$ 0.08

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

Cineplex Inc.

Interim Condensed Consolidated Statements of Changes in Equity
For the three months ended March 31, 2025 and 2024
(Unaudited)

(expressed in thousands of Canadian dollars)

	Share capital	Contributed surplus	Cumulative translation adjustment	Deficit	Total
January 1, 2025	$ 853,667	$ 123,986	$ 360	$ (1,017,713)	$ (39,700)
Net loss	—	—	—	(36,615)	(36,615)
Other comprehensive income	—	—	(4)	—	(4)
Total comprehensive loss (income)	**—**	**—**	**(4)**	**(36,615)**	**(36,619)**
Share option expense	—	394	—	—	394
PSU/RSU expense	—	1,787	—	—	1,787
Issuance of shares on exercise of options	51	(51)	—	—	—
March 31, 2025	$ 853,718	$ 126,116	$ 356	$ (1,054,328)	$ (74,138)
January 1, 2024	$ 856,696	$ 85,235	$ 607	$ (981,973)	$ (39,435)
Net income	—	—	—	5,160	5,160
Other comprehensive loss	—	—	(81)	—	(81)
Total comprehensive loss (income)	**—**	**—**	**(81)**	**5,160**	**5,079**
Share option expense	—	376	—	—	376
PSU/RSU expense	—	483	—	—	483
Fair value of conversion right extinguished (note 6)	—	(14,800)	—	—	(14,800)
Issuance of convertible debentures (note 6)	—	54,319	—	—	54,319
March 31, 2024	$ 856,696	$ 125,613	$ 526	$ (976,813)	$ 6,022

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

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows
For the three months ended March 31, 2025 and 2024
(Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	Three months ended March 31, 2025	2024
Cash provided by (used in)			
Operating activities			
Net loss from continuing operations		$ (36,615)	$ (62,970)
Adjustments to reconcile net (loss) income to net cash provided by operating activities			
Depreciation and amortization - other assets		20,880	21,795
Depreciation - right-of-use assets		23,206	24,471
Interest rate swap agreements - non-cash interest		—	(1,020)
Accretion of convertible debentures and notes payable		1,779	5,513
Other non-cash interest		(11)	425
Gain on disposal of assets		(154)	(391)
Deferred income taxes	4	(12,434)	(24,637)
Non-cash share-based compensation		2,181	858
Loss on financial instruments recorded at fair value	6	1,850	51,946
Financing fees	6	(117)	(17,784)
Net change in interests in joint ventures and associates		112	921
Net cash received from unwinding swap	6	—	4,583
Changes in operating assets and liabilities	12	(23,341)	32,244
Net cash (used in) provided by operating activities from continuing operations		(22,664)	35,954
Net cash provided by operating activities from discontinued operations	2	—	2,934
Net cash (used in) provided by operating activities		(22,664)	38,888
Investing activities			
Proceeds from disposal of assets, including asset related insurance recoveries		1,018	803
Purchases of property, equipment and leaseholds		(16,940)	(15,357)
Intangible assets additions		(2,383)	(2,181)
Tenant inducements		2,835	2,177
Investment in joint ventures and associates		(1,892)	(1,200)
Net cash used in investing activities from continuing operations		(17,362)	(15,758)
Net cash provided by investing activities from discontinued operations	2	—	138,428
Net cash (used in) provided by investing activities		(17,362)	122,670
Financing activities			
Repayments under credit facilities, net	6	—	(298,000)
Repayments of lease obligations - principal		(25,894)	(25,769)
Issuance of notes payable	6	—	575,000
Settlement of former notes payable	6	—	(254,688)
Settlement of convertible debentures	6	—	(102,350)
Net cash used in financing activities from continuing operations		(25,894)	(105,807)
Net cash used in financing activities from discontinued operations	2	—	(297)
Net cash used in financing activities		(25,894)	(106,104)

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

Cineplex Inc.

Interim Condensed Consolidated Statements of Cash Flows
For the three months ended March 31, 2025 and 2024
(Unaudited)

(expressed in thousands of Canadian dollars)

	Notes	Three months ended March 31, 2025	2024
Effect of exchange rate differences on cash from continuing operations		$ (2)	$ 55
Effect of exchange rate differences on cash from discontinued operations		—	117
Effect of exchange rate differences on cash		(2)	172
(Decrease) increase in cash and cash equivalents		(65,922)	55,626
Cash and cash equivalents - Beginning of period		83,871	36,666
Cash and cash equivalents - End of period		$ 17,949	$ 92,292
Supplemental information			
Cash paid for interest - lease obligation from continuing operations		$ 17,926	$ 17,528
Cash paid for interest - lease obligation from discontinued operations		$ —	$ 69
Cash paid for interest - lease obligation		$ 17,926	$ 17,597
Cash paid for interest - other from continuing operations		$ 30,773	$ 17,333
Cash paid for interest - other from discontinued operations		$ —	$ 134
Cash paid for interest - other		$ 30,773	$ 17,467
Cash paid for income taxes, net from continuing operations		$ —	$ —
Cash paid for income taxes, net from discontinued operations		$ —	$ —
Cash paid for income taxes, net		$ —	$ —

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

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

1. General information

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

The Board of Directors approved these consolidated financial statements on May 8, 2025.

