Interim Results for the period ended 30 June 2022

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CINEWORLD GROUP plc

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Cineworld Group plc (the "Group"), a leading cinema operator in 10 countries including the United States and the United Kingdom with 747 sites and 9,139 screens globally, presents its Interim Results for the six-month period ended 30 June 2022. These Interim Results are presented in US Dollars.

As previously reported, the COVID-19 pandemic has materially impacted all aspects of the Group's operation since the first quarter of 2020. While monthly admission levels progressively recovered in the first half of 2022, they remained below both pre-pandemic levels and the Group's original forecast for 2022. This led to a general tightening of the Group's overall liquidity position.

In response to this slower-than-expected recovery, Cineworld Group plc and certain of its subsidiaries (collectively, the "Group Chapter 11 Companies") commenced voluntary cases under title 11 of the United States Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on 7 September 2022.

As part of the Chapter 11 Cases, the Group, 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, the Group's strategy in the cinema industry.

As part of the "first day" hearing in the Chapter 11 Cases on 9 September 2022, the Court granted the Group immediate access to $785 million of an approximate $1.94 billion debtor-in-possession financing facility (the "DIP Facility"). Together with the Group's available cash reserves and cash provided by operations, this is expected to provide sufficient short-term liquidity for the Group to meet its ongoing obligations, including post-petition obligations to vendors and suppliers, as well as employee wages, salaries and benefits programs. The remainder of the DIP Facility is expected to become available upon Court approval on a final basis.

The Group and its brands around the world - including Regal, Cinema City, Picturehouse and Yes Planet - are continuing to welcome moviegoers to cinemas as usual and expect to continue to do so during the Chapter 11 Cases.

Financial summary - Six-month period ended 30 June 2022

- The Group's results have been positively impacted by the easing of all remaining COVID restrictions in Q1 2022.
- At the same time, cash burn[3] of $144.9m (H1 2021: $271.0m) reflects the slower-than-expected recovery in H1 2022.
- At 30 June 2022, closing cash and cash equivalents equalled $130.6m (31 December 2021: $354.3m).
- Group revenue of $1,515.1m (H1 2021: $292.8m) reflects the uninterrupted operation of our cinemas across all territories.
- Both gross profit of $424.5m (H1 2021: $9.6m) and operating profit of $57.3m (H1 2021: operating loss of $208.9m) have been positively impacted by steadily increasing admission levels and strong Average Ticket Prices (ATP) and Spend Per Person (SPP).
- Group Adjusted EBITDA of $364.2m (H1 2021: loss of $21.1m) is due to operating profit of $57.3m excluding depreciation and amortisation of $270.6m, impairments of $66.3m and other exceptional and adjusting income totalling $30.0m (net).
- At 30 June 2022, net external borrowings less cash were $5,209.0m (31 December 2021: $5,030.8m), with the H1 decrease in net external borrowings offset by the H1 decrease in cash and cash equivalents.
- The Group has reviewed and revised down its short and medium-term cinema admission forecasts. The review was prompted by the slower-than-expected recovery being experienced in 2022 combined with external forecasts indicating a lower volume of theatrical releases in 2023 and 2024. The revision to cinema admission forecasts was deemed a triggering event under IAS 36 and a half-year impairment assessment has been performed. Refer to Notes 8 and 9 for further details.

Chapter 11 Cases

- The Chapter 11 Cases are a court-supervised process that will provide a forum for the efficient re-organisation of the Group's business and balance sheet.
- During the restructuring process, the Group expects to operate its global business and cinemas as usual without interruption. 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.
- The Group Chapter 11 Companies intend to pay vendors and suppliers in full and on normal terms for valid amounts relating to goods and services received during the Chapter 11 Cases.
- The Group expects that employees will continue to receive their usual wages and benefits without interruption.
- Refer to Notes 1 and 18 for further details, in particular the risks and uncertainties arising as a result of the Chapter 11 Cases.

Cineplex

- The Cineplex, Inc. ("Cineplex") appeal process remains ongoing. Consistent with the position taken at 31 December 2021, no liability has been recognised at 30 June 2022 in respect of the original judgment.
- On 9 September 2022, Cineplex filed a motion for emergency relief from the automatic stay in connection with the Company's Chapter 11 Cases in order to proceed with the appeal process relating to the Cineplex litigation. The Company filed an objection to Cineplex's motion on 22 September 2022.
- A hearing before the United States Bankruptcy Court for the Southern District of Texas (the "Court") took place on 28 September 2022 to consider Cineplex's motion. The Court denied the motion and ruled to uphold the automatic stay in connection with the Chapter 11 Cases and, as a result, the Company expects its appeal process relating to the Cineplex litigation to remain on hold. Any amounts owed to Cineplex will rank alongside the Company's other unsecured claims and will be determined as part of the Chapter 11 Cases.

Outlook

- Q3 admissions have been below expectations.
- Q4 is anticipated to be stronger, supported by the scheduled release of Black Adam, Black Panther: Wakanda Forever, Avatar: The Way of Water and other blockbuster films.
- Cinema admissions in both FY23 and FY24 are expected to remain below pre-pandemic levels.

Key Financial Information

	Reported results for the 6-month period ended 30 June 2022	Reported results for the 6-month period ended 30 June 2021	2022 Reported results vs. 2021
Admissions	82.8m	14.1m	487%
Revenue	$1,515.1m	$292.8m	417%
Loss before tax	($364.9m)	($576.4m)	
Loss after tax	($293.8m)	($515.2m)	
Basic EPS	(21.4c)	(37.5c)	
Diluted EPS	(21.4c)	(37.5c)	
Adjusted EBITDA(1)	$364.2m	($21.1m)	
Adjusted EBITDAaL(1) (2)	($0.8m)	($103.4m)	
Adjusted loss before tax(1)	($324.5m)	($658.5m)	
Adjusted loss after tax(1)	($263.4m)	($581.8m)	
Adjusted diluted EPS(1)	(19.2c)	(42.4c)	

(1) The Group uses Alternative Performance Measures ("APMs") in addition to those measures reported in accordance with IFRS. Refer to Notes 2 and 6 for an explanation of the use of APMs, along with individual definitions and reconciliations.

(2) Adjusted EBITDAaL is defined as Adjusted EBITDA less payment of lease liabilities in the period.

(3) Cash burn is defined as the net of cash generated from/(used in) operations, the payment of lease liabilities, cash flows from acquisition of property, plant and equipment, landlord contributions received, interest paid and interest received.

These interim condensed consolidated financial statements have not been subject to review by an independent auditor. Refer to Note 1 for further information.

Alicja Kornasiewicz, Chair of Cineworld Group plc, said:

"Despite the gradual easing of COVID-19 restrictions and the Group's improved performance, particularly over the second quarter of the half-year period, the lingering impact of the COVID-19 pandemic contributed to us continuing to face pressures, particularly in relation to our balance sheet and liquidity position.

This led us to initiate a Chapter 11 restructuring process in the US that aims to create a more effective business and strengthened capital structure to better position Cineworld for the future. I would like to thank all our leadership team and colleagues for their efforts in continuing to provide our customers with the best cinematic experience possible."

Mooky Greidinger, Chief Executive Officer of Cineworld Group plc, said:

"This has been a challenging period for Cineworld due to the unprecedented impact of the COVID-19 pandemic on our business and its lagging and continuing disruption to film schedules.

COVID-19 continued to weigh on our trading during the half-year, although we have been encouraged by the gradual ongoing recovery in our performance over recent months - as pandemic restrictions ended, guests returned for popular movies. The performance of key blockbusters in the first half, including Top Gun: Maverick; Doctor Strange in the Multiverse of Madness; Jurassic World Dominion; The Batman, illustrates the continued demand for such special cinematic experiences.

Despite these encouraging signs and a highly anticipated slate of movies later this year, we needed to strengthen our balance sheet and liquidity position after the deep and unprecedented impact of COVID-19. We therefore commenced a Chapter 11 restructuring process in the US to implement a de-leveraging transaction that will provide the financial strength and flexibility to accelerate and capitalise on, Cineworld's strategy. As we navigate this Chapter 11 process to help position Cineworld for long-term growth, we remain committed to our strategy to be 'The Best Place to Watch a Movie'.

Finally, I would like to sincerely thank our stakeholders for their continued support, including our dedicated employees, loyal guests, members, suppliers and vendors."

Cautionary note concerning forward-looking statements

Certain statements in this announcement are forward-looking and so involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future and therefore results and developments can differ materially from those anticipated. 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. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements.

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 should be construed as a profit forecast.

These interim condensed consolidated financial statements have not been subject to review by an independent auditor. Refer to Note 1 for further information.

CHIEF EXECUTIVE OFFICER'S REVIEW

This has been a challenging period for Cineworld and I would like to sincerely thank our stakeholders for their continued support, including our dedicated team members, loyal guests, members, suppliers and vendors.

The COVID-19 pandemic had a considerable, and unprecedented, impact on both our business and the wider cinema industry, including enforced closures of cinemas, limited content with delays and rescheduling of movie releases. The combined impact of all these events since the pandemic first emerged continued to place significant pressure on our liquidity and balance sheet, which we needed to address in order to strengthen our financial position.

After the half-year period end, the Group and certain of its subsidiaries (collectively, the "Group Chapter 11 Companies") commenced Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of Texas (the "Court") on 7 September 2022.

With the support of our secured lenders, we started a process to implement a de-leveraging transaction, which would significantly reduce the Group's debt, create a more resilient capital structure, and provide the financial strength and flexibility to both execute and accelerate our strategy. Refer to Note 1 of our interim condensed consolidated financial statements for a summary of some of the key risks and uncertainties relating to the Chapter 11 process.

The first half of 2022 was clearly impacted by the enduring effects of COVID-19. Despite these challenges, the continued gradual improvement in our trading performance was encouraging. In particular, we were encouraged by the strong successes of "Top Gun: Maverick", "Doctor Strange in the Multiverse of Madness", "The Batman" and "Jurassic World Dominion".

In Q3 2022, admission levels have been below expectations. These lower levels of admissions are primarily due to a limited film slate that is anticipated to continue until November 2022 and are expected to negatively impact trading.

Our strategy continues to be driven by our desire to create the best cinema experiences for our guests, providing them with big screens and stadium seating, accompanied by the great technology of our premium formats, as well as upgrading to the use of laser projectors.

We strongly believe that our customers have missed the big screen experience and the social event of watching a movie with others. The upcoming winter film slate, including but certainly not limited to "Black Panther: Wakanda Forever" and "Avatar: The Way of Water", gives us confidence that trading will improve from its current levels. This will be assisted by our clear focus on growth and the dedication of our team.

Looking ahead, we continue to be cautious about the short and medium-term outlook due to economic uncertainty in a number of our key markets and the impact of significant inflationary pressures on guests. Furthermore, we acknowledge there are ongoing material uncertainties and have highlighted certain related matters within our going concern statement in Note 1 of our interim condensed consolidated financial statements.

