

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

<u>Commission File Number</u>	<u>Exact Name of Registrant as Specified in its Charter, Principal Executive Office Address and Telephone Number</u>	<u>State of Incorporation</u>	<u>I.R.S. Employer Identification No.</u>
001-33401	Cinemark Holdings, Inc. 3900 Dallas Parkway Plano, Texas 75093 (972) 665-1000	Delaware	20-5490327
33-47040	Cinemark USA, Inc. 3900 Dallas Parkway Plano, Texas 75093 (972) 665-1000	Texas	75-2206284

**Securities registered pursuant to Section 12(b) of the Act:**

	<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Cinemark Holdings, Inc. ("Holdings")	Common stock, par value \$.001 per share	CNK	New York Stock Exchange
Cinemark USA, Inc. ("CUSA")	None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Cinemark Holdings, Inc. Yes  No

Cinemark USA, Inc. Yes  No

(Note: As a voluntary filer, Cinemark USA, Inc. is not subject to the filing requirements of Section 13 or 15(d) of the Exchange Act. Cinemark USA, Inc. has filed all reports pursuant to Section 13 or 15(d) of the Exchange Act during the preceding 12 months as if it was subject to such filing requirements.)

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Cinemark Holdings, Inc. Yes  No

Cinemark USA, Inc. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Cinemark Holdings, Inc.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

Cinemark USA, Inc.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Cinemark Holdings, Inc. Yes  No

Cinemark USA, Inc. Yes  No

As of October 27, 2023, 121,613,062 shares of common stock, \$0.001 par value per share, of Cinemark Holdings, Inc. were issued and outstanding.

As of October 27, 2023, 1,500 shares of Class A common stock, \$0.01 par value per share, and 182,648 shares of Class B common stock, no par value per share, of Cinemark USA, Inc. were outstanding and held by Cinemark Holdings, Inc.

CINEMARK USA, INC. MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS (H)(1)(A) AND (B) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTIONS (H)(2).

This combined Form 10-Q is separately filed by Holdings and CUSA. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrant. When this Form 10-Q is incorporated by reference into any filings with the SEC made by Holdings or CUSA, as a registrant, the portions of this Form 10-Q that relate to the other registrant are not incorporated by reference therein.

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**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CINEMARK USA, INC. AND SUBSIDIARIES**  
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### Cautionary Statement Regarding Forward-Looking Statements

Certain matters within this Quarterly Report on Form 10-Q include “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The “forward-looking statements” include our current expectations, assumptions, estimates and projections about the respective business and industry of Holdings and CUSA. They include statements relating to:

- future revenues, expenses and profitability;
- currency exchange rate and inflationary impacts;
- the future development and expected growth of our business;
- projected capital expenditures;
- access to capital resources;
- attendance at movies generally or in any of the markets in which we operate;
- the number and diversity of popular movies released, the length of exclusive theatrical release windows and our ability to successfully license and exhibit popular films;
- national and international growth in our industry;
- competition from other exhibitors, alternative forms of entertainment and content delivery via streaming and other formats;
- determinations in lawsuits in which we are a party; and
- the ongoing recovery of us and the motion picture exhibition industry from the effects of the COVID-19 pandemic.

You can identify forward-looking statements by the use of words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions. These statements are neither historical facts nor guarantees of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions and are, therefore, subject to risks, inherent uncertainties and other factors, some of which are beyond our control and difficult to predict. Such risks and uncertainties could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. For a description of our risk factors, please review the “Risk Factors” section or other sections of, or incorporated by reference to, the Company’s Annual Report on Form 10-K filed February 24, 2023. All forward-looking statements attributable to either Holdings or CUSA or persons acting on our behalf, are expressly qualified in their entirety by such risk factors. Forward-looking statements contained in this Form 10-Q reflect the views of Holdings and CUSA only as of the date of this Form 10-Q. Neither Holdings nor CUSA undertake any obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless the context otherwise requires, all references to “we,” “our,” “us,” “the Company” or “Cinemark” relate to Cinemark Holdings, Inc. and its consolidated subsidiaries, and all references to CUSA relate to Cinemark USA, Inc. and its consolidated subsidiaries. All references to Latin America relate to Brazil, Argentina, Chile, Colombia, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia and Paraguay.

**PART I - FINANCIAL INFORMATION**  
**Item 1. Financial Statements**

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, except share and per share data, unaudited)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 805.9	\$ 674.5
Inventories	26.9	23.7
Accounts receivable	71.1	69.6
Current income tax receivable	49.1	45.1
Prepaid expenses and other	58.0	50.7
Total current assets	1,011.0	863.6
Theatre properties and equipment, net of accumulated depreciation of \$2,283.8 and \$2,165.7	1,154.4	1,232.1
Operating lease right-of-use assets, net	1,019.0	1,102.7
Other long-term assets		
Goodwill	1,249.0	1,250.9
Intangible assets, net	303.0	304.6
Investment in NCMI/NCM	19.6	9.6
Investments in affiliates	23.8	22.6
Deferred charges and other assets, net	31.4	31.6
Total other long-term assets	1,626.8	1,619.3
<b>Total assets</b>	<b>\$ 4,811.2</b>	<b>\$ 4,817.7</b>
<b>Liabilities and equity</b>		
Current liabilities		
Current portion of long-term debt	\$ 7.9	\$ 10.7
Current portion of operating lease obligations	214.5	219.3
Current portion of finance lease obligations	14.5	14.4
Current income tax payable	2.1	3.2
Accounts payable and accrued expenses	412.9	460.9
Total current liabilities	651.9	708.5
Long-term liabilities		
Long-term debt, less current portion	2,390.6	2,474.0
Operating lease obligations, less current portion	886.3	970.6
Finance lease obligations, less current portion	77.0	88.0
Long-term deferred tax liability	50.1	33.7
Long-term liability for uncertain tax positions	46.2	47.9
NCM screen advertising advances	330.9	338.2
Other long-term liabilities	43.1	37.3
Total long-term liabilities	3,824.2	3,989.7
Equity		
Cinemark Holdings, Inc.'s stockholders' equity:		
Common stock, \$0.001 par value: 300,000,000 shares authorized, 127,577,909 shares issued and 121,616,481 shares outstanding at September 30, 2023 and 126,082,187 shares issued and 120,403,833 shares outstanding at December 31, 2022	0.1	0.1
Additional paid-in-capital	1,238.2	1,219.3
Treasury stock, 5,961,428 and 5,678,354 shares, at cost, at September 30, 2023 and December 31, 2022, respectively	(97.9 )	(95.4 )
Accumulated deficit	(454.4 )	(660.6 )
Accumulated other comprehensive loss	(360.7 )	(353.2 )
Total Cinemark Holdings, Inc.'s stockholders' equity	325.3	110.2
Noncontrolling interests	9.8	9.3
Total equity	335.1	119.5
<b>Total liabilities and equity</b>	<b>\$ 4,811.2</b>	<b>\$ 4,817.7</b>

The accompanying notes, as they relate to Cinemark Holdings, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
(in millions, except per share data, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenue</b>				
Admissions	\$ 443.8	\$ 324.6	1,233.2	\$ 942.3
Concession	339.8	253.6	949.0	712.6
Other	91.2	72.2	245.6	200.1
Total revenue	\$ 874.8	\$ 650.4	\$ 2,427.8	\$ 1,855.0
<b>Cost of operations</b>				
Film rentals and advertising	248.2	180.9	692.9	531.1
Concession supplies	63.0	46.3	174.0	128.8
Salaries and wages	107.9	97.0	306.2	277.0
Facility lease expense	84.4	77.2	250.9	231.2
Utilities and other	129.5	110.4	353.5	303.8
General and administrative expenses	48.2	45.1	144.7	134.0
Depreciation and amortization	51.9	58.3	159.6	181.0
Impairment of long-lived and other assets	2.0	15.2	12.1	107.5
Restructuring costs	—	—	—	(0.2)
(Gain) loss on disposal of assets and other	(6.1)	1.2	(8.8)	(6.4)
Total cost of operations	729.0	631.6	2,085.1	1,887.8
<b>Operating income (loss)</b>	<b>145.8</b>	<b>18.8</b>	<b>342.7</b>	<b>(32.8)</b>
<b>Other income (expense)</b>				
Interest expense	(38.1)	(38.4)	(112.0)	(114.6)
Interest income	15.3	6.4	40.2	11.1
Loss on debt extinguishment and refinancing	—	—	(10.7)	—
Foreign currency exchange and other related loss	(11.0)	(5.4)	(19.4)	(5.3)
Distributions from DCIP	—	3.7	—	3.7
Interest expense - NCM	(5.6)	(5.8)	(17.0)	(17.5)
Equity in income (loss) of affiliates	1.5	0.2	1.2	(7.5)
Unrealized gain on investment in NCMI	4.7	—	13.9	—
Total other expense	(33.2)	(39.3)	(103.8)	(130.1)
<b>Income (loss) before income taxes</b>	<b>112.6</b>	<b>(20.5)</b>	<b>238.9</b>	<b>(162.9)</b>
Income tax expense	21.4	3.4	29.8	6.3
<b>Net income (loss)</b>	<b>\$ 91.2</b>	<b>\$ (23.9)</b>	<b>\$ 209.1</b>	<b>\$ (169.2)</b>
Less: Net income attributable to noncontrolling interests	1.0	0.6	2.9	2.7
<b>Net income (loss) attributable to Cinemark Holdings, Inc.</b>	<b>\$ 90.2</b>	<b>\$ (24.5)</b>	<b>\$ 206.2</b>	<b>\$ (171.9)</b>
<b>Weighted average shares outstanding</b>				
Basic	119.2	118.4	119.0	118.1
Diluted	152.0	118.4	151.8	118.1
<b>Income (loss) per share attributable to Cinemark Holdings, Inc.'s common stockholders</b>				
Basic	\$ 0.74	\$ (0.20)	\$ 1.70	\$ (1.43)
Diluted	\$ 0.61	\$ (0.20)	\$ 1.43	\$ (1.43)

The accompanying notes, as they relate to Cinemark Holdings, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in millions, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net income (loss)</b>	\$ 91.2	\$ (23.9)	\$ 209.1	\$ (169.2)
<b>Other comprehensive income (loss), net of tax</b>				
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes and settlements	(1.8)	11.6	(2.6)	34.2
Foreign currency translation adjustments	(12.6)	(4.6)	(0.4)	(5.9)
Total other comprehensive income (loss), net of tax	\$ (14.4)	\$ 7.0	\$ (3.0)	\$ 28.3
Total comprehensive income (loss), net of tax	76.8	(16.9)	206.1	(140.9)
Comprehensive income attributable to noncontrolling interests	(1.0)	(0.6)	(2.9)	(2.7)
<b>Comprehensive income (loss) attributable to Cinemark Holdings, Inc.</b>	<u>\$ 75.8</u>	<u>\$ (17.5)</u>	<u>\$ 203.2</u>	<u>\$ (143.6)</u>

The accompanying notes, as they relate to Cinemark Holdings, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(in millions, unaudited)

	Common Stock		Treasury Stock	Additional		Accumulated Deficit	Accumulated Other	Total Cinemark Holdings, Inc.'s		Noncontrolling Interests	Total Equity
	Shares Issued	Amount		Paid-in-Capital	Comprehensive Loss		Stockholders' Equity				
Balance at January 1, 2023	126.1	\$ 0.1	\$ (95.4)	\$ 1,219.3	\$ (660.6)	\$ (353.2)	\$ 110.2	\$ 9.3	\$ 119.5		
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended March 31, 2023	—	—	(2.1)	—	—	—	(2.1)	—	(2.1)		
Issuance of stock upon vesting of performance stock units	0.1	—	—	—	—	—	—	—	—		
Issuance of share-based awards and share-based awards compensation expense	1.3	—	—	5.7	—	—	5.7	—	5.7		
Net (loss) income	—	—	—	—	(3.1)	—	(3.1)	0.6	(2.5)		
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)		
Other comprehensive income	—	—	—	—	—	4.7	4.7	—	4.7		
Balance at March 31, 2023	127.5	\$ 0.1	\$ (97.5)	\$ 1,225.0	\$ (663.7)	\$ (350.0)	\$ 113.9	\$ 9.9	\$ 123.8		
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended June 30, 2023	—	—	(0.3)	—	—	—	(0.3)	—	(0.3)		
Issuance of share-based awards and share-based awards compensation expense	0.1	—	—	6.8	—	—	6.8	—	6.8		
Net income	—	—	—	—	119.1	—	119.1	1.3	120.4		
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1.1)	(1.1)		
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)		
Other comprehensive income	—	—	—	—	—	6.7	6.7	—	6.7		
Balance at June 30, 2023	127.6	\$ 0.1	\$ (97.8)	\$ 1,231.8	\$ (544.6)	\$ (344.8)	\$ 244.7	\$ 10.1	\$ 254.8		
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended September 30, 2023	—	—	(0.1)	—	—	—	(0.1)	—	(0.1)		
Issuance of share-based awards and share-based awards compensation expense	—	—	—	6.4	—	—	6.4	—	6.4		
Net income	—	—	—	—	90.2	—	90.2	1.0	91.2		
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1.3)	(1.3)		
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)		
Other comprehensive loss	—	—	—	—	—	(14.4)	(14.4)	—	(14.4)		
Balance at September 30, 2023	<u>127.6</u>	<u>\$ 0.1</u>	<u>\$ (97.9)</u>	<u>\$ 1,238.2</u>	<u>\$ (454.4)</u>	<u>\$ (360.7)</u>	<u>\$ 325.3</u>	<u>\$ 9.8</u>	<u>\$ 335.1</u>		

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY, CONT'D**  
(in millions, unaudited)

	Common Stock		Treasury Stock	Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Cinemark Holdings, Inc's		Noncontrolling Interests	Total Equity
	Shares Issued	Amount					Stockholders' Equity			
Balance at January 1, 2022	125.1	\$ 0.1	\$ (91.1)	\$ 1,197.8	\$ (389.4)	\$ (394.5)	\$ 322.9	\$ 11.6	\$ 334.5	
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended March 31, 2022	—	—	(1.6)	—	—	—	(1.6)	—	(1.6)	
Issuance of stock upon vesting of performance stock units	0.1	—	—	—	—	—	—	—	—	
Issuance of share-based awards and share-based awards compensation expense	0.7	—	—	5.1	—	—	5.1	—	5.1	
Net (loss) income	—	—	—	—	(74.0)	—	(74.0)	1.5	(72.5)	
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	1.1	1.1	—	1.1	
Other comprehensive income	—	—	—	—	—	32.8	32.8	—	32.8	
Balance at March 31, 2022	125.9	\$ 0.1	\$ (92.7)	\$ 1,202.9	\$ (463.4)	\$ (360.6)	\$ 286.3	\$ 13.1	\$ 299.4	
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended June 30, 2022	—	—	(0.5)	—	—	—	(0.5)	—	(0.5)	
Issuance of share-based awards and share-based awards compensation expense	0.2	—	—	6.0	—	—	6.0	—	6.0	
Net (loss) income	—	—	—	—	(73.4)	—	(73.4)	0.6	(72.8)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(3.0)	(3.0)	
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	1.1	1.1	—	1.1	
Other comprehensive loss	—	—	—	—	—	(11.5)	(11.5)	—	(11.5)	
Balance at June 30, 2022	126.1	\$ 0.1	\$ (93.2)	\$ 1,208.9	\$ (536.8)	\$ (371.0)	\$ 208.0	\$ 10.7	\$ 218.7	
Restricted stock forfeitures and stock withholdings related to share-based awards that vested during the three months ended September 30, 2022	—	—	(2.0)	—	—	—	(2.0)	—	(2.0)	
Issuance of share-based awards and share-based awards compensation expense	—	—	—	5.2	—	—	5.2	—	5.2	
Net (loss) income	—	—	—	—	(24.5)	—	(24.5)	0.6	(23.9)	
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(0.7)	(0.7)	
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	1.1	1.1	—	1.1	
Other comprehensive income	—	—	—	—	—	7.0	7.0	—	7.0	
Balance at September 30, 2022	<u>126.1</u>	<u>\$ 0.1</u>	<u>\$ (95.2)</u>	<u>\$ 1,214.1</u>	<u>\$ (561.3)</u>	<u>\$ (362.9)</u>	<u>\$ 194.8</u>	<u>\$ 10.6</u>	<u>\$ 205.4</u>	

The accompanying notes, as they relate to Cinemark Holdings, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions, unaudited)

	Nine Months Ended September 30,	
	2023	2022
<b>Operating activities</b>		
Net income (loss)	\$ 209.1	\$ (169.2)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation	158.0	179.1
Amortization of intangible and other assets	1.6	1.9
Loss on debt extinguishment and refinancing	10.7	—
Amortization of original issue discount and debt issuance costs	7.7	8.2
Interest accrued on NCM screen advertising advances	17.0	17.5
Amortization of NCM screen advertising advances and other deferred revenue	(24.3)	(24.5)
Amortization of accumulated (gains) losses for amended swap agreements	(4.6)	3.4
Impairment of long-lived and other assets	12.1	107.5
Share-based awards compensation expense	18.9	16.2
Gain on disposal of assets and other	(8.8)	(6.4)
Unrealized gain on investment in NCMI	(13.9)	—
Non-cash rent expense	(13.2)	(7.5)
Equity in (income) loss of affiliates	(1.2)	7.5
Deferred income tax expense (benefit)	16.0	(1.5)
Distributions from equity investees	3.2	1.5
Changes in assets and liabilities and other	(52.5)	(106.0)
Net cash provided by operating activities	335.8	27.7
<b>Investing activities</b>		
Additions to theatre properties and equipment	(89.7)	(65.3)
Net proceeds from sale of subsidiary	14.8	—
Proceeds from sale of theatre properties and equipment and other	—	12.0
Net cash used for investing activities	(74.9)	(53.3)
<b>Financing activities</b>		
Proceeds from refinancing of senior secured credit facility	640.2	—
Repayment of term loan upon refinancing of senior secured credit facility	(624.9)	—
Redemption of 8.75% Secured Notes	(102.2)	—
Payment of debt issuance costs	(7.5)	—
Payment of fees on refinancing of senior secured credit facility	(2.6)	—
Other repayments of long-term debt	(8.6)	(14.0)
Restricted stock withholdings for payroll taxes	(2.5)	(4.1)
Payments on finance leases	(10.7)	(10.8)
Other financing activities	0.8	(3.7)
Net cash used for financing activities	(118.0)	(32.6)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(11.5)	(17.2)
<b>Increase (decrease) in cash and cash equivalents</b>	131.4	(75.4)
<b>Cash and cash equivalents:</b>		
Beginning of period	674.5	707.3
End of period	<u>\$ 805.9</u>	<u>\$ 631.9</u>

The accompanying notes, as they relate to Cinemark Holdings, Inc., are an integral part of the condensed consolidated financial statements.