2. Discontinued operations

On November 22, 2023, Cineplex Entertainment Limited Partnership ("CELP") announced it had entered into a definitive share purchase agreement to sell 100% of the issued and outstanding shares of Player One Amusement Group Inc. ("P1AG") for cash proceeds of $155,000, subject to customary post-closing adjustments (the "Sale Transaction"). The Sale Transaction closed on February 1, 2024. On closing of the Sale Transaction, P1AG and CELP entered into a long-term agreement under which P1AG will continue to supply and service amusement games in Cineplex's theatres and location-based entertainment venues. The proceeds from the Sale Transaction were used to repay bank debt. Cineplex recognized a material gain of $67,156 in connection with the sale of P1AG during the three months ended March 31, 2024.

The gain on sale of P1AG was comprised of the following:

Initial cash proceeds, after closing adjustments	$	146,271
Deferred proceeds		2,840
Carrying value of P1AG		(66,423)
Selling costs, including professional services		(6,376)
Gain on sale before income taxes		76,312
Estimated income taxes expense	$	(9,156)
Gain on sale of P1AG	$	67,156
Net income from discontinued operations up until date of sale	$	847
Total net income from discontinued operations, net of taxes	$	68,003

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

3. Right-of-use-assets

The following tables present right-of-use assets for Cineplex for the three months ended March 31, 2025 and 2024:

	Property	Equipment	Total
At March 31, 2025			
Cost	$ 1,322,110	$ 61,665	$ 1,383,775
Accumulated depreciation	(607,101)	(25,716)	(632,817)
Net book value	$ 715,009	$ 35,949	$ 750,958
Three months ended March 31, 2025			
Opening net book value	$ 734,899	$ 38,473	$ 773,372
Additions	—	—	$ —
Extensions and modifications	792	—	$ 792
Depreciation for the period from continuing operations	(20,682)	(2,524)	$ (23,206)
Closing net book value	$ 715,009	$ 35,949	$ 750,958

	Property	Equipment	Total
At March 31, 2024			
Cost	$ 1,263,917	$ 62,480	$ 1,326,397
Accumulated depreciation	(527,016)	(16,268)	(543,284)
Net book value	$ 736,901	$ 46,212	$ 783,113
Three months ended March 31, 2024			
Opening net book value	$ 749,326	$ 5,467	$ 754,793
Additions	2,399	43,344	45,743
Extensions and modifications	7,048	—	7,048
Depreciation for the period from continuing operations	(21,872)	(2,599)	(24,471)
Closing net book value	$ 736,901	$ 46,212	$ 783,113

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

4. Deferred income taxes

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

	March 31, 2025	December 31, 2024
Deferred income tax assets		
Property, equipment and leaseholds and deferred tenant inducements - difference between net carrying value and undepreciated capital cost	$ 7,815	$ 8,106
Accounting provisions not currently deductible	91,148	91,437
Deferred revenue	1,874	1,448
Income tax credits available	3,763	3,763
Operating losses available for carry-forward	118,090	105,247
Other	6,312	7,604
Total gross deferred income tax assets	229,002	217,605
Future deferred tax liabilities		
Intangible assets	(13,302)	(13,433)
Interest rate swap agreements	(96)	(96)
Goodwill	(34,131)	(33,556)
Convertible debentures	(19,491)	(20,973)
Total gross deferred income tax liabilities	(67,020)	(68,058)
Net deferred income tax asset recognized	$ 161,982	$ 149,547

Cineplex has determined that the net deferred tax assets were recoverable in the ordinary course of business at the current balance sheet date and has continued to recognize its net deferred tax assets. Cineplex had $400,200 of non-capital losses available based on income tax returns filed up to tax year 2023 and estimated taxable income for 2024. Cineplex will continue to evaluate the recoverability of net deferred tax assets in the ordinary course of business at each balance sheet date.

Cineplex's combined statutory income tax rate at March 31, 2025 was 26.3% (2024 - 26.3%).

