



Cineworld Group plc (“Cineworld”)

Cineworld Commences Chapter 11 Cases with approximately \$1.94 billion in Debtor-in-Possession Financing Commitments to Facilitate a Significant De-Leveraging Transaction and Position Company for Long-Term Growth

Chapter 11 restructuring process expected to significantly reduce debt and strengthen Cineworld’s balance sheet and liquidity position

De-leveraging transaction will allow Cineworld to accelerate, and capitalise on, its strategy in the cinema industry

Chapter 11 restructuring process involves entities that are engaged in Cineworld’s US, UK and Jersey businesses; businesses in all other territories remain unaffected

Group cinemas remain open globally to guests and members; operations to continue without interruption

7 September 2022—LONDON—Cineworld Group plc and its subsidiaries (the “Group”) (LSE: CINE), a leading cinema operator in 10 countries including the United States and the United Kingdom with 747 sites and 9,139 screens globally, today announced that Cineworld and certain of its subsidiaries (collectively, the “Group Chapter 11 Companies”) have commenced Chapter 11 cases in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

As part of the Chapter 11 cases, Cineworld, with the expected support of its secured lenders, will seek to implement a de-leveraging transaction that will significantly reduce the Group’s debt, strengthen its balance sheet and provide the financial strength and flexibility to accelerate, and capitalise on, Cineworld’s strategy in the cinema industry. The Group Chapter 11 Companies enter the Chapter 11 cases with commitments for an approximate \$1.94 billion debtor-in-possession financing facility from existing lenders, which will help ensure Cineworld’s operations continue in the ordinary course while Cineworld implements its reorganisation.

As previously announced, it is expected that any de-leveraging transaction will result in very significant dilution of existing equity interests in the Group and there is no guarantee of any recovery for holders of existing equity interests. The Company does not expect the Chapter 11 filing to result in a suspension of trading in its shares on the London Stock Exchange.

The Group Chapter 11 Companies expect to file a proposed plan of reorganisation (the “Plan”) with the Court in due course and to meet the necessary requirements to emerge from Chapter 11 as expeditiously as possible. Cineworld currently anticipates emerging from Chapter 11 during the first quarter of 2023 and is confident that a comprehensive financial restructuring is in the best interests of the Group and its stakeholders, taken as a whole, in the long term. Cineworld looks forward to working with its creditors and stakeholders to advance the Group’s efforts to restructure its balance sheet.

As part of its restructuring process, Cineworld expects to pursue a real estate optimisation strategy in the US and intends to engage in collaborative discussions with US landlords to improve US cinema lease terms in an effort to further position the Group for long-term growth.

Chapter 11 is a court-supervised process that will provide a forum for efficient reorganisation of the Group's business and balance sheet. The Group Chapter 11 Companies will remain in possession and control of their assets, existing management and the board of directors will stay in control of the business and the Group's operations will be allowed to continue uninterrupted.

Upon filing for relief under Chapter 11, the Group Chapter 11 Companies benefit from an "automatic stay" against any action to litigate or collect a pre-petition claim. Cineworld expects to operate its global business and cinemas as usual throughout this process.

Cineworld's subsidiaries and affiliates not engaged in the US, UK or Jersey businesses were not included in the filing and are not part of the Chapter 11 process.

Mooky Greidinger, Chief Executive Officer of Cineworld, said: "We have an incredible team across Cineworld laser focused on evolving our business to thrive during the comeback of the cinema industry. The pandemic was an incredibly difficult time for our business, with the enforced closure of cinemas and huge disruption to film schedules that has led us to this point. This latest process is part of our ongoing efforts to strengthen our financial position and is in pursuit of a de-leveraging that will create a more resilient capital structure and effective business. This will allow us to continue to execute our strategy to reimagine the most immersive cinema experiences for our guests through the latest and most cutting-edge screen formats and enhancements to our flagship theatres. Our goal remains to further accelerate our strategy so we can grow our position as the 'Best Place to Watch a Movie'."

BUSINESS AS USUAL

During the restructuring process, Cineworld expects to operate its global business and cinemas as usual without interruption. In conjunction with the filing of the Chapter 11 cases, the Group Chapter 11 Companies have filed certain customary "first day" motions to obtain the requisite court authority for the Group to continue operating its businesses in the ordinary course without disruption to its customers, vendors, suppliers or employees as much as practicable. The Group Chapter 11 Companies intend to pay all vendors and suppliers in full and on normal terms for valid amounts for goods and services received during the Chapter 11 process. In addition, the Group expects that employees will continue to receive their usual wages and benefits without interruption.

