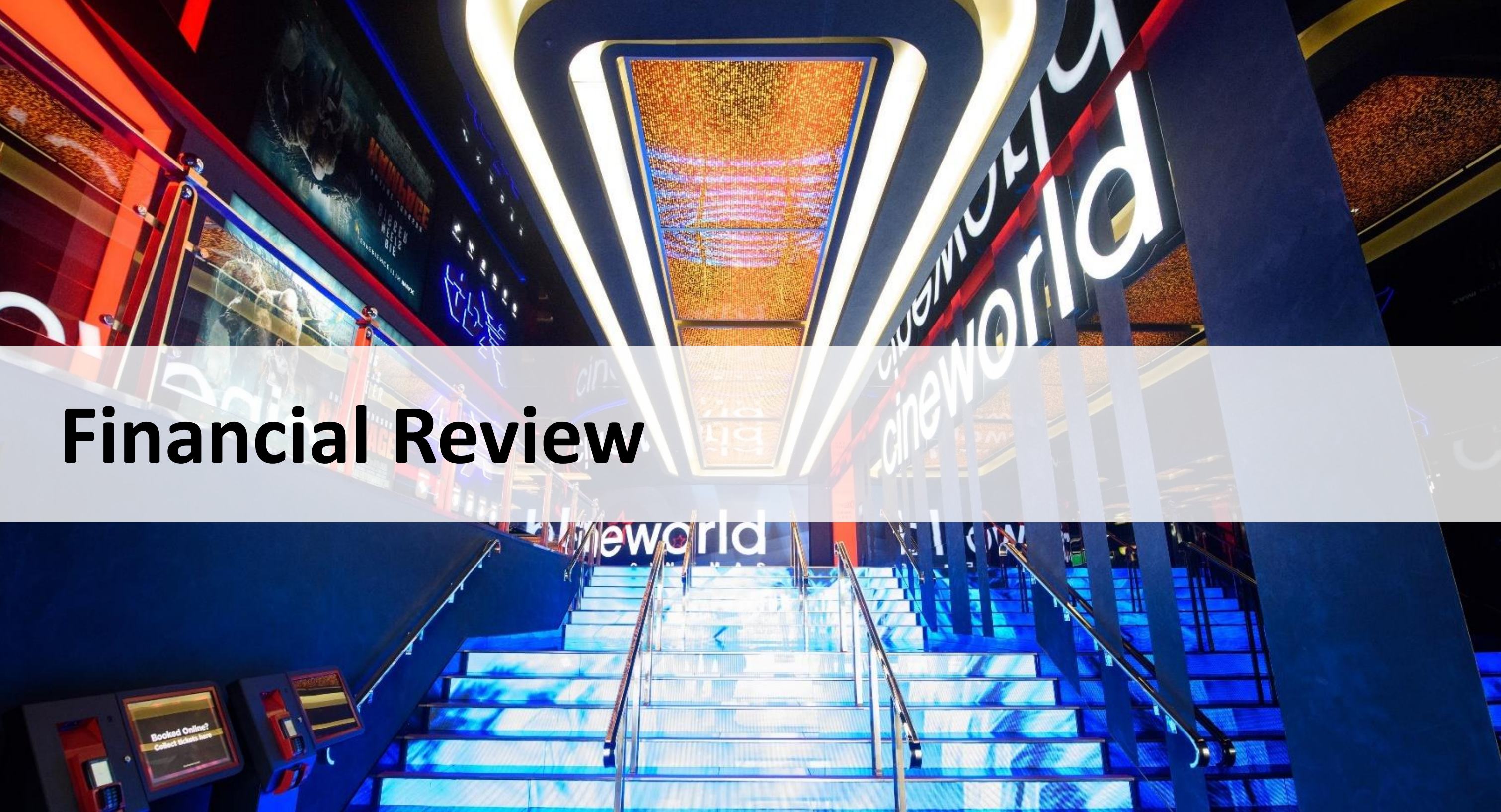
Cineworld Group – Interim Results 2021

12 August 2021

Overview

- Operational Update:
  - All sites across the Group opened since June
  - Gradual recovery of admissions and demand since re-opening supported by strong F&B spend
  - Anticipate strong trading in Q4 supported by an exciting film slate subject to COVID-19 situation
- Key management actions taken during the period:
  - Commercial initiatives: studio and landlord agreements
  - Operational measures: cash preservation and permanent cost reduction
  - Financing initiatives: secured additional financing and covenant waivers
- Business now well positioned to benefit from recovery