By Notice of Reassessment ("NOR") dated January 22, 2019, the Canada Revenue Agency ("CRA"), disallowed the deduction of $26,600 of losses of AMC Ventures Inc. ("AMC") that Cineplex had obtained on the acquisition of AMC in 2012. The disallowance of the losses, which offset taxable income generated in 2014, increased taxes and interest payable by approximately $8,600, 50% of which was required to be paid immediately (interest continues to accrue on the unpaid amount). Cineplex disagrees with the CRA's position, and has commenced an appeal to the Tax Court of Canada in respect of the NOR. On June 28, 2021, Cineplex received a response from the Attorney General of Canada representing the CRA confirming its position with respect to the disallowance of the losses. The appeals process is continuing and Cineplex believes that it should prevail in defending its original filing position, although no assurance can be given in this regard as the appeal process proceeds.

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

5. Share-based compensation

Omnibus Incentive Plan

Cineplex has an Omnibus Incentive Plan (the “Incentive Plan”) in which all employees and consultants are eligible to participate. The Incentive Plan consists of stock options, RSUs and PSUs. Awards of RSUs and PSUs granted during a service year subject to a service period as determined by management at the time of issuance. The aggregate number of Shares that may be issued under the Incentive Plan is 3,872,323 provided that no more than 1,200,000 Shares may be issued in aggregate pursuant to the settlement of RSUs and PSUs. The base Share equivalents granted as RSU and PSU awards attract compounding notional dividends at the same rate as outstanding Shares, which are notionally re-invested as additional base Share equivalents. PSU and RSU awards may be settled in Shares issued from treasury, cash, or a mix of Shares and cash, at Cineplex’s option at the time of settlement. As at March 31, 2025, 573,451 (2024 - 692,753) Shares are available to be issued under the Incentive Plan. Options that were issued prior to the Incentive Plan and are subsequently cancelled are available to be issued under the Incentive Plan. As part of Cineplex’s annual and special meeting of shareholders to be held on May 21, 2025, Cineplex will be requesting shareholder approval to increase the number of Common Shares available for issuance under the Incentive Plan by 3,400,000 Common Shares.

Stock Options

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

Cineplex recognized employee benefits expense of $394 with respect to options during the three months ended March 31, 2025 (2024 - $376).

A summary of option activities in 2025 and 2024 year to date is as follows:

		2025		2024	
	Weighted average remaining contractual life (years)	Number of underlying shares	Weighted average exercise price	Number of underlying shares	Weighted average exercise price
Options outstanding, January 1	6.54	2,735,869	$ 15.00	2,360,605	$ 16.51
Granted		454,511	11.28	641,553	8.03
Exercised		(16,247)	8.25	—	—
Forfeited		(14,337)	20.59	(94,921)	16.04
Options outstanding, March 31	6.83	3,159,796	$ 14.47	2,907,237	$ 14.65
Options vested and exercisable		1,888,395		1,416,374	

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

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

The fair value of options granted during the three months ended March 31, 2025 and 2024 were determined using the Black-Scholes valuation model using the following significant inputs:

	March 31, 2025	March 31, 2024
Number of options granted	454,511	641,553
Share price on grant date	$ 11.28	$ 8.03
Exercise price	$ 11.28	$ 8.03
Expected option life (years)	4.0	4.0
Volatility	37.0 %	39.85 %
Annual risk-free rate	2.84 %	3.86 %
Fair value of options granted	$ 3.71	$ 2.92

Upon cashless exercises, the options exercised in excess of Shares issued are cancelled and returned to the pool available for future grants. At March 31, 2025, 183,859 options (2024 - 692,753) are available for grant.

RSU and PSU awards

The grants of Share equivalents were as follows:

	PSU Share equivalents granted	RSU Share equivalents granted	PSU Share equivalents minimum payout	PSU Share equivalents maximum payout
2025 LTIP awards granted in Q1 2025	299,250	404,536	—	598,500
2024 LTIP awards granted in Q1 2024	381,265	541,347	—	762,530
2023 LTIP awards granted in Q1 2023	307,551	477,254	—	615,102

RSU

During the first quarter of 2025, Cineplex issued 404,536 equity settled RSUs with a fair value of $11.28 per unit (total fair value of $4,563 on issuance). The fair value was initially assessed based on Cineplex’s closing Common Share price on the grant date. The value of the award is reflected in non-current share-based compensation liability on the balance sheet.

The RSUs issued will vest in the third quarter of 2027. The unvested value of the RSUs is reflected in contributed surplus.