I would like to conclude by expressing my deep appreciation and gratitude to all the members of the Cineworld team as we continue our commitment to be **THE BEST PLACE TO WATCH A MOVIE**.

Moshe (Mooky) Greidinger

Chief Executive Officer

Financial Review

Group

	6 months to 30 June 2022	6 months to 30 June 2021	Movement
Admissions	**82.8m**	14.1m	487%
	$m	$m	
Box office[1]	**833.6**	140.4	494%
Retail[2]	**480.8**	79.8	503%
Other income	**200.7**	72.6	176%
Total revenue	**1,515.1**	**292.8**	**417%**

1 In addition to ticket sales, box office revenue includes membership schemes that provide customers with access to screenings in exchange for subscriptions fees.

2 Retail revenue includes retail sales of food and drink for consumption within cinemas.

Cineworld Group plc (the "Group") results are presented for the six months ended 30 June 2022 and reflect the trading and financial position of the US, UK and Ireland ("UK&I") and the Rest of the World ("ROW") reporting segments.

The overall success of the Group is reliant upon the quality of the film slate, the timeliness of release, the release window and the appeal of such movies to our customers. While studios spread their releases over the course of the year, it is common for major blockbusters to be released at the start of summer or the start of winter.

During the period, the easing of all remaining COVID restrictions, combined with the release of previously delayed blockbusters, resulted in increased admission levels across all territories.

After a slow start in Q1 due to a lack of major releases and customer concerns around the Omicron variant, the Group achieved total admissions of 82.8m in the six months ended 30 June 2022 (33.6m in Q1 and 49.2m in Q2), an increase of 68.7m or 487% compared to the same period in 2021. This is equal to approximately 61% (54% in Q1 and 67% in Q2) of admissions achieved in the first six months of 2019, the last full financial year unaffected by the pandemic. Encouragingly, between January and June 2022, monthly admissions increased by a compound growth rate of circa 13.5%.

These increased admissions were the primary driver behind the movement in both box office and retail revenue, which were up 494% and 503%, respectively, on the same period in 2021. In addition, the Group benefitted from increased Average Ticket Prices (ATP) and Spend Per Person (SPP). Compared to the same period in 2021, ATP was up by 1.1% while SPP was up by 2.6%. This increase is significantly more pronounced when compared against pre-pandemic levels, with ATP up 7.9% and SPP up 26.6% on the same period in 2019. At present, there is no indication that ATP and SPP will revert back to pre-pandemic levels in either the short or medium-term, though management is closely monitoring this given the worsening cost of living crisis.

Group other income represents 13.3% (2021: 24.8%) of total Group revenue. It includes all income other than box office and retail, predominantly revenue from advertisements shown on screen prior to film screenings and revenue from booking fees associated with the purchase of tickets online. The Group also generates distribution revenue in the UK and ROW, which is included within other income. In the six months ending 30 June 2022, other income increased by 176% to $200.7m. This was primarily due to increased online booking fees (up $47.8m or 512%) and increased advertising (up $43.5m or 89%).

United States

The results below show the Group's performance in the United States ("US") under the Regal brand.

	6 months to 30 June 2022	6 months to 30 June 2021	Movement
Admissions	**50.4m**	8.8m	473%
	$m	$m	
Box office	**582.4**	94.2	518%
Retail	**356.9**	57.0	526%
Other Income	**140.1**	60.0	134%
Total revenue	**1,079.4**	**211.2**	**411%**

After a slow start in Q1 due to a lack of major releases and customer concerns around the Omicron variant, the US achieved total admissions of 50.4m in the six months ended 30 June 2022 (18.6m in Q1 and 31.8m in Q2), an increase of 41.6m or 473% compared to the same period in 2021. This is equal to approximately 56% (47% in Q1 and 63% in Q2) of admissions achieved in the first six months of 2019, the last full financial year unaffected by the pandemic.

As previously reported, all US cinemas were closed between January and March 2021 due to the COVID pandemic. The Group subsequently reopened 77 cinemas in April 2021, followed by 423 cinemas in May 20221 and 7 cinemas in June 2021.

All remaining COVID rules and restrictions (for example, mandates around indoor mask wearing) were eased across the US states in Q1 2022. This positively impacted consumer sentiment and helped to boost monthly admissions. In Q2 2022, admissions were also boosted by multiple strong releases, including but not limited to "Top Gun: Maverick" and "Doctor Strange in the Multiverse of Madness".

US revenues reflect the improved admissions. In the six months ended 30 June 2022, box office revenue increased by 518% to $582.4m, while retail revenue increased by 526% to $356.9m. This growth exceeded the US admissions growth due to extremely strong ATP and SPP, which increased by 8.0% and 9.3% respectively compared to the same period in 2021. The higher ATP was primarily due to blockbuster film ticket pricing along with the increased availability of premium format content during the six months ended 30 June 2022. The higher SPP was primarily due to increased concessionary pricing combined with changes to consumer purchasing behaviours that have carried forward from the pandemic. Compared to the same period in 2019, ATP and SPP were up by 10% and 30% respectively.

US other income consists of revenue from advertising (shown on screen prior to film screenings), corporate and theatre income, and revenue from booking fees associated with the online sale of cinema tickets. The most significant of these is advertising revenue, which is generated under agreement with National CineMedia ("NCM") and through direct contracts with vendors and distributors. NCM operates on behalf of multiple US exhibitors to sell advertising time prior to screenings. During the period, increased uncertainty around the forecast cashflows from the NCM investment, combined with a reduction in the NCM share price, resulted in a further impairment of $20.2m. Refer to Note 2 for further details. In the six months ending 30 June 2022, other income increased by 134% to $140.1m. This was primarily due to increased online booking fees (up $40.2m or 543%) and increased advertising (up $25.8m or 54%).

UK & Ireland

The results below for the UK&I include the two cinema brands in the UK and Ireland: Cineworld and Picturehouse.

	6 months to 30 June 2022	6 months to 30 June 2021	Movement
Admissions	**15.9m**	2.6m	512%
	$m	$m	
Box office	**162.7**	30.2	439%
Retail	**70.3**	12.9	445%
Other Income	**33.8**	3.9	767%
Total revenue	**266.8**	**47.0**	**468%**

In the six months ended 30 June 2022, the UK achieved total admissions of 15.9m (7.2m in Q1 and 8.7m in Q2), an increase of 13.3m or 512% compared to the same period in 2021. This is equal to approximately 68% (67% in Q1 and 68% in Q2) of admissions achieved in 2019, the last full financial year unaffected by the pandemic.

As previously reported, all UK cinemas were closed due to COVID for the first four and a half months of 2021, only re-opening on 19 May 2021. They have operated since that time, with all remaining COVID rules and restrictions lifted in late January 2022. This preceded the easing of rules and restrictions in other key regions (for example, US states on the east and west coasts) and partly explains the moderately faster recovery back towards 2019 admission levels.

In the six months ended 30 June 2022, box office revenue increased by 439% to $162.7m, while retail revenue increased by 445% to $70.3m. This was primarily due to increased admissions, partly offset by declines in ATP and SPP of 12.0% and 10.9% respectively. The declines in ATP and SPP are not reflective of a longer-term trend but are instead due to the high ATP and SPP achieved in the six weeks between re-opening and 30 June 2021. When compared against the six months ending 30 June 2019, UK ATP and SPP increased by 20% and 35% respectively.

UK other income includes all other revenue streams outside of box office and retail, mainly advertising, online booking fees, theatre hire and some distribution revenue through Picturehouse. Advertising revenue is primarily generated by on-screen adverts and is earned through our joint venture screen advertising business, Digital Cinema Media Limited ("DCM"). DCM sells advertising time on screen on behalf of the UK cinema industry. In the six months ending 30 June 2022, other income increased by 767% to $33.8m, with all key categories showing significant period-on-period improvements.

Rest of the World

The results below for the ROW include Poland, Romania, Hungary, the Czech Republic, Bulgaria, Slovakia and Israel.

	6 months to 30 June 2022	6 months to 30 June 2021	Movement
Admissions	**16.5m**	2.7m	511%
	$m	$m	
Box office	**88.5**	16.0	453%
Retail	**53.6**	9.9	441%
Other Income	**26.8**	8.7	208%
Total revenue	**168.9**	**34.6**	**388%**

In the six months ended 30 June 2022, the ROW achieved total admissions of 16.5m (7.8m in Q1 and 8.7m in Q2), an increase of

13.8m or 511% compared to the same period in 2021. This is equal to approximately 73% (63% in Q1 and 85% in Q2) of admissions achieved in 2019, the last full financial year unaffected by the pandemic.

As previously reported, all ROW cinemas were closed due to COVID in the first three months of 2021. The first territory to reopen was Bulgaria in April 2021. This was followed by Israel, Romania, Slovakia and Poland in May and Hungary and the Czech Republic in early June 2021. All ROW cinemas have operated since that time, with all remaining COVID rules and restrictions progressively lifted in early 2022.

In the six months ended 30 June 2022, box office revenue increased by 453% to $88.5m, while retail revenue increased by 441% to $53.6m. This was primarily due to increased admissions, partly offset by a 9% decline in ATP and an 11% decline in SPP when expressed in US dollars. The declines in ATP and SPP are not reflective of a longer-term trend but are instead mainly due to the high ATP and SPP achieved during the truncated operating period in 2021. When compared against the six months ending 30 June 2019, ATP is down 3% while SPP has increased by 25%. The decline in ATP is primarily due to foreign exchange movements and increased competition within certain ROW markets.

ROW other income includes distribution sales, advertising, online booking fees and other sundry income. Forum Film is the Group's distribution business for the ROW and distributes movies on behalf of certain major Hollywood studios as well as owning the distribution rights to certain independent films. In the six months ending 30 June 2022, other income increased by 208% to $26.8m, with all key categories showing significant period-on-period improvements.

Financial Performance

	6-month period ended 30 June 2022				6-month period ended 30 June 2021
	US	**UK&I**	**ROW**	**Total Group**	**Total Group**
Admissions	50.4m	15.9m	16.5m	82.8m	14.1m
	$m	**$m**	**$m**	**$m**	$m
Box office	582.4	162.7	88.5	833.6	140.4
Retail	356.9	70.3	53.6	480.8	79.8
Other Income	140.1	33.8	26.8	200.7	72.6
Total revenue	**1,079.4**	**266.8**	**168.9**	**1,515.1**	**292.8**
Adjusted EBITDA as defined in Note 2				**364.2**	(21.1)
Operating profit/(loss)				**57.3**	(208.9)
Finance income				81.0	74.1
Finance expenses				(490.3)	(417.2)
Net finance costs				**(409.3)**	(343.1)
Share of loss from joint ventures				(12.9)	(24.4)
Loss on ordinary activities before tax				**(364.9)**	(576.4)
Tax on loss on ordinary activities				71.1	61.2
Loss for the period attributable to equity holders of the Company				**(293.8)**	(515.2)

Performance

During the first six months of 2022, the Group financially benefitted from the uninterrupted operation of its cinemas, the progressive easing of all remaining COVID restrictions, and the release of multiple blockbusters, some of which had been previously delayed. While each of these developments is positive, the after-effects of COVID continue to impact the Group's operating and financial performance, with monthly admissions below pre-pandemic levels.