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**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, except share and per share data, unaudited)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 570.8	\$ 427.3
Inventories	26.9	23.7
Accounts receivable	70.5	69.0
Current income tax receivable	48.9	45.1
Prepaid expenses and other	58.0	50.7
Accounts receivable from parent	59.6	53.4
Total current assets	834.7	669.2
Theatre properties and equipment, net of accumulated depreciation of \$2,283.8 and \$2,165.7	1,154.4	1,232.1
Operating lease right-of-use assets, net	1,019.0	1,102.7
Other long-term assets		
Goodwill	1,249.0	1,250.9
Intangible assets, net	303.0	304.6
Investment in NCMI/NCM	19.6	9.6
Investments in affiliates	23.8	22.6
Deferred charges and other assets, net	31.4	31.6
Total other long-term assets	1,626.8	1,619.3
<b>Total assets</b>	<b>\$ 4,634.9</b>	<b>\$ 4,623.3</b>
<b>Liabilities and equity</b>		
Current liabilities		
Current portion of long-term debt	\$ 7.9	\$ 10.7
Current portion of operating lease obligations	214.5	219.3
Current portion of finance lease obligations	14.5	14.4
Current income tax payable	2.1	3.2
Accounts payable and accrued expenses	410.1	452.7
Total current liabilities	649.1	700.3
Long-term liabilities		
Long-term debt, less current portion	1,937.0	2,023.0
Operating lease obligations, less current portion	886.3	970.6
Finance lease obligations, less current portion	77.0	88.0
Long-term deferred tax liability	48.7	36.1
Long-term liability for uncertain tax positions	46.2	47.9
NCM screen advertising advances	330.9	338.2
Other long-term liabilities	43.1	37.3
Total long-term liabilities	3,369.2	3,541.1
Equity		
Cinemark USA, Inc.'s stockholder's equity:		
Class A common stock, \$0.01 par value: 10,000,000 shares authorized, 1,500 shares issued and outstanding	—	—
Class B common stock, no par value: 1,000,000 shares authorized, 239,893 shares issued and 182,648 shares outstanding	49.5	49.5
Treasury stock, 57,245 Class B shares at cost	(24.2)	(24.2)
Additional paid-in-capital	1,497.5	1,479.5
Accumulated deficit	(552.2)	(775.9)
Accumulated other comprehensive loss	(363.8)	(356.3)
Total Cinemark USA, Inc.'s stockholder's equity	606.8	372.6
Noncontrolling interests	9.8	9.3
Total equity	616.6	381.9
<b>Total liabilities and equity</b>	<b>\$ 4,634.9</b>	<b>\$ 4,623.3</b>

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
(in millions, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenue</b>				
Admissions	\$ 443.8	\$ 324.6	\$ 1,233.2	\$ 942.3
Concession	339.8	253.6	949.0	712.6
Other	91.2	72.2	245.6	200.1
Total revenue	\$ 874.8	\$ 650.4	\$ 2,427.8	\$ 1,855.0
<b>Cost of operations</b>				
Film rentals and advertising	248.2	180.9	692.9	531.1
Concession supplies	63.0	46.3	174.0	128.8
Salaries and wages	107.9	97.0	306.2	277.0
Facility lease expense	84.4	77.2	250.9	231.2
Utilities and other	129.5	110.4	353.5	303.8
General and administrative expenses	47.5	44.4	142.2	131.8
Depreciation and amortization	51.9	58.3	159.6	181.0
Impairment of long-lived and other assets	2.0	15.2	12.1	107.5
Restructuring costs	—	—	—	(0.2)
(Gain) loss on disposal of assets and other	(6.1)	1.2	(8.8)	(6.4)
Total cost of operations	728.3	630.9	2,082.6	1,885.6
<b>Operating income (loss)</b>	146.5	19.5	345.2	(30.6)
<b>Other income (expense)</b>				
Interest expense	(32.1)	(32.4)	(93.9)	(96.5)
Interest income	12.2	5.2	31.5	9.5
Loss on debt extinguishment and refinancing	—	—	(10.7)	—
Foreign currency exchange and other related loss	(11.0)	(5.4)	(19.4)	(5.3)
Distributions from DCIP	—	3.7	—	3.7
Interest expense - NCM	(5.6)	(5.8)	(17.0)	(17.5)
Equity in income (loss) of affiliates	1.5	0.2	1.2	(7.5)
Unrealized gain on investment in NCMI	4.7	—	13.9	—
Total other expense	(30.3)	(34.5)	(94.4)	(113.6)
<b>Income (loss) before income taxes</b>	116.2	(15.0)	250.8	(144.2)
Income tax expense (benefit)	17.4	(0.4)	24.2	(3.3)
<b>Net income (loss)</b>	\$ 98.8	\$ (14.6)	\$ 226.6	\$ (140.9)
Less: Net income attributable to noncontrolling interests	1.0	0.6	2.9	2.7
<b>Net income (loss) attributable to Cinemark USA, Inc.</b>	<u>\$ 97.8</u>	<u>\$ (15.2)</u>	<u>\$ 223.7</u>	<u>\$ (143.6)</u>

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in millions, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net income (loss)</b>	\$ 98.8	\$ (14.6)	\$ 226.6	\$ (140.9)
<b>Other comprehensive income (loss), net of tax</b>				
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes and settlements	(1.8)	9.8	(2.6)	31.4
Foreign currency translation adjustments	(12.6)	(4.6)	(0.4)	(5.9)
Total other comprehensive income (loss), net of tax	\$ (14.4)	\$ 5.2	\$ (3.0)	\$ 25.5
Total comprehensive income (loss), net of tax	84.4	(9.4)	223.6	(115.4)
Comprehensive income attributable to noncontrolling interests	(1.0)	(0.6)	(2.9)	(2.7)
<b>Comprehensive income (loss) attributable to Cinemark USA, Inc.</b>	<u>\$ 83.4</u>	<u>\$ (10.0)</u>	<u>\$ 220.7</u>	<u>\$ (118.1)</u>

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
(in millions, unaudited)

	Class A		Class B		Treasury	Additional Paid-in- Capital	Accumulate d Deficit	Accumulate d Other Comprehen sive Loss	Total Cinemark USA, Inc's Stockholder 's Equity	Noncontroll ing Interests	Total Equity
	Common Stock		Common Stock								
	Shares Issued	Amo unt	Shares Issued	Amount							
Balance at January 1, 2023	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,479.5	\$ (775.9)	\$ (356.3)	\$ 372.6	\$ 9.3	\$ 381.9
Share-based awards compensation expense	—	—	—	—	—	5.4	—	—	5.4	—	5.4
Net income	—	—	—	—	—	—	5.7	—	5.7	\$ 0.6	6.3
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)
Other comprehensive income	—	—	—	—	—	—	—	4.7	4.7	\$ —	4.7
Balance at March 31, 2023	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,484.9	\$ (770.2)	\$ (353.1)	\$ 386.9	\$ 9.9	\$ 396.8
Share-based awards compensation expense	—	—	—	—	—	6.5	—	—	6.5	—	6.5
Net income	—	—	—	—	—	—	120.2	—	120.2	1.3	121.5
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1.1)	(1.1)
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)
Other comprehensive income	—	—	—	—	—	—	—	6.7	6.7	—	6.7
Balance at June 30, 2023	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,491.4	\$ (650.0)	\$ (347.9)	\$ 518.8	\$ 10.1	\$ 528.9
Share-based awards compensation expense	—	—	—	—	—	6.1	—	—	6.1	—	6.1
Net income	—	—	—	—	—	—	97.8	—	97.8	1.0	98.8
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1.3)	(1.3)
Amortization of accumulated gains for amended swap agreements	—	—	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)
Other comprehensive loss	—	—	—	—	—	—	—	(14.4)	(14.4)	—	(14.4)
Balance at September 30, 2023	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,497.5	\$ (552.2)	\$ (363.8)	\$ 606.8	\$ 9.8	\$ 616.6

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY, CONT'D**  
(in millions, unaudited)

	Class A Common Stock		Class B Common Stock		Treasury Stock	Additional Paid-in- Capital	Accumulate d Deficit	Accumulate d Other Comprehen sive Loss	Total Cinemark USA, Inc's Stockholder 's Equity	Noncontroll ing Interests	Total Equity
	Shares Issued	Amo unt	Shares Issued	Amount							
	—	\$ —	0.2	\$ 49.5							
Balance at January 1, 2022	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,459.0	\$ (544.0)	\$ (397.0)	\$ 543.3	\$ 11.6	\$ 554.9
Share-based awards compensation expense	—	—	—	—	—	4.9	—	—	4.9	—	4.9
Net (loss) income	—	—	—	—	—	—	(62.5)	—	(62.5)	1.5	(61.0)
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	—	—	1.1	1.1	—	1.1
Other comprehensive income	—	—	—	—	—	—	—	29.0	29.0	—	29.0
Balance at March 31, 2022	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,463.9	\$ (606.5)	\$ (366.9)	\$ 515.8	\$ 13.1	\$ 528.9
Share-based awards compensation expense	—	—	—	—	—	5.7	—	—	5.7	—	5.7
Net (loss) income	—	—	—	—	—	—	(65.9)	—	(65.9)	0.6	(65.3)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(3.0)	(3.0)
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	—	—	1.1	1.1	—	1.1
Other comprehensive loss	—	—	—	—	—	—	—	(8.7)	(8.7)	—	(8.7)
Balance at June 30, 2022	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,469.6	\$ (672.4)	\$ (374.5)	\$ 448.0	\$ 10.7	\$ 458.7
Share-based awards compensation expense	—	—	—	—	—	4.9	—	—	4.9	—	4.9
Net (loss) income	—	—	—	—	—	—	(15.2)	—	(15.2)	0.6	(14.6)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(0.7)	(0.7)
Amortization of accumulated losses for amended swap agreements	—	—	—	—	—	—	—	1.1	1.1	—	1.1
Other comprehensive income	—	—	—	—	—	—	—	5.2	5.2	—	5.2
Balance at September 30, 2022	—	\$ —	0.2	\$ 49.5	\$ (24.2)	\$ 1,474.5	\$ (687.6)	\$ (368.2)	\$ 444.0	\$ 10.6	\$ 454.6

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions, unaudited)

	Nine Months Ended September 30,	
	2023	2022
<b>Operating activities</b>		
Net income (loss)	\$ 226.6	\$ (140.9)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation	158.0	179.1
Amortization of intangible and other assets	1.6	1.9
Loss on debt extinguishment and refinancing	10.7	—
Amortization of original issue discount and debt issuance costs	5.1	5.6
Interest accrued on NCM screen advertising advances	17.0	17.5
Amortization of NCM screen advertising advances and other deferred revenue	(24.3)	(24.5)
Amortization of accumulated (gains) losses for amended swap agreements	(4.6)	3.4
Impairment of long-lived and other assets	12.1	107.5
Share-based awards compensation expense	18.0	15.5
Gain on disposal of assets and other	(8.8)	(6.4)
Unrealized gain on investment in NCMI	(13.9)	—
Non-cash rent expense	(13.2)	(7.5)
Equity in (income) loss of affiliates	(1.2)	7.5
Deferred income tax expense	12.3	(3.3)
Distributions from equity investees	3.2	1.5
Changes in assets and liabilities and other	(50.7)	(109.9)
Net cash provided by operating activities	347.9	47.0
<b>Investing activities</b>		
Additions to theatre properties and equipment	(89.7)	(65.3)
Net proceeds from sale of subsidiary	14.8	—
Proceeds from sale of theatre properties and equipment and other	—	12.0
Net cash used for investing activities	(74.9)	(53.3)
<b>Financing activities</b>		
Proceeds from refinancing of senior secured credit facility	640.2	—
Repayment of term loan upon refinancing of senior secured credit facility	(624.9)	—
Redemption of 8.75% Secured Notes	(102.2)	—
Payment of debt issuance costs	(7.5)	—
Payment of fees on refinancing of senior secured credit facility	(2.6)	—
Repayments of long-term debt	(8.6)	(14.0)
Restricted stock withholdings for payroll taxes	(2.5)	(4.1)
Payments on finance leases	(10.7)	(10.8)
Other financing activities	0.8	(3.7)
Net cash used for financing activities	(118.0)	(32.6)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
	(11.5)	(17.2)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>143.5</b>	<b>(56.1)</b>
<b>Cash and cash equivalents:</b>		
Beginning of period	427.3	442.7
End of period	<u>\$ 570.8</u>	<u>\$ 386.6</u>

The accompanying notes, as they relate to Cinemark USA, Inc., are an integral part of the condensed consolidated financial statements.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES AND  
CINEMARK USA, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(in millions, except per share data, unaudited)**

**1.The Company and Basis of Presentation**

Cinemark Holdings, Inc. (“Holdings”) is a holding company and its wholly-owned subsidiary is Cinemark USA, Inc (“CUSA”). Holdings consolidates CUSA and its subsidiaries for financial statement purposes, and CUSA comprises approximately the entire balance of Holdings’ assets, liabilities and operating cash flows. In addition, CUSA’s operating revenue comprises 100% and its operating expenses comprise nearly 100% of Holdings’ revenue and operating expenses, respectively. As such, the following Notes to Condensed Consolidated Financial Statements relate to Holdings and CUSA and their respective consolidated subsidiaries in all material respects, unless otherwise noted. Where it is important to distinguish between Holdings and CUSA, specific reference is made to either Holdings or CUSA. Otherwise, all references to “we,” “our,” “us,” and “the Company” relate to Cinemark Holdings, Inc. and its consolidated subsidiaries and all references to CUSA relate to CUSA and its consolidated subsidiaries.

We operate in the motion picture exhibition industry, with theatres in the United States (“U.S.”), Brazil, Argentina, Chile, Colombia, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, and Paraguay. The Company closed its one theatre in Curacao in January 2023 and sold its theatres in Ecuador in September 2023. See Note 6 for a discussion of the sale of the Company’s Ecuador subsidiary.

The impact of the COVID-19 pandemic had an unprecedented impact on the theatrical exhibition industry. While the industry has made significant progress in its recovery from the pandemic, its ongoing recovery continues to be contingent upon several key factors, including the volume of new film content available, the box office performance of new film content released, the duration of the exclusive theatrical release window, and evolving consumer behavior with competition from other forms of in-and-out-of-home entertainment.

The accompanying condensed consolidated balance sheets of Holdings and CUSA as of December 31, 2022, each of which were derived from audited financial statements, and the unaudited condensed consolidated financial statements of Holdings and CUSA, respectively, have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates. Majority-owned subsidiaries that Holdings or CUSA, as applicable, has control of are consolidated while those investments in entities of which Holdings or CUSA, as applicable, owns between 20% and 50% and does not control, but has significant influence over the investee, are accounted for under the equity method. Investments in entities of which Holdings or CUSA, as applicable, owns between 20% and 50% and does not control or have significant influence over are accounted for under the fair value method. If Holdings or CUSA cease to exercise significant influence over an equity investee, the investment is accounted for under the fair value method. Investments in entities of which Holdings or CUSA, as applicable, owns less than 20% are generally accounted for under the cost method. The results of these subsidiaries and other investees are included in the condensed consolidated financial statements of Holdings and CUSA, as applicable, effective from their date of formation or from their date of acquisition. Intercompany balances and transactions are eliminated in consolidation.

These condensed consolidated financial statements of Holdings and CUSA should be read in conjunction with the audited annual consolidated financial statements of Holdings and CUSA and the notes thereto for the year ended December 31, 2022, included in the Company’s Annual Report on Form 10-K filed February 24, 2023 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Operating results for the three and nine months ended September 30, 2023 are not necessarily indicative of the results to be achieved for the full year.

**2.New Accounting Pronouncements**

Accounting Standards Update (“ASU”) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, (“ASU 2020-04”), ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, (“ASU 2021-01”) and ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* (“ASU 2022-06”). The purpose of ASU 2020-04 is to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. More specifically, the amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in ASU 2021-01 clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. The amendments in ASU 2022-06 deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES AND  
CINEMARK USA, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(in millions, except per share data, unaudited)**

848. The amendments in ASU 2020-04 and ASU 2021-01 are effective as of March 12, 2020 through December 31, 2024. The Company applied the optional relief guidance prospectively to the modification of the reference rate in its interest rate swap agreements from LIBOR to Term SOFR during the second quarter of 2023 (see Note 7). The application of the guidance did not have a material impact on the Company's condensed consolidated financial statements.

**3. Lease Accounting**

The following table represents the Company's aggregate lease costs, by lease classification, for the periods presented.

Lease Cost	Classification	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
<i>Operating lease costs</i>					
Equipment <sup>(1)</sup>	Utilities and other	\$ 0.7	\$ 1.0	\$ 3.4	\$ 2.6
Real Estate <sup>(1)</sup>	Facility lease expense	88.5	79.5	261.4	236.4
Total operating lease costs		<u>\$ 89.2</u>	<u>\$ 80.5</u>	<u>\$ 264.8</u>	<u>\$ 239.0</u>
<i>Finance lease costs</i>					
Amortization of leased assets	Depreciation and amortization	\$ 3.0	\$ 3.1	\$ 9.0	\$ 9.4
Interest on lease liabilities	Interest expense	1.2	1.4	3.7	4.1
Total finance lease costs		<u>\$ 4.2</u>	<u>\$ 4.5</u>	<u>\$ 12.7</u>	<u>\$ 13.5</u>

(1) Includes short-term lease payments, variable lease payments and office lease payments reflected in general and administrative expense as set forth in the following table for the periods presented:

Lease Cost	Classification	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
<i>Operating lease costs</i>					
Equipment - Short-term and variable lease payments	Utilities and other	\$ 0.5	\$ 0.8	\$ 3.0	\$ 2.2
Real Estate - Variable lease payments <sup>(1)</sup>	Facility lease expense	\$ 18.2	\$ 9.4	\$ 51.0	\$ 27.5
Real Estate - Office leases	General and administrative	\$ 0.4	\$ 0.3	\$ 1.0	\$ 1.0

(1) Represents lease payments that are based on a change in index, such as CPI or inflation, variable payments based on revenue or attendance and variable common area maintenance costs.

The following table represents the minimum cash lease payments as included in the measurement of the related lease liabilities and the non-cash addition of lease right-of-use assets for the periods presented.

Other Information	Nine Months Ended September 30,	
	2023	2022
<i>Cash paid for amounts included in the measurement of lease liabilities:</i>		
Cash outflows for operating leases	\$ 210.7	\$ 209.3
Cash outflows for finance leases - operating activities	\$ 3.7	\$ 4.1
Cash outflows for finance leases - financing activities	\$ 10.7	\$ 10.8
<i>Non-cash amount of right-of-use assets obtained in exchange for:</i>		
Operating lease liability additions, net of write-offs	\$ 73.3	\$ 78.5

As of September 30, 2023, the Company had signed lease agreements with total non-cancelable lease payments of approximately \$43.7 related to theatre leases that had not yet commenced. The timing of lease commencement is dependent on the completion of construction of the related theatre facility. Additionally, these amounts are based on estimated square footage and costs to construct each facility and may be subject to adjustment upon final completion of each construction project. In accordance with ASC Topic 842, *Leases*, fixed minimum lease payments related to these theatres are not included in the right-of-use assets and lease liabilities as of September 30, 2023.

**CINEMARK HOLDINGS, INC. AND SUBSIDIARIES AND  
CINEMARK USA, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**4.Revenue Recognition**

The Company's patrons have the option to purchase movie tickets well in advance of a movie showtime, right before the movie showtime, or at any point in between those two timeframes depending on seat availability. The Company recognizes such admissions revenue when the showtime for a purchased movie ticket has passed. Concession revenue is recognized when products are sold to the consumer, or if purchased in advance, once the showtime associated with the customer's movie ticket has passed. Other revenue primarily consists of screen advertising, screen rental revenue, promotional income, studio trailer placements, revenue from electronic video games located in our theatres, and transactional fees. Except for National CineMedia, LLC ("NCM") screen advertising advances discussed in Note 8, these revenues are generally recognized when the Company has fulfilled its performance obligations by providing the specified services.

The Company sells gift cards and discount ticket vouchers, the proceeds from which are recorded as deferred revenue. Deferred revenue for gift cards and discount ticket vouchers is recognized when they are redeemed for concession items or, if redeemed for movie tickets, when the movie showtime has passed. The Company generally records breakage revenue on gift cards and discount ticket vouchers based on redemption activity and historical experience associated with unused balances.

The Company offers a subscription program in the U.S. whereby patrons can pay a monthly or annual fee to receive a monthly credit for use towards a future movie ticket purchase. The Company records subscription program fees as deferred revenue and records admissions revenue when the showtime for a movie ticket purchased with a credit has passed.

The Company has loyalty programs in the U.S. and many of its international locations that either have a prepaid annual fee or award points to customers as purchases are made. For those loyalty programs that have a prepaid annual fee, the Company recognizes the fee collected as other revenue on a straight-line basis over the annual membership period. For those loyalty programs that award points to customers based on their purchases, the Company records a portion of the original transaction proceeds as deferred revenue based on the number of reward points issued to customers and recognizes the deferred revenue when the customer redeems such points. The value of loyalty points issued is based on the estimated fair value of the rewards offered. The Company records breakage revenue generally upon the expiration of loyalty points and subscription credits as the Company does not yet have sufficient historical data related to the redemption patterns for these programs to estimate breakage.

Accounts receivable as of September 30, 2023 and December 31, 2022 included approximately \$31.4 and \$22.9, respectively, of receivables related to contracts with customers. The Company did not record any assets related to the costs to obtain or fulfill a contract with customers during the nine months ended September 30, 2023.

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*Disaggregation of Revenue*

The following tables present revenue disaggregated based on major type of good or service and by reportable operating segment.

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated
Admissions revenue	\$ 350.4	\$ 93.4	\$ 443.8	\$ 968.5	\$ 264.7	\$ 1,233.2
Concession revenue	268.0	71.8	339.8	751.1	197.9	949.0
Screen advertising, screen rental and promotional revenue <sup>(2)</sup>	23.0	16.2	39.2	69.5	39.0	108.5
Other revenue	41.1	10.9	52.0	107.4	29.7	137.1
<b>Total revenue</b>	<b>\$ 682.5</b>	<b>\$ 192.3</b>	<b>\$ 874.8</b>	<b>\$ 1,896.5</b>	<b>\$ 531.3</b>	<b>\$ 2,427.8</b>

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated
Admissions revenue	\$ 257.6	\$ 67.0	\$ 324.6	\$ 759.1	\$ 183.2	\$ 942.3
Concession revenue	200.8	52.8	253.6	576.5	136.1	712.6
Screen advertising, screen rental and promotional revenue <sup>(2)</sup>	20.6	11.3	31.9	60.7	30.7	91.4
Other revenue	32.7	7.6	40.3	88.2	20.5	108.7
<b>Total revenue</b>	<b>\$ 511.7</b>	<b>\$ 138.7</b>	<b>\$ 650.4</b>	<b>\$ 1,484.5</b>	<b>\$ 370.5</b>	<b>\$ 1,855.0</b>

(1)U.S. segment revenue excludes intercompany transactions with the international operating segment. See Note 16 for the amount of intercompany eliminations for the periods presented.

(2)Amount includes amortization of NCM screen advertising advances. See *Screen Advertising Advances and Other Deferred Revenue* below.

The following tables present revenue disaggregated based on timing of recognition and by reportable operating segment.