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

PSU

During the first quarter of 2025, Cineplex issued 299,250 equity settled PSUs with a fair value of $11.28 per unit (total fair value of $3,376 on issuance). The fair value was assessed based on Cineplex's closing Share price on the grant date. The PSU awards issued will vest in the third quarter of 2027. The unvested value of the PSUs is reflected in contributed surplus.

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

Incentive Plan costs are estimated at the grant date based on expected performance results then accrued and recognized on a graded basis over the vesting period. Forfeitures are estimated to be nominal, based on historical forfeiture rates. Cineplex recognized compensation expense of $1,572 for the three months ended March 31, 2025 (2024 - $1,647) under the Incentive Plan relating to RSUs and PSUs. At March 31, 2025, $4,436 (2024 - $1,164) was included in share-based compensation liability and $4,973 in contributed surplus (2024 - $5,873).

Deferred equity units

Members of the Board of Directors and certain officers of Cineplex may elect to defer a portion of their compensation in the form of deferred equity units. Cineplex recognized compensation recovery of $1,647 during the three months ended March 31, 2025 (2024 - $502 recovery) associated with the deferred equity units. At March 31, 2025, $6,652 (2024 - $4,230) was included in non-current share-based compensation liability.

6. Long-term debt

Long-term debt consists of the following as at March 31, 2025 and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Book Value (i)	Face Value	Book Value (i)	Face Value
Credit Facilities	$ —	$ —	$ —	$ —
Convertible Debentures - 7.75% due March 1, 2030	163,248	216,250	161,468	216,250
Notes Payable - 7.625% due March 31, 2029	575,000	575,000	575,000	575,000
Total	$ 738,248	$ 791,250	$ 736,468	$ 791,250

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

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

Interest expense	Three months ended March 31, 2025	Three months ended March 31, 2024
Interest expense on long-term debt	$ 15,096	$ 14,281
Lease interest expense (i)	17,927	17,529
Financing fees	117	736
Sub-total - cash interest expense from continuing operations	**$ 33,140**	**$ 32,546**
Deferred financing fee and other non cash interest	44	44
Lease interest - non-cash	(55)	381
Accretion expense on Debentures and Notes Payable	1,779	5,513
Interest rate swap - non-cash	—	(1,020)
Sub-total - non-cash interest expense from continuing operations	**1,768**	**4,918**
Total interest expense from continuing operations	**$ 34,908**	**$ 37,464**
Total cash interest paid from continuing operations	**$ 48,699**	**$ 34,861**

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

Credit facilities

2024 Credit Facility

On March 4, 2024, Cineplex entered into a new credit agreement with a syndicate of banks led by Scotiabank (the **"2024 Credit Agreement"**), terminating and replacing the Eighth Amended and Restated Credit Agreement in its entirety. The 2024 Credit Agreement provides for a new $100 million "covenant-lite" revolving credit facility with a maturity date of March 4, 2027 (the "2024 Credit Facility").

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

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

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

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

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

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

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

	Available	Drawn	Reserved	Remaining
Revolving Facility	$ 100,000	$ —	$ 7,965	$ 92,035

At March 31, 2025, Cineplex was subject to a margin of 3.25% (2024 - 2.75%) on the prime rate and margin of 4.25% (2024 - 3.75% on bankers' acceptances) on the CORRA advances and SOFR advances, plus a 0.25% (2024 - 0.25%) per annum fee for letters of credit issued. Cineplex pays a commitment fee on the daily unadvanced portion of the 2024 Credit Agreement, which will vary based on the Total Leverage Ratio and was 0.85% at March 31, 2025 (2024 - 0.75%).

Convertible debentures

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

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

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

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

The fair value of the liability component of the Convertible Debentures was assessed at inception based on an estimated market discount rate of 14.88% , and will be accreted to the full face value of $216,250 over the term of the Convertible Debentures. The residual value of $54,348 ($70,191 net of $15,843 deferred income taxes) was allocated to the equity component less the pro-rata portion of transaction costs as prescribed by IFRS 9, *Financial instruments* and IAS 32, *Financial instruments: Presentation*.

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

The Unaccreted deferred financing fees and discount as at March 31, 2025 related to the 7.75% Convertible Debentures due March 1, 2030 is $53,002.

Cineplex recorded cash interest expense on the Debentures during the three months ended March 31, 2025 of $4,136 (2024 - $4,194) and recorded accretion expense during the three months ended March 31, 2025 of $1,779 (2024 - $5,125), both of which are included as part of the interest expense in the consolidated statement of operations. As at March 31, 2025, Cineplex has $216,250 principal amount of Convertible Debentures outstanding.