Given this environment, the Group has continued to focus on its overall cash position. Cash burn during the period was $144.9m (H1 2021: $271.0m) while closing cash and cash equivalents equalled $130.6m (31 December 2021: $354.3m). Further details are provided in the Condensed Consolidated Statement of Cash Flows.

Adjusted EBITDA

During the first six months of 2022, the Group generated Adjusted EBITDA of $364.2m (H1 2021: negative $21.1m). This reflected the improved operating conditions combined with the effects of ongoing cost control measures.

Operating Profit/(Loss)

During the first six months of 2022, the Group generated an operating profit of $57.3m (H1 2021: loss of $208.9m). This operating profit included a number of exceptional items, the details of which are explained in Note 2.

Finance Income and Expenses

During the six months ended 30 June 2022, the Group did not enter into any new financing arrangements.

Net financing costs totalled $409.3m during the period (H1 2021: $343.1m).

Finance income of $81.0m (H1 2021: $74.1m) included $60.9m (H1 2021: $65.0m) of gains resulting from movements in the fair value of financial derivatives, $15.4m (H1 2021: $4.2m) of foreign exchange gains on monetary assets, $1.5m (H1 2021: $3.0m) from the unwind of discounting of non-current receivables, interest income of $2.8m (H1 2021: $1.5m), and $0.4m (H1 2021: $0.4m) from the unwind of discounting of sub-lease assets. The gains resulting from movements in the fair value of financial derivatives are primarily driven by the decline (over the past six months) in the Group's share price affecting the valuation of the Group's warrants and convertible bond derivative liabilities, as well the impact of movements in the LIBOR on embedded derivatives in respect of interest rate floors on the Group's term loans.

The finance expense of $490.3m (H1 2021: $417.2m) included $230.9m (H1 2021: $219.0m) relating to the unwind of discounting of lease liabilities and $150.1m (H1 2021: $126.6m) of interest on bank loans and overdrafts. Other finance expenses totalled $109.3m (H1 2021: $71.6m) and included:

- $42.6m (H1 2021: $24.9m) relating mainly to the amortisation of capitalised financing costs;
- $23.0m (H1 2021: $23.8m) relating to the unwind of discounting of deferred revenue;
- $2.5m (H1 2021: $22.5m) of losses on movements in the fair value of financial derivatives;
- $31.9m (H1 2021: $0.4m) of foreign exchange losses from translation; and
- $9.3m (H1 2021: $nil) of re-financing costs.

During the period, the finance expense of $490.3m (H1 2021: $417.2m) increased due to higher incremental borrowing rates being applied to property lease contracts that were progressively amended during the COVID-19 pandemic. The incremental borrowing rates were pushed upward by changes in the Group's credit rating.

Taxation
The overall tax income for the period was $71.1m giving an overall effective tax rate of 19.5% (H1 2021: 10.6% and full year 2021: 20.1%) on the loss before tax.

Tax uncertainties and risks are increasing at an international level, which could affect the Group's future tax rate. The OECD is implementing a Two Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy. The Group meets the threshold criteria for application of Pillar 2, which will introduce a global minimum corporate tax rate of 15% for multinational groups with global revenue exceeding €750m. The Group does not expect to meet the threshold criteria for application of Pillar One. Participating OECD member countries are required to introduce national legislation to implement these rules and we will continue to monitor the impact on the Group as such legislation is introduced.

The Group takes a responsible attitude to tax, recognising that it affects all our stakeholders. The Group seeks at all times to comply with the law in each of the jurisdictions in which it operates, and to build open and transparent relationships with those jurisdictions' tax authorities. The Group's tax strategy is aligned with the commercial activities of the business, and within its overall governance structure the governance of tax and tax risk is given a high priority by the Board.

Profit/(Loss) for the Period
The loss on ordinary activities after tax in the period was $293.8m, a decrease in loss of $221.4m compared with the comparative period (H1 2021: $515.2m loss).

The basic deficit per share amounted to 21.4c (H1 2021: 37.5c). The adjusted diluted deficit per share amounted to 19.2c (H1 2021: 42.4c).

Statement of Financial Position
In the six months ended 30 June 2022, the Group's net liabilities increased from $345.0m to $670.8m. Total assets decreased by $693.3m due mainly to the reduction in restricted cash and cash equivalents and a reduction in right-of-use assets following the agreement of lease amendments. Total liabilities decreased by $367.5m, due mainly to reductions in current and non-current lease liabilities.

Statement of Cash Flows
In the six months ended 30 June 2022, cash and cash equivalents decreased by $223.7m. This was due to $546.0m of net cash outflows from financing activities, $84.1m of net cash outflows from investing activities and $6.7m of foreign exchange losses, partially offset by $413.1m of net cash inflows from operating activities.

Risks and Uncertainties
The Board of Directors retains ultimate responsibility for the Group's Risk Management Framework. The Board of Directors continues to undertake on-going monitoring to review the effectiveness of the Framework and ensure the principal risks of the Group are being appropriately mitigated in line with its risk appetite.

The principal risks and uncertainties which could impact the Group for the remainder of the current financial year include those detailed on pages 14-19 of the Group's Annual Report and Accounts for 2021, a copy of which is available from the Group's website www.cineworldplc.com. A summary of the principal risks and any changes from those detailed in the 2021 Annual Report are summarised on page 42.

In addition, there are further risks and uncertainties which could impact the Group as a result of the Chapter 11 Cases, these are set out in the Group's going concern statement in Note 1 to the interim condensed consolidated financial statements.

Related Party Transactions
The details of all related party transactions are set out in Note 16 of the interim condensed consolidated financial statements.

Dividends
The distribution of dividends on our ordinary shares is subject to validation by the Board of Directors and must be in line with applicable law. The Board of Directors validates the amount of future dividends to be paid taking into account the cash balance then available, the anticipated cash requirements, the overall financial situation, restrictions on loan agreements, future prospects for profits and cash flows, as well as other relevant factors. On 7 April 2020, the Board announced the suspension of the 2019 fourth quarter dividend of 4.25 cents per share to conserve cash for the Group. No dividend has been declared in the current period and the Group continues to prioritise liquidity preservation during its recovery from the pandemic.

Cautionary note concerning forward-looking statements

Certain statements in this announcement are forward-looking and so involve risk and uncertainty because they relate to events, and depend upon circumstances that will occur in the future and therefore results and developments can differ materially from those anticipated. 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. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. 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 should be construed as a profit forecast.

These interim condensed consolidated financial statements have not been subject to review by an independent auditor. Refer to Note 1 for further information.

Condensed Consolidated Statement of Profit and Loss and Comprehensive Income

for the period ended 30 June 2022

	Note	6-month period ended 30 June 2022 (unaudited) $m	6-month period ended 30 June 2021 (unaudited) $m	Year ended 31 December 2021 $m
Revenue		**1,515.1**	292.8	1,804.9
Cost of sales		(1,090.6)	(283.2)	(1,263.2)
Gross profit		**424.5**	9.6	541.7
Other operating income		42.7	7.1	15.4
Administrative expenses		(343.6)	(321.2)	(668.4)
(Impairment)/net reversal of impairment of property, plant and equipment, right-of-use assets and investments	8, 9, 10	(66.3)	95.6	127.1
Operating profit/(loss)		**57.3**	(208.9)	15.8
Adjusted EBITDA as defined in Note 2		**364.2**	(21.1)	454.9
Finance income	5	81.0	74.1	208.4
Finance expenses	5	(490.3)	(417.2)	(899.2)
Net financing costs		**(409.3)**	(343.1)	(690.8)
Share of loss of jointly controlled entity using equity accounting method, net of tax		(12.9)	(24.4)	(33.3)
Loss before tax		**(364.9)**	(576.4)	(708.3)
Tax credit on loss	4	71.1	61.2	142.5
Loss for the period attributable to equity holders of the Group		**(293.8)**	(515.2)	(565.8)
Items that will subsequently be reclassified to profit or loss net of tax				
Retranslation loss of foreign currency denominated operations		(35.6)	(3.7)	(6.1)
De-designation of net investment hedge		-	-	(11.6)
Movement of net investment hedge		-	7.4	-
Income tax credit recognised on other comprehensive income		-	-	(0.2)
Change in fair value of financial assets at FVOCI		-	7.6	7.6
Deferred tax on change in fair value of financial assets at FVOCI		-	(2.1)	(2.1)
Comprehensive (loss)/income for the period, net of income tax		**(35.6)**	**9.2**	(12.4)
Total comprehensive loss for the period attributable to equity holders of the Group		**(329.4)**	**(506.0)**	(578.2)
Basic Deficit per Share	6	(21.4)	(37.5)	(41.2)

Diluted Deficit per Share	6	(21.4)	(37.5)	(41.2)

The notes on pages 13 to 41 are an integral part of these interim condensed consolidated financial statements.**Condensed Consolidated Balance Sheet**

as at 30 June 2022

		30 June 2022 (unaudited)		31 December 2021	
	Note	**$m**	**$m**	**$m**	**$m**
Non-current assets					
Property, plant and equipment	**8**	1,579.9		1,698.1	
Right-of-use assets	**10**	2,014.1		2,234.1	
Goodwill	**9**	4,758.0		4,837.1	
Other intangible assets	**9**	450.0		464.6	
Investment in equity-accounted investee		84.1		130.3	
Financial assets at FVOCI		5.8		5.8	
Deferred tax assets		478.1		415.9	
Fair value of financial derivatives	**13**	0.3		2.8	
Other receivables		47.6		48.8	
Total non-current assets			**9,417.9**		9,837.5
Current assets					
Assets classified as held for sale		1.8		1.8	
Inventories		25.6		24.3	
Current tax receivable		-		2.7	
Trade and other receivables		101.5		142.1	
Restricted cash and cash equivalents		-		8.0	
Cash and cash equivalents		130.6		354.3	
Total current assets			**259.5**		533.2
Total assets			**9,677.4**		10,370.7
Current liabilities					
Loans and borrowings	**11**	(580.5)		(169.5)	
Fair value of financial derivatives	**13**	(19.3)		(50.8)	
Lease liabilities	**10**	(455.3)		(547.9)	
Trade and other payables		(559.0)		(526.2)	
Deferred revenue		(218.0)		(226.9)	
Current taxes payable		(28.1)		(35.3)	
Provisions	**15**	(5.0)		(5.0)	
Total current liabilities			**(1,865.2)**		(1,561.6)
Non-current liabilities					
Loans and borrowings	**11**	(4,584.3)		(5,020.1)	
Fair value of financial derivatives	**13**	(4.9)		(37.1)	
Lease liabilities	**10**	(3,318.2)		(3,492.3)	
Other payables		(18.1)		(19.6)	
Deferred revenue		(552.6)		(579.5)	
Provisions	**15**	(0.8)		(1.0)	
Employee benefits		(4.1)		(4.5)	
Total non-current liabilities			**(8,483.0)**		(9,154.1)
Total liabilities			**(10,348.2)**		(10,715.7)
Net liabilities			**(670.8)**		(345.0)