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated
Goods and services transferred at a point in time	\$ 657.4	\$ 173.8	\$ 831.2	\$ 1,819.9	\$ 485.8	\$ 2,305.7
Goods and services transferred over time <sup>(2)</sup>	25.1	18.5	43.6	76.6	45.5	122.1
<b>Total</b>	<b>\$ 682.5</b>	<b>\$ 192.3</b>	<b>\$ 874.8</b>	<b>\$ 1,896.5</b>	<b>\$ 531.3</b>	<b>\$ 2,427.8</b>

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated	U.S. Operating Segment <sup>(1)</sup>	International Operating Segment	Consolidated
Goods and services transferred at a point in time	\$ 478.9	\$ 123.8	\$ 602.7	\$ 1,401.0	\$ 332.2	\$ 1,733.2
Goods and services transferred over time <sup>(2)</sup>	32.8	14.9	47.7	83.5	38.3	121.8
<b>Total</b>	<b>\$ 511.7</b>	<b>\$ 138.7</b>	<b>\$ 650.4</b>	<b>\$ 1,484.5</b>	<b>\$ 370.5</b>	<b>\$ 1,855.0</b>

(1)U.S. segment revenue excludes intercompany transactions with the international operating segment. See Note 16 for the amount of intercompany eliminations for the periods presented.

(2)Amount includes amortization of NCM screen advertising advances. See *Screen Advertising Advances and Other Deferred Revenue* below.

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*Screen Advertising Advances and Other Deferred Revenue*

The following table presents changes in the Company's deferred revenue for the nine months ended September 30, 2023.

	NCM screen advertising advances <sup>(1)</sup>	Other Deferred Revenue <sup>(2)</sup>
Balance at January 1, 2023	\$ 338.2	\$ 194.9
Amounts recognized as accounts receivable	—	3.6
Cash received from customers in advance	—	224.9
Dispositions <sup>(3)</sup>	—	(0.4)
Interest accrued related to significant financing component	17.0	—
Revenue recognized during period	(24.3)	(220.6)
Foreign currency translation adjustments	—	(2.9)
Balance at September 30, 2023	<u>\$ 330.9</u>	<u>\$ 199.5</u>

(1) See Note 8 for the maturity of NCM screen advertising advances as of September 30, 2023.

(2) Includes liabilities associated with outstanding gift cards and discount ticket vouchers, points or rebates outstanding under the Company's loyalty and membership programs and revenue collected but not yet earned for screen advertising and other promotional activities. Amounts are classified as accounts payable and accrued expenses or other long-term liabilities on the condensed consolidated balance sheet.

(3) Relates to the sale of the Company's Ecuador subsidiary. See Note 6.

The table below summarizes the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of September 30, 2023 and when the Company expects to recognize this revenue.

<u>Remaining Performance Obligations</u>	Twelve Months Ended September 30,					Total
	2024	2025				
Other deferred revenue	\$ 176.7	\$ 22.8	\$ —	\$	\$	199.5

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**5. Earnings (Loss) Per Share**

The following table presents computations of basic and diluted earnings (loss) per share for Holdings:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net income (loss) attributable to Cinemark Holdings, Inc.	\$ 90.2	\$ (24.5)	\$ 206.2	\$ (171.9)
(Income) loss allocated to participating share-based awards <sup>(1)</sup>	(1.8)	0.4	(3.6)	2.4
Basic net income (loss) attributable to common stockholders	\$ 88.4	\$ (24.1)	\$ 202.6	\$ (169.5)
Add: Interest expense on convertible notes, net of tax <sup>(3)</sup>	4.4	—	14.0	—
Diluted net income (loss) attributable to common stockholders	<u>\$ 92.8</u>	<u>\$ (24.1)</u>	<u>\$ 216.6</u>	<u>\$ (169.5)</u>
<b>Denominator:</b>				
Basic weighted average shares outstanding	119.2	118.4	119.0	118.1
Common equivalent shares for restricted stock units <sup>(2)</sup>	0.8	—	0.8	—
Common equivalent shares for convertible notes <sup>(3)</sup>	32.0	—	32.0	—
Common equivalent shares for warrants <sup>(4)</sup>	—	—	—	—
Diluted weighted average shares outstanding	<u>152.0</u>	<u>118.4</u>	<u>151.8</u>	<u>118.1</u>
Basic earnings (loss) per share attributable to common stockholders	<u>\$ 0.74</u>	<u>\$ (0.20)</u>	<u>\$ 1.70</u>	<u>\$ (1.43)</u>
Diluted earnings (loss) per share attributable to common stockholders	<u>\$ 0.61</u>	<u>\$ (0.20)</u>	<u>\$ 1.43</u>	<u>\$ (1.43)</u>

(1) For the three months ended September 30, 2023 and 2022, a weighted average of approximately 2.42 shares and 1.90 shares of restricted stock, respectively, were considered participating securities. For the nine months ended September 30, 2023 and 2022, a weighted average of approximately 2.14 shares and 1.69 shares of restricted stock, respectively, were considered participating securities.

(2) For the three and nine months ended September 30, 2022, 0.18 and 0.39 common equivalent shares for restricted stock units, respectively, were excluded because they were anti-dilutive.

(3) For the three and nine months ended September 30, 2022 diluted loss per share excludes the conversion of the 4.50% Convertible Senior Notes into 32.0 shares of common stock, as they would be anti-dilutive. See further discussion below.

(4) For all periods presented, diluted earnings (loss) per share excludes the warrants, as they would be anti-dilutive.

*Share-based awards*

Holdings considers its unvested share-based awards, which contain non-forfeitable rights to dividends, participating securities, and includes such participating securities in its computation of earnings (loss) per share pursuant to the two-class method. Basic earnings (loss) per share for the two classes of stock (common stock and unvested restricted stock) is calculated by dividing net income (loss) by the weighted average number of shares of common stock and unvested restricted stock outstanding during the reporting period. Diluted earnings (loss) per share is calculated using the weighted average number of shares of common stock plus the potentially dilutive effect of common equivalent shares outstanding determined under both the two-class method and the treasury stock method.

*Convertible notes, hedges and warrants*

The 4.50% Convertible Senior Notes, discussed further in Note 14 of the Company's Annual Report on Form 10-K filed February 24, 2023, may be considered dilutive in periods in which Holdings has net income. The impact of such dilution on earnings per share is calculated under the if-converted method, which requires that all of the shares of Holdings' common stock issuable upon conversion of the 4.50% Convertible Senior Notes be included in the calculation of diluted earnings per share assuming conversion at the beginning of the reporting period. Also, the interest expense, net of tax, related to the 4.50% Convertible Senior Notes is excluded from the calculation of diluted net income (loss) attributable to common stockholders assuming conversion of the 4.50% Convertible Senior Notes at the beginning of the reporting period.

The closing price of Holdings' common stock did not exceed the strike price of \$18.66 per share (130% of the initial exercise price of \$14.35 per share) during at least 20 of the last 30 trading days of the quarter ended September 30, 2023 and, therefore, the 4.50% Convertible Senior Notes will not be convertible during the fourth quarter of 2023. The if-converted value of the 4.50% Convertible

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Senior Notes, based on the weighted average closing price of Holdings common stock for the third quarter of 2023, exceeded the aggregate outstanding principal value of the notes by \$16.4 as of September 30, 2023.

Holdings entered into hedge transactions with counterparties in connection with the issuance of the 4.50% Convertible Senior Notes. The convertible note hedge transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the 4.50% Convertible Senior Notes, the number of shares of Holdings' common stock underlying the 4.50% Convertible Notes, which initially gives Holdings the option to purchase approximately 32.0 shares of its common stock at a price of approximately \$14.35 per share. Concurrently with entering into the convertible note hedge transactions, Holdings also entered into warrant transactions with each option counterparty whereby Holdings sold to such option counterparty warrants to purchase, subject to customary anti-dilution adjustments, up to the same number of shares of Holdings' common stock, which initially gives the option counterparties the option to purchase approximately 32.0 shares at a price of approximately \$22.08 per share. The economic effect of these transactions is to effectively raise the strike price of the 4.50% Convertible Senior Notes from approximately \$18.66 per share of Holdings' common stock to approximately \$22.08 per share.

**6. Sale of Subsidiary**

During December 2022, the Company entered into a purchase and sale agreement for the sale of the stock of its Ecuador subsidiary. The Company completed the sale in September 2023 and recognized a gain of \$6.9, which is reflected in "Gain (loss) on disposal of assets and other" in the Company's condensed consolidated statement of income for the three and nine months ended September 30, 2023. The sale of the Ecuador subsidiary did not qualify as discontinued operations since it did not represent a strategic shift in the Company's operations that will have a major effect on its results and operations. The following table presents the carrying value of Ecuador's significant assets and liabilities as of the periods presented:

	September 30, 2023		December 31, 2022	
Theatre property and equipment, net	\$	—	\$	5.4
Operating lease right-of-use asset, net		—		2.9
Goodwill		—		4.2
<b>Total assets</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>15.3</b>
<b>Total liabilities</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>8.5</b>

The table below summarizes total revenue and operating income for the Ecuador subsidiary for the periods presented:

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023
Total revenue	\$	3.9	\$	13.5
Operating income	\$	0.5	\$	2.0

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**7. Long-Term Debt**

Long-term debt of Holdings consisted of the following for the periods presented:

	September 30, 2023	December 31, 2022
Cinemark Holdings, Inc. 4.50% convertible senior notes due 2025	\$ 460.0	\$ 460.0
Cinemark USA, Inc. term loan due 2030 (see <i>Senior Secured Credit Facility</i> below)	646.8	626.5
Cinemark USA, Inc. 8.75% senior secured notes due 2025	150.0	250.0
Cinemark USA, Inc. 5.875% senior notes due 2026	405.0	405.0
Cinemark USA, Inc. 5.25% senior notes due 2028	765.0	765.0
Other	7.2	10.1
Total long-term debt carrying value <sup>(1)</sup>	\$ 2,434.0	\$ 2,516.6
Less: Current portion	7.9	10.7
Less: Debt issuance costs and original issue discount, net of accumulated amortization <sup>(1)</sup>	35.5	31.9
Long-term debt, less current portion, net of unamortized debt issuance costs and original issue discount <sup>(1)</sup>	<u>\$ 2,390.6</u>	<u>\$ 2,474.0</u>

(1) The only differences between the long-term debt for Holdings, as presented above, and the long-term debt for CUSA are the \$460.0 4.50% Convertible Senior Notes due 2025 and the related debt issuance costs. The following table sets forth, as of the periods indicated, the total long-term debt carrying value, current portion of long-term debt and debt issuance costs, net of amortization, for CUSA.

	September 30, 2023	December 31, 2022
Total long-term debt carrying value	\$ 1,974.0	\$ 2,056.6
Less: Current portion	7.9	10.7
Less: Debt issuance costs and original issue discount, net of accumulated amortization	29.1	22.9
Long-term debt, less current portion, net of unamortized debt issuance costs and original issue discount	<u>\$ 1,937.0</u>	<u>\$ 2,023.0</u>

*Senior Secured Credit Facility*

On May 26, 2023, CUSA amended and restated its senior secured credit facility (the "Credit Agreement") to provide for an aggregate principal amount of \$775.0, consisting of a \$650.0 term loan with a maturity date of May 24, 2030 and a \$125.0 revolving credit facility with a maturity date of May 26, 2028. The term loan is subject to a springing maturity date of April 15, 2028 if CUSA's 5.25% Senior Notes due 2028 have not been paid or refinanced as required under the Credit Agreement prior to such date. The revolving credit facility is subject to springing maturity dates of January 30, 2025, December 14, 2025 and April 15, 2028 if CUSA's 8.75% Senior Secured Notes due 2025, 5.875% Senior Notes due 2026 and 5.25% Senior Notes due 2028 have not been paid or refinanced as required under the Credit Agreement prior to such dates, as more specifically described in the Credit Agreement.

CUSA used the \$632.7 net proceeds of the borrowings under the Credit Agreement to fund the \$628.3 repayment of the term loan outstanding under the Credit Agreement prior to the amendment and restatement and accrued interest thereon, and for other general corporate purposes.

Under the Credit Agreement, principal payments of \$1.6 are due on the term loan quarterly through March 31, 2030, with a final principal payment of the remaining unpaid principal due on May 24, 2030.

The amended term loan was issued net of an original issue discount of \$9.8. CUSA also incurred a total of approximately \$10.1 in debt issuance costs in connection with the amendment, which are reflected in the condensed consolidated financial statements as follows: (i) \$7.5 in debt issuance costs were capitalized and are reflected as a reduction of "Long-term debt, less current portion" on the Company's condensed consolidated balance sheet; and (ii) \$2.1 of fees paid to lenders and \$0.5 of legal and other fees included in "Loss on debt extinguishment and refinancing" in the Company's condensed consolidated statement of income for the nine months ended September 30, 2023. As a result of the amendment, CUSA also wrote-off \$4.7 of unamortized debt issuance costs associated with exiting lenders of the refinanced Credit Agreement.

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Interest on the term loan accrues, at CUSA's option, at either (i) a rate determined by reference to the secured overnight financing rate ("SOFR") as published by CME Group Benchmark Administration Limited and identified by Barclay's Bank PLC (the Administrative Agent) as the forward-looking term rate based on SOFR for a period of 1, 3, or 6 months (depending upon the Interest Period (as defined in the Credit Agreement) chosen by CUSA) (the "Term SOFR Rate"), subject to a floor of 0.50% per annum, plus an applicable margin of 3.75% per annum, or (ii) for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Reserve Bank of New York Rate in effect on such day, plus 1/2 of 1.00% and (c) the Term SOFR Rate for a one month Interest Period, as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day), plus 1.00% (this clause (ii), the "Alternate Base Rate"), subject in the case of this clause (ii) to a floor of 1.50% per annum, plus, in the case of this clause (ii), an applicable margin of 2.75%. The average interest rate on outstanding term loan borrowings under the Credit Agreement as of September 30, 2023 was approximately 6.9% per annum, after giving effect to the interest rate swap agreements discussed below.

Interest on revolving credit loans accrues, at CUSA's option, at either (i) the Term SOFR Rate plus an applicable margin that ranges from 3.00% to 3.50% per annum, or (ii) the Alternate Base Rate, subject, in the case of this clause (ii) to a floor of 1.00% per annum, plus, in the case of this clause (ii), an applicable margin that ranges from 2.00% to 2.50%. The applicable margin with respect to revolving credit loans is a function of the Consolidated Net Senior Secured Leverage Ratio as defined in the Credit Agreement. As of September 30, 2023, the applicable margin was 3.25%, however, there were no borrowings outstanding under the revolving line of credit. In addition, CUSA is required to pay a commitment fee on the revolving line of credit that accrues at a rate ranging from 0.20% to 0.375% per annum of the daily unused portion of the revolving line of credit. The commitment fee rate is a function of the Consolidated Net Senior Secured Leverage Ratio and was 0.25% at September 30, 2023.

CUSA's obligations under the Credit Agreement are guaranteed by Holdings and certain subsidiaries of Holdings other than CUSA (the "Other Guarantors") and are secured by security interests in substantially all of CUSA's, Holdings' and the Other Guarantors' personal property.

The Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on the ability of Holdings, CUSA and their subsidiaries to: merge, consolidate, liquidate, or dissolve; sell, transfer or otherwise dispose of assets; create, incur or permit to exist certain indebtedness and liens; pay dividends, repurchase stock and make other Restricted Payments (as defined in the Credit Agreement); prepay certain indebtedness; make investments; enter into transactions with affiliates; and change the nature of their business. At any time that CUSA has revolving credit loans outstanding, it is not permitted to allow the Consolidated Net Senior Secured Leverage Ratio to exceed 3.5 to 1.0. As of September 30, 2023, there were no revolving credit loans outstanding under the revolving line of credit, and CUSA's Consolidated Net Senior Secured Leverage Ratio was 0.3 to 1.0.

The Credit Agreement also includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, a change of control, material money judgments and failure to maintain security interests. If an event of default occurs, all commitments under the Credit Agreement may be terminated and all obligations under the Credit Agreement could be accelerated by the Lenders, causing all loans outstanding (including accrued interest and fees payable thereunder) to be declared immediately due and payable.

The Restricted Payments covenant, as defined in the Credit Agreement generally does not limit the ability of Holdings and its subsidiaries to pay dividends and make other Restricted Payments if the Consolidated Net Total Leverage Ratio (as defined in the Credit Agreement) is less than or equal to 2.75 to 1.00. If the Consolidated Net Total Leverage Ratio is greater than 2.75 to 1.00, but not greater than 5.00 to 1.00, Restricted Payments generally may be made in an aggregate amount not to exceed the Available Amount (as defined in the Credit Agreement), which is a function of CUSA's Consolidated EBITDA minus 1.75 times its Consolidated Interest Expense (as such terms are defined in the Credit Agreement) and certain other factors as specified in the Credit Agreement. As of September 30, 2023, the Consolidated Net Total Leverage Ratio was 2.22 to 1.00 and the Available Amount was \$448.2. In addition, the Credit Agreement contains other baskets that allow certain Restricted Payments in excess of the Applicable Amount.

#### *8.75% Secured Notes*

On May 1, 2023, CUSA redeemed \$100.0 in principal amount of the 8.75% Secured Notes plus accrued interest thereon for \$106.6 in cash. Following the redemption, \$150.0 in aggregate principal amount of the 8.75% Secured Notes remains outstanding. As a result of the redemption, CUSA recognized a loss on extinguishment of debt totaling \$3.4, which includes a \$2.2 premium paid on the redemption of bonds and a \$1.2 write-off of unamortized debt issuance costs, and is reflected in "Loss on debt extinguishment and refinancing" in the Company's condensed consolidated statement of income for the nine months ended September 30, 2023. For additional discussion of the 8.75% Secured Notes, see Note 14 to the Company's consolidated financial statements for the year ended December 31, 2022, included in the Company's Annual Report on Form 10-K filed February 24, 2023.

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*Interest Rate Swap Agreements*

The Company's interest rate swap agreements are used to hedge a portion of the interest rate risk associated with the variable interest rates on the Company's term loan debt and qualify for cash flow hedge accounting. Effective May 31, 2023, in conjunction with the amendment of its Credit Agreement, the Company amended its three then existing interest rate swap agreements to update the reference rate from LIBOR to Term SOFR, and the Company applied the optional relief provided in FASB ASC Topic 848 prospectively to account for this modification. Topic 848 provides optional expedients that allow an entity not to dedesignate an existing hedging relationship when critical terms of the agreement are modified, but rather allow an existing hedging relationship to continue when one or more of the critical terms in the existing hedging agreement change because of reference rate reform. Therefore, the Company did not dedesignate the hedging relationship due to the amendment of our existing interest rate swap agreements on May 31, 2023, and accumulated losses due to the fair value adjustments on the interest rate swaps remained in other comprehensive income.

Below is a summary of the Company's interest rate swap agreements, which are designated as cash flow hedges, as of September 30, 2023:

Notional Amount	Effective Date	Pay Rate	Receive Rate	Expiration Date	Estimated Fair Value <sup>(1)</sup>
\$ 137.5	December 31, 2018	2.08%	1-Month Term SOFR	December 31, 2024	\$ 5.3
\$ 175.0	December 31, 2018	2.09%	1-Month Term SOFR	December 31, 2024	6.8
\$ 137.5	December 31, 2018	2.15%	1-Month Term SOFR	December 31, 2024	5.2
<b>Total</b>					<u>\$ 17.3</u>

(1) Approximately \$14.5 of the total is included in prepaid expenses and other and \$2.8 is included in deferred charges and other assets, net on the condensed consolidated balance sheet as of September 30, 2023.

The fair values of the interest rate swaps are recorded on Holdings' and CUSA's condensed consolidated balance sheets as an asset or liability with the related gains or losses reported as a component of accumulated other comprehensive loss. The changes in fair value are reclassified from accumulated other comprehensive loss into earnings in the same period that the hedged items affect earnings. The valuation technique used to determine fair value is the income approach and, under this approach, the Company used projected future interest rates as provided by counterparties to the interest rate swap agreements and the fixed rates that the Company is obligated to pay under the agreement. Therefore, the Company's measurements are based on observable market data, which fall in Level 2 of the U.S. GAAP hierarchy as defined by FASB ASC Topic 820-10-35.

*Fair Value of Long-Term Debt*

The Company estimates the fair value of its long-term debt primarily based on observable market prices, which fall under Level 2 of the U.S. GAAP fair value hierarchy as defined by ASC 820, *Fair Value Measurement* ("ASC Topic 820"). The table below presents the fair value of the Company's long-term debt as of the periods presented:

	As of	
	September 30, 2023	December 31, 2022
Holdings fair value <sup>(1)</sup>	\$ 2,545.4	\$ 2,210.5
CUSA fair value	\$ 1,873.3	\$ 1,771.3

(1) The fair value of the 4.50% convertible senior notes was \$672.1 and \$439.2 as of September 30, 2023 and December 31, 2022, respectively.