Notes Payable

During the three months ended March 31, 2025, Cineplex recorded cash interest expense on the Notes Payable of $10,631 (2024 - $6,449) and Cineplex recorded accretion expense during the three months ended March 31, 2025 of nil (2024 - $385), both of which are included as part of interest expense in the consolidated statement of operations. As at March 31, 2025, Cineplex has $575,000 principal amount of 2024 Notes outstanding. Cineplex's derivative financial instrument on the outstanding 2024 Notes, as applicable, relates to the early prepayment option that fluctuates in value based on market interest rates. The fair value of the embedded derivative was determined using an option pricing model with observable market inputs and are consistent with accepted methods for valuing financial instruments, and is categorized as level 2 in the fair value hierarchy. Cineplex has estimated the fair value of this embedded derivative at $17,570 as at March 31, 2025 (2024 - $19,420) which is presented on the consolidated balance sheets as a derivative financial instrument.

2024 Notes

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

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

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

At any time from and after January 31, 2026, Cineplex may, at its option, redeem the 2024 Notes, in whole or in part, at the redemption prices set forth in the 2024 Notes Indenture, plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date. In addition, at any time prior to January 31, 2026, Cineplex may, at its option, on one or more occasions, redeem up to 40% of the aggregate principal amount of the 2024 Notes at a redemption price equal to 107.625% of the aggregate principal amount thereof redeemed plus accrued and unpaid interest thereon to, but excluding, the applicable redemption date, with the net cash proceeds of one or more equity offerings; provided that (a) the aggregate principal amount of the 2024 Notes outstanding immediately after the occurrence of each such redemption is equal to not less than 60% of the original aggregate principal amount of the 2024 Notes; and (b) each such redemption occurs within 90 days of the date of closing of each such equity offering.
If Cineplex sells certain assets without applying the proceeds in a permitted manner within 365 days of receipt thereof, Cineplex must make an offer to each holder of 2024 Notes to purchase all or a portion of its Notes at 100% of the aggregate principal amount of the 2024 Notes so repurchased plus accrued and unpaid interest to, but not including, the date of repurchase. If Cineplex undergoes certain change of control events, Cineplex must make an offer to repurchase the 2024 Notes at a purchase price equal to 101% of the aggregate principal amount of the 2024 Notes so repurchased plus accrued and unpaid interest to, but not including, the date of repurchase.

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

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

In addition to the restrictions on asset sales and change of control events described above, the 2024 Notes Indenture contains covenants that restrict, among other things, Cineplex's ability to incur liens other than permitted liens, make restricted payments, incur certain indebtedness and enter into certain transactions with affiliates, in each case, subject to certain conditions.

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

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

Security and Ranking

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

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

7. Revenue

The following tables disclose the changes in deferred revenue and other for the three months ended March 31, 2025 and 2024:

	December 31, 2024	Additions	Recognized	March 31, 2025
Gift cards	$ 152,368	$ 9,563	$ 24,239	$ 137,692
SCENE loyalty program	11,962	—	583	11,379
Advances, deposits and other	25,659	16,686	15,018	27,327
	$ 189,989	$ 26,249	$ 39,840	$ 176,398

	December 31, 2023	Additions	Recognized	March 31, 2024
Gift cards	$ 161,608	$ 12,292	$ 28,868	$ 145,032
SCENE loyalty program	15,987	—	1,243	14,744
Advances, deposits and other	19,734	10,717	9,284	21,167
	$ 197,329	$ 23,009	$ 39,395	$ 180,943

Deferred revenue consists mainly of unearned revenue relating to gift cards and the CineClub subscription program. The majority of deferred revenue is expected to be redeemed within one year from issuance. $39.8 million included at the beginning of the period was recognized as revenue in the first quarter of 2025.

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

The following tables provide the disaggregation of revenue into categories by nature for the three months ended March 31, 2025 and 2024:

Box revenues	Three months ended March 31, 2025	Three months ended March 31, 2024
Box office revenues	$ 101,911	$ 125,061

Food service revenues	Three months ended March 31, 2025	Three months ended March 31, 2024
Food service - theatres	$ 76,647	$ 87,852
Food delivery - theatres	2,340	2,084
Food service - location-based entertainment (LBE)	12,502	11,890
Total food service revenues	$ 91,489	$ 101,826

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

Media revenues	**Three months ended March 31, 2025**	**2024**
Cinema media	$ 17,148	$ 12,425
Digital place-based media	12,560	9,925
Total media revenues	$ 29,708	$ 22,350

Amusement revenues	**Three months ended March 31, 2025**	**2024**
Amusement revenue - theatres	$ 3,562	$ 3,798
Amusement revenue - LBE	24,938	21,978
Total amusement revenues	$ 28,500	$ 25,776