Equity attributable to equity holders of the Group				
Share capital	20.1		20.1	
Share premium	513.8		513.8	
Foreign currency translation reserve	(289.0)		(253.4)	
Hedging reserve	-		-	
Fair value reserve	(8.9)		(8.9)	
Retained earnings	(906.8)		(616.6)	
Total equity		**(670.8)**		(345.0)

Condensed Consolidated Statement of Changes in Equity (*unaudited*)

for the period ended 30 June 2022

	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 January 2022	**20.1**	**513.8**	**(253.4)**	**-**	**(8.9)**	**(616.6)**	**(345.0)**
Loss for the period	-	-	-	-	-	(293.8)	**(293.8)**
Other comprehensive income/(expense)							
Items that will not subsequently be reclassified to profit or loss							
Change in fair value of financial assets at FVOCI	-	-	-	-	-	-	-
Deferred tax on change in fair value of financial assets at FVOCI	-	-	-	-	-	-	**-**
Items that will subsequently be reclassified to profit or loss							
Tax that will subsequently be reclassified to profit or loss	-	-	-	-	-	-	**-**
Retranslation of foreign currency denominated operations	-	-	(35.6)	-	-	-	**(35.6)**
Contributions by and distributions to owners							
Movements due to share-based compensation	-	-	**-**	**-**	**-**	**3.6**	**3.6**
Balance at 30 June 2022	**20.1**	**513.8**	**(289.0)**	**-**	**(8.9)**	**(906.8)**	**(670.8)**

Condensed Consolidated Statement of Changes in Equity

for the period ended 31 December 2021

	Share capital	Share premium	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
	$m	$m	$m	$m	$m	$m	$m

Balance at 1 January 2021	**20.1**	**513.8**	**(247.3)**	**11.6**	**(14.4)**	**(57.5)**	**226.3**
Loss for the period	-	-	-	-	-	(565.8)	(565.8)
Other comprehensive income/(expense)							
Items that will not subsequently be reclassified to profit or loss							
Change in fair value of financial assets at FVOCI	-	-	-	-	7.6	-	7.6
Deferred tax on change in fair value of financial assets at FVOCI	-	-	-	-	(2.1)	-	(2.1)
Items that will subsequently be reclassified to profit or loss							
De-designation of net investment hedge	-	-	-	(11.6)	-	-	(11.6)
Tax that will subsequently be reclassified to profit or loss	-	-	-	-	-	(0.2)	(0.2)
Retranslation of foreign currency denominated operations	-	-	(6.1)	-	-	-	(6.1)
Contributions by and distributions to owners							
Movement due to share-based compensation	-	-	-	-	-	6.9	6.9
Balance at 31 December 2021	**20.1**	**513.8**	**(253.4)**	**-**	**(8.9)**	**(616.6)**	**(345.0)**

Condensed Consolidated Statement of Cash Flows

for the period ended 30 June 2022

	6-month period ended 30 June 2022 (unaudited) $m	6-month period ended 30 June 2021 (unaudited) $m	Year ended 31 December 2021 $m
Cash flows from operating activities			
Loss for the period	**(293.8)**	(515.2)	(565.8)
Adjustments for:			
Financial income	**(81.0)**	(74.1)	(208.4)
Financial expenses	**490.3**	417.2	899.2
Taxation	**(71.1)**	(61.2)	(142.5)
Share of loss of equity accounted investee	**12.9**	24.4	33.3
Operating profit/(loss)	**57.3**	(208.9)	15.8
Depreciation and amortisation	**270.6**	268.4	534.9
Share-based payments charge	**3.9**	3.1	6.9
Non-cash property charges	**(0.1)**	(0.4)	-
Net impairment/(reversal of impairment) of PP&E and right-of-use assets	**46.1**	(95.6)	(182.2)
Impairment of investment	**20.2**	-	55.1
Gain on sale of assets	**(3.6)**	(18.9)	(32.8)
Movement in trade and other receivables	**29.9**	(25.8)	(87.6)
Movement in inventories	**(2.2)**	(2.4)	(11.6)
Movement in trade, other payables and deferred income	**(9.3)**	39.6	41.5
Movement in provisions and employee benefit obligations	**(0.2)**	7.7	14.0
Cash generated from/(used in) operations	**412.6**	(33.2)	354.0
Tax received	**2.5**	208.8	205.5
Tax paid	**(2.0)**	(4.4)	(4.4)
Net cash flows from operating activities	**413.1**	171.2	555.1

Cash flows from investing activities			
Interest received	**2.7**	1.5	3.0
Income received from net investment in sub-lease	**0.7**	-	1.1
Acquisition of property, plant and equipment	**(87.8)**	(48.2)	(152.1)
Investment in joint ventures	**-**	(0.1)	(0.1)
Acquisition of distribution rights and other intangibles	**(1.1)**	(1.8)	(4.3)
Acquisition of subsidiaries[3]	**-**	-	(202.7)
Proceeds from sale of property, plant and equipment	**-**	0.1	21.3
Distributions received from financial assets at FVOCI	**-**	-	11.8
Distributions received from equity-accounted investees	**1.4**	-	-
Net cash flows from investing activities	**(84.1)**	(48.5)	(322.0)
Cash flows from financing activities			
Interest paid	**(114.2)**	(111.2)	(227.3)
Repayment of bank loans[4]	**(72.5)**	(26.6)	(55.5)
Draw down of bank and other loans	**-**	213.6	526.2
Debt issuance costs paid	**-**	(1.1)	(12.7)
Exceptional finance costs	**-**	-	(30.5)
Landlord contributions	**6.8**	2.4	5.1
Payment of lease liabilities[1]	**(365.0)**	(82.3)	(400.5)
Early lease termination payment	**(1.1)**	-	-
Movement in restricted cash[2]	**-**	(16.0)	(16.0)
Net cash flows from financing activities	**(546.0)**	(21.2)	(211.2)
Net (decrease)/increase in cash and cash equivalents	**(217.0)**	101.5	21.9
Exchange loss on cash and cash equivalents	**(6.7)**	(1.7)	(4.3)
Cash and cash equivalents at start of period	**354.3**	336.7	336.7
Cash and cash equivalents at the end of period	**130.6**	436.5	354.3

[1] Payment of lease liabilities includes $230.9m (period ended 30 June 2021: $40.8m; year ended 31 December 2021: $251.2m) of interest payment and $134.1m (period ended 30 June 2021: $41.5m; year ended 31 December 2021: $149.3m) of principal lease payments.

[2] In 2021, $16.0m of cash and cash equivalents was reclassified to restricted for settlement of interest on the convertible bond. $8.0m of this was paid in 2021 and the remaining $8.0m was paid during the period.

[3] In 2021, the Group reached agreement with the Regal Dissenting Shareholders in respect of the judgment awarded to them. This agreement settled the outstanding consideration due in respect of the Group's Acquisition of Regal Entertainment. The total settlement amounted to $265.7m, of which $63.0m was included in the trade and other payables movement as it was previously charged to operating profit. Please refer to Note 11 for details of Regal Dissenting shareholders arrangement.

[4] Repayment of bank loans includes a $47.5m (period ended 30 June 2021 and year ended 31 December 2021: $nil) repayment of the Dissenting Shareholdings' term loan in the US, a $21.0m (period ended 30 June 2021: $23.6m; year ended 31 December 2021: $42.0m) repayment of US Dollar and Euro loans in the US and a $4.0m (period ended 30 June 2021: $3.0m; year ended 31 December 2021: $13.5m) repayment of overdrafts and government loans in ROW.

Notes to the Interim Condensed Consolidated Financial Statements

1. Basis of preparation

Reporting entity

Cineworld Group plc (the "Company") is a Company both incorporated and domiciled in the United Kingdom. The interim condensed consolidated financial statements of the Company as at and for the six-month period ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

These interim condensed consolidated financial statements have been prepared on the basis of policies set out in the 2021 Annual Report & Accounts and in accordance with UK adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. The accounting policies adopted in these condensed interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period, except for the recognition of booking fee revenue (now recognised when the associated film is shown), along with the adoption of amended standards as set out in Note 1. These changes were immaterial to the Group in both nature and quantum.

These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021 which were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006. These annual consolidated financial statements were approved by the Board of Directors on 17 March 2022 and delivered to the Registrar of Companies. They are available upon request from the Company's registered office at 8th Floor, Vantage London, Great West Road, Brentford, TW8 9AG. They are also available on the Group's website www.cineworldplc.com.

These interim condensed consolidated financial statements, which are presented in US dollars, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

Going Concern
The impact of the COVID-19 pandemic on both Cineworld and the wider cinema industry has been severe and long-lasting. After selling 275.0 million movie tickets in 2019, the Group sold only 54.4 million tickets in 2020. As a result, the Group experienced a significant decline in key financial metrics. For example, revenue decreased from $4,369.7 million in 2019 to $852.3 million in 2020, an 80.5% decrease, while Adjusted EBITDA decreased from positive $1,580.3 million in 2019 to negative $115.1 million in 2020, a 107.3% decrease.

The 2021 financial year remained extremely challenging. Through the early part of the year, cinemas remained closed across all territories in which the Group operates. The lack of revenue and restrictions in place around the Group's debt meant that the Group was operating under severely constrained cash flow and operational conditions. While cinemas re-opened in mid-2021, operational restrictions continued to apply in most countries and regions. This in turn prompted studios to reschedule multiple blockbuster movies until later dates.

In the first half of 2022, the industry benefitted from strong performances from some blockbuster films, notably Top: Gun Maverick. These performances demonstrated the strong consumer demand that remains post the pandemic. At the same time, the industry has been negatively impacted by a general lack of content, an issue exacerbated by increased competition from streaming along with COVID-related production delays and cancellations that occurred from mid-2020 to late-2021.

Over the past two and a half years, the Group has sought to address the various operational and financial challenges generated by the COVID-19 pandemic. Along with reducing its cost base, the Group has undertaken various financing transactions aimed at improving liquidity. These transactions have included:

a. increasing availability under the Debtors' Revolving Credit Facility by $110.8 million in 2020;

b. securing a new $250 million term credit facility in the form of the ROW Credit Facility in 2020;

c. securing a new $450 million term loan facility in 2020 in the form of the Prepetition Priming Facility;

d. issuing $213 million in principal amount of Convertible Bonds in 2021; and

e. securing $200 million of incremental term loans under the Prepetition Priming Facility in 2021.

Chapter 11
Given the long-lasting effects of COVID-19 on the cinema industry, these transactions did not resolve the Group's liquidity challenges. As a result, on 7 September 2022, Cineworld Group plc ("Cineworld") and its subsidiaries (the "Group") announced that Cineworld and certain of its subsidiaries (collectively, the "Group Chapter 11 Companies") had filed a voluntary petition under title 11 of the United States Code (the "Chapter 11 Cases") in the United States Bankruptcy Court for the Southern District of Texas (the "Court"). Refer to Note 18 for further details.