Financial Review



H1 2021 FINANCIALS AT A GLANCE

Admissions	**Revenue**	**Adj. EBITDA** ***IFRS 16***	**Adj. EBITDAaL[1]**
14m	**$293m**	**($21m)**	**($103m)**
Adj. PBT	**Monthly Cash Burn**	**H1 net Cash Burn after tax receipt**	**Net Debt[2] Pre-IFRS 16**
($659m)	**(~$45m)**	**($67m)**	**$4.6bn**

Note: % Indicate performance vs H1 2020
1) Adj. EBITDAaL refer to Adj. EBITDA net of Payment of lease liabilities
2) Net debt excludes lease liability and c.$260m dissenting shareholder liability

Key Liquidity Actions

- Secured >$400m additional liquidity (convertible bond and term loan)
- Received $203m of US CARES act tax refund
- Curtailed non-essential spending (operating expenses and capex)
- Secured rent relief and deferral with majority of our landlords
- Cash burn of ~$45m per month during H1 21 vs. $60m previously indicated
- Streamlined operations and closed an additional 12 underperforming sites
- Achieved material permanent cost reductions while retaining operational capability

Adj. Profit and Loss – IFRS 16

$m	H1 2021	H1 2020
Revenue	292.8	712.4
Cost of sales	(283.2)	(624.9)
Gross profit / (loss)	**9.6**	**87.5**
G&A	(30.7)	(52.0)
Cash generated from JV	-	17.5
Adjusted EBITDA	**(21.1)**	**53.0**
D&A[1]	(256.4)	(349.8)
Adj. Operating (Loss) / Profit	**(277.5)**	**(296.8)**
Net finance costs[2]	(381.0)	(270.9)
Adj. (Loss) / Profit before tax	**(658.5)**	**(567.7)**
Tax charge	76.7	131.7
Adj. (Loss) /Profit after tax	**(581.8)**	**(436.0)**
Adjusted diluted EPS (cents)	***(42.4c)***	*(31.8c)*

- **COVID-19 materially impacted our half year results starting March 2020**
- **Recognised $96m impairment reversal charge**

Includes: cash contribution from JVs – no amounts received in H1 2021

Excludes:

- Transaction costs $20.2m
- COVID-19 related costs of $4.4m
- Refinancing costs of $5.7m

Net finance costs are:

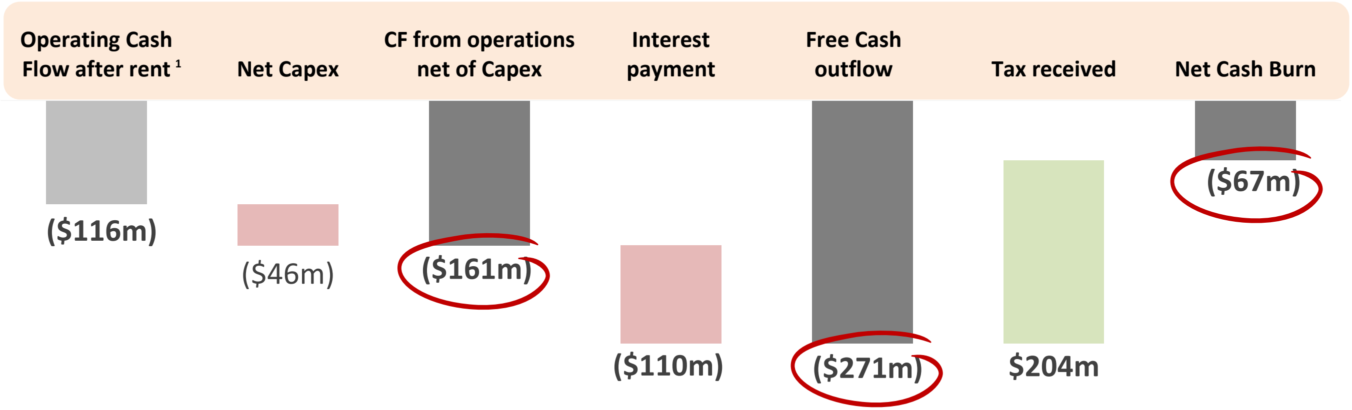
- Net interest expense on bank loans of $125.1m (H1 2020: $67.9m)
- Lease interest of $219.0m (H1 2020: $164.2m)
- Other of $36.9m (H1 2020: $38.8m)