Other revenues	**Three months ended March 31, 2025**	**2024**
Online booking fees	$ 4,000	$ 5,164
Other revenues	8,675	14,582
Total Other revenues	$ 12,675	$ 19,746

8. Lease obligations

The following table presents lease obligations for Cineplex for the three months ended March 31, 2025 and 2024:

	Property	**Equipment**	**Total**
Three months ended March 31, 2025			
Opening balance	$ 1,056,863	$ 42,311	$ 1,099,174
Additions	—	—	—
Extensions and modifications	792	—	792
Tenant inducements	2,835	—	2,835
Lease payments	(41,809)	(2,011)	(43,820)
Interest expense from continuing operations	17,250	622	17,872
Disposals	—	—	—
Closing lease obligations	$ 1,035,931	$ 40,922	$ 1,076,853
Less: current portion	87,466	9,449	96,915
Non-current portion from continuing operations	$ 948,465	$ 31,473	$ 979,938

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

	Property	Equipment	Total
Three months ended March 31, 2024			
Opening balance	$ 1,072,097	$ 6,337	$ 1,078,434
Extensions and modifications	9,527	43,344	52,871
Tenant inducements	1,447	—	1,447
Lease payments	(41,618)	(1,757)	(43,375)
Interest expense from continuing operations	17,174	736	17,910
Closing lease obligations	$ 1,058,627	$ 48,660	$ 1,107,287
Less: current portion	81,059	7,652	88,711
Non-current portion of lease obligations	$ 977,568	$ 41,008	$ 1,018,576

9. Share capital

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

Share capital balances at March 31, 2025 and 2024 and transactions during the periods are as follows:

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

2024		Amount
	Number of Common Shares issued and outstanding	Share capital
Balance - December 31, 2023	63,684,281	$ 856,696
Balance - March 31, 2024	63,684,281	$ 856,696

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

10. Other costs

	Three months ended March 31, 2025	2024
Variable rent	$ 1,650	$ 591
Realty and occupancy taxes and maintenance fees	19,469	19,715
Utilities	9,929	8,427
Services including operating facilities cleaning, maintenance and security	15,949	16,543
Other inventories consumed, including amusement and digital place-based media	5,840	5,973
Repairs and maintenance	10,251	10,740
Advertising and promotion	8,353	8,532
Office and operating supplies	2,597	2,952
Licenses and franchise fees	1,636	3,880
Insurance	1,526	1,499
Professional and consulting fees	1,614	3,929
Telecommunications and data	1,228	1,196
Bad debts	283	33
Equipment rental	381	504
Business interruption insurance proceeds	(100)	—
Other costs	2,068	1,970
	$ 82,674	$ 86,484

11. Earnings (loss) per share

Basic

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

	Three months ended March 31, 2025	2024
Net loss from continuing operations	$ (36,615)	$ (62,970)
Weighted average number of shares outstanding	63,424,568	63,684,281
Loss per share from continuing operations - basic	$ (0.58)	$ (0.99)
Earnings per share from discontinued operations - basic	$ —	$ 1.07
(Loss) earnings per share - basic	$ (0.58)	$ 0.08

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

Diluted

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the outstanding shares for the period), based on the monetary value of the rights attached to the potentially dilutive shares. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of conversions, exchanges or options. For the periods ended March 31, 2025 and 2024, the options and debentures are anti-dilutive and the anti-dilutive shares that have been excluded in the current period were 21,328,575 potential shares that would be issued under the if-converted method relating to debenture units outstanding.

	Three months ended March 31,	
	2025	**2024**
Net loss from continuing operations	$ (36,615)	$ (62,970)
Weighted average number of shares for diluted EPS	63,424,568	63,684,281
Loss per share from continuing operations - diluted	$ (0.58)	$ (0.99)
Earnings per share from discontinued operations - diluted	$ —	$ 1.07
(Loss) earnings per share - diluted	$ (0.58)	$ 0.08

12. Changes in operating assets and liabilities

The following summarizes the changes in operating assets and liabilities:

	Three months ended March 31,	
	2025	**2024**
Trade and other receivables	$ 56,114	$ 40,520
Inventories	2,515	1,324
Prepaid expenses and other current assets	(4,341)	(13,805)
Accounts payable and accrued liabilities	(62,586)	20,615
Income taxes receivable	3	(640)
Deferred revenue	(13,591)	(16,412)
Post-employment benefit obligations	203	(267)
Share-based compensation	(1,601)	946
Other liabilities	(57)	(37)
	$ (23,341)	$ 32,244

Property, equipment and leasehold purchases included in accounts payable and accrued liabilities as at March 31, 2025, are $7,455 (2024 - $7,946).