As part of the "first day" hearing in the Chapter 11 Cases, the Court granted the Group immediate access to $785 million of an approximate $1.94 billion debtor-in-possession financing facility (the "DIP Facility"). Together with the Group's available cash reserves and cash provided by operations, this is expected to provide sufficient short-term liquidity for the Group to meet its ongoing obligations, including post-petition obligations to vendors and suppliers, as well as employee wages, salaries and benefits programs. The remainder of the DIP Facility is expected to become available upon Court approval on a final basis. This will be largely used to re-finance the existing priming loans.

The DIP Facility is currently set to mature on 7 September 2023, with the option to extend in certain circumstances. As highlighted below, there is significant risk and uncertainty as to the ability of the Group to secure further funding following the maturity of the DIP Facility.

For the duration of the Chapter 11 Cases and the period following the Group's exit from the Chapter 11 Cases, the Group's operations, ability to develop and execute its business plan, as well as its continuation as a going concern, are subject to risks and uncertainties associated with the Chapter 11 Cases. These risks include the following:

- the Group's ability to confirm and consummate a plan of re-organisation which, if unsuccessful, may delay or impede the Group's ability to emerge from the Chapter 11 Cases;
- the significant administrative costs of bankruptcy proceedings and related fees;
- the Group's ability to obtain sufficient financing to allow it to emerge from bankruptcy (which will be subject to negotiations with the Group's lenders), and such financing remaining available and sufficient for the Group to be able to execute its business plan post-emergence and post the maturity of the DIP Facility;
- the Group's ability to maintain relationships with suppliers, service providers, customers, employees and other third parties;
- the Group's ability to maintain contracts that are critical to its operations; and
- the actions and decisions of the Group's creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Group's plans, including actions pursued outside the US which might have a disruptive effect on the Chapter 11 Cases. The Group has been issued with winding-up petitions by the landlord of certain Picturehouse cinemas, which are being opposed and which the Group expects will be resolved.

As a result of the risks and uncertainties associated with the Chapter 11 Cases, the Directors cannot accurately predict or quantify the ultimate impact that events that occur during or as a result of the Chapter 11 Cases will have on the Group's business, financial condition, results of operations and cash flows. Moreover, the outcome of the Chapter 11 Cases is dependent upon factors that are outside of the Group's control, including actions of the Court and the Group's creditors. As a result of these risks and uncertainties, there is material uncertainty about the Group's ability to continue as a going concern.

As part of the Chapter 11 Cases, Cineworld, with the expected support of its secured lenders, is seeking 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. It is expected that any de-leveraging transaction will result in very significant dilution or elimination of existing equity interests in the Group and there is no guarantee of any recovery for holders of existing equity interests.

DIP Facility
The Group has secured a superpriority senior secured priming multi-draw term loan credit facility of approximately $1.94 billion, of which $785 million became available upon Court approval on 8 September 2022. Borrowings on the DIP Facility together with the Group's available cash reserves and cash provided by operations, are expected to provide sufficient liquidity for the Group to meet its ongoing obligations, including post-petition obligations to vendors and suppliers, as well as employee wages, salaries and benefits programs. The remainder of the DIP facility is expected to become available upon Court approval on a final basis. This will be largely used to re-finance the existing priming loans.

The ability of the Group to continue as a going concern will be dependent on the DIP Facility being available and sufficient for the Group's needs. The directors are not currently aware of any defaults under the credit agreement governing the DIP Facility that might impede its availability; and as noted above, the directors currently expect the DIP Facility will be sufficient in meeting the Group's liquidity needs.

The DIP Facility is currently set to mature on 7 September 2023, with the option to extend in certain circumstances. The DIP Facility credit agreement establishes case milestones to ensure that the Chapter 11 Cases proceed at an appropriate and efficient pace, thereby avoiding unnecessarily prolonged Chapter 11 Cases. The DIP milestones are subject to change. The key DIP milestones are as follows:

Date	DIP milestone
9 September 2022	Entry of interim DIP order
31 October 2022	Entry to final DIP order
21 November 2022	Deadline to file either (a) a sale motion and bidding procedures or (b) a Chapter 11 plan
3 January 2023	Date of the disclosure statement hearing (if Chapter 11 plan path)
22 February 2023	Date of the sale hearing (if sale motion path)
28 February 2023	Entry of an order confirming a Chapter 11 plan (if Chapter 11 plan path)

Failure to meet such milestones constitutes an event of default under the credit agreement governing the DIP Facility.

As highlighted above, there is significant risk and uncertainty as to the ability of the Group to secure further funding following the maturity of the DIP Facility.

Dissenting Shareholders

On 10 September 2021, the Group announced that it had reached agreement with the dissenting shareholders of Regal Entertainment Group (the "Regal Litigation Parties") with respect to the payment of judgment of their claim. Under this agreement, the Group paid $170 million of the judgment to the dissenting shareholders and $92 million was placed into an escrow account to be available to Cineworld as additional liquidity under certain circumstances.

On 1 February 2022, the Group announced that it had initiated discussions with the Regal Litigation Parties in relation to a potential rescheduling of its payment obligations under the unsecured facility agreement relating to the settlement reached with them in September 2021 (the "Unsecured Facility Agreement"). It was subsequently agreed that the remaining $79.3 million (plus interest and fees) owed under the facility would be paid to the Regal Litigation Parties in instalments with a final payment due on 30 June 2022, rather than the previously agreed date of 31 March 2022.

On 4 May 2022, the Group announced that it had approached the Regal Litigation Parties to engage in discussions in relation to a further rescheduling of its payment obligations under the Unsecured Facility Agreement. On 10 May 2022, the Group confirmed that it had obtained undertakings to waive any events of default arising due to non-payment of amounts due to the Regal Litigation Parties from the holders of its guaranteed convertible bonds due 2025.

Any future payments will depend on the outcome of the Chapter 11 Cases. The Regal Litigation Parties are unsecured creditors.

Cineplex

On 6 July 2020, the Group confirmed that Cineplex, Inc. ("Cineplex") had initiated proceedings against it in relation to its termination on 12 June 2020 of the Arrangement Agreement relating to its proposed acquisition of Cineplex (the "Acquisition"). The proceedings alleged that the Group breached its obligations under the Arrangement Agreement and/or duty of good faith and claimed damages of up to C$2.18 billion less the value of Cineplex shares retained by Cineplex shareholders.

The Group defended these proceedings on the basis that it had terminated the Arrangement Agreement because Cineplex breached a number of its covenants and counter-claimed against Cineplex for damages and losses suffered as a result of these breaches and the Acquisition not proceeding, including the Group's financing costs, advisory fees and other costs.

On 15 December 2021, the Ontario Superior Court of Justice granted Cineplex's claim, dismissed the Group's counterclaim and awarded Cineplex damages of C$1.23 billion for lost synergies to Cineplex and C$5.5 million for lost transaction costs. The Group disagrees with this judgment and has appealed the decision. The Group does not expect damages to be payable whilst any appeal is ongoing, which is likely to take longer than the assessment out to 31 December 2023. No liability has been recognised in respect of the judgment on the basis that payment is not considered probable at this stage, and the Directors have not factored any payment of damages within their assessment of whether it is appropriate to adopt the going-concern basis for the Group as at 30 June 2022. It is the view of the Directors that the appeal process is unlikely to conclude within the going-concern assessment period.

There is a material uncertainty around the Group's ability to successfully appeal the judgment and avoid the damages payment. Cineworld believes it has compelling arguments that the trial judge erred when assessing liability and damages and believes that it has a meritorious appeal. In the event that Cineworld is unsuccessful on appeal, the Group would not have sufficient liquidity to pay the existing level of damages awarded. Any future payments would depend however on the outcome of the Chapter 11 Cases. On 9 September 2022, Cineplex filed a motion for emergency relief from the automatic stay in connection with the Company's Chapter 11 Cases in order to proceed with the appeal process relating to the Cineplex litigation. The Company filed an objection to Cineplex's motion on 22 September 2022. A hearing before the United States Bankruptcy Court for the Southern District of Texas (the "Court") took place on 28 September 2022 to consider Cineplex's motion. The Court denied the motion and ruled to uphold the automatic stay in connection with the Chapter 11 Cases and, as a result, the Company expects its appeal process relating to the Cineplex litigation to remain on hold. Any amounts owed to Cineplex will rank alongside the Company's other unsecured claims and will be determined as part of the Chapter 11 Cases.

Conclusion

The interim condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As highlighted above, the Company's operations and its ability to develop and execute its business plan are subject to a high degree of risk and uncertainty associated with the Chapter 11 Cases, as well as the impact of the ongoing Cineplex litigation and risks and uncertainties arising as a result of the Group's financing requirements following the conclusion of the Chapter 11 Cases. Moreover, the outcome of the Chapter 11 Cases is dependent upon factors that are outside of the Group's control, including actions of the Court and the Group's creditors. These factors raise material uncertainty about the Group's ability to continue as a going concern for at least twelve months after the date of signing these interim condensed consolidated financial statements.

During the Chapter 11 Cases and after the Group's emergence from Chapter 11, the recovery of the Group will remain sensitive to the speed at which admission levels continue to return. If admissions fail to reach the Group's forecasts, the recovery of the Group may be slower than anticipated and/or the Group may become more reliant on funding from the DIP Facility, or future financing arrangements. Therefore, the recovery of admission levels may contribute to the material uncertainty as to the Group's ability to continue as a going concern for at least twelve months after the date of signing these interim consolidated condensed financial statements.

Financial information in this report has been prepared on a going-concern basis of accounting, which presumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business as they come due. Financial information in this report does not reflect the adjustments to the carrying values of assets, liabilities and the reported expenses and balance sheet classifications that would be necessary if the Group was unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Taxation

Taxes on income in the interim condensed consolidated financial statements are accrued using the tax rate that would be applicable to the expected full financial year results for the Group, with any significant one-off charges or credits which are specific to the interim period included as such.

The interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021 and any public announcements made by the Group during the interim reporting period.

New and amended standards adopted by the Group
There were no new standards adopted by the Group in the period but the following amendments became applicable during the current reporting period:

- Amendments to IAS 16, IAS 37, IFRS 3
- Annual Improvements to IFRS Standards 2018-2020

These amendments did not have a material impact on the Group's accounting policies and have therefore not resulted in any changes.

Interim financial information
As a result of the commencement of the Chapter 11 Cases, PwC is required to undertake standard procedures outside of the Company's control. These procedures include a re-assessment of independence and appointment by the Court which could take up to six weeks.

Given the timing of the Chapter 11 Cases, it was not possible to complete these procedures prior to the deadline for releasing these interim condensed consolidated financial statements.

There is no legal requirement for these interim condensed consolidated financial statements to be audited or reviewed by the Company's auditors and it is relatively common practice for companies to release interim results without a review report from auditors.

Therefore, rather than release the interim results after their UK filing deadline of 30 September 2022, which would lead to a suspension of the Company's listing, the Board of Directors has decided to release the accounts without a PwC review opinion. PwC remains in place as the external auditors of the Group.