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**8. Investment in NCMI/NCM**

Below is a summary of activity with NCMI and NCM included in each of Holdings' and CUSA's condensed consolidated financial statements:

	Investment in NCMI/NCM	NCM Screen Advertising Advances	Equity in Loss <sup>(2)</sup>	Other Revenue	Interest Expense - NCM	Cash Received <sup>(3)</sup>
Balance as of January 1, 2023	\$ 9.6	\$ (338.2)	\$ —	\$ —	\$ —	\$ —
Screen rental revenue earned under ESA <sup>(1)</sup>	—	—	—	16.0	—	10.4
Interest accrued related to significant financing component	—	(17.0)	—	—	17.0	—
Equity in loss <sup>(2)</sup>	(3.2)	—	(3.2)	—	—	—
Redemption of common units of NCM for common stock of NCMI <sup>(4)</sup>	—	—	—	—	—	—
Impairment of investment in NCMI	(0.7)	—	—	—	—	—
Unrealized gain on fair market value adjustment of investment in NCMI <sup>(4)</sup>	13.9	—	—	—	—	—
Amortization of screen advertising advances	—	24.3	—	(24.3)	—	—
Balance as of and for the nine months ended September 30, 2023	<u>\$ 19.6</u>	<u>\$ (330.9)</u>	<u>\$ (3.2)</u>	<u>\$ (8.3)</u>	<u>\$ 17.0</u>	<u>\$ 10.4</u>

(1) Amounts include the per patron and per digital screen theatre access fees, net of amounts due to NCM for on-screen advertising time provided to the Company's beverage concessionaire of approximately \$7.1.

(2) Equity in loss was recorded through April 11, 2023, the date NCM filed its bankruptcy petition, after which the Company applied the fair value accounting method as discussed below.

(3) The Company had a receivable from NCM of \$5.6 as of September 30, 2023.

(4) See Investment in National CineMedia below.

NCM operates a digital in-theatre network in the U.S. for providing cinema advertising. The Company has an investment in NCM's parent National CineMedia, Inc. ("NCMI"), and previously held an investment in NCM. See further discussion below under *Investment in National CineMedia*. The Company entered into an Exhibitor Services Agreement with NCM ("ESA"), pursuant to which NCM primarily provides screen advertising to our theatres through its branded "Noovie" pre-show entertainment program and also handles lobby promotions and displays for our theatres. See further discussion below under *Exhibitor Services Agreement*.

*Investment in National CineMedia*

On February 17, 2023, the Company delivered a redemption notice to NCM pursuant to the redemption right under its operating agreement with NCM to redeem approximately 42.0 of the Company's 43.7 common units in NCM in exchange for approximately 42.0 newly issued shares of NCMI common stock, with a redemption date of February 23, 2023 (the "Redemption"). On March 20, 2023, the Company delivered a second redemption notice to NCM to redeem the Company's remaining 1.7 common units in NCM in exchange for 1.7 newly issued shares of NCMI common stock, with a redemption date of March 23, 2023 (collectively with the February 23, 2023 redemption, the "Redemptions"). NCMI is a holding company and the sole manager of NCM. NCM comprises approximately the entire balance of NCMI's assets, liabilities and operating cash flows.

On April 11, 2023, NCM filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code. NCMI continued to manage NCM, the "debtor in possession," under the jurisdiction of the bankruptcy court and in accordance with the applicable bankruptcy laws and orders of the bankruptcy court. In general, as debtor in possession under the Bankruptcy Code, NCM was authorized to continue to operate as an ongoing business but could not engage in transactions outside the ordinary course of business without the prior approval of the bankruptcy court.

Due to NCM's bankruptcy proceedings, the Company reassessed its rights and level of influence over NCM. The Company determined that effective April 11, 2023, the date NCM filed its bankruptcy petition, it no longer had significant influence over NCM and therefore ceased accounting for its investment in NCMI under the equity method of accounting in the second quarter of 2023. The Company now accounts for its investment in NCMI in accordance with the guidance set forth in FASB ASC Topic 321 *Investments - Equity Securities*, which requires the Company to measure its investment in common stock of NCMI at fair value and recognize unrealized holding gains and losses on its investment in earnings. The Company recognized an unrealized gain of \$4.7 and \$13.9 on its

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investment in NCMI in the Company's condensed consolidated statement of income for the three and nine months ended September 30, 2023, respectively.

On August 3, 2023, NCMI announced that it had effected a 1-for-10 reverse stock split of its common stock. NCMI's common stock automatically began trading on a split adjusted basis at the opening of the market on August 4, 2023. After giving effect to the reverse stock split, the Company owns approximately 4.4 shares of NCMI common stock. NCM emerged from bankruptcy on August 7, 2023, and the Company's ownership interest in NCMI was reduced to less than 5%.

See Note 9 to the Company's Annual Report on Form 10-K filed February 24, 2023 for additional discussion of the Company's investment in NCM.

*Common Unit Adjustments*

The Company periodically receives consideration in the form of common units from NCM. Annual adjustments to the common membership units are made primarily based on increases or decreases in the number of theatre screens operated and the impact of these theatres on total attendance. The common units received are recorded at estimated fair value as an increase in the Company's investment in NCM with an offset to NCM screen advertising advances.

In March 2023, NCM provided CUSA notice that it was entitled to 4.8 common units of NCM as part of the annual common unit adjustment. The issuance of these additional common units of NCM was stayed by NCM's bankruptcy filing on April 11, 2023. In June 2023 the bankruptcy court issued an order cancelling the issuance of these common units of NCM and found that these common units were never issued.

*Impairment of NCMI Investment*

During the first quarter of 2023, the Company accounted for its investment in NCMI under the equity method of accounting, and therefore assessed its investment for other than temporary impairment. The Company recorded an impairment charge totaling \$0.7 on its investment in NCMI during the first quarter of 2023 because the share price of NCMI was significantly below the Company's carrying value of NCMI per common share and due to the lag in the pace of recovery of NCM's business from the COVID-19 pandemic compared to that of the Company and the movie theatre industry.

*Exhibitor Services Agreement*

As discussed above, the Company's domestic theatres are part of the in-theatre digital network operated by NCM, the terms of which are defined in the ESA. The Company receives a monthly theatre access fee for participation in the NCM network and also earns screen advertising or screen rental revenue on a per patron basis. See Note 9 to the Company's Annual Report on Form 10-K filed February 24, 2023 for further discussion of the accounting for revenue earned under the ESA as well as the accounting related to NCM screen advertising advances.

As discussed in Note 9 to the Company's Annual Report on Form 10-K filed February 24, 2023, the Company's ESA with NCM includes an implied significant financing component, as per the guidance in ASC Topic 606, *Revenue from Contracts with Customers*. As a result of the significant financing component, the Company recognized incremental screen rental revenue and interest expense of \$24.3 and \$17.0, respectively, during the nine months ended September 30, 2023 and incremental screen rental revenue and interest expense of \$24.3 and \$17.5, respectively, during the nine months ended September 30, 2022. The interest expense was calculated using the Company's incremental borrowing rates at the time when the cash and each tranche of common units were received from NCM, which ranged from 4.4% to 8.3%.

The recognition of revenue related to the NCM screen advertising advances is recorded on a straight-line basis over the term of the amended ESA through February 2041. The table below summarizes when the Company expects to recognize this deferred revenue:

<u>Remaining Maturity</u>	<b>Twelve Months Ended September 30,</b>						
	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Thereafter</b>	<b>Total</b>
NCM screen advertising advances <sup>(1)</sup>	\$ 10.3	\$ 11.0	\$ 11.8	\$ 12.6	\$ 13.4	\$ 271.8	\$ 330.9

(1) Amounts are net of the estimated interest to be accrued for the periods presented.

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**9. Investments in Affiliates**

Below is a summary of the activity for each of the Company's affiliates and corresponding changes to the Company's investment balances during the nine months ended September 30, 2023. See Note 10 to the consolidated financial statements in the Company's Annual Report on Form 10-K filed February 24, 2023 for a further discussion of the Company's investments in affiliates.

	AC JV, LLC	DCDC	FE Concepts	Other	Total
Balance at January 1, 2023	\$ 4.2	\$ 1.8	\$ 16.5	\$ 0.1	\$ 22.6
Cash distributions received	(3.2)	—	—	—	(3.2)
Equity income	2.8	0.1	1.5	—	4.4
Balance at September 30, 2023	<u>\$ 3.8</u>	<u>\$ 1.9</u>	<u>\$ 18.0</u>	<u>\$ 0.1</u>	<u>\$ 23.8</u>

*Transactions with Affiliates*

Below is a summary of transactions with each of the Company's affiliates for the three and nine months ended September 30, 2023 and 2022:

<u>Investee</u>	<u>Transactions</u>	Three Months Ended		Nine Months Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
AC JV, LLC	Event fees paid <sup>(1)</sup>	\$ 3.3	\$ 2.1	\$ 10.7	\$ 6.6
DCDC	Content delivery fees paid <sup>(1)</sup>	\$ 0.1	\$ 0.1	\$ 0.4	\$ 0.4

(1) Included in film rentals and advertising costs on the condensed consolidated statements of income (loss).

**10. Treasury Stock and Share-Based Awards**

*Treasury Stock - Holdings*

Treasury stock represents shares of common stock repurchased by Holdings and not yet retired. The Company has applied the cost method in recording its treasury shares. Below is a summary of Holdings' treasury stock activity for the nine months ended September 30, 2023:

	Number of Treasury Shares	Cost
Balance at January 1, 2023	5.68	\$ 95.4
Restricted stock withholdings <sup>(1)</sup>	0.20	2.5
Restricted stock forfeitures <sup>(2)</sup>	0.08	—
Balance at September 30, 2023	<u>5.96</u>	<u>\$ 97.9</u>

(1) Holdings withheld shares as a result of the election by certain employees to satisfy their tax liabilities upon vesting in restricted stock and performance stock units. Holdings determined the number of shares to be withheld based upon market values of the common stock of Holdings on the vesting dates, which ranged from \$11.16 to \$18.36 per share.

(2) Holdings repurchased forfeited restricted shares at a cost of \$0.001 per share in accordance with its 2017 Omnibus Plan.

As of September 30, 2023, Holdings had no plans to retire any shares of treasury stock.

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*Restricted Stock*

Below is a summary of restricted stock activity for the nine months ended September 30, 2023:

	Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2023	1.85	\$ 20.64
Granted	1.37	12.05
Vested	(0.72 )	40.48
Forfeited	(0.08 )	16.23
Outstanding at September 30, 2023	2.42	15.84
Unvested restricted stock at September 30, 2023	2.42	

During the nine months ended September 30, 2023, Holdings granted 1.37 shares of its restricted stock to certain CUSA employees and Holdings' directors. The fair value of the restricted stock granted was determined based on the closing price of Holdings' common stock on the grant dates, which ranged from \$11.19 to \$17.14 per share. Holdings assumed forfeiture rates for the restricted stock awards that ranged from 0% to 10%. The restricted stock granted during the nine months ended September 30, 2023 vests over periods ranging from one to three years. The recipients of restricted stock are entitled to receive non-forfeitable dividends and to vote their respective shares, however, the sale and transfer of the restricted shares is prohibited during the restriction period.

Below is a summary of restricted stock award activity recorded for the periods indicated.

	Nine Months Ended September 30,	
	2023	2022
<i>Compensation expense recognized during the period:</i>		
CUSA employees	\$ 11.6	\$ 11.3
Holdings directors	0.9	0.7
Total recognized by Holdings	\$ 12.5	\$ 12.0
<i>Fair value of restricted stock that vested during the period:</i>		
CUSA employees	\$ 8.1	\$ 14.6
Holdings directors	1.3	0.6
Holdings total	\$ 9.4	\$ 15.2
<i>Income tax benefit related to vested restricted stock:</i>		
CUSA employees	\$ 0.6	\$ 2.4
Holdings directors	0.3	0.1
Holdings total income tax benefit	\$ 0.9	\$ 2.5

As of September 30, 2023, the estimated remaining unrecognized compensation expense related to unvested restricted stock awards was as follows:

	Estimated Remaining Expense
CUSA employees <sup>(1)</sup>	\$ 21.6
Holdings directors	1.0
Total remaining - Holdings <sup>(1)</sup>	\$ 22.6

(1)The weighted average period over which this remaining compensation expense will be recognized by both Holdings and CUSA is approximately 1.8 years.

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*Performance Stock Units*

During the nine months ended September 30, 2023, Holdings granted performance awards in the form of performance stock units (“PSU”), formerly referred to as restricted stock units. Each PSU that vests will result in the issuance of one share of Holdings’ common stock. The maximum number of shares issuable under the performance awards granted during 2023 is approximately 1.5 shares of Holdings’ common stock. The grant date fair value for the units issued was determined based on the closing price of Holdings’ common stock on the date of grant, which was \$11.68 per share. The performance metrics for these performance awards are based upon Adjusted EBITDA and consolidated cash flows, and payout levels are determined based upon the achievement of pre-established criteria for these metrics as defined in the award agreement. Based upon the terms of the award agreement, PSUs vest based on a combination of performance factors and continued service. The performance measurement period for the PSUs is three years, January 1, 2023 through December 31, 2025 and the service period ends on February 20, 2026. Below is a summary of the performance metrics and measurement period for these performance awards:

Performance Measurement Period	Three years with additional service requirement to the third anniversary of the date of the grant
Maximum Performance Target Level	200% of target level
Percentage of maximum performance stock units that vest if performance metrics meet the threshold level <sup>(1)</sup>	25% or 0.37 PSUs
Percentage of maximum performance stock units that vest if performance metrics are at target <sup>(1)</sup>	50% or 0.73 PSUs
Percentage of maximum performance stock units that vest if performance metrics are at the maximum <sup>(1)</sup>	100% or 1.47 PSUs
Most likely performance metrics outcome estimated to be achieved at the time performance stock units were issued	Target
Assumed forfeiture rate for performance stock unit awards	5%

(1)Number of PSUs that vest based on maximum amount of PSUs that could vest of 1.47.

Below is a summary of performance stock unit activity for the periods presented:

	<b>Nine Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</b>	
Number of performance stock units that vested during the period		0.1		0.1
Fair value of performance stock units that vested during the period	\$	1.5	\$	1.7
Accumulated dividends paid upon vesting of performance stock units	\$	0.2	\$	0.3
Compensation expense recognized during the period	\$	6.4	\$	4.2
Income tax (expense) benefit related to performance stock units	\$	(0.5 )	\$	0.1

As of September 30, 2023, the estimated remaining unrecognized compensation expense related to outstanding performance stock units was \$14.8. The weighted average period over which this remaining compensation expense will be recognized is approximately 2.0 years. As of September 30, 2023, Holdings had performance stock units outstanding that represented a total of approximately 1.7 hypothetical shares of common stock, net of forfeitures, reflecting actual certified performance levels for performance stock units granted during 2020 and 2022, and an estimated performance level for the 2023 grant slightly above target.

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**11. Goodwill and Other Intangible Assets**

A summary of the Company's goodwill is as follows:

	U.S. Operating Segment	International Operating Segment	Total
Balance at January 1, 2023 <sup>(1)</sup>	\$ 1,182.9	\$ 68.0	\$ 1,250.9
Disposition <sup>(2)</sup>	\$ —	\$ (4.2)	\$ (4.2)
Foreign currency translation adjustments	—	2.3	2.3
Balance at September 30, 2023 <sup>(1)</sup>	<u>\$ 1,182.9</u>	<u>\$ 66.1</u>	<u>\$ 1,249.0</u>

(1) Balances are presented net of accumulated impairment losses of \$214.0 for the U.S. operating segment and \$43.8 for the international operating segment. See discussion of the qualitative impairment analysis performed by the Company as of September 30, 2023 at Note 12.

(2) Relates to the sale of the Company's Ecuador subsidiary. See Note 6.

A summary of the Company's intangible assets is as follows:

	Balance at January 1, 2023	Additions <sup>(1)</sup>	Disposals <sup>(2)</sup>	Amortization	Foreign Currency Translation Adjustments and Other <sup>(3)</sup>	Balance at September 30, 2023
<i>Intangible assets with finite lives:</i>						
Gross carrying amount	\$ 77.7	\$ —	\$ —	\$ —	\$ 0.1	\$ 77.8
Accumulated amortization	(73.2)	—	—	(1.6)	—	(74.8)
Total net intangible assets with finite lives	\$ 4.5	\$ —	\$ —	\$ (1.6)	\$ 0.1	\$ 3.0
<i>Intangible assets with indefinite lives:</i>						
Tradename and other	300.1	0.2	(0.4)	—	0.1	300.0
Total intangible assets, net	<u>\$ 304.6</u>	<u>\$ 0.2</u>	<u>\$ (0.4)</u>	<u>\$ (1.6)</u>	<u>\$ 0.2</u>	<u>\$ 303.0</u>

(1) Amount represents licenses acquired to sell alcoholic beverages for certain theatres.

(2) Relates to the sale of the Company's Ecuador subsidiary. See Note 6.

(3) Includes foreign currency translation adjustments and the write-off of liquor licenses for closed theatres.

The estimated aggregate future amortization expense for intangible assets is as follows:

	Estimated Amortization
For the three months ended December 31, 2023	\$ 0.5
For the twelve months ended December 31, 2024	2.1
For the twelve months ended December 31, 2025	0.4
Thereafter	—
Total	<u>\$ 3.0</u>

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**12. Impairment of Long-Lived Assets**

The Company performed a qualitative impairment analysis on its goodwill and tradename intangible assets as of September 30, 2023. As a result of the qualitative assessment, the Company noted no impairment indicators related to these assets as of September 30, 2023.

The qualitative impairment analysis, by asset class, is described below:

- *Goodwill* – Considers economic and market conditions, industry trading multiples and the impact of recent developments and events on estimated fair values as compared with the most recent quantitative assessment.
- *Tradename Intangible Assets* – Considers recent developments that may impact revenue forecasts and other estimates as compared with the most recent quantitative assessment.

The Company also performed a qualitative impairment analysis on its other long-lived assets, including theatre properties and right of-use assets, as of September 30, 2023 to determine whether indicators of potential impairment existed at the theatre level, which is the level at which the Company tests its other long-lived assets. The qualitative analysis considers relevant market transactions, industry trading multiples and recent developments that would impact the estimates of future cash flows at the theatre level. The Company then performed a quantitative impairment analysis for those theatres for which indicators of potential impairment were identified.

The Company's quantitative evaluation at the theatre level uses estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. The remainder of the theatre's useful life for leased properties correlates with the remaining lease period, which includes the probability of the exercise of available renewal periods, and for owned properties represents the lesser of twenty years or the building's remaining useful life. If the estimated undiscounted cash flows are not sufficient to recover a long-lived asset's carrying value, the Company then compares the carrying value of the asset group (theatre) with its estimated fair value. Significant judgment is involved in estimating fair value, including management's estimate of future theatre level cash flows for each of the Company's theatres based on recent historical performance and projected box office. Fair value is estimated based on a multiple of cash flows. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy, as defined by FASB ASC Topic 820-10-35, are based on projected operating performance, market transactions and industry trading multiples.

See Note 1 and Note 12 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed February 24, 2023, for a further discussion of the Company's impairment policy and a description of the qualitative and quantitative impairment assessments performed.

The Company's impairment charges were as follows for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>U.S. Segment</i>				
Theatre properties	\$ 1.0	\$ 1.1	\$ 4.9	\$ 3.6
Theatre operating lease right-of-use assets	1.0	2.7	4.4	4.7
Investment in NCMI/NCM <sup>(1)</sup>	—	11.2	0.7	98.0
U.S. total	2.0	15.0	10.0	106.3
<i>International segment</i>				
Theatre properties	—	0.1	0.6	0.8
Theatre operating lease right-of-use assets	—	0.1	1.5	0.4
International total	—	0.2	2.1	1.2
<b>Total Impairment</b>	<b>\$ 2.0</b>	<b>\$ 15.2</b>	<b>\$ 12.1</b>	<b>\$ 107.5</b>

(1) See discussion at *Impairment of NCMI Investment* in Note 8.

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**13. Fair Value Measurements**

The Company determines fair value measurements in accordance with ASC Topic 820, which establishes a fair value hierarchy under which an asset or liability is categorized based on the lowest level of input significant to its fair value measurement. The levels of input defined by ASC Topic 820 are as follows:

- Level 1 – quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date;
- Level 2 – other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable and should be used to measure fair value to the extent that observable inputs are not available.

Below is a summary of assets and liabilities measured at fair value on a recurring basis under FASB ASC Topic 820 as of September 30, 2023 and December 31, 2022:

Description	As of	Carrying Value		Fair Value Hierarchy		
		Level 1	Level 2	Level 3		
Interest rate swap assets <sup>(1)</sup>	September 30, 2023	\$ 17.3	\$ —	\$ 17.3	\$ —	\$ —
Investment in NCMI <sup>(2)</sup>	September 30, 2023	\$ 19.6	\$ 19.6	\$ —	\$ —	\$ —
Interest rate swap assets <sup>(1)</sup>	December 31, 2022	\$ 20.4	\$ —	\$ 20.4	\$ —	\$ —

(1) See further discussion of interest rate swaps at Note 7.

(2) See further discussion of investment in NCMI at Note 8.

See additional explanation of fair value measurement techniques used for long-lived assets, goodwill and intangible assets in “Critical Accounting Policies” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, filed February 24, 2023. There were no changes in valuation techniques for the nine months ended September 30, 2023. There were no transfers into or out of Level 1, Level 2 or Level 3 during the nine months ended September 30, 2023.

**14. Foreign Currency Translation**

The accumulated other comprehensive loss account in Holdings’ stockholders’ equity of \$360.7 and \$353.2 and CUSA’s stockholder’s equity of \$363.8 and \$356.3, as of September 30, 2023 and December 31, 2022, respectively, primarily includes cumulative net foreign currency losses of \$390.2 and \$389.8 as of September 30, 2023 and December 31, 2022, respectively, from translating the financial statements of the Company’s international subsidiaries and the cumulative changes in fair value of the interest rate swap agreements that are designated as hedges.