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

13. Contingent liabilities and assets

Contingencies

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

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

The trial of this matter was held in February, 2024, and on September 23, 2024, the Competition Tribunal issued a decision in the Competition Bureau's favour, ordering Cineplex to pay an administrative penalty of $38,978 plus certain legal and other costs.

On September 23, 2024, Cineplex announced its intention to appeal the Tribunal's decision to the Federal Court of Appeal. Cineplex plans to mount a vigorous defence that the manner in which it presented the online booking fee fully complied with the letter and spirit of the law.

On October 23, 2024, Cineplex filed its Notice of Appeal with the Federal Court of Appeal and, with the Competition Bureau's consent, was granted a stay regarding payment of the administrative monetary penalty, pending the Federal Court of Appeal's decision on Cineplex's appeal.

Notwithstanding Cineplex's Notice of Appeal, an amount of $39,215 has been accrued in Cineplex's consolidated financial statements in relation to the Competition Tribunal order and related online booking fee matters.

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

In January, 2024, class action lawsuits were initiated in British Columbia and Quebec with respect to Cineplex's online booking fee. Both lawsuits allege that the online booking fee is misleading and constitutes "drip pricing".

The lawsuits seek to include all Canadians who purchased a Cineplex movie ticket and were charged an online booking fee. Cineplex believes that this matter will not have a material adverse effect on its operating results, financial position, or cash flows, and no amount has been accrued in Cineplex's consolidated financial statements as at March 31, 2025.

Cineplex has recognized approximately $61,000 in online booking fee revenues since inception through December 31, 2024.

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

14. Operating segments

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

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

Media
The Media reporting segment is comprised of the aggregation of two operating segments, cinema media and digital place-based media businesses. Cinema media consists of all in-theatre advertising revenues and costs, including pre-show, showtime and lobby advertising. Digital place-based media is comprised of revenues and costs associated with the design, installation and operations of digital signage networks, along with advertising on certain networks. Aggregation of these operating segments is based on the segments having similar economic characteristics.

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

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

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

Cineplex's management believes that adjusted EBITDAaL is an important supplemental measure of Cineplex's profitability at an operational level and provides analysts and investors with comparability in evaluating and valuing Cineplex's performance period over period. EBITDA, adjusted for various unusual items, is also used to define certain financial covenants in Cineplex's Credit Facilities.

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

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

The following tables disclose the results of the Film Entertainment and Content, Media, and Location-Based Entertainment segments for the three months ended March 31, 2025 and 2024:

Three months ended March 31, 2025	Film Entertainment and Content (i)	Media (i)	Location-Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations
Major product and service lines					
Box office	$ 101,911	$ —	$ —	$ —	$ 101,911
Food service	78,987	—	12,502	—	91,489
Media	—	29,509	199	—	29,708
Amusement	3,562	—	24,938	—	28,500
Other	12,195	—	480	—	12,675
Total revenues	$ 196,655	$ 29,509	$ 38,119	$ —	$ 264,283
Timing of revenue recognition					
Transferred at a point in time	$ 196,655	$ 4,318	$ 38,119	$ —	$ 239,092
Transferred over time	—	25,191	—	—	25,191
Total revenues	$ 196,655	$ 29,509	$ 38,119	$ —	$ 264,283
Film cost	$ 54,155	$ —	$ —	$ —	$ 54,155
Cost of food service	19,837	—	3,576	—	23,413
Employee wages, salaries and benefits	36,965	7,734	12,574	15,143	72,416
Occupancy (incl. cash lease payments)	56,286	174	5,626	943	63,029
Other Expenses	41,854	8,777	8,650	2,801	62,082
	$ 209,097	$ 16,685	$ 30,426	$ 18,887	$ 275,095
Adjusted EBITDAaL	$ (12,442)	$ 12,824	$ 7,693	$ (18,887)	$ (10,812)
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					(2,742)
Other adjustments (ii)					3,398
Depreciation and amortization - other assets					20,880
Interest expense - other					17,036
Interest income					(338)
Provision for income taxes					(12,431)
Net loss from continuing operations					$ (36,615)
Other operating segment disclosures					
Depreciation - right-of-use assets	$ 19,175	$ 2,503	$ 1,431	$ 97	$ 23,206
Depreciation and amortization - other assets	$ 14,806	$ 713	$ 5,361	$ —	$ 20,880
Interest expense - lease obligations	$ 15,302	$ 612	$ 1,799	$ 159	$ 17,872
Goodwill balance	$ 413,915	$ 206,385	$ —	$ —	$ 620,300

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

(ii) Other adjustments include change in fair value of financial instruments, loss on extinguishment of debt, (loss)/gain on disposal of assets, foreign exchange, cash rent paid not pertaining to current period, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.