2. Alternative Performance Measures

The Group uses Alternative Performance Measures ("APMs") in addition to those measures reported in accordance with IFRS. APMs are not defined terms under IFRS and are not intended to be a substitute for any IFRS measure. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. The APMs improve the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, one-off items and the timing of acquisitions.

The APMs are used internally in the management of the Group's business performance, budgeting and forecasting, and for determining Executive Directors' remuneration and that of other management throughout the business. The APMs are also presented externally to meet investors' requirements for further clarity and transparency around Group's financial performance.

Where items of income or expense are being excluded in an APM, these are included elsewhere in our reported financial information as they represent actual income and expenses of the Group.

Other commentary within the Interim Results should be referred to in order to fully appreciate all the factors that affect our business.

The Group's Adjusted Performance Measures are set out below. Additional adjustments have been made in the current period to reflect one-off charges incurred due to the impact of the COVID-19 pandemic.

Adjusted EBITDA
Adjusted EBITDA is defined as operating profit/(loss) adjusted for:

1. depreciation and amortisation costs;
2. share of profits/(losses) of jointly controlled entities using the equity accounting method, net of tax;
3. excess cash distributions from jointly controlled entities;
4. impairments of goodwill;
5. impairments and reversals of impairment of property, plant and equipment, right-of-use assets, and investments in the ordinary course of business;
6. property-related charges and releases;
7. business interruption costs;
8. share-based payment charges; and
9. exceptional operating items.

Exceptional operating items are non-recurring charges and credits which are outside the Group's normal course of business and are material by size or nature. In recent years, adjustments have been made for specific costs associated with the impact of the COVID-19 pandemic including stock write offs, additional cleaning costs, lease penalties, redundancy, refinancing and asset impairments.

The following items are adjusted within the Group's Adjusted EBITDA APM as they are non-cash items: depreciation and amortisation, impairments of goodwill, impairments and reversals of impairment of property, plant and equipment, right-of-use assets and investments in the ordinary course of business, property-related charges and releases, and share-based payment charges.

The share of jointly controlled entities and excess cash distributions from jointly controlled entities are included within Adjusted EBITDA to reflect cash received which is reported outside of operating profit.

In addition to Adjusted EBITDA, the Group uses Adjusted EBITDAaL to measure performance. Adjusted EBITDAaL is defined as Adjusted EBITDA less payments of lease liabilities during the period. For the six months ended 30 June 2022, Adjusted EBITDAaL equalled ($0.8m), with Adjusted EBITDA of $364.2m being offset by lease payments of $365.0m. In comparison, for the six months ended 30 June 2021, Adjusted EBITDAaL equalled ($103.4m), due to Adjusted EBITDA of ($21.1m) and lease payments of $82.3m.

Adjusted (Loss)

Adjusted (Loss) before Tax is defined as (loss) before tax adjusted for:

1. amortisation of intangible assets created on acquisition;
2. excess cash distributions from jointly controlled entities;
3. impairments of goodwill;
4. impairments and reversals of impairments of property, plant and equipment, right-of-use assets, and investments in the ordinary course of business;
5. property-related charges and releases;
6. business interruption costs;
7. share-based payment charges;
8. exceptional items (including exceptional operating, financing and tax items);
9. movements on financial derivatives;
10. foreign exchange translation gains and losses; and
11. de-designation of net investment hedges.

Adjusted (Loss) after Tax is arrived at by applying an effective tax rate to the taxable adjustments and deducting the total from adjusted profit.

The Adjusted EBITDA and Adjusted (Loss) reconciliation to statutory Operating Profit/(Loss) is presented as follows:

	Period ended 30 June 2022 (unaudited)	Period ended 30 June 2021 (unaudited)	Year ended 31 December 2021
	$m	$m	$m
Operating profit/(loss)	**57.3**	**(208.9)**	**15.8**
Depreciation and amortisation	270.6	268.4	534.9
Share of loss of jointly controlled entity using equity accounting method net of tax	(12.9)	(24.4)	(33.3)
Adjustment to reverse loss from jointly controlled entities and to reflect cash distributions received in the period	14.4	24.4	33.3
Pre-opening expenses	0.1	0.5	1.7
Property related charges and releases	(2.0)	(18.9)	(26.6)
Share-based payment charges	3.9	3.1	6.9
Exceptional operating items:			
- Net impairment/(reversal of impairment) of property, plant and equipment, right-of-use assets and investments	66.3	(95.6)	(127.1)
- Transaction and re-organisation costs	1.3	20.2	38.1
- COVID-19 costs	0.1	4.4	2.1
- Refinancing costs	4.1	5.7	9.1
- Insurance settlements	(39.0)	-	-
Adjusted EBITDA	**364.2**	**(21.1)**	**454.9**
Depreciation and amortisation	(270.6)	(268.4)	(534.9)
Amortisation of intangibles created on acquisition	11.1	12.0	23.6
Net finance costs	(409.3)	(343.1)	(690.8)
Movement in fair value of financial derivatives	(58.4)	(42.5)	(162.7)
De-designation of net investment hedge	-	-	11.6
Foreign exchange translation gains and losses	29.2	4.6	29.0
Exceptional financing items:			
- Amendment fees of refinancing	9.3	-	46.5
Adjusted Loss before Tax	**(324.5)**	**(658.5)**	**(822.8)**
Tax credit	71.1	61.2	142.5
Tax impact of adjustments	(10.0)	15.5	24.6
De-recognition of deferred tax assets due to impact of COVID-19	-	-	-

Exceptional tax items	-	-	-
Adjusted Loss after Tax	**(263.4)**	**(581.8)**	**(655.7)**

Excess cash distributions from jointly controlled entities
The Group receives cash distributions over and above the level of profit or loss recognised in equity accounting for its joint ventures. This is a recurring cash amount.

Net impairment of property, plant and equipment, right-of-use assets and investments
Disclosure in respect of the net impairment charge can be found in Notes 8, 9 and 10.

Property related charges and releases
The net decrease to operating profit of $2.0m (12 months ended 31 December 2021: decrease of $26.6m) is a result of the following:

- a $4.9m gain (2021: $21.3m) from the remeasurement of right-of-use assets following significant lease modifications.
- a $6.8m gain due to the de-recognition of the lease liabilities and right-of-use assets following the disposal of sites in the US and UK.
- a $8.1m loss recognised on the disposal of property, plant and equipment in the US and UK.
- a $1.6m loss relating to lease penalties in the US.
- In 2021, a $3.3m gain due to the de-recognition of the lease liabilities and right-of-use assets following the disposal of sites in the US and UK.
- In 2021, a $8.2m gain recognised on the disposal of property, plant and equipment in the US and UK.
- In 2021, a $6.2m loss recognised on lease penalties in the US and UK.

Exceptional operating Items
The following exceptional operating items were recognised during the period:

- *Impairments and reversal of impairments:* During the period, the Group recognised net impairments of property, plant and equipment, right-of-use (ROU) assets and investments of $66.3m (12 months ended 31 December 2021: $127.1m reversal of impairments). This included $29.4m (net) of property, plant and equipment and $16.7m (net) of ROU assets. In addition, the Group recognised a $20.2m of impairment relating to its investment in National CineMedia LLC (NCM). NCM operates on behalf of a number of United States exhibitors to sell advertising time prior to screenings. NCM was severely impacted by the COVID-19 pandemic and there is ongoing uncertainty about the timing of future cash distributions.

  The $16.7m impairment of ROU assets is net of $13.9m of ROU impairment reversals. These reversals relate to sites where the associated lease contracts had been significantly amended. When leases are amended, assets and liabilities are recalculated using the incremental borrowing rate applicable at the date of the amendment. Incremental borrowing rates are materially higher since the outbreak of the pandemic and therefore this recalculation can have the effect of reducing asset balances when the amendments are agreed. This can in turn trigger the reversal of prior period impairment losses.
- *Transaction and re-organisation costs:* During the period, the Group incurred transaction and re-organisation costs of $1.3m, including $1.4m relating to the Cineplex transaction, $0.2m relating to other re-organisation activities and ($0.3m) relating to the settlement of a license claim in the US. In the 12 months ended 31 December 2021, the Group incurred transaction and re-organisation costs of $38.1m, with $20.5m relating to the Regal dissenting shareholders legal case, $9.1m relating to the Cineplex transaction, $7.7m relating to the settlement of a license claim, and $0.8m (net) relating to redundancies, other re-organisation activities and a VAT refund.
- *COVID-19 costs:* During the period, the Group incurred non-recurring costs of $0.1m associated with the COVID pandemic. In 2021, the Group incurred $2.1m of such costs, including $1.6m of stock write-downs and $0.5m of legal fees.
- *Refinancing costs:* During the period, the Group incurred non-recurring refinancing costs of $4.1m (2021: $9.1m) in connection with the amendment of debt facilities. No new debt facilities have been entered into in 2022.
- *Insurance settlements:* During the period, the Group reached a $39.0m (2021: nil) insurance settlement in relation to a contract signed in 2020.

Exceptional financing Items
The following exceptional financing items were recognised during the period:

- *Amendment fees for refinancing:* During the period, the Group incurred $9.3m in relation to the waiver of financial covenants on the private placement loan. In 2021, the Group incurred $46.5m in relation to the new B1 term loan secured in July 2021, of which $30.5m was paid in cash and $16.0m recognised as PIK.

Movement in fair value of financial derivatives
In the six months ended 30 June 2022, the $58.4m (12 months ended 31 December 2021: $162.7m) movement in the fair value of financial derivatives included the following:

- a $31.2m gain (2021: $68.0m gain) from the fair value movement of the US LIBOR floor on the US Dollar term loans,
- a $17.1m gain (2021: $58.2m gain) from the fair value movement of the detachable equity warrants.
- a $6.2m gain (2021: $21.5m gain) on the convertible derivative,
- a $5.4m gain (2021: nil) from the fair value movement (prior to termination) of the cross-currency interest rate swaps,
- a $1.0m gain (2021: $1.8m gain) from the fair value movement of the US LIBOR floor on the B2 term loan, and
- a $2.5m loss (2021: $5.0m loss) from the fair value movement of the B1 term loan prepayment option.

The 2021 movement also included an $18.2m gain on the fair value movement of the cross-currency swaps.

All movements were recognised within net finance costs.

On 16 April 2021, the Group raised additional funding by issuing convertible bonds. The Group separately recognised a derivative liability in respect of the holder's option to convert the bonds into ordinary shares. The subsequent fair value movement is shown above.

De-designation of net investment hedge
In 2020, the Group designated the Euro-denominated term loan and the assets of a Euro trading subsidiary as a net investment hedge. In 2021, these net investment hedges were identified as ineffective. This resulted in a $11.6m credit to the hedge reserve

and charge to the income statement.

Foreign exchange translation gains and losses
Gains and losses arise due to movements on foreign exchange in respect of the Group's unhedged Euro-denominated term loan. These gains and losses are excluded from Adjusted Loss Before Tax.