As of September 30, 2023, all foreign countries where the Company has operations are non-highly inflationary, other than Argentina. In non-highly inflationary countries, the local currency is the same as the functional currency and any fluctuation in the currency results in a cumulative foreign currency translation adjustment recorded to accumulated other comprehensive loss. The Company deemed Argentina to be highly inflationary beginning July 1, 2018. A highly inflationary economy is defined as an economy with a cumulative inflation rate of 100 percent or more over a three-year period. If a country’s economy is classified as highly inflationary, the financial statements of the foreign entity operating in that country must be remeasured to the functional currency of the reporting entity. The financial information of the Company’s Argentina subsidiaries was remeasured in U.S. dollars in accordance with ASC Topic 830, *Foreign Currency Matters*, effective July 1, 2018.

During 2019, the Argentine government instituted exchange controls restricting the ability of entities and individuals to exchange Argentine pesos for foreign currencies and to remit foreign currency out of Argentina. As a result of these currency exchange controls, markets in Argentina developed a legal trading mechanism known as the Blue Chip Swap that allows entities to transfer U.S. dollars out of and into Argentina. In a Blue Chip Swap transaction, an entity buys U.S. dollar denominated securities in Argentina using Argentine pesos, and subsequently sells the securities for U.S. dollars, in Argentina, to access U.S. dollars locally, or outside Argentina, by transferring the securities abroad, prior to being sold (the latter commonly known as Blue Chip Swap Rate). The Blue Chip Swap rate is the implicit exchange rate resulting from the Blue Chip Swap transaction. The Blue Chip Swap rate can diverge significantly from Argentina’s official exchange rate. During the nine months ended September 30, 2023, the Company entered into Blue Chip Swap transactions that resulted in a loss of approximately \$10.1 which is reflected in “Foreign currency exchange and other related loss” in the Company’s condensed consolidated statement of income for the nine months ended September 30, 2023.

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Below is a summary of the impact of translating the September 30, 2023 and September 30, 2022 financial statements of the Company's international subsidiaries:

Country	Exchange Rate as of		Other Comprehensive Income (Loss) for the Nine Months Ended	
	September 30, 2023	December 31, 2022	September 30, 2023	September 30, 2022
Brazil	5.03	5.29	\$ 2.2	\$ 0.4
Chile	891.63	852.00	(4.3 )	(7.7 )
Peru	3.81	3.81	(0.1 )	0.2
All other			1.8	1.2
			<u>\$ (0.4 )</u>	<u>\$ (5.9 )</u>

As noted above, beginning July 1, 2018, Argentina was deemed highly inflationary. For the nine months ended September 30, 2023 and 2022 the Company recorded foreign currency exchange losses of \$15.2, excluding the impact of the Blue Chip Swap transactions noted above, and \$5.1, respectively, due to the translation of Argentina's financial results to U.S. dollars.

#### 15. Supplemental Cash Flow Information

The following is provided as supplemental information to the condensed consolidated statements of cash flows:

	Nine Months Ended September 30,	
	2023	2022
Cash paid for interest by Holdings <sup>(1)</sup>	\$ 131.9	\$ 121.0
Cash paid for interest by CUSA	\$ 111.2	\$ 100.3
Cash paid for income taxes, net	\$ 15.7	\$ 2.3
Cash transferred from restricted accounts <sup>(2)</sup>	\$ (10.8 )	\$ (2.9 )
<i>Noncash operating activities:</i>		
Interest expense - NCM (see Note 8)	\$ (17.0 )	\$ (17.5 )
<i>Noncash investing activities:</i>		
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment <sup>(3)</sup>	\$ (3.9 )	\$ 4.2
Investment in NCMI/NCM – receipt of common units (see Note 8)	\$ —	\$ 1.3

(1) Includes the cash interest paid by CUSA.

(2) Represents cash transferred out of collateral accounts during the period as a result of the cancellation of letters of credit to lenders upon the repayment of related debt.

(3) Additions to theatre properties and equipment included in accounts payable as of September 30, 2023 and December 31, 2022 were \$8.1 and \$12.0, respectively.

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**16.Segments - Holdings**

The international market and U.S. market are managed as separate reportable operating segments, with the international segment consisting of operations in Brazil, Argentina, Chile, Colombia, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, and Paraguay. The Company closed its one theatre in Curacao in January 2023 and sold the shares of its Ecuador subsidiary in September 2023. See Note 6 for a discussion of the sale of our Ecuador subsidiary. Each segment's revenue is derived from admissions and concession sales and other ancillary revenue. Holdings uses Adjusted EBITDA, as shown in the reconciliation table below, as the primary measure of segment profit and loss to evaluate performance and allocate its resources. The Company does not report total assets by segment because that information is not used to evaluate the performance of, or allocate resources between, segments.

*Holdings revenue, Adjusted EBITDA and capital expenditures by reportable operating segment*

Below is a breakdown of selected financial information by reportable operating segment for Holdings:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b><u>Revenue</u></b>				
U.S.	\$ 686.2	\$ 514.4	\$ 1,907.2	\$ 1,491.6
International	192.3	138.7	531.3	370.5
Eliminations	(3.7)	(2.7)	(10.7)	(7.1)
Total revenue	<u>\$ 874.8</u>	<u>\$ 650.4</u>	<u>\$ 2,427.8</u>	<u>\$ 1,855.0</u>
<b><u>Adjusted EBITDA</u></b>				
U.S.	\$ 151.2	\$ 70.7	\$ 395.4	\$ 196.2
International	45.6	28.8	119.1	66.8
Total Adjusted EBITDA	<u>\$ 196.8</u>	<u>\$ 99.5</u>	<u>\$ 514.5</u>	<u>\$ 263.0</u>
<b><u>Capital expenditures</u></b>				
U.S.	\$ 26.9	\$ 20.2	\$ 70.7	\$ 50.7
International	8.2	4.5	19.0	14.6
Total capital expenditures	<u>\$ 35.1</u>	<u>\$ 24.7</u>	<u>\$ 89.7</u>	<u>\$ 65.3</u>

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The following table sets forth a reconciliation of net income (loss) to Adjusted EBITDA for Holdings:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 91.2	\$ (23.9)	\$ 209.1	\$ (169.2)
Add (deduct):				
Income tax expense	21.4	3.4	29.8	6.3
Interest expense <sup>(1)</sup>	38.1	38.4	112.0	114.6
Other (income) expense, net <sup>(2)</sup>	(4.9)	4.5	(18.9)	19.2
Cash distributions from equity investees <sup>(3)</sup>	1.6	—	3.2	1.5
Depreciation and amortization	51.9	58.3	159.6	181.0
Impairment of long-lived and other assets	2.0	15.2	12.1	107.5
Restructuring costs	—	—	—	(0.2)
(Gain) loss on disposal of assets and other	(6.1)	1.2	(8.8)	(6.4)
Loss on debt extinguishment and refinancing	—	—	10.7	—
Non-cash rent expense	(4.8)	(2.8)	(13.2)	(7.5)
Share-based awards compensation expense	6.4	5.2	18.9	16.2
Adjusted EBITDA	<u>\$ 196.8</u>	<u>\$ 99.5</u>	<u>\$ 514.5</u>	<u>\$ 263.0</u>

(1)Includes amortization of debt issuance costs, amortization of original issue discount, and amortization of accumulated (gains) losses for amended swap agreements.

(2)Includes interest income, foreign currency exchange and other related losses, interest expense - NCM, equity in income (loss) of affiliates and unrealized gain on investment in NCMI.

(3)Reflects cash distributions received from equity investees that were recorded as a reduction of the respective investment balances. These distributions are reported entirely within the U.S. operating segment.

*Financial Information About Geographic Areas*

Below is a breakdown of selected financial information for the Company by geographic area:

<u>Revenue</u>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
U.S.	\$ 686.2	\$ 514.4	\$ 1,907.2	\$ 1,491.6
Brazil	70.3	45.2	183.5	133.1
Other international countries	122.0	93.5	347.8	237.4
Eliminations	(3.7)	(2.7)	(10.7)	(7.1)
Total	<u>\$ 874.8</u>	<u>\$ 650.4</u>	<u>\$ 2,427.8</u>	<u>\$ 1,855.0</u>

<u>Theatre properties and equipment, net</u>	As of September 30, 2023		As of December 31, 2022	
	\$		\$	
U.S.	\$	1,008.5	\$	1,075.3
Brazil		51.7		49.5
Other international countries		94.2		107.3
Total	<u>\$</u>	<u>1,154.4</u>	<u>\$</u>	<u>1,232.1</u>

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**17.Related Party Transactions**

The Company manages a theatre for Laredo Theatre, Ltd. (“Laredo”). The Company is the sole general partner and owns 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, who is Lee Roy Mitchell’s son-in-law and Kevin Mitchell’s brother-in-law. Lee Roy Mitchell, our founder, owns, both directly and indirectly, approximately 8.5% of Holdings’ common stock and Kevin Mitchell is a member of Holdings’ Board of Directors. Under the agreement, management fees are paid by Laredo to the Company at a rate of 5% of annual theatre revenue. The Company recorded \$0.6 and \$0.5 of management fee revenue during the nine months ended September 30, 2023 and 2022, respectively. All such amounts are included in the condensed consolidated statements of income (loss), with the intercompany amounts eliminated in consolidation. In addition, during the nine months ended September 30, 2023 and 2022, the Company paid excess cash distributions of \$0.8 and \$2.4, respectively, to Laredo as required by the partnership agreement, which were recorded as a reduction of noncontrolling interest on the condensed consolidated balance sheet.

The Company leases 12 theatres from Syufy Enterprises, LP (“Syufy”) or affiliates of Syufy. Raymond Syufy is one of Holdings’ directors and is an officer of the general partner of Syufy. For the nine months ended September 30, 2023 and 2022, the Company paid total rent of \$16.4 and \$16.7, respectively, to Syufy. CUSA provides digital equipment support to drive-in theatres owned by Syufy. The Company recorded management fees related to these services of \$0.03 and \$0.1 during the nine months ended September 30, 2023 and 2022, respectively.

The Company has a 50% voting interest in FE Concepts, a joint venture with AWSR, an entity owned by Lee Roy Mitchell and Tandy Mitchell. FE Concepts operates a family entertainment center that offers bowling, gaming, movies and other amenities. CUSA has a theatre services agreement with FE Concepts under which the Company receives service fees for providing film booking and equipment monitoring services for the facility. The Company recorded management fees of \$0.05 and \$0.05 related to these services during the nine months ended September 30, 2023 and 2022, respectively.

**18.Commitments and Contingencies**

From time to time, the Company is involved in various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters, patent claims, landlord-tenant disputes, contractual disputes with landlords over certain termination rights and other contractual disputes, some of which are covered by insurance. The Company believes its potential liability with respect to proceedings currently pending is not material, individually or in the aggregate, to the Company’s financial position, results of operations and cash flows.

*Cinemark Holdings, Inc., et al vs Factory Mutual Insurance Company.* The Company filed suit on November 18, 2020, in the District Court, 471st Judicial District, Collin County, Texas. On December 22, 2020, the case was moved to the US District Court for the Eastern District of Texas, Sherman Division. The Company submitted a claim under its property insurance policy issued by Factory Mutual Insurance Company (the “FM Policy”) for losses sustained as a result of the closure of the Company’s theatres due to the COVID-19 pandemic. Factory Mutual Insurance Company (“FM”) denied the Company’s claim. The Company is seeking damages resulting from FM’s breach of contract, FM’s bad faith conduct and a declaration of the parties’ rights under the FM Policy. The Company cannot predict the outcome of this litigation. The District Court granted FM’s motion for summary judgment. The Company has appealed the District Court’s decision.

*Lakeenya Neal, et al v. Cinemark Holdings, Inc., et al.* This class action lawsuit was filed against the Company on December 10, 2021, in the Central District of Los Angeles County Superior Court of the State of California alleging certain violations of the Fair and Accurate Credit Transactions Act. The plaintiffs voluntarily dismissed this case.

*Gerardo Rodriguez, individually and on behalf of a class of all others similarly situated vs Cinemark USA, Inc. and Cinemark Holdings, Inc., et al.* This class action lawsuit was filed against the Company on February 24, 2023 in the Cook County Circuit Court in Illinois alleging violation of the Fair and Accurate Credit Transactions Act. The Company firmly maintains that the allegations are without merit and will vigorously defend itself against the lawsuit. The Company cannot predict the outcome of this litigation.

*National CineMedia LLC Bankruptcy.* On June 3, 2023, NCM filed an Emergency Motion for Entry of an Order (1) approving and Authorizing Debtor to Enter into and Perform Under (a) the Termination and Settlement Agreement and (b) the Network Affiliate Transaction Agreement with Regal Cinemas, Inc. (the “9019 Motion”). The 9019 Motion requested an order, among other things, that the most favored nations clause (the “MFN”) in Cinemark’s Exhibitor Services Agreement was not triggered by the Network Affiliate Transaction Agreement with Regal Cinemas, Inc. On June 14, 2023, Cinemark filed an objection to the 9019 Motion. On June 26, 2023, the bankruptcy court entered a confirmation order, which among other things, approves NCM’s assumption of Cinemark’s

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Exhibitor Services Agreement but fails to preserve or recognize Cinemark's rights under the MFN with respect to the Network Affiliate Transaction Agreement. Cinemark has appealed the confirmation order in the United States District Court for the Southern District of Texas, Houston Division. The Company cannot predict the outcome of this appeal.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and related notes and schedules included elsewhere in this report. Amounts included in the following discussion, except for screens, average screens, average ticket price and concessions revenue per patron, are rounded in millions.

We are a leader in the motion picture exhibition industry, with theatres in the U.S., Brazil, Argentina, Chile, Colombia, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, and Paraguay. As of September 30, 2023, we managed our business under two reportable operating segments – U.S. markets and international markets. See Note 16 to the condensed consolidated financial statements.

The impact of COVID-19 had an unprecedented impact on the theatrical exhibition industry. While the industry has made significant progress in its recovery from the pandemic, its ongoing recovery will continue to be contingent upon several key factors, including the volume of new film content available, the box office performance of new film content released, the duration of the exclusive theatrical release window, and evolving consumer behavior with competition from other forms of in-and-out-of-home entertainment.

### Revenue and Expense

We generate revenue primarily from filmed entertainment box office receipts and concession sales with additional revenue from screen advertising, screen rental and other revenue streams, such as transactional fees, vendor marketing promotions, studio trailer placements, meeting rentals and electronic video games located in some of our theatres. We also offer alternative entertainment, such as the Metropolitan Opera, concert events, live and pre-recorded sports programs and other special events in our theatres. NCM provides our domestic theatres with various forms of in-theatre advertising. Our Flix Media subsidiaries provide screen advertising and alternative content for our international circuit and to other international exhibitors.

Films leading the box office during the nine months ended September 30, 2023 included the carryover of *Avatar: The Way of Water* and *Puss in Boots: The Last Wish*, as well as new releases including *Barbie*, *The Super Mario Bros. Movie*, *Spider-Man: Across the Spider-Verse*, *Guardians of the Galaxy Vol. 3*, *Oppenheimer*, *The Little Mermaid*, *Ant-Man and the Wasp: Quantumania*, *John Wick Chapter 4*, *Sound of Freedom*, *Indiana Jones and the Dial of Destiny*, *Mission: Impossible - Dead Reckoning Part One*, *Transformers: Rise of the Beasts*, *Creed III*, and *Elemental*. Films currently scheduled for release during the remaining three months of 2023 include *Taylor Swift | The Eras Tour* concert film, *Killers of the Flower Moon*, *The Marvels*, *Trolls Band Together*, *Hunger Games: The Ballad of Songbirds and Snakes*, *Wish*, *Napoleon*, *Renaissance: A Film by Beyoncé*, *Aquaman and the Lost Kingdom* and *The Color Purple*, among other films.

Film rental costs are variable in nature and fluctuate with our admissions revenue. Film rental costs as a percentage of revenue are generally higher for periods in which more blockbuster films are released. Advertising costs, which are expensed as incurred, are primarily related to expanding our customer base, increasing the frequency of visits and growing loyalty. These expenses vary depending on the timing and length of such campaigns.

Concession supplies expense is variable in nature and fluctuates with our concession revenue and also product mix. Supply chain interruptions and inflationary pressures have impacted, and may continue to impact, product costs and product availability in the near term. We source products from a variety of partners around the world to minimize supply chain interruptions and price increases, wherever possible.

Although salaries and wages include a fixed cost component (i.e., the minimum staffing costs to operate a theatre facility during non-peak periods), salaries and wages tend to move in relation to revenue as theatre staffing is adjusted to respond to anticipated changes in attendance. Staffing levels may vary based on the amenities offered at each location, such as full-service restaurants, bars or expanded food and beverage options. In certain international locations, staffing levels are also subject to local regulations, including minimum hour requirements. Labor market conditions and inflationary pressures have driven increases in wages across our labor base and increases may continue in the future.

Facility lease expense is primarily a fixed cost at the theatre level as most of our facility leases require a fixed monthly minimum rent payment. Certain leases are subject to percentage rent only, while others are subject to percentage rent in addition to their fixed monthly rent if a target annual performance level is achieved. Facility lease expense as a percentage of revenue is also affected by the number of theatres under operating leases, the number of theatres under finance leases and the number of owned theatres.

Utilities and other costs include both fixed and variable costs and primarily consist of utilities, property taxes, janitorial costs, credit card fees, third party ticket sales commissions, repairs and maintenance expenses, security services, and projection and sound equipment maintenance expenses.

General and administrative expenses to support the overall management of the Company are primarily fixed in nature with certain variable expenses. Fixed expenses include salaries, wages and benefits costs for our corporate office personnel, facility expenses for

our corporate and other offices, software license and maintenance costs and audit fees. Some variable expenses may include incentive compensation, consulting and legal fees, supplies, and other costs that are not specifically associated with the operations of our theatres.

## Results of Operations

The following table sets forth, for the periods indicated, the amounts for certain items reflected in the operating income (loss) of Holdings along with each of those items as a percentage of revenue.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Operating data (in millions):</b>				
Revenue				
Admissions	\$ 443.8	\$ 324.6	\$ 1,233.2	\$ 942.3
Concession	339.8	253.6	949.0	712.6
Other	91.2	72.2	245.6	200.1
Total revenue	\$ 874.8	\$ 650.4	\$ 2,427.8	\$ 1,855.0
Cost of operations				
Film rentals and advertising	248.2	180.9	692.9	531.1
Concession supplies	63.0	46.3	174.0	128.8
Salaries and wages	107.9	97.0	306.2	277.0
Facility lease expense	84.4	77.2	250.9	231.2
Utilities and other	129.5	110.4	353.5	303.8
General and administrative expenses <sup>(1)</sup>	48.2	45.1	144.7	134.0
Depreciation and amortization	51.9	58.3	159.6	181.0
Impairment of long-lived and other assets	2.0	15.2	12.1	107.5
Restructuring costs	—	—	—	(0.2)
(Gain) loss on disposal of assets and other	(6.1)	1.2	(8.8)	(6.4)
Total cost of operations <sup>(1)</sup>	729.0	631.6	2,085.1	1,887.8
Operating income (loss) <sup>(1)</sup>	\$ 145.8	\$ 18.8	\$ 342.7	\$ (32.8)

## Operating data as a percentage of total revenue:

Revenue				
Admissions	50.7 %	49.9 %	50.8 %	50.8 %
Concession	38.8 %	39.0 %	39.1 %	38.4 %
Other	10.5 %	11.1 %	10.1 %	10.8 %
Total revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of operations <sup>(2)</sup>				
Film rentals and advertising	55.9 %	55.7 %	56.2 %	56.4 %
Concession supplies	18.5 %	18.3 %	18.3 %	18.1 %
Salaries and wages	12.3 %	14.9 %	12.6 %	14.9 %
Facility lease expense	9.6 %	11.9 %	10.3 %	12.5 %
Utilities and other	14.8 %	17.0 %	14.6 %	16.4 %
General and administrative expenses	5.5 %	6.9 %	6.0 %	7.2 %
Depreciation and amortization	5.9 %	9.0 %	6.6 %	9.8 %
Impairment of long-lived and other assets	0.2 %	2.3 %	0.5 %	5.8 %
Restructuring costs	— %	— %	— %	— %
(Gain) loss on disposal of assets and other	(0.7)%	0.2%	(0.4)%	(0.3)%
Total cost of operations	83.3 %	97.1 %	85.9 %	101.8 %
Operating income (loss)	16.7 %	2.9 %	14.1 %	(1.8)%
Average screen count <sup>(3)</sup>	5,802	5,843	5,822	5,850

(1)The only difference between components of operating income (loss) for Holdings, as presented above, and those of CUSA is incremental general and administrative expense recognized by Holdings. The following table sets forth, for the periods indicated, the amounts for general and administrative expense, total cost of operations and operating income (loss) of CUSA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Operating data (in millions):</b>				
Cost of operations				
General and administrative expenses	\$ 47.5	\$ 44.4	\$ 142.2	\$ 131.8
Total cost of operations	\$ 728.3	\$ 630.9	\$ 2,082.6	\$ 1,885.6
Operating income (loss)	\$ 146.5	\$ 19.5	\$ 345.2	\$ (30.6)

(2)All costs are expressed as a percentage of total revenue, except film rentals and advertising, which are expressed as a percentage of admissions revenue, and concession supplies, which are expressed as a percentage of concession revenue.