Note: Please refer to note 2. Alternative Performance Measures

1) Excludes amortisation of intangibles created on acquisition of $12.0m

2) Excludes Movement on financial derivatives, Recycle of net investment hedge, Foreign exchange translation gains and losses, Gain on extinguishment of debt, remeasurement loss on financial instrument and Remeasurement of financial asset amortised cost

Strong Cash Flow Management

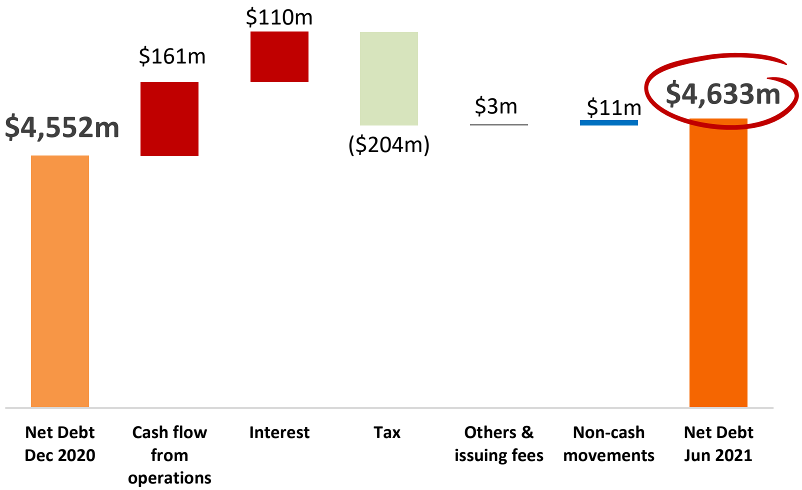


- ☆ ***Monthly cash burn of ~$45m vs. $60m previously indicated***
- ☆ ***Supported by WC inflow in June***
- ☆ ***Net cash burn post receipt of tax receipt of $67m during H1 21***

1) Cash (used) / generated from operations adjusted for distributions received from equity accounted investees and Payment of lease liabilities

June 2021 Net Debt

Net debt increase by $81m in H1 2021



Note: Face value of debt liability as per note 10 of interim statement net of cash on balance sheet
Excludes lease liability and c.$260m dissenting shareholder liability

Liquidity

$413m raised 2021:

- + $213m convertible bond (April 2021)
- + $200m new term loan (July 2021) – excluded from June 2021 Net debt calculation as post balance sheet date
- Cash of $452.5m at June 2021 (exc. Proceeds from $200m term loan)

Cash burn:

- Monthly cash burn including interest of ~$45m per month vs. $60m indicated at FY20

Covenants

- Compliance and over performance vs. priming facility covenants
- Waiver until June 2022 testing (5.0x thereafter)
- Company subject to minimum liquidity covenant of $100m

Cost savings initiatives and operational actions

- **Optimised Cinema payroll vs pre-pandemic level**
- **Margin upside from cinema closure operating cost cutting measures** over the longer-term
- **Utilities and maintenance savings** - roll-out of ~1,800 laser projectors and refurbishments
- **Rent reduction achieved**
- **G&A - reduction of corporate headcount and others**
- **Delay majority of new refurbishment projects in the near term**
- **Digitalisation & systems** – click and collect on concessions and contactless orders through kiosk