Cineworld has secured commitments for an approximate \$1.94 billion debtor-in-possession ("DIP") financing facility provided by certain existing lenders, which will be used to, among other things, fund the Group's operations and refinance certain prepetition funded indebtedness. Subject to Court approval, the DIP financing, together with the Group's available cash reserves and cash provided by operations, is expected to provide sufficient liquidity for Cineworld to meet its ongoing obligations, including post-petition obligations to vendors and suppliers, as well as employee wages, salaries and benefits programs. Cineworld and its brands around the world – including Regal, Cinema City, Picture House and yes Planet – are continuing to welcome customers to cinemas as usual, which will not change during the Chapter 11 cases. The Group expects to continue to honour the terms of all existing customer membership programs, including Regal Unlimited and Regal Crown Club in the United States and Cineworld Unlimited in the UK. Mooky Greidinger added: "I am deeply grateful for the continued support of our stakeholders throughout this process and beyond, including our dedicated team members, loyal guests and members. We look

forward to continuing to provide guests and members with the best cinematic experiences for years to come. The outstanding success of recent blockbusters such as *Spider-Man: No Way Home*; *No Time to Die*; *Top Gun: Maverick*; *Dune*; *Minions: The Rise of Gru*; *Thor: Love and Thunder* and others proves clearly that people love to go to the movies and that, once supply of product returns, our business will reap the benefits.”

ADDITIONAL INFORMATION REGARDING THE RESTRUCTURING PROCESS

Given the international nature of the Group’s business, certain aspects of the de-leveraging transaction to be pursued in the Chapter 11 cases may require ancillary implementation proceedings beyond the Chapter 11 cases. No final decision has been taken in relation to whether any such ancillary implementation proceedings are to be pursued in this case, and any final decision will be subject to a number of factors, nor has a decision been taken on the timing of any such process. However, the possible ancillary implementation proceeding that may be used by the Group in this case could include, among other things, a restructuring plan or a scheme of arrangement under Part 26A or Part 26 (respectively) of the UK Companies Act 2006, or other ancillary proceedings in the UK or other key jurisdictions alongside the Chapter 11 cases in order to achieve the objectives of the restructuring. A further update on this point will be provided in due course.

The lenders providing the DIP financing have also agreed to provide funding through the DIP financing for the purchase by a newly incorporated Group company of the outstanding commitments under the Rest of World facility (being the facility advanced to fund the Group’s operations in Poland, Romania, Hungary, the Czech Republic, Bulgaria, Slovakia and Israel). This debt transfer is expected to occur in the near term, following which the newly incorporated Group company will be the sole lender under the Rest of World facility. It is expected that the terms of the Rest of World facility will be further amended at such point. In order to facilitate implementation of this arrangement, the existing lenders under the Rest of World facility have agreed to forbear temporarily in exercising certain of their rights triggered by the Chapter 11 filings. As a result of these arrangements, the Rest of World group entities will not commence Chapter 11 cases or any equivalent local proceedings at this time. A further update will be provided in due course.

Additional information on the Chapter 11 cases (including copies of all documents filed in the Chapter 11 cases) can be found at <https://cases.ra.kroll.com/cineworld>.

PJT Partners LP is providing financial advice, Kirkland & Ellis LLP and Slaughter and May are acting as legal counsel and AlixPartners LLP is serving as restructuring advisor to Cineworld. A further announcement will be made when appropriate.

The person responsible for arranging the release of this announcement is Scott Brooker, Company Secretary.

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About Cineworld

Cineworld Group plc was founded in 1995 and is now one of the leading cinema groups in Europe. Originally a private company, it re-registered as a public company in May 2006 and listed on the London Stock Exchange in May 2007. Currently, Cineworld Group plc is the only quoted UK cinema business. Cineworld's acquisition of Regal Entertainment Group has created the second largest cinema business in the world (by number of screens). Cineworld currently operates in the UK, Ireland, Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, Romania, Israel and the US.

Important information

This announcement is not intended to and does not constitute and should not be construed as, considered a part of, or relied on in connection with any information or offering memorandum, security purchase agreement, or offer, invitation or recommendation to underwrite, buy, subscribe for, otherwise acquire, or sell any securities or other financial instruments or interests or any other transaction.

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Group and certain plans and objectives with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by the Group in light of their experience and their perception of historical trends, current conditions, future developments and other factors the Group believes appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. The Group does not assume any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Nothing in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings, profit or earnings or profit per share or dividend per share for the Group for the current or future financial years would necessarily match or exceed the historical published earnings, profit or earnings or profit per share or dividend per share for the Group.

PJT Partners LP, Alix Partners LLP, Kirkland & Ellis LLP and Slaughter and May (the “Advisers”) are providing advice to Cineworld (and other members of its Group) and no one else in connection with the matters referred to in this announcement. The Advisers will not regard any other person as their client in connection with such matters, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to such matters.