(3)Average screen count is calculated based on the average of month end screen counts.

The Company closed its one theatre in Curacao in January 2023 and the shares of its Ecuador subsidiary were sold in September 2023. See Note 6 to the condensed consolidated financial statements for a discussion of the sale of our Ecuador subsidiary.

**Three months ended September 30, 2023 (the “third quarter of 2023”) versus the three months ended September 30, 2022 (the “third quarter of 2022”)**

*Third quarter of 2023* - The North American Industry box office generated approximately \$2.7 billion during the third quarter of 2023, which included blockbuster films such as *Barbie*, *Oppenheimer*, *Sound of Freedom*, *Mission: Impossible - Dead Reckoning Part One*, *Indiana Jones and the Dial of Destiny* and *Teenage Mutant Ninja Turtles: Mutant Mayhem*.

*Third quarter of 2022* - The North American Industry box office was approximately \$1.9 billion during the third quarter of 2022, which included blockbuster films such as *Minions: The Rise of Gru*, *Thor: Love and Thunder*, *Top Gun: Maverick*, *Nope*, *Elvis*, and *Bullet Train*.

*Revenue*. The table below, presented by reportable operating segment, summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenue.

	U.S. Operating Segment Three Months Ended September 30,		International Operating Segment Three Months Ended September 30,				Consolidated Three Months Ended September 30,	
	2023	2022	2023	2022	Constant Currency <sup>(3)</sup> 2023	2023	2022	
Admissions revenue	\$ 350.4	\$ 257.6	\$ 93.4	\$ 67.0	\$ 112.5	\$ 443.8	\$ 324.6	
Concession revenue	268.0	200.8	71.8	52.8	87.3	339.8	253.6	
Other revenue <sup>(1)</sup>	64.1	53.3	27.1	18.9	32.7	91.2	72.2	
Total revenue <sup>(1)</sup>	\$ 682.5	\$ 511.7	\$ 192.3	\$ 138.7	\$ 232.5	\$ 874.8	\$ 650.4	
Attendance	37.5	29.5	24.4	18.9		61.9	48.4	
Average ticket price <sup>(2)</sup>	\$ 9.34	\$ 8.73	\$ 3.83	\$ 3.54	\$ 4.61	\$ 7.17	\$ 6.71	
Concession revenue per patron <sup>(2)</sup>	\$ 7.15	\$ 6.81	\$ 2.94	\$ 2.79	\$ 3.58	\$ 5.49	\$ 5.24	

(1) U.S. operating segment revenue includes eliminations of intercompany transactions with the international operating segment. See Note 16 to the condensed consolidated financial statements.

(2) Average ticket price is calculated as admissions revenue divided by attendance. Concession revenue per patron is calculated as concession revenue divided by attendance.

(3) Constant currency revenue amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2022. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

• U.S. Attendance increased 27.1% to 37.5 million patrons during the third quarter of 2023 compared with 29.5 million patrons during the third quarter of 2022 due to the increase in the volume of film releases and the box office success of the films released. Average ticket price increased 7.0% to \$9.34 during the third quarter of 2023 compared with \$8.73 during the third quarter of 2022 driven by inflationary and strategic pricing initiatives and a favorable shift in ticket type mix. Concession revenue per patron increased 5.0% to \$7.15 during the third quarter of 2023 compared with \$6.81 during the third quarter of 2022 primarily driven by inflationary and strategic pricing initiatives. Other revenue for the third quarter of 2023 increased 20.3% to \$64.1 million compared with \$53.3 million for the third quarter of 2022 primarily due to attendance growth, which drove an increase in transaction fees, as well as higher screen advertising and promotional revenue.

• International. Attendance increased 29.1% to 24.4 million patrons during the third quarter of 2023 compared with 18.9 million patrons during the third quarter of 2022 due to the increase in the volume of film releases and the box office success of the films released. Average ticket price was \$3.83 as reported, \$4.61 in constant currency, compared with the third quarter of 2022 of \$3.54. The increase in average ticket price in constant currency was primarily due to inflationary pricing actions. Concession revenue per patron was \$2.94 as reported, \$3.58 in constant currency, for the third quarter of 2023 compared with \$2.79 for the third quarter of 2022. The increase in concession revenue per patron in constant currency was primarily due to inflationary pricing actions. Other revenue for the third quarter of 2023 increased 43.4% to \$27.1 million compared with \$18.9 million during the third quarter of 2022 primarily due to attendance growth, which drove an increase in transaction fees, as well as higher screen advertising and membership revenue.

*Cost of Operations.* The table below, presented by reportable operating segment, summarizes certain of our theatre operating costs for the periods presented.

	U.S. Operating Segment Three Months Ended September 30,		International Operating Segment Three Months Ended September 30,			Consolidated Three Months Ended September 30,	
	2023	2022	2023	2022	Constant Currency <sup>(1)</sup> 2023	2023	2022
Film rentals and advertising	\$ 201.1	\$ 147.1	\$ 47.1	\$ 33.8	\$ 57.8	\$ 248.2	\$ 180.9
Concession supplies	\$ 47.7	\$ 34.8	\$ 15.3	\$ 11.5	\$ 18.4	\$ 63.0	\$ 46.3
Salaries and wages	\$ 89.0	\$ 81.9	\$ 18.9	\$ 15.1	\$ 24.0	\$ 107.9	\$ 97.0
Facility lease expense	\$ 61.0	\$ 61.9	\$ 23.4	\$ 15.3	\$ 26.3	\$ 84.4	\$ 77.2
Utilities and other	\$ 98.9	\$ 85.4	\$ 30.6	\$ 25.0	\$ 37.0	\$ 129.5	\$ 110.4

(1) Constant currency expense amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2022. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

• *U.S.* Film rentals and advertising costs for the third quarter of 2023 were 57.4% of admissions revenue, compared with 57.1% for the third quarter of 2022 due to an increase in promotion and advertising costs partially offset by lower film rental rates. Concession supplies expense for the third quarter of 2023 was 17.8% of concession revenue compared with 17.3% of concession revenue for the third quarter of 2022. The increase in the concession supplies rate for the third quarter of 2023 reflects inflationary pressures on certain concession categories and an increase in shrink, partially offset by the impact of strategic pricing initiatives to counteract these inflationary pressures.

Salaries and wages increased to \$89.0 million for the third quarter of 2023 compared with \$81.9 million for the third quarter of 2022 as a result of higher attendance, expanded operating hours and increased wage rates, partially offset by benefits from labor efficiencies. Facility lease expense, which is primarily fixed in nature, decreased 1.5% to \$61.0 million. Utilities and other costs increased to \$98.9 million, as many of these costs, such as credit card transaction fees, janitorial costs and repairs and maintenance are variable in nature and were impacted by the increase in attendance. Higher property and liability insurance costs also contributed to the increase.

• *International.* Film rentals and advertising costs for the third quarter of 2023 were 50.4% of admissions revenue, consistent with the third quarter of 2022. Concession supplies expense for the third quarter of 2023 was 21.3% of concession revenue compared with 21.8% of concession revenue for the third quarter of 2022. The decrease in the concession supplies rate for the third quarter of 2023 was primarily driven by the impact of strategic pricing initiatives to offset inflationary pressures.

Salaries and wages increased to \$18.9 million as reported for the third quarter of 2023 due to wage rate inflation and higher attendance. Facility lease expense increased to \$23.4 million as reported for the 2023 period primarily due to higher percentage rent driven by higher revenue, the return of certain minimum rent thresholds compared with the third quarter of 2022 and inflationary impacts. Utilities and other costs increased to \$30.6 million as reported, as many of these costs, such as credit card and other transaction fees, repairs and maintenance and janitorial costs, are variable in nature and were impacted by the significant increase in attendance for the third quarter of 2023. Screen advertising commissions and inflation also contributed to the increase. These expenses, as reported, were also favorably impacted by exchange rate fluctuations in each of the countries in which we operate.

*General and Administrative Expense.* General and administrative expense for Holdings increased to \$48.2 million for the third quarter of 2023 compared with \$45.1 million for the third quarter of 2022. General and administrative expense attributable to CUSA increased to \$47.5 million for the third quarter of 2023 compared with \$44.4 million for the third quarter of 2022. The increase for both Holdings and CUSA is primarily due to higher corporate headcount and share-based compensation, wages and benefits inflation, and a continued shift to cloud-based software, partially offset by lower professional fees.

*Depreciation and Amortization.* Depreciation and amortization expense decreased to \$51.9 million for the third quarter of 2023 compared with \$58.3 million for the third quarter of 2022 primarily due to the impairment of theatre assets during 2022 and the second quarter of 2023.

*Impairment of Long-Lived and Other Assets.* We recorded asset impairment charges on assets held and used of approximately \$2.0 million for the third quarter of 2023 primarily related to certain theatres that are not showing sufficient recovery since reopening after the temporary COVID-19 related closures when compared with the rest of our theatre circuit. We recorded asset impairment charges on assets held and used of \$15.2 million for the third quarter of 2022, including approximately \$4.0 million on our long-lived assets and an impairment charge of \$11.2 million on our investment in NCM as NCM's stock price was significantly below the Company's carrying value. The impairment charges recorded for the third quarter of 2022 were primarily due to the prolonged recovery

of certain theatres' operations and NCM's business as a result of the COVID-19 pandemic. See Note 12 to the condensed consolidated financial statements.

*(Gain) Loss on Disposal of Assets and Other.* A gain on disposal of assets and other of \$6.1 million was recorded for the third quarter of 2023 compared with a loss of \$1.2 million for the third quarter of 2022. Activity for the third quarter of 2023 was primarily related to the sale of our Ecuador subsidiary in September 2023. Activity for the third quarter of 2022 was primarily related to the write-off of assets for a closed theatre and the write-off of assets at certain remodeled theatres. See Note 6 to the condensed consolidated financial statements for further discussion of the sale of our Ecuador subsidiary.

*Interest Expense.* Interest expense for Holdings, which includes amortization of debt issuance costs and original issue discount and amortization of accumulated gains for swap amendments, was \$38.1 million during the third quarter of 2023 compared with \$38.4 million for the third quarter of 2022. The interest expense attributable to CUSA, which includes amortization of debt issuance costs and original issue discount and amortization of accumulated losses for swap amendments, was \$32.1 million during the third quarter of 2023 compared with \$32.4 million for the third quarter of 2022. See further discussion at *Liquidity and Capital Resources - Financing Activities* below.

*Interest Income.* Interest income for Holdings was \$15.3 million during the third quarter of 2023 compared with \$6.4 million for the third quarter of 2022. The interest income attributable to CUSA was \$12.2 million during the third quarter of 2023 compared with \$5.2 million for the third quarter of 2022. The increase in interest income was primarily related to the impact of higher interest rates on higher average cash and cash equivalents balances.

*Foreign currency and other related loss.* We recorded a foreign currency exchange and other related loss of \$11.0 million during the third quarter of 2023 compared with a loss of \$5.4 million during the third quarter of 2022. Activity for the third quarter of 2023 includes a \$5.2 million loss on Blue Chip Swap transactions. See Note 14 to the condensed consolidated financial statements for information about our Blue Chip Swap transactions.

*Equity in Income of Affiliates.* Equity in income of affiliates of \$1.5 million was recorded during the third quarter of 2023 compared with income of \$0.2 million during the third quarter of 2022. See Note 9 to the condensed consolidated financial statements for information about our equity investments.

*Unrealized Gain on Investment in NCMI.* We recorded an unrealized gain on our investment in NCMI of \$4.7 million during the third quarter of 2023 related to the mark-to-market adjustment of our investment in NCMI under the fair value basis of accounting. See Note 8 to the condensed consolidated financial statements for information about our investment in NCMI.

*Income Taxes - Holdings.* An income tax expense of \$21.4 million was recorded for the third quarter of 2023 compared with an income tax expense of \$3.4 million for the third quarter of 2022. The effective tax rate was approximately 19.0% for the third quarter of 2023 compared with (16.6)% for the third quarter of 2022. The effective tax rate for the third quarter of 2023 was favorably impacted by the use of certain foreign tax credits for which valuation allowances had been established in prior periods as well as the release of valuation allowances previously recorded against the net deferred tax assets in certain foreign jurisdictions. **The effective tax rate for the third quarter of 2022 was impacted by the establishment of valuation allowances related to certain deferred tax assets.** Income tax provisions for interim (quarterly) periods are generally based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

*Income Taxes - CUSA.* An income tax expense of \$17.4 million was recorded for the third quarter of 2023 compared with an income tax benefit of \$(0.4) million for the third quarter of 2022. The effective tax rate was approximately 15.0% for the third quarter of 2023 compared with 2.7% for the third quarter of 2022. The effective tax rate for the third quarter of 2023 was favorably impacted by the use of certain foreign tax credits for which valuation allowances had been established in prior periods as well as the release of valuation allowances previously recorded against the net deferred tax assets in certain foreign jurisdictions. **The effective tax rate for the third quarter of 2022 was impacted by the establishment of valuation allowances related to certain deferred tax assets.** Income tax provisions for interim (quarterly) periods are generally based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

**Nine months ended September 30, 2023 (the “2023 period”) versus the nine months ended September 30, 2022 (the “2022 period”)**

**2023 Period** - The North American Industry box office generated approximately \$7.2 billion during the 2023 period, which included the carryover of *Avatar: The Way of Water* and *Puss in Boots: The Last Wish*, as well as new releases including *Barbie*, *The Super Mario Bros. Movie*, *Spider-Man: Across the Spider-Verse*, *Guardians of the Galaxy Vol. 3*, *Oppenheimer*, *The Little Mermaid*, *Ant-Man and the Wasp: Quantumania*, *John Wick Chapter 4*, *Sound of Freedom*, *Indiana Jones and the Dial of Destiny*, *Mission Impossible - Dead Reckoning Part One*, *Transformers: Rise of the Beasts*, *Creed III* and *Elemental*.

**2022 Period** - The North American Industry box office was approximately \$5.6 billion during the 2022 period, which included blockbuster films such as *Top Gun: Maverick*, *Doctor Strange in the Multiverse of Madness*, *Jurassic World: Dominion*, *The Batman*, *Minions: The Rise of Gru*, *Thor: Love and Thunder*, *Sonic the Hedgehog 2*, *Elvis*, *Uncharted*, and *Nope*.

**Revenue.** The table below, presented by reportable operating segment, summarizes our year-over-year revenue performance and certain key performance indicators that impact our revenue.

	U.S. Operating Segment		International Operating Segment				Consolidated	
	Nine Months Ended September 30,		Nine Months Ended September 30,				Nine Months Ended September 30,	
	2023	2022	2023	2022	Constant Currency <sup>(3)</sup> 2023	2023	2022	
Admissions revenue	\$ 968.5	\$ 759.1	\$ 264.7	\$ 183.2	\$ 317.2	\$ 1,233.2	\$ 942.3	
Concession revenue	751.1	576.5	197.9	136.1	238.7	949.0	712.6	
Other revenue <sup>(1)</sup>	176.9	148.9	68.7	51.2	83.3	245.6	200.1	
Total revenue <sup>(1)</sup>	\$ 1,896.5	\$ 1,484.5	\$ 531.3	\$ 370.5	\$ 639.2	\$ 2,427.8	\$ 1,855.0	
Attendance	101.5	84.2	67.7	49.3		169.2	133.5	
Average ticket price <sup>(2)</sup>	\$ 9.54	\$ 9.02	\$ 3.91	\$ 3.72	\$ 4.69	\$ 7.29	\$ 7.06	
Concession revenue per patron <sup>(2)</sup>	\$ 7.40	\$ 6.85	\$ 2.92	\$ 2.76	\$ 3.53	\$ 5.61	\$ 5.34	

(1) U.S. operating segment revenue includes eliminations of intercompany transactions with the international operating segment. See Note 16 to our condensed consolidated financial statements.

(2) Average ticket price is calculated as admissions revenue divided by attendance. Concession revenue per patron is calculated as concession revenue divided by attendance.

(3) Constant currency revenue amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2022. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

• **U.S.** Attendance increased 20.5% to 101.5 million patrons during the 2023 period compared with 84.2 million patrons during the 2022 period due to a more consistent cadence of new film releases with broad consumer appeal and the box office success of the films released. Average ticket price increased 5.8% to \$9.54 during the 2023 period compared with \$9.02 during the 2022 period driven by inflationary and strategic pricing initiatives and higher premium format attendance mix. Concession revenue per patron increased 8.0% to \$7.40 during the 2023 period compared with \$6.85 during the 2022 period primarily driven by inflationary and strategic pricing initiatives. Other revenue for the 2023 period increased 18.8% to \$176.9 million compared with \$148.9 million during the 2022 period primarily due to attendance growth, which drove an increase in transaction fees, as well as higher screen advertising and promotional revenue.

• **International.** Attendance increased 37.3% to 67.7 million patrons during the 2023 period compared with 49.3 million patrons during the 2022 period due to a more consistent cadence of new film releases with broad consumer appeal and the box office success of the films released. Average ticket price was \$3.91 as reported, \$4.69 in constant currency, compared with the 2022 period of \$3.72. The increase in average ticket price in constant currency was primarily due to inflationary pricing actions. Concession revenue per patron was \$2.92 as reported, \$3.53 in constant currency, for the 2023 period compared with \$2.76 for the 2022 period. The increase in concession revenue per patron in constant currency was due to inflationary pricing actions. Other revenue for the 2023 period increased 34.2% to \$68.7 million compared with \$51.2 million during the 2022 period primarily due to higher attendance, which drove an increase in transaction fees, as well as higher membership revenue, screen advertising, and promotional revenue.

*Cost of Operations.* The table below, presented by reportable operating segment, summarizes our year-over-year theatre operating costs.

	U.S. Operating Segment Nine Months Ended September 30,		International Operating Segment Nine Months Ended September 30,			Consolidated Nine Months Ended September 30,	
	2023	2022	2023	2022	Constant Currency <sup>(1)</sup> 2023	2023	2022
Film rentals and advertising	\$ 558.6	\$ 439.0	\$ 134.3	\$ 92.1	\$ 163.3	\$ 692.9	\$ 531.1
Concession supplies	\$ 131.0	\$ 98.9	\$ 43.0	\$ 29.9	\$ 52.0	\$ 174.0	\$ 128.8
Salaries and wages	\$ 253.0	\$ 233.4	\$ 53.2	\$ 43.6	\$ 66.2	\$ 306.2	\$ 277.0
Facility lease expense	\$ 184.9	\$ 187.6	\$ 66.0	\$ 43.6	\$ 75.2	\$ 250.9	\$ 231.2
Utilities and other	\$ 269.7	\$ 234.8	\$ 83.8	\$ 69.0	\$ 101.1	\$ 353.5	\$ 303.8

(1) Constant currency expense amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2022. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

• **U.S.** Film rentals and advertising costs for the 2023 period were 57.7% of admissions revenue compared with 57.8% for the 2022 period due to the mix of new film content released. Concession supplies expense for the 2023 period was 17.4% of concession revenue compared with 17.2% of concession revenue for the 2022 period. The concession supplies rate for the 2023 period was impacted by inflationary pressures on certain concession categories, partially offset by the impact of strategic pricing initiatives on concession revenue.

Salaries and wages increased to \$253.0 million for the 2023 period compared with \$233.4 million for the 2022 period as a result of higher attendance, expanded operating hours and wage rate increases. Facility lease expense, which is primarily fixed in nature, decreased 1.4% to \$184.9 million. Utilities and other costs increased to \$269.7 million, as many of these costs, such as utilities costs, repairs and maintenance, credit card transaction fees, and security costs, are variable in nature and were impacted by attendance growth and inflationary pressures.

• **International.** Film rentals and advertising costs for the 2023 period were 50.7% of admissions revenue compared with 50.3% for the 2022 period primarily due to the mix of new film content released. Concession supplies expense was 21.7% of concessions revenue for the 2023 period compared with 22.0% of concession revenue for the 2022 period. The decrease in the concession supplies rate was primarily driven by the impact of strategic pricing initiatives to offset inflationary pressures.

Salaries and wages increased to \$53.2 million as reported for the 2023 period due to wage rate increases, higher attendance, and expanded operating hours. Facility lease expense increased to \$66.0 million as reported for the 2023 period due to higher percentage rent driven by higher revenue and the return of certain minimum rent thresholds compared with the 2022 period. Utilities and other costs increased to \$83.8 million as reported, as many of these costs are variable in nature, such as credit card and other transaction fees, repairs and maintenance, janitorial costs, utilities and screen advertising commissions, and were impacted by the significant increase in attendance for the 2023 period and inflation. These expenses, as reported, were also favorably impacted by exchange rate fluctuations in each of the countries in which we operate.

**General and Administrative Expense.** General and administrative expense for Holdings increased to \$144.7 million for the 2023 period compared with \$134.0 million for the 2022 period. General and administrative expense attributable to CUSA increased to \$142.2 million for the 2023 period compared with \$131.8 million for the 2022 period. The increase for both Holdings and CUSA is primarily due to higher corporate headcount and share-based compensation, wages and benefits inflation, and a continued shift to cloud-based software, partially offset by lower professional fees.

**Depreciation and Amortization.** Depreciation and amortization expense decreased to \$159.6 million for the 2023 period compared with \$181.0 million for the 2022 period primarily due to the impairment of theatre assets during 2022 and 2023.