Financial Outlook

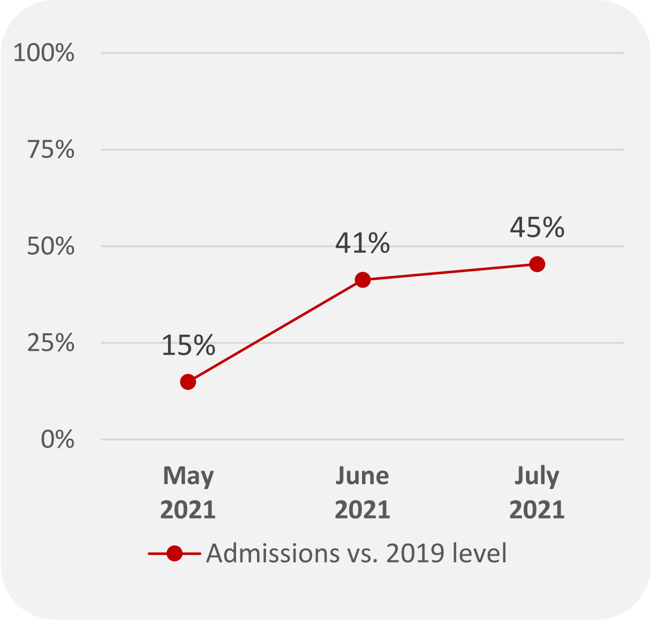
- Continue tight cost control and monitoring post cinema re-opening
  - Streamlined operations: material savings anticipated post COVID-19
- Continue cash preservation initiatives
- Reduced monthly cash burn since June re-opening
- Total capital expenditure for H2 2021 expected to be approximately ~$80m
- Positive Cash Flow generation anticipated to be achieved in Q4 21 subject to COVID-19 situation
- Targeting cash generation and deleveraging in 2022

Business Update

Key Operating Highlights

- Estate now fully reopened since June
- Majority of capacity restrictions lifted across all territories
- Gradual recovery of admissions and demand since re-opening
- Continued expansion of Food and Beverage offering to support future SPP growth
- Anticipate strong trading in Q4 supported by an exciting film slate subject to COVID-19 situation
- Continued active dialogue with studios Partners
- Continued progress with landlord negotiations
- Continued collaboration with premium format partners (IMAX, 4DX, ScreenX and more)

Current Trading



- Estate now fully reopened since June
- Admissions steadily increasing on a weekly basis
- Admission levels of 45% in July 21 vs. July 19 – best performing month in 2019 (Spider-Man: Far from Home, The Lion King and Toy Story 4)
- Admission levels of 57% in July 21 vs. *2019 Monthly average*
- Anticipate normalised trading in Q4 supported by a strong film slate
- Spend Per Person on food and concessions at record high

A STRATEGY FOR THE LONG TERM

To be "The Best Place to Watch a Movie"

- Continue to provide the best cinema experience
- Continue to be a innovative operators
- Continue to expand and enhance our estate
  Generate attractive return on investment from refurbishments
- Drive value for shareholders

Continued refurbishments in the US

Continued delivery of our refurbishments program

- **14 refurbishments completed** in the US so far, including flagship cinemas such as Union Square and Irvine Spectrum as well as Warrington Crossing and Hacienda Crossing
- 6 completed refurbishments in H1 2020 with a further 3 to be completed in H2 2021
- Includes premium formats: IMAX, VIP, Premium Large Format, ScreenX and 4DX
- Introduction of enhance food offering including bars, Lavazza coffee and B-Fresh
- New refurbs and cinemas well received by customers

Irvine, CA

Union Square, NY

Hacienda Crossing, CA

Warrington Crossing, PA

Continued Roll-out Across the US and Europe

- ***6 new sites in 2020 and H1 2021***
  - ***5 sites and 69 screens in the US***
  - ***1 site and 13 screens in ROW***