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

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

Three months ended March 31, 2024	Film Entertainment and Content (i)	Media (i)	Location-Based Entertainment	Corporate and other (iii)	Consolidated Continuing Operations	Discontinued Operations Amusement Solutions (P1AG)
Major product and service lines						
Box office	$ 125,061	$ —	$ —	$ —	$ 125,061	$ —
Food service	89,936	—	11,890	—	101,826	—
Media	—	22,082	268	—	22,350	—
Amusement	3,798	—	21,978	—	25,776	14,743
Other	19,385	—	361	—	19,746	—
Total revenues	$ 238,180	$ 22,082	$ 34,497	$ —	$ 294,759	$ 14,743
Timing of revenue recognition						
Transferred at a point in time	$ 238,180	$ 3,153	$ 34,497	$ —	$ 275,830	$ 14,743
Transferred over time	—	18,929	—	—	18,929	—
Total revenues	$ 238,180	$ 22,082	$ 34,497	$ —	$ 294,759	$ 14,743
Film cost	$ 64,827	$ —	$ —	$ —	$ 64,827	$ —
Cost of food service	21,190	—	3,314	—	24,504	—
Employee wages, salaries and benefits	38,422	7,387	10,709	15,070	71,588	2,782
Occupancy (incl. cash lease payments)	57,503	144	4,515	949	63,111	—
Other Expenses	47,017	6,224	7,888	5,015	66,144	11,453
	$ 228,959	$ 13,755	$ 26,426	$ 21,034	$ 290,174	$ 14,235
Adjusted EBITDAaL	$ 9,221	$ 8,327	$ 8,071	$ (21,034)	$ 4,585	$ 508
Difference between the sum of depreciation of right-of-use assets and interest expense related to the lease obligations as compared to the cash rent paid or payable related to lease obligations with respect to the current period:					231	(298)
Other adjustments (ii)					51,527	(175)
Depreciation and amortization - other assets					21,795	—
Interest expense - other					19,554	134
Interest income					(275)	—
Gain on the sale of discontinued operations					—	(67,283)
Provision for income taxes					(25,277)	—
Net (loss) income from continuing operations and discontinued operations					$ (62,970)	$ 68,130
Other operating segment disclosures						
Depreciation - right-of-use assets	$ 20,408	$ 2,562	$ 1,391	$ 110	$ 24,471	$ —
Depreciation and amortization - other assets	$ 16,487	$ 909	$ 4,399	$ —	$ 21,795	$ —
Interest expense - lease obligations	$ 15,223	$ 724	$ 1,782	$ 181	$ 17,910	$ 69
Goodwill balance	$ 413,915	$ 206,385	$ —	$ —	$ 620,300	$ 15,734

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

(ii) Other adjustments include change in fair value of financial instruments, loss on extinguishment of debt, (loss)/gain on disposal of assets, foreign exchange, cash rent paid not pertaining to current period, depreciation and amortization for joint ventures, and taxes and interest - joint ventures.

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

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

15. Basis of presentation and accounting standards

Basis of preparation and measurement

Cineplex prepares its unaudited interim condensed consolidated financial statements in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise judgment in applying Cineplex's accounting policies. The disclosures contained in these unaudited interim condensed consolidated financial statements do not contain all requirements of Canadian GAAP for annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024. These unaudited interim condensed consolidated financial statements follow the same accounting policies and methods of application as the audited financial statements for the year ended December 31, 2024, with the exception of accounting standards issued in the current quarter.

Accounting standards issued

Management of Cineplex reviews all changes to the IFRS when issued. The International Accounting Standards Board ("IASB") has published a number of amendments to existing accounting standards effective for years beginning on or after January 1, 2025. The following amendments have been adopted or are being evaluated by Cineplex:

IAS 21, *Lack of Exchangeability*

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates in relation to Lack of Exchangeability*. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. Cineplex assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

IFRS 9, *Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. Cineplex is assessing the impacts to the consolidated financial statements.

IFRS 18, *Presentation and Disclosure in Financial Statements*

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

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

IFRS 8, *Disclosure of Revenues and Expenses for Reportable Segments*

In July 2024, the IASB approved an Interpretations Committee agenda decision in relation to segment reporting. The decision deals with specified items of revenue and expenses that need to be disclosed for each reportable segment. As a result of this agenda decision Cineplex made updates to the expenses disclosed for each reportable segment (note 14, Operating segments).