**Impairment of Long-Lived and Other Assets.** We recorded asset impairment charges of \$12.1 million for the 2023 period. Long-lived asset impairment charges of approximately \$11.4 million were recorded primarily related to certain theatres that are not showing sufficient recovery since reopening after the temporary COVID-19 related closures when compared with the rest of our theatre circuit. In addition, we recorded an impairment of \$0.7 million for our investment in NCMI in the first quarter of 2023 due to the prolonged recovery of NCM's business from the COVID-19 pandemic. We recorded asset impairment charges of \$107.5 million for the 2022 period. Long-lived asset impairment charges of approximately \$9.5 million were recorded primarily due to the prolonged recovery of certain theatres as a result of the COVID-19 pandemic on our operations, and an impairment of \$98.0 million was recorded for our investment in NCM as NCMI's stock price was significantly below the Company's carrying value of NCM per common unit and due to the prolonged recovery of NCM's business from the COVID-19 pandemic. See Notes 8 and 12 to the condensed consolidated financial statements.

*Gain on Disposal of Assets and Other.* A gain on disposal of assets and other of \$8.8 million was recorded for the 2023 period compared with a gain of \$6.4 million for the 2022 period. Activity for the 2023 period was primarily related to the sale of our Ecuador subsidiary in September 2023 and the write-off of operating lease obligations for theatres that were closed during the 2023 period. Activity for the 2022 period was primarily related to the sale of excess land parcels. See Note 6 to the condensed consolidated financial statements for further discussion of the sale of our Ecuador subsidiary.

*Interest Expense.* Interest expense for Holdings, which includes amortization of debt issuance costs and original issue discount and amortization of accumulated gains for swap amendments, was \$112.0 million during the 2023 period compared with \$114.6 million for the 2022 period. The interest expense attributable to CUSA, which includes amortization of debt issuance costs and original issue discount and amortization of accumulated losses for swap amendments, was \$93.9 million during the 2023 period compared with \$96.5 million for the 2022 period. See further discussion at *Liquidity and Capital Resources - Financing Activities* below.

*Interest Income.* Interest income for Holdings was \$40.2 million during the third quarter of 2023 compared with \$11.1 million for the third quarter of 2022. The interest income attributable to CUSA was \$31.5 million during the third quarter of 2023 compared with \$9.5 million for the third quarter of 2022. The increase in interest income was primarily related to the impact of higher interest rates on higher average cash and cash equivalents balances.

*Loss on Debt Extinguishment and Refinancing.* We recorded a loss on extinguishment and refinancing of debt of \$10.7 million during the 2023 period related to the amendment of our Credit Facility and the partial redemption of the 8.75% Secured Notes, including the write-off of unamortized debt issuance costs and legal and other fees paid. See *Liquidity and Capital Resources - Senior Secured Credit Facilities and 8.75% Secured Notes* below.

*Foreign currency and other related loss.* We recorded a foreign currency exchange and other related loss of \$19.4 million during the 2023 period compared with a loss of \$5.3 million during the 2022 period. Activity for the 2023 period includes a \$10.1 million loss on Blue Chip Swap transactions. See Note 14 to the condensed consolidated financial statements for information about our foreign currency translation and Blue Chip Swap transactions.

*Equity in Income (Loss) of Affiliates.* Equity in income of affiliates of \$1.2 million was recorded during the 2023 period compared with equity in loss of affiliate of \$7.5 million during the 2022 period. See Notes 8 and 9 to the condensed consolidated financial statements for information about our equity investments.

*Unrealized Gain on Investment in NCMI.* We recorded an unrealized gain on our investment in NCMI of \$13.9 million during the 2023 period related to the mark-to-market adjustment of our investment in NCMI under the fair value basis of accounting. See Note 8 to the condensed consolidated financial statements for information about our investment in NCMI.

*Income Taxes - Holdings.* An income tax expense of \$29.8 million was recorded for the 2023 period compared with an income tax expense of \$6.3 million for the 2022 period. The effective tax rate was approximately 12.5% for the 2023 period compared with (3.9)% for the 2022 period. The effective tax rate for the 2023 period was favorably impacted by the use of certain foreign tax credits for which valuation allowances had been established in prior periods as well as the release of valuation allowances previously recorded against the net deferred tax assets in certain foreign jurisdictions. **The effective tax rate for the 2022 period was impacted by the establishment of valuation allowances related to certain deferred tax assets.** Income tax provisions for interim (quarterly) periods are generally based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

*Income Taxes - CUSA.* An income tax expense of \$24.2 million was recorded for the 2023 period compared with an income tax benefit of \$(3.3) million for the 2022 period. The effective tax rate was approximately 9.7% for the 2023 period compared with 2.3% for the 2022 period. The effective tax rate for the 2023 period was favorably impacted by the use of certain foreign tax credits for which valuation allowances had been established in prior periods as well as the release of valuation allowances previously recorded against the net deferred tax assets in certain foreign jurisdictions. **The effective tax rate for the 2022 period was impacted by the establishment of valuation allowances related to certain deferred tax assets.** Income tax provisions for interim (quarterly) periods are generally based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

## Liquidity and Capital Resources

### Operating Activities

We primarily collect our revenue in cash, mainly through box office receipts and the sale of concessions. Our revenue is generally received in cash prior to the payment of related expenses; therefore, we have an operating “float” and historically have not required traditional working capital financing. However, our working capital position will fluctuate based on seasonality, the timing and volume of new film content, the timing of interest payments on our long-term debt as well as timing of payment of other operating expenses that are paid annually or semi-annually, such as property and other taxes and incentive bonuses. We believe our existing cash and expected cash flows from operations will be sufficient to meet our working capital, capital expenditures, and expected cash requirements from known contractual obligations for the next twelve months and beyond.

Cash provided by operating activities was \$335.8 million for Holdings and \$347.9 million for CUSA for the nine months ended September 30, 2023, compared with cash provided by operating activities of \$27.7 million for Holdings and \$47.0 million for CUSA for the nine months ended September 30, 2022. The increase in cash provided by operating activities was primarily driven by the timing and level of revenue earned during each period and the timing of payments to vendors for expenses incurred during each period.

### Investing Activities

Investing activities have been principally related to the development, remodel and acquisition of theatres. New theatre openings, remodels and acquisitions historically have been financed with internally generated cash and by debt financing, including borrowings under our senior secured credit facility. Cash used for investing activities was \$74.9 million and \$53.3 million for the nine months ended September 30, 2023 and 2022, respectively. The increase in cash used for investing activities was primarily due to higher capital expenditures in 2023, partially offset by proceeds from the sale of our Ecuador subsidiary during the nine months ended September 30, 2023.

Below is a summary of capital expenditures, disaggregated by new and existing theatres, for the nine months ended September 30, 2023 and 2022 (in millions):

	Nine Months Ended September 30,			
	2023		2022	
New theatres	\$	5.4	\$	24.8
Existing theatres		84.3		40.5
Total capital expenditures	\$	89.7	\$	65.3

We operated 507 theatres with 5,765 screens worldwide as of September 30, 2023. Theatres and screens opened and closed during the nine months ended September 30, 2023 were as follows:

	January 1, 2023	Built	Closed	September 30, 2023
<i>U.S. (42 states)</i>				
Theatres	318	—	(3)	315
Screens	4,399	—	(29)	4,370
<i>International (13 countries)</i>				
Theatres <sup>(1)</sup>	200	1	(9)	192
Screens <sup>(1)</sup>	1,448	4	(57)	1,395
<i>Worldwide</i>				
Theatres	518	1	(12)	507
Screens	5,847	4	(86)	5,765

(1) International theatres and screens closed includes eight theatres and 51 screens related to the sale of the Company’s Ecuador subsidiary. See Note 6 to the Condensed Consolidated Financial Statements.

As of September 30, 2023, the following signed commitments were outstanding:

	Theatres <sup>(1)</sup>	Screens <sup>(1)</sup>	Estimated Remaining Investment <sup>(2)</sup>
<i>Remainder of 2023</i>			
U.S.	—	—	\$ 1.1
International	—	—	3.3
Total	—	—	\$ 4.4
<i>Subsequent to 2023</i>			
U.S.	3	33	\$ 22.5
International	1	8	2.0
Total	4	41	\$ 24.5
<b>Total commitments at September 30, 2023</b>	<b>4</b>	<b>41</b>	<b>\$ 28.9</b>

(1)Based on the expected theatre opening date.

(2)Approximately \$4.4 million is expected to be paid during the remainder of 2023 and \$14.3 million and \$10.2 million is expected to be paid during 2024 and 2025, respectively. The timing of payments is subject to change in the event of construction or other delays.

Actual expenditures for continued theatre development, remodels and acquisitions are subject to change based upon the availability of attractive opportunities. During the next twelve months and the foreseeable future, we plan to fund capital expenditures for our continued development with cash flow from operations and, if needed, borrowings under our senior secured credit facility, proceeds from debt issuances, sale leaseback transactions and/or sales of excess real estate.

#### *Financing Activities*

Cash used for financing activities was \$118.0 million and \$32.6 million for the nine months ended September 30, 2023 and 2022, respectively. The increase in cash used for financing activities was primarily due to the partial redemption of the 8.75% secured notes, partially offset by the net proceeds from the refinancing of the Credit Agreement during the nine months ended September 30, 2023.

Holdings, at the discretion of its board of directors and subject to applicable law, may pay dividends on its common stock. The amount, if any, of the dividends to be paid in the future will depend upon available cash balances, anticipated cash needs, overall financial condition, loan agreement restrictions as discussed below, future prospects for earnings and cash flows, as well as other relevant factors. As a result of the impact of the COVID-19 pandemic, Holdings suspended its quarterly dividend to its shareholders.

We may, from time to time, seek to retire or repurchase our outstanding debt securities through cash purchases or exchanges for other securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on the availability and prices of such debt securities, prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

See Note 7 for a summary of long-term debt outstanding as of September 30, 2023 for Holdings and CUSA.

#### *Contractual Obligations*

Except for the refinancing of the Credit Agreement and the partial redemption of the 8.75% Secured Notes discussed below, there have been no material changes in the contractual obligations previously disclosed in “Liquidity and Capital Resources” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed February 24, 2023.

#### *Off-Balance Sheet Arrangements*

We do not have any off-balance sheet arrangements.

#### *4.50% Convertible Senior Notes*

On August 21, 2020, Holdings issued \$460.0 million 4.50% convertible senior notes (the “4.50% Convertible Senior Notes”). The notes will mature on August 15, 2025, unless earlier repurchased or converted. Interest on the notes is payable on February 15 and August 15 of each year.

Holders of the 4.50% Convertible Senior Notes may convert their 4.50% Convertible Senior Notes at their option at any time prior to the close of business on the business day immediately preceding May 15, 2025 only under the following circumstances: (1) during the five business day period after any five consecutive trading day period, or the measurement period, in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last

reported sale price of Holdings' common stock and the conversion rate on each such trading day; (2) if Holdings distributes to all or substantially all stockholders (i) rights, options or warrants entitling them to purchase shares at a discount to the recent average trading price of Holdings' common stock (including due to a stockholder rights plan) or (ii) Holdings' assets or securities or rights, options or warrants to purchase the same with a per share value exceeding 10% of the trading price of Holdings' common stock; or (3) upon the occurrence of specified corporate events as described further in the indenture. Beginning May 15, 2025, holders may convert their notes at any time prior to the close of business on the third scheduled trading day immediately preceding the maturity date, or during any calendar quarter commencing after the calendar quarter ending on September 30, 2020 (and only during such calendar quarter), if the last reported sale price of Holdings' common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to \$18.66 per share (130% of the initial conversion price of \$14.35 per share), on each applicable trading day. Upon conversion of the 4.50% Convertible Senior Notes, Holdings will pay or deliver cash, shares of its common stock or a combination of cash and shares of its common stock, at its election.

The initial conversion rate is 69.6767 shares of Holdings' common stock per one thousand dollars principal amount of the 4.50% Convertible Senior Notes. The conversion rate will be subject to adjustment upon the occurrence of certain events. If a make-whole fundamental change as defined in the indenture occurs prior to the maturity date, Holdings will, in certain circumstances, increase the conversion rate for a holder who elects to convert its notes in connection with such make-whole fundamental change.

The 4.50% Convertible Notes are effectively subordinated to any of Holdings', or its subsidiaries', existing and future secured debt to the extent of the value of the assets securing such indebtedness, including obligations under the Credit Agreement. The 4.50% Convertible Notes are structurally subordinated to all existing and future debt and other liabilities, including trade payables, and including CUSA's 8.75% Secured Notes due 2025, 5.25% Senior Notes due 2028 and 5.875% Senior Notes due 2026, or, collectively, CUSA's senior notes (but excluding all obligations under the Credit Agreement, as defined below, which are guaranteed by Holdings). The 4.50% Convertible Notes rank equally in right of payment with all existing and future unsubordinated debt, including all obligations under the Credit Agreement, which is guaranteed by Holdings, and senior in right of payment to any future debt that is expressly subordinated in right of payment to the 4.50% Convertible Notes. The 4.50% Convertible Notes are not guaranteed by any of Holdings' subsidiaries.

#### *Senior Secured Credit Facility*

On May 26, 2023, CUSA amended and restated its senior secured credit facility (the "Credit Agreement") to provide for an aggregate principal amount of \$775.0 million, consisting of a \$650.0 million term loan with a maturity date of May 24, 2030 and a \$125.0 million revolving credit facility with a maturity date of May 26, 2028. The term loan is subject to a springing maturity date of April 15, 2028 if CUSA's 5.25% Senior Notes due 2028 have not been paid or refinanced as required under the Credit Agreement prior to such date. The revolving credit facility is subject to springing maturity dates of January 30, 2025, December 14, 2025 and April 15, 2028 if CUSA's 8.75% Senior Secured Notes due 2025, 5.875% Senior Notes due 2026 and 5.25% Senior Notes due 2028 have not been paid or refinanced as required under the Credit Agreement prior to such dates, as more specifically described in the Credit Agreement.

CUSA used the \$632.7 million net proceeds of the borrowings under the Credit Agreement to fund the \$628.3 million repayment of the term loan outstanding under the Credit Agreement prior to the amendment and accrued interest thereon, and for other general corporate purposes.

Under the Credit Agreement, principal payments of \$1.6 million are due on the term loan quarterly through March 31, 2030, with a final principal payment of the remaining unpaid principal due on May 24, 2030.

The amended term loan was issued net of an original issue discount of \$9.8 million. CUSA also incurred a total of approximately \$10.1 million in debt issuance costs which are reflected in the Company's condensed consolidated financial statements as follows: (i) \$7.5 million in debt issuance costs were capitalized and are reflected as a reduction of "Long-term debt, less current portion" on the Company's condensed consolidated balance sheet; and (ii) \$2.1 million of fees paid to lenders and \$0.5 million of legal and other fees included in "Loss on debt extinguishment and refinancing" in the Company's condensed consolidated statement of income for the nine months ended September 30, 2023. As a result of the amendment, CUSA also wrote-off \$4.7 million of unamortized debt issuance costs associated with exiting lenders of the refinanced Credit Agreement.

Interest on the term loan accrues, at CUSA's option, at either (i) a rate determined by reference to the secured overnight financing rate ("SOFR") as published by CME Group Benchmark Administration Limited and identified by Barclay's Bank PLC (the Administrative Agent) as the forward-looking term rate based on SOFR for a period of 1, 3, or 6 months (depending upon the Interest Period (as defined in the Credit Agreement) chosen by CUSA) (the "Term SOFR Rate"), subject to a floor of 0.50% per annum, plus an applicable margin of 3.75% per annum, or (ii) for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Reserve Bank of New York Rate in effect on such day, plus 1/2 of 1.00% and (c) the Term SOFR Rate for a one month Interest Period, as published two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day), plus 1.00% (this clause

(ii), the "Alternate Base Rate"), subject in the case of this clause (ii) to a floor of 1.50% per annum, plus, in the case of this clause (ii), an applicable margin of 2.75%.

Interest on revolving credit loans accrues, at CUSA's option, at either (i) the Term SOFR Rate plus an applicable margin that ranges from 3.00% to 3.50% per annum, or (ii) the Alternate Base Rate, subject, in the case of this clause (ii) to a floor of 1.00% per annum, plus, in the case of this clause (ii), an applicable margin that ranges from 2.00% to 2.50%. The applicable margin with respect to revolving credit loans is a function of the Consolidated Net Senior Secured Leverage Ratio as defined in the Credit Agreement. As of September 30, 2023, the applicable margin was 3.25%, however, there were no borrowings outstanding under the revolving line of credit. In addition, CUSA is required to pay a commitment fee on the revolving line of credit that accrues at a rate ranging from 0.20% to 0.375% per annum of the daily unused portion of the revolving line of credit. The commitment fee rate is a function of the Consolidated Net Senior Secured Leverage Ratio and was 0.25% at September 30, 2023.

CUSA's obligations under the Credit Agreement are guaranteed by Holdings and certain subsidiaries of Holdings other than CUSA (the "Other Guarantors") and are secured by security interests in substantially all of CUSA's, Holdings' and the Other Guarantors' personal property.

The Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on the ability of Holdings, CUSA and their subsidiaries to: merge, consolidate, liquidate, or dissolve; sell, transfer or otherwise dispose of assets; create, incur or permit to exist certain indebtedness and liens; pay dividends, repurchase stock and make other Restricted Payments (as defined in the Credit Agreement); prepay certain indebtedness; make investments; enter into transactions with affiliates; and change the nature of their business. At any time that CUSA has revolving credit loans outstanding, it is not permitted to allow the Consolidated Net Senior Secured Leverage Ratio to exceed 3.5 to 1.0. As of September 30, 2023, there were no revolving credit loans outstanding under the revolving line of credit, and CUSA's Consolidated Net Senior Secured Leverage Ratio was 0.3 to 1.

The Credit Agreement also includes customary events of default, including, among other things, payment default, covenant default, breach of representation or warranty, bankruptcy, cross-default, material ERISA events, a change of control, material money judgments and failure to maintain security interests. If an event of default occurs, all commitments under the Credit Agreement may be terminated and all obligations under the Credit Agreement could be accelerated by the Lenders, causing all loans outstanding (including accrued interest and fees payable thereunder) to be declared immediately due and payable.

The Restricted Payments covenant, as defined in the Credit Agreement generally does not limit the ability of Holdings and its subsidiaries to pay dividends and make other Restricted Payments if the Consolidated Net Total Leverage Ratio (as defined in the Credit Agreement) is less than or equal to 2.75 to 1.00. If the Consolidated Net Total Leverage Ratio is greater than 2.75 to 1.00, but not greater than 5.00 to 1.00, Restricted Payments generally may be made in an aggregate amount not to exceed the Available Amount (as defined in the Credit Agreement), which is a function of CUSA's Consolidated EBITDA minus 1.75 times its Consolidated Interest Expense (as such terms are defined in the Credit Agreement) and certain other factors as specified in the Credit Agreement. As of September 30, 2023, the Consolidated Net Total Leverage Ratio was 2.22 to 1.00 and the Available Amount was \$448.2 million. In addition, the Credit Agreement contains other baskets that allow certain Restricted Payments in excess of the Applicable Amount.

We have three interest rate swap agreements that are used to hedge a portion of the interest rate risk associated with the variable interest rates on the term loan outstanding. Effective May 31, 2023, in conjunction with the amendment of its Credit Agreement, the Company amended its three then existing interest rate swap agreements to update the reference rate from LIBOR to Term SOFR. See Note 7 to the condensed consolidated financial statements for discussion of the interest rate swaps.

As of September 30, 2023, there was \$646.8 million outstanding under the term loan and no borrowings were outstanding under the \$125.0 million revolving line of credit. The average interest rate on outstanding term loan borrowings under the Credit Agreement as of September 30, 2023 was approximately 6.9% per annum, after giving effect to the interest rate swap agreements.

#### *5.875% Senior Notes*

On March 16, 2021, CUSA issued \$405.0 million aggregate principal amount of 5.875% senior notes due 2026, at par value (the "5.875% Senior Notes"). Interest on the 5.875% Senior Notes is payable on March 15 and September 15 of each year. The 5.875% Senior Notes mature on March 15, 2026.

The 5.875% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of CUSA's subsidiaries that guarantee, assume or become liable with respect to any of CUSA's or a guarantor's debt. The 5.875% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of CUSA's and its guarantor's existing and future senior debt and senior in right of payment to all of CUSA's and its guarantors' existing and future senior subordinated debt. The 5.875% Senior Notes and the guarantees are effectively subordinated to all of CUSA's and its guarantor's existing and future secured debt to the extent of the value of the collateral securing such debt, including all borrowings under CUSA's Credit Agreement. The 5.875% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of CUSA's subsidiaries that do not guarantee the 5.875% Senior Notes. CUSA may redeem the 5.875% Senior Notes in whole or in part at redemption prices specified in the indenture.

#### *5.25% Senior Notes*

On June 15, 2021, CUSA issued \$765.0 million aggregate principal amount of 5.25% senior notes due 2028, at par value (the "5.25% Senior Notes"). Interest on the 5.25% Senior Notes is payable on January 15 and July 15 of each year, beginning January 15, 2022. The 5.25% Senior Notes mature on July 15, 2028.