United States	
5 sites	**69** screens

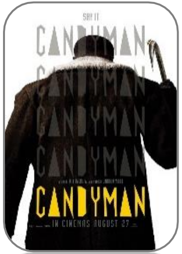
ROW	
1 Site	**13** screens

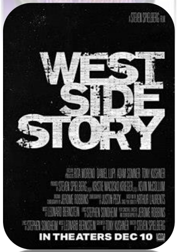
- ***5 new sites to be opened in H2 2021***
  - ***3 sites and 39 screens in the US***
  - ***2 site and 20 screens in the UK***

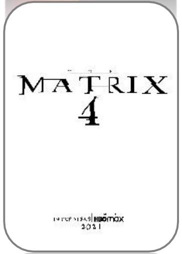
United States	
3 sites	**39** screens

UK	
2 Site	**20** screens

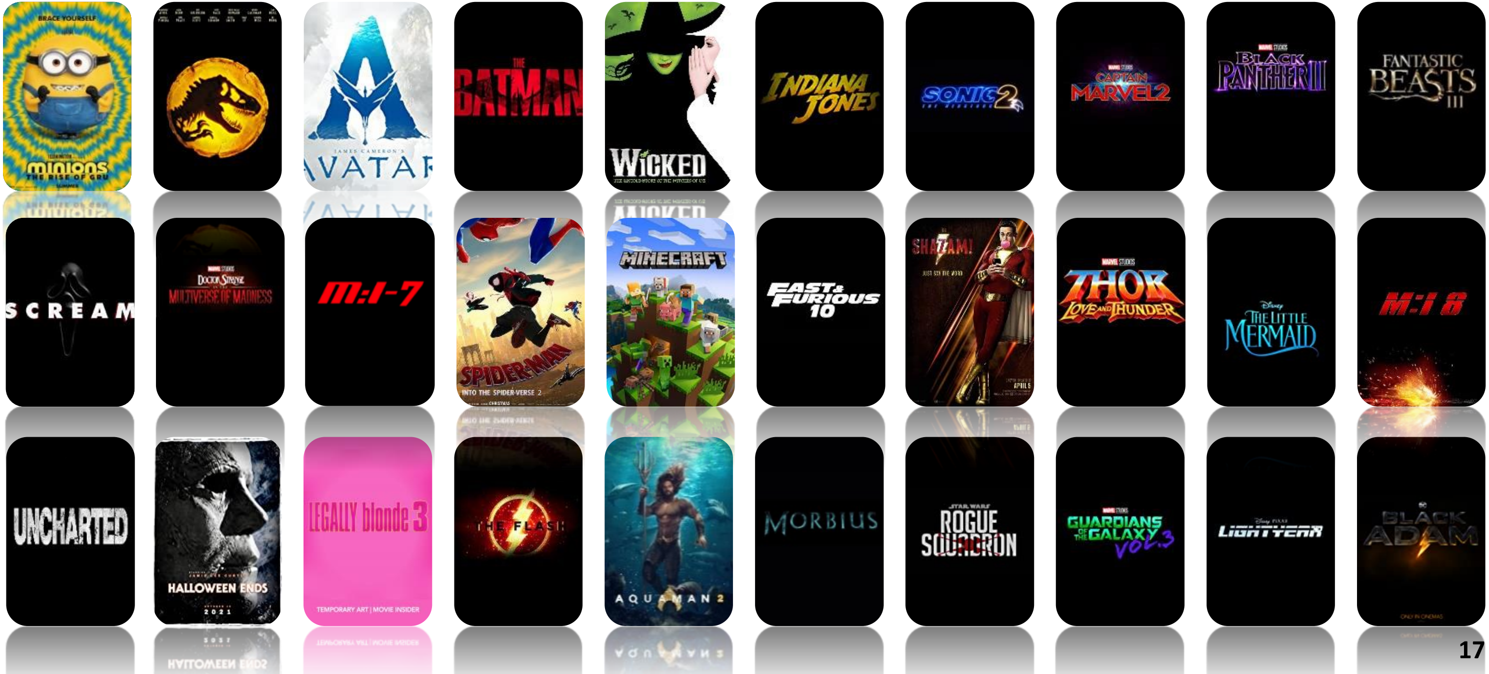
2021 film slate







2022 and beyond



Cineworld Group plc