Net Debt
Net Debt is defined as total liabilities from financing net of cash at bank and in hand. A reconciliation of movements in Net Debt is provided in Note 12.

3. Operating segments

The Group has determined that it has three reporting operating segments: the US; the UK&I and the ROW. The results for the United States include the three cinema chain brands Regal, United Artists and Edwards Theatres. UK&I includes two cinema chain brands, Cineworld and Picturehouse, which operate in the same territory with the same external regulatory environment and ultimately provide the same services and products. On this basis it is deemed appropriate that these two segments can be aggregated and reported as one reporting segment for the UK&I. The ROW operating segment includes the cinema chain brands Cinema City in Central and Eastern Europe and Yes Planet and Rav-Chen in Israel. The ROW reporting segment includes Poland, Romania, Hungary, the Czech Republic, Bulgaria, Slovakia and Israel.

	US	**UK&I**	**ROW**	**Group**
	$m	**$m**	**$m**	**$m**
Period ended 30 June 2022				
Total revenues	1,079.4	266.8	168.9	1,515.1
Adjusted EBITDA as defined in Note 2	268.9	45.7	49.6	364.2
Depreciation and amortisation	198.9	40.7	31.0	270.6
Net impairment of property, plant and equipment and right-of-use assets and investments	64.6	0.4	1.3	66.3
Operating profit/(loss)	(1.1)	41.8	16.6	57.3
Finance income	(20.5)	(59.5)	(1.0)	(81.0)
Finance expense	350.4	86.8	53.1	490.3
Share of loss of jointly controlled entities using equity method, net of tax	(12.9)	-	-	(12.9)
Profit/(loss) before taxation	**(344.0)**	**14.5**	**(35.4)**	**(364.9)**
Segmental total assets	**7,838.6**	**1,055.1**	**783.7**	**9,677.4**
Segmental total liabilities	**8,319.4**	**1,430.4**	**598.4**	**10,348.2**
Period ended 30 June 2021				
Total revenues	211.2	47.0	34.6	**292.8**
Adjusted EBITDA as defined in Note 2	(10.7)	(15.0)	4.6	**(21.1)**
Depreciation and amortisation	195.1	38.8	34.5	268.4
Net reversal of impairment of property, plant and equipment and right-of-use assets and investments	(57.6)	(33.9)	(4.1)	(95.6)
Operating profit/(loss)	(162.1)	(23.1)	(23.7)	(208.9)
Finance income	6.0	64.4	3.7	74.1
Finance expense	(298.2)	(84.4)	(34.6)	(417.2)
Share of loss of jointly controlled entities using equity method, net of tax	(24.4)	-	-	(24.4)
Loss before taxation	**(478.7)**	**(43.1)**	**(54.6)**	**(576.4)**
Segmental total assets	**8,144.4**	**1,347.1**	**908.3**	**10,399.8**
Segment total liabilities	**8,429.0**	**1,600.3**	**647.1**	**10,676.4**
Year ended 31 December 2021				
Total revenues	1,220.3	348.1	236.5	1,804.9
Adjusted EBITDA as defined in Note 2	310.7	67.1	77.1	454.9
Depreciation and amortisation	391.9	75.5	67.5	534.9
Net reversal of impairment of property, plant and equipment and right-of-use assets and investments	**(81.2)**	**(35.3)**	**(10.6)**	**(127.1)**
Operating profit/(loss)	(27.8)	20.6	23.0	15.8
Finance income	(33.9)	(170.0)	(4.5)	(208.4)
Finance expense	684.1	136.2	78.9	899.2

Share of loss from jointly controlled entities using equity accounting method net of tax	(33.2)	-	(0.1)	(33.3)
(Loss)/profit before tax	**(711.2)**	**54.4**	**(51.5)**	**(708.3)**
Segmental total assets	**8,300.7**	**1,171.9**	**898.1**	**10,370.7**
Segment total liabilities	**8,543.6**	**1,529.2**	**642.9**	**10,715.7**

Revenue per operating segment can be broken down by product and service provided as follows:

	US	**UK&I**	**ROW**	**Group**
	$m	**$m**	**$m**	**$m**
Period ended 30 June 2022				
Box office	582.4	162.7	88.5	833.6
Retail	356.9	70.3	53.6	480.8
Other	140.1	33.8	26.8	200.7
Total revenues	1,079.4	266.8	168.9	1,515.1
Period ended 30 June 2021				
Box office	94.2	30.2	16.0	140.4
Retail	57.0	12.9	9.9	79.8
Other	60.0	3.9	8.7	72.6
Total revenues	211.2	47.0	34.6	292.8
Year ended 31 December 2021				
Box office	627.4	210.0	118.3	955.7
Retail	391.9	90.1	70.3	552.3
Other	201.0	48.0	47.9	296.9
Total revenues	1,220.3	348.1	236.5	1,804.9

4. Taxation

Tax recognised in the income statement during the period is as follows:

	Period ended 30 June 2022 (unaudited)	**Period ended 30 June 2021 (unaudited)**	**Year ended 31 December 2021**
	$m	$m	$m
Current tax expense/(credit)			
Current period	2.6	0.1	(1.5)
Adjustments in respect of prior periods	(2.0)	-	-
Total current tax expense/(credit)	**0.6**	**0.1**	**(1.5)**
Deferred tax charge/(credit)			
Current period	(74.8)	(33.4)	(103.1)

Adjustments in respect of prior periods	1.5	(8.5)	(15.3)
Adjustments from change in tax rates	1.6	(19.4)	(22.6)
Total deferred tax credit	**(71.7)**	**(61.3)**	**(141.0)**
Total tax credit in the income statement	**(71.1)**	**(61.2)**	(142.5)
Effective tax rate	19.5%	10.6%	20.1%
Current period effective tax rate	19.4%	9.4%	18.0%

Deferred tax recognition
The Group recognises deferred tax assets to the extent it is probable that future taxable profits will be available against which they can be utilised.

The deferred tax credit of $71.7m is partially restricted by the inability to recognise deferred tax assets where there is insufficient certainty over the availability of taxable profits in the foreseeable future.

Recognition of these deferred tax assets will be re-assessed at each balance sheet date on the basis of updated projections of future taxable profits.

Factors that may affect future tax charges
An increase in the UK tax rate from 19% to 25% was substantively enacted on 24 May 2021. The increase was to apply from 1 April 2023. On 23 September 2022, the UK government announced that they intend to reverse the increase. To the extent they are expected to reverse after 1 April 2023, the UK deferred tax assets have been valued at the 25% rate in line with the tax rates substantively enacted at the balance sheet date.

On 25 April 2019, the European Commission released its decision which concluded that for years to 31 December 2018 the UK Controlled Foreign Company legislation represents recoverable State Aid in some circumstances. On 8 June 2022, the European General Court rejected an appeal by the UK government and taxpayers against the decision. The UK government and taxpayers have further appealed the decision to the Court of Justice of the European Union. There remains uncertainty surrounding the quantum of any additional tax exposure which is subject to ongoing discussion with HM Revenue & Customs. Following a review of the potential application of the decision to Controlled Foreign Company claims to 31 December 2018 the Group has a provision of $1.1m against potential exposures. The maximum potential exposure is $9.9m.

5. Finance income and expense

	Period ended 30 June 2022 (unaudited) $m	Period ended 30 June 2021 (unaudited) $m	Year ended 31 December 2021 $m
Interest income	2.8	1.5	3.1
Foreign exchange gain	15.4	4.2	22.2
Unwind of discount on sub-lease assets	0.4	0.4	0.8
Gain on movement on fair value of financial derivatives	60.9	65.0	167.7
Unwind of discount on non-current receivables	1.5	3.0	3.0
De-designation of net investment hedge	-	-	11.6
Finance income	**81.0**	74.1	208.4
Interest expense on bank loans and overdrafts	150.1	126.6	276.2
Amortisation of financing costs	42.6	24.9	61.3
Lease liability interest	230.9	219.0	444.5
Unwind of discount of deferred revenue	23.0	23.8	47.6
Remeasurement of financial asset amortised cost	-	-	1.3
Loss on movement in fair value of financial derivatives	2.5	22.5	5.0
Foreign exchange loss	31.9	0.4	16.8
Refinancing costs	9.3	-	46.5
	-	-	
Finance expense	**490.3**	417.2	899.2
Net finance costs	**(409.3)**	(343.1)	(690.8)

6. Earnings per share

Basic Earnings Per Share is calculated by dividing the profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares. Diluted Earnings Per Share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares plus any non-vested/non-exercised ordinary shares. Where dilutive options are not considered likely to vest no dilution is applied. Adjusted Earnings Per Share is calculated by dividing the adjusted profit after tax for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, after excluding the weighted average number of non-vested ordinary shares.

	Period ended 30 June 2022 (unaudited)	Period ended 30 June 2021 (unaudited)	Year ended 31 December 2021
	$m	$m	$m
Loss attributable to ordinary shareholders	**(293.8)**	(515.2)	**(565.8)**
Adjustments:			
Amortisation of intangible assets[1]	**11.1**	12.0	23.6
Excess cash distributions from jointly controlled entities	**14.4**	24.4	33.3
Pre-opening expenses	**0.1**	0.5	1.7
Property related charges and releases	**(2.0)**	(18.9)	(26.6)
Share based payment charges	**3.9**	3.1	6.9
Exceptional operating items:			
- Net impairment/(reversal of impairment) of property, plant and equipment, right-of-use assets and investments[2]	**66.3**	(95.6)	(127.1)
- Transaction and re-organisation costs	**1.3**	20.2	38.1
- COVID-19 costs	**0.1**	4.4	2.1
- Refinancing costs	**4.1**	5.7	9.1
- Insurance settlements	**(39.0)**	-	-
Exceptional financing items:			
- Amendment fees for refinancing costs	**9.3**	-	46.5
Movement on financial derivatives	**(58.4)**	(42.5)	(162.7)
Foreign exchange translation gains and losses[3]	**29.2**	4.6	29.0
De-designation of net investment hedge	**-**	-	11.6
Adjusted loss	**(253.4)**	**(597.3)**	**(680.3)**
Tax effect of above items	**(10.0)**	**15.5**	**24.6**
Tax exceptional items	**-**	-	-
Adjusted loss after tax	**(263.4)**	**(581.8)**	**(655.7)**
	Number of shares m	**Number of shares m**	**Number of shares m**
Weighted average number of shares in issue	**1,373.4**	1,372.9	1,373.0
Basic Earnings per Share denominator	**1,373.4**	1,372.9	1,373.0
Dilutive options	**-**	-	-
Diluted Earnings per Share denominator	**1,373.4**	1,372.9	1,373.0
Shares in issue at period end	**1,373.4**	1,373.0	1,373.0
	Cents	**Cents**	**Cents**
Basic Deficit per Share	**(21.4)**	(37.5)	(41.2)
Diluted Deficit per Share	**(21.4)**	(37.5)	(41.2)
Adjusted Basic Deficit per Share	**(19.2)**	(42.4)	(47.8)
Adjusted Diluted Deficit per Share	**(19.2)**	(42.4)	(47.8)

(1) Amortisation of intangible assets includes amortisation of the fair value placed on brands, customer lists, distribution relationships, and advertising relationships as a result of the Cinema City and Regal business combination which totalled $11.1m (12 months ended 31 December 2021: $23.6m). It does not include amortisation of purchased distribution rights.