The 5.25% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of CUSA's subsidiaries that guarantee, assume or become liable with respect to any of CUSA's or a guarantor's debt. The 5.25% Senior Notes and the guarantees will be CUSA's and the guarantors' senior unsecured obligations and (i) rank equally in right of payment to CUSA's and the guarantors' existing and future senior debt, including borrowings under CUSA's Credit Agreement (as defined below) and CUSA's existing senior notes, (ii) rank senior in right of payment to CUSA's and the guarantors' future subordinated debt, (iii) are effectively subordinated to all of CUSA's and the guarantors' existing and future secured debt, including all obligations under the Credit Agreement and CUSA's 8.750% senior secured notes due 2025, in each case to the extent of the value of the collateral securing such debt, (iv) are structurally subordinated to all existing and future debt and other liabilities of CUSA's non-guarantor subsidiaries, and (v) are structurally senior to the 4.50% convertible senior notes due 2025 issued by Holdings.

Prior to July 15, 2024, CUSA may redeem all or any part of the 5.25% Senior Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the 5.25% Senior Notes to the date of redemption. On or after July 15, 2024, CUSA may redeem the 5.25% Senior Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to July 15, 2024, CUSA may redeem up to 40% of the aggregate principal amount of the 5.25% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture, so long as at least 60% of the principal amount of the 5.25% Senior Notes remains outstanding immediately after each such redemption.

#### *8.75% Secured Notes*

On April 20, 2020, CUSA issued \$250.0 million 8.75% senior secured notes (the "8.75% Secured Notes"). The 8.75% Secured Notes will mature on May 1, 2025. Interest on the 8.75% Secured Notes is payable on May 1 and November 1 of each year.

CUSA may redeem the 8.75% Secured Notes in whole or in part at redemption prices specified in the indenture.

On May 1, 2023, CUSA redeemed \$100.0 million in principal amount of the 8.75% Secured Notes plus accrued interest thereon for \$106.6 million in cash. Following the redemption, \$150.0 million in aggregate principal amount of the 8.75% Secured Notes remains outstanding. As a result of the redemption, CUSA recognized a loss on extinguishment of debt totaling \$3.4 million which includes a \$2.2 million premium paid on the redemption of bonds and a \$1.2 million write-off of unamortized debt issuance costs.

The 8.75% Secured Notes are fully and unconditionally guaranteed on a joint and several senior basis by certain of CUSA's subsidiaries that guarantee, assume or in any other manner become liable with respect to any of CUSA's or its guarantors' other debt. If CUSA cannot make payments on the 8.75% Secured Notes when due, CUSA's guarantors must make them instead. Under certain circumstances, the guarantees may be released without action by, or the consent of, the holders of the 8.75% Secured Notes.

#### *Borrowings of International Subsidiaries*

As of September 30, 2023, certain of the Company's international subsidiaries have aggregate borrowings of \$7.2 million outstanding under various local bank loans.

#### *Covenant Compliance*

The indentures governing the 5.875% Senior Notes, the 5.25% Senior Notes and the 8.75% Secured Notes ("the indentures") contain covenants that limit, among other things, the ability of CUSA and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of September 30, 2023, CUSA could have distributed up to approximately \$3.5 billion to its parent company and sole stockholder, Holdings, under the terms of the indentures, subject to its available cash and other borrowing restrictions outlined in the indentures. Upon a change of control, as defined in the indentures, CUSA would be required to make an offer to repurchase the 5.875% Senior Notes, the 5.25% Senior Notes and the 8.75% Secured Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indentures allow CUSA to incur additional indebtedness if it satisfies the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of September 30, 2023 was 5.4 to 1.

See discussion of dividend restrictions and the net senior secured leverage ratio under the Credit Agreement at *Senior Secured Credit Facility* above.

As of September 30, 2023, we believe we were in full compliance with all agreements, including all related covenants, governing our outstanding debt.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to financial market risks, including changes in interest rates and foreign currency exchange rates.

#### Interest Rate Risk

The Company currently has variable rate debt. An increase or decrease in interest rates would affect its interest expense related to this variable rate debt. At September 30, 2023, we had an aggregate of \$204.0 million of variable rate debt outstanding, after giving effect to the interest rate swaps. Based on the interest rates in effect on the variable rate debt outstanding at September 30, 2023, a 100 basis point increase in market interest rates would increase our annual interest expense by \$2.0 million.

The tables below provide information about Holdings' and CUSA's fixed rate and variable rate long-term debt agreements as of September 30, 2023. The Company has three interest rate swap agreements that are used to hedge a portion of the interest rate risk associated with the variable interest rates on the Company's term loan debt. The interest rate swaps expire on December 31, 2024. Holdings' long-term debt agreements include fixed rate and variable rate long-term debt of CUSA, which is guaranteed by Holdings.

#### Holdings Debt

	Expected Maturity for the Twelve Months Ending September 30, (in millions)							Total	Fair Value	Average Interest Rate
	2024	2025	2026	2027	2028	Thereafter				
Fixed rate	\$ —	\$ 610.0	\$ 405.0	\$ —	\$ 765.0	\$ 450.0	\$ 2,230.0	\$ 2,342.0	5.6 %	
Variable rate	7.9	7.8	7.8	7.8	7.8	164.9	204.0	203.4	9.0 %	
Total debt <sup>(1)</sup>	<u>\$ 7.9</u>	<u>\$ 617.8</u>	<u>\$ 412.8</u>	<u>\$ 7.8</u>	<u>\$ 772.8</u>	<u>\$ 614.9</u>	<u>\$ 2,434.0</u>	<u>\$ 2,545.4</u>		

(1) Amounts are presented before adjusting for debt issuance costs.

#### CUSA Debt

	Expected Maturity for the Twelve Months Ending September 30, (in millions)							Total	Fair Value	Average Interest Rate
	2024	2025	2026	2027	2028	Thereafter				
Fixed rate	\$ —	\$ 150.0	\$ 405.0	\$ —	\$ 765.0	\$ 450.0	\$ 1,770.0	\$ 1,669.9	5.8 %	
Variable rate	7.9	7.8	7.8	7.8	7.8	164.9	204.0	203.4	9.0 %	
Total debt <sup>(1)</sup>	<u>\$ 7.9</u>	<u>\$ 157.8</u>	<u>\$ 412.8</u>	<u>\$ 7.8</u>	<u>\$ 772.8</u>	<u>\$ 614.9</u>	<u>\$ 1,974.0</u>	<u>\$ 1,873.3</u>		

(1) Amounts are presented before adjusting for debt issuance costs.

#### Interest Rate Swap Agreements

All of the interest rate swap agreements qualify for cash flow hedge accounting. The fair values of the interest rate swaps are recorded on each of Holdings' and CUSA's condensed consolidated balance sheet as an asset or liability with the related gains or losses reported as a component of accumulated other comprehensive loss. See Note 7 to the condensed consolidated financial statements for further discussion of the interest rate swap agreements.

#### Foreign Currency Exchange Rate Risk

There have been no material changes in foreign currency exchange rate risk previously disclosed in "Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed February 24, 2023.

### Item 4. Controls and Procedures

#### Evaluation of the Effectiveness of Disclosure Controls and Procedures

As of September 30, 2023, under the supervision and with the participation of Holdings' and CUSA's principal executive officer and principal financial officer, Holdings and CUSA carried out an evaluation required by the Exchange Act of the effectiveness of the design and operation of their respective disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, Holdings' and CUSA's principal executive officer and principal financial officer concluded that, as of September 30, 2023, each of Holdings' and CUSA's respective disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by each of Holdings and CUSA in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to Holdings' and CUSA's management, including

Holdings' and CUSA's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There have been no changes in Holdings' and CUSA's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 that occurred during the quarter ended September 30, 2023 that materially affected, or are reasonably likely to materially affect, Holdings' and CUSA's internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Other than the discussion at Note 18, there have been no material changes from legal proceedings previously reported under “Business – Legal Proceedings” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed February 24, 2023.

### Item 1A. Risk Factors

We believe there have been no material changes in our risk factors from those disclosed in “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed February 24, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) In the third quarter of 2023, Holdings purchased shares of its common stock as follows:

	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans	Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plan
July 1 through July 31	3.23	\$ 15.74	—	—
August 1 through August 31	2.98	\$ 17.53	—	—
September 1 through September 30	—	—	—	—
Total	<u>6.21</u>		<u>—</u>	<u>—</u>

(1) Represents shares of Holdings’ common stock (in thousands) repurchased in July, August and September of 2023 to satisfy employee tax-withholding obligations upon vesting in restricted stock and performance stock units. See Note 10 to the condensed consolidated financial statements.

For a description of limitations on the payment of Holdings’ dividends, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources.*”

**Item 5. Other Information***Supplemental Schedules Specified by the Senior Notes Indentures*

As required by the indentures governing CUSA's 5.875% Senior Notes, 5.25% Senior Notes and 8.75% Senior Secured Notes, collectively "the senior notes", CUSA has included in this filing interim financial information for its subsidiaries that have been designated as unrestricted subsidiaries, as defined by the indentures. As required by these indentures, CUSA has included an unaudited condensed consolidating balance sheet and unaudited condensed consolidating statements of income, comprehensive income and cash flows for CUSA. See *Liquidity and Capital Resources* at Part I - Item 2 for discussion of the senior notes, including relevant covenants and restrictions. The following supplementary schedules separately identify CUSA's restricted subsidiaries and unrestricted subsidiaries as required by the indentures.

	<b>Page</b>
<a href="#">Unaudited Condensed Consolidating Balance Sheet as of September 30, 2023</a>	57
<a href="#">Unaudited Condensed Consolidating Statement of Income for the nine months ended September 30, 2023</a>	58
<a href="#">Unaudited Condensed Consolidating Statement of Comprehensive Income for the nine months ended September 30, 2023</a>	59
<a href="#">Unaudited Condensed Consolidating Statement of Cash Flows for the nine months ended September 30, 2023</a>	60

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATING BALANCE SHEET**  
**SEPTEMBER 30, 2023**  
(in millions, unaudited)

	Restricted Group	Unrestricted Group	Eliminations	Consolidated
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 458.7	\$ 112.1	\$ —	\$ 570.8
Other current assets	379.5	(105.4)	(10.2)	263.9
Total current assets	838.2	6.7	(10.2)	834.7
Theatre properties and equipment, net	1,154.4	—	—	1,154.4
Operating lease right-of-use assets, net	1,019.0	—	—	1,019.0
Other long-term assets	1,714.4	287.6	(375.2)	1,626.8
<b>Total assets</b>	<u>\$ 4,726.0</u>	<u>\$ 294.3</u>	<u>\$ (385.4)</u>	<u>\$ 4,634.9</u>
<b>Liabilities and equity</b>				
Current liabilities				
Current portion of long-term debt	\$ 7.9	\$ —	\$ —	\$ 7.9
Current portion of operating lease obligations	214.5	—	—	214.5
Current portion of finance lease obligations	14.5	—	—	14.5
Current income tax payable	2.1	—	—	2.1
Accounts payable and accrued expenses	420.3	—	(10.2)	410.1
Total current liabilities	659.3	—	(10.2)	649.1
Long-term liabilities				
Long-term debt, less current portion	2,199.2	—	(262.2)	1,937.0
Operating lease obligations, less current portion	886.3	—	—	886.3
Finance lease obligations, less current portion	77.0	—	—	77.0
Other long-term liabilities and deferrals	457.8	11.1	—	468.9
Total long-term liabilities	3,620.3	11.1	(262.2)	3,369.2
Commitments and contingencies				
Equity	446.4	283.2	(113.0)	616.6
<b>Total liabilities and equity</b>	<u>\$ 4,726.0</u>	<u>\$ 294.3</u>	<u>\$ (385.4)</u>	<u>\$ 4,634.9</u>

Note: "Restricted Group" and "Unrestricted Group" are defined in the indentures for the senior notes.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATING STATEMENT OF INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023**  
(in millions, unaudited)

	Restricted Group	Unrestricted Group	Eliminations	Consolidated
<b>Revenue</b>	\$ 2,427.8	\$ —	\$ —	\$ 2,427.8
<b>Cost of operations</b>				
Theatre operating costs	1,777.5	—	—	1,777.5
General and administrative expenses	142.2	—	—	142.2
Depreciation and amortization	159.6	—	—	159.6
Impairment of long-term and other assets	11.4	0.7	—	12.1
Gain on disposal of assets and other	(8.8)	—	—	(8.8)
Total cost of operations	2,081.9	0.7	—	2,082.6
<b>Operating income (loss)</b>	345.9	(0.7)	—	345.2
Interest expense	(96.0)	—	2.1	(93.9)
Loss on debt extinguishment and refinancing	(10.7)	—	—	(10.7)
Equity in income (loss) of affiliates	1.5	(0.3)	—	1.2
Interest expense - NCM	(17.0)	—	—	(17.0)
Other income	8.4	19.7	(2.1)	26.0
Total other expense	(113.8)	19.4	—	(94.4)
<b>Income before income taxes</b>	232.1	18.7	—	250.8
Income tax expense	20.1	4.1	—	24.2
<b>Net income</b>	212.0	14.6	—	226.6
Less: Net income attributable to noncontrolling interests	2.9	—	—	2.9
<b>Net income attributable to Cinemark USA, Inc.</b>	<u>\$ 209.1</u>	<u>\$ 14.6</u>	<u>\$ —</u>	<u>\$ 223.7</u>

Note: "Restricted Group" and "Unrestricted Group" are defined in the indentures for the senior notes.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023**  
(in millions, unaudited)

	Restricted Group	Unrestricted Group	Eliminations	Consolidated
<b>Net income</b>	\$ 212.0	\$ 14.6	\$ —	\$ 226.6
<b>Other comprehensive loss, net of tax</b>				
Unrealized loss due to fair value adjustments on interest rate swap agreements, net of taxes and settlements	(2.6)	—	—	(2.6)
Foreign currency translation adjustments	(0.4)	—	—	(0.4)
Total other comprehensive loss, net of tax	(3.0)	—	—	(3.0)
Total comprehensive income, net of tax	209.0	14.6	—	223.6
Comprehensive income attributable to noncontrolling interests	(2.9)	—	—	(2.9)
<b>Comprehensive income attributable to Cinemark USA, Inc.</b>	<u>\$ 206.1</u>	<u>\$ 14.6</u>	<u>\$ —</u>	<u>\$ 220.7</u>

Note: "Restricted Group" and "Unrestricted Group" are defined in the indentures for the senior notes.

**CINEMARK USA, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023**  
(in millions, unaudited)

	Restricted Group	Unrestricted Group	Eliminations	Consolidated
<b>Operating activities</b>				
Net income	\$ 212.0	\$ 14.6	\$ —	\$ 226.6
Adjustments to reconcile net income to cash provided by operating activities	167.8	4.2	—	172.0
Changes in assets and liabilities	(36.5)	(14.2)	—	(50.7)
Net cash provided by operating activities	343.3	4.6	—	347.9
<b>Investing activities</b>				
Additions to theatre properties and equipment	(89.7)	—	—	(89.7)
Net proceeds from sale of subsidiary	14.8	—	—	14.8
Investments and loans to affiliates	(1.3)	1.3	—	—
Net cash used for investing activities	(76.2)	1.3	—	(74.9)
<b>Financing activities</b>				
Proceeds from refinancing of senior secured credit facility	640.2	—	—	640.2
Repayment of term loan on refinancing of senior secured credit facility	(624.9)	—	—	(624.9)
Redemption of 8.75% Secured Notes	(102.2)	—	—	(102.2)
Payment of debt issuance costs	(7.5)	—	—	(7.5)
Payment of fees on refinancing of senior secured credit facility	(2.6)	—	—	(2.6)
Other repayments of long-term debt	(8.6)	—	—	(8.6)
Restricted stock withholdings for payroll taxes	(2.5)	—	—	(2.5)
Payments on finance leases	(10.7)	—	—	(10.7)
Other financing activities	0.8	—	—	0.8
Net cash used for financing activities	(118.0)	—	—	(118.0)
<b>Effect of exchange rate changes on cash and cash equivalents</b>				
	(11.5)	—	—	(11.5)
<b>Increase in cash and cash equivalents</b>	<b>137.6</b>	<b>5.9</b>	<b>—</b>	<b>143.5</b>
<b>Cash and cash equivalents:</b>				
Beginning of year	321.1	106.2	—	427.3
End of year	<u>\$ 458.7</u>	<u>\$ 112.1</u>	<u>\$ —</u>	<u>\$ 570.8</u>

Note: "Restricted Group" and "Unrestricted Group" are defined in the indentures for the senior notes.

**Item 6. Exhibits**

- \*31.1 [Certification of Sean Gamble, Chief Executive Officer of Cinemark Holdings, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- \*31.2 [Certification of Melissa Thomas, Chief Financial Officer of Cinemark Holdings, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- \*31.3 [Certification of Sean Gamble, Chief Executive Officer of Cinemark USA, Inc., pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.](#)
- \*31.4 [Certification of Melissa Thomas, Chief Financial Officer of Cinemark USA, Inc., pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.](#)
- \*\*32.1 [Certification of Sean Gamble, Chief Executive Officer of Cinemark Holdings, Inc., pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- \*\*32.2 [Certification of Melissa Thomas, Chief Financial Officer of Cinemark Holdings, Inc., pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- \*\*32.3 [Certification of Sean Gamble, Chief Executive Officer of Cinemark USA, Inc., pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes – Oxley Act of 2002.](#)
- \*\*32.4 [Certification of Melissa Thomas, Chief Financial Officer of Cinemark, USA, Inc., pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes – Oxley Act of 2002.](#)
- \*\*101 The following material from the combined Cinemark Holdings, Inc. and Cinemark USA, Inc. Form 10-Q for the quarter ended September 30, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language), filed herewith:
  - (i) Cinemark Holdings, Inc. Condensed Consolidated Balance Sheets
  - (ii) Cinemark Holdings, Inc. Condensed Consolidated Statements of Income (Loss)
  - (iii) Cinemark Holdings, Inc. Condensed Consolidated Statements of Comprehensive Income (Loss)
  - (iv) Cinemark Holdings, Inc. Condensed Consolidated Statements of Equity
  - (v) Cinemark Holdings, Inc. Condensed Consolidated Statements of Cash Flows
  - (vi) Cinemark USA, Inc. Condensed Consolidated Balance Sheets
  - (vii) Cinemark USA, Inc. Condensed Consolidated Statements of Income (Loss)
  - (viii) Cinemark USA, Inc. Condensed Consolidated Statements of Comprehensive Income (Loss)
  - (ix) Cinemark USA, Inc. Condensed Consolidated Statements of Equity
  - (x) Cinemark USA, Inc. Condensed Consolidated Statements of Cash Flows
  - (xi) Notes to Condensed Consolidated Financial Statements of Cinemark Holdings, Inc. and Cinemark USA, Inc.
- \* 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

\* filed herewith.

\*\* furnished herewith.

**CINEMARK HOLDINGS, INC. AND  
CINEMARK USA, INC.  
SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CINEMARK HOLDINGS, INC.**

**CINEMARK USA, INC.**

Registrants

**DATE:** November 3, 2023

/s/ Sean Gamble  
Sean Gamble  
Chief Executive Officer

/s/ Melissa Thomas  
Melissa Thomas  
Chief Financial Officer



**CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES - OXLEY ACT OF 2002**

I, Sean Gamble, certify that:

1. I have reviewed this report on Form 10-Q of Cinemark Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Sean Gamble  
Sean Gamble  
Chief Executive Officer

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**CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES – OXLEY ACT OF 2002**

I, Melissa Thomas, certify that:

1.I have reviewed this report on Form 10-Q of Cinemark Holdings, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:

a)designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a)all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Melissa Thomas  
Melissa Thomas  
Chief Financial Officer

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**CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES - OXLEY ACT OF 2002**

I, Sean Gamble, certify that:

1. I have reviewed this report on Form 10-Q of Cinemark USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Sean Gamble  
Sean Gamble  
Chief Executive Officer

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**CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES – OXLEY ACT OF 2002**

I, Melissa Thomas, certify that:

1. I have reviewed this report on Form 10-Q of Cinemark USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15 (f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Melissa Thomas  
Melissa Thomas  
Chief Financial Officer

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**CERTIFICATION**  
**PURSUANT TO 18 U.S.C. SECTION 1350, AS ADDED BY SECTION 906 OF THE**  
**SARBANES - OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2023 of Cinemark Holdings, Inc. (the "Issuer").

I, Sean Gamble, the Chief Executive Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 3, 2023

/s/ Sean Gamble  
Sean Gamble  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADDED BY SECTION 906 OF THE  
SARBANES – OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2023 of Cinemark Holdings, Inc. (the "Issuer").

I, Melissa Thomas, the Chief Financial Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 3, 2023

/s/ Melissa Thomas  
Melissa Thomas  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADDED BY SECTION 906 OF THE  
SARBANES - OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2023 of Cinemark USA, Inc. (the "Issuer").

I, Sean Gamble, the Chief Executive Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 3, 2023

/s/Sean Gamble  
Sean Gamble  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADDED BY SECTION 906 OF THE  
SARBANES – OXLEY ACT OF 2002**

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the “Form 10-Q”) for the quarter ended September 30, 2023 of Cinemark USA, Inc. (the “Issuer”).

I, Melissa Thomas, the Chief Financial Officer of Issuer certify that to the best of my knowledge:

- (i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 3, 2023

/s/Melissa Thomas  
Melissa Thomas  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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