(2) Refer to Notes 8, 9 and 10 for further details.

(3) Foreign exchange translation gains and losses included within earnings comprise $29.2m (12 months ended 31 December 2021: $29.0m loss) of foreign exchange losses recognised in respect of the Group's unhedged Euro-denominated term loan.

7. Dividends

On 7 April 2020, the Board announced the suspension of the 2019 fourth quarter dividend of 4.25c per share to conserve cash for the Group. No dividend has been declared in the current period; the Group continues to prioritise liquidity preservation during its recovery from the pandemic.

8. Property, plant and equipment

	Land and buildings $m	Plant and machinery $m	Fixtures and Fittings $m	Assets in the course of construction $m	Total $m
Cost					
Balance at 1 January 2022	**757.1**	**1,500.8**	**763.9**	**100.0**	**3,121.8**
Additions	6.6	54.6	17.2	23.4	101.8
Disposals	(0.4)	(22.3)	(1.6)	(6.3)	(30.6)
Transfers	35.6	31.7	10.9	(78.2)	-
Effects of movement in foreign exchange	(45.1)	(27.7)	(40.4)	(2.3)	(115.5)
Balance at 30 June 2022	**753.8**	**1,537.1**	**750.0**	**36.6**	**3,077.5**
Accumulated depreciation and impairment					
Balance at 1 January 2022	**(434.5)**	**(562.4)**	**(406.3)**	**(20.5)**	**(1,423.7)**
Charge for the period	(21.7)	(74.0)	(32.9)	-	(128.6)
Disposals	1.3	18.8	2.6	-	22.7
(Impairments)/reversal of impairments	(5.0)	(17.8)	(6.6)	-	(29.4)
Effects of movement in foreign exchange	11.2	24.3	25.9	-	61.4
30 June 2022	**(448.7)**	**(611.1)**	**(417.3)**	**(20.5)**	**(1,497.6)**
Net book value					
Opening	322.6	938.4	357.6	79.5	1,698.1
Closing	**305.1**	**926.0**	**332.7**	**16.1**	**1,579.9**

Commitments
At 30 June 2022 the Group had committed $81.9m in relation to capital expenditure (31 December 2021: $153.0m).

Impairment
The Group evaluates assets for impairment annually or when indicators of impairment exist. This assessment requires the determination of the recoverable amounts of the CGUs to which the property, plant and equipment and right-of-use assets are allocated, which is predominantly at the individual cinema site level. Where individual sites' cash inflows are determined to not operate independently from one another, mainly due to strategic or managerial decisions being made across more than one site, they may be combined into a single CGU. Where the recoverable amount is less than the carrying amount, an impairment charge to reduce the assets down to recoverable amount is recognised. The recoverable amount of a CGU is the higher of value-in-use or fair value less cost of disposal.

In 2020 and 2021, the COVID-19 pandemic had a significant impact on the recoverable amount of certain Group assets. In addition to increased inherent uncertainty in the market, changes to discount rates driven by fluctuations in the cost of debt and changes to forecasted future cash flows resulted in material impairments to the carrying values of property, plant and equipment and right-of-use assets. As at 30 June 2022, updates to these forecasted future cash flows (prompted by the slower-than-expected recovery of post-pandemic cinema admission levels in Q2 2022, and a subsequent re-assessment of short and medium-term cinema admission levels), combined with increases to country-specific discount rates, and the underperformance of certain sites, has led to further impairments of property, plant and equipment and right-of-use assets.

In addition to impairment assessments, the Group also considers whether there are indicators that a previously recognised impairment may no longer exist or may have decreased. Under IFRS, a reversal of an impairment loss should only be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. As at 30 June 2022, the Group identified such indicators in relation to sites subject to a significant property lease amendment. When leases are amended, assets and liabilities are recalculated using the incremental borrowing rate applicable at the date of amendment. Incremental borrowing rates are materially higher since the outbreak of the pandemic and therefore this recalculation can have the effect of reducing asset balances when the amendments are agreed. This can in turn lead to the reversal of prior period impairment losses.

In the six months ended 30 June 2022, the Group reversed prior period property, plant and equipment impairments totaling $6.3m (2021: $199.6m). These reversals included adjustments for the assumed depreciation since the date of the original impairment.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows generated from each CGU. These cash flows are then discounted back to their net present value at a pre-tax discount rate which is appropriate for the territory in which the assets are held. A table summarising the rates used, which are derived from externally benchmarked data, is included below:

	30 June 2022 %	31 December 2021 %
United States	15.6	14.2
United Kingdom	14.6	14.5
Poland	17.4	14.4
Israel	15.8	13.8
Hungary	16.0	14.3

Romania	16.4	15.8
Czech Republic	15.1	13.7
Bulgaria	14.9	13.8
Slovakia	15.6	13.8

The value-in-use is calculated using expected future cash flows (defined as the Adjusted EBITDA generated by each CGU), which are based on management's anticipated performance of the CGU over the term remaining on its respective lease.

Management have prepared individual cash flow forecasts for each CGU. These cash-flow forecasts applied specific growth assumptions to the key drivers within the cash flow. Key drives included cinema admissions, average ticket price ("ATP"), spend per person ("SPP") and long- term growth rates of other revenue and cost streams.

When assessing the resulting impairments, consideration was given as to whether the fair value less cost to sell of each CGU was higher than the calculated value-in-use. In all cases the fair value less cost to sell was found to be lower than the value-in-use.

Sensitivity to changes in assumptions

During these uncertain times, there are significant challenges in preparing forecasts necessary to estimate the recoverable amount of a CGU. Management determined that using an expected cash flow approach is the most effective means of reflecting the uncertainties of the COVID-19 recovery in its estimates of recoverable amount. This approach reflects all expectations about possible cash flows instead of the single expected outcome.

Notwithstanding this, impairment reviews are inherently sensitive to changes in key assumptions. Reflecting this, sensitivity analysis has been performed across all CGU recoverable amounts. This sensitivity analysis focused on the impact of incremental changes to the following:

1) In calculating the CGU recoverable amount, management have applied cinema admission growth rates which are deemed to be highly sensitive to changing market dynamics and post-pandemic changes in consumer behaviour. The sensitised scenario assumes that this growth rate reduces by 1% per annum over the forecast period. The growth rates of ATP and SPP have also been reduced by 1% per annum over the forecast period in two additional sensitised scenarios.
2) Discount rates are largely derived from market data, and these rates are intended to be long term in nature. However, the models are sensitive to changes in these rates. An increase and decrease by a factor of 1% has been applied in the sensitised scenarios.

The previously described downside scenarios have additionally been compiled into a single combined scenario that calculates the impact of a 1% reduction in cinema admission growth rates, ATP, and SPP as well as an increase in the discount rates by a factor of 1%.

These sensitivities reflect realistic scenarios which management believe would have the most significant impact on the cash flows described above.

The sensitivities have been prepared on the basis that the reasonably possible change in each key assumption would not have a consequential impact on other assumptions used in the impairment review.

The impact on the total net impairment charge (relating to both property, plant and equipment and ROU assets) of applying these different assumptions would be as follows:

	Increase (decrease) in net impairment $m
Growth in admissions reduced by 1%	10.9
Growth in ATP reduced by 1%	7.9
Growth in SPP reduced by 1%	6.7
1 percentage point increase in the discount rates	5.2
1 percentage point decrease in the discount rates	(3.4)
Combined downside scenarios	44.0

9. Intangible assets

	Goodwill $m	**Brands $m**	**Distribution Rights $m**	**Other Intangibles $m**	**Total $m**
Cost					
Balance at 1 January 2022	**5,505.9**	**423.5**	**59.1**	**166.1**	**6,154.6**
Additions	-	-	0.9	0.6	1.5
Disposals	-	-	-	(1.1)	(1.1)
Effects of movement in foreign exchange	(80.3)	(5.9)	(6.2)	(1.7)	(94.1)
Balance at 30 June 2022	**5,425.6**	**417.6**	**53.8**	**163.9**	**6,060.9**
Accumulated amortisation and impairment					
Balance at 1 January 2022	**(668.8)**	**(35.8)**	**(54.3)**	**(94.0)**	**(852.9)**
Charge for the year	-	(1.9)	(1.0)	(10.0)	(12.9)
Disposals	-	-	-	1.0	1.0
Impairments	-	-	-	-	-

Effects of movement in foreign exchange	1.2	3.7	5.7	1.3	11.9
30 June 2022	**(667.6)**	**(34.0)**	**(49.6)**	**(101.7)**	**(852.9)**
Net book value					
Opening	4,837.1	387.7	4.8	72.1	5,301.7
Closing	**4,758.0**	**383.6**	**4.2**	**62.2**	**5,208.0**

Included within the brand intangible asset is $365.0m in relation to Regal, $18.2m in relation to Cinema City B.V and $0.5m in relation to Picturehouse. The Regal brand has been determined as having an indefinite useful life. The remaining amortisation period of the Cinema City B.V and Picturehouse brands is twelve years and one year respectively. Included within other intangible assets is customer and studio relationships. The remaining amortisation period of these intangibles are between two and eight years. Additions during the current year of $1.5m (2021: $4.6m) were all acquired separately.

Impairment testing

Each individual cinema, or collection of cinemas which are strategically or operationally co-dependent, is considered to be one CGU. However, for the purpose of testing goodwill for impairment, it is acceptable under IAS 36 to group CGUs in order to reflect the level at which goodwill is monitored by management. The Group has the following CGUs for the purpose of testing goodwill for impairment:

- Goodwill for the US operating segment was acquired as a part of the acquisition of Regal in 2018 and is assessed as one CGU.
- The Picturehouse business is monitored as a separate UK CGU.
- Cinema City CGUs are considered as separate groups in each territory and have been tested for goodwill impairment on this basis. The individual territories are Poland, Israel, Hungary, Romania, Bulgaria, the Czech Republic and Slovakia.

The value of goodwill allocated to each CGU is as follows:

	30 June 2022	31 December 2021
	$m	$m
United States	4,060.5	4,060.5
United Kingdom - Cineworld	314.9	350.5
United Kingdom - Picturehouse	8.8	9.8
Poland	109.7	122.1
Israel	71.4	80.6
Hungary	45.3	53.2
Romania	89.3	97.3
Czech Republic	35.3	38.3
Bulgaria	18.3	19.9
Slovakia	4.5	4.9
TOTAL	**4,758.0**	**4,837.1**

In testing goodwill for impairment, the values of each CGU's other intangible assets, investments and other long-term assets, right-of-use assets and property, plant and equipment are included within the carrying value of the CGU. Included within the United States CGU is the Regal brand which has an indefinite useful life.

The recoverable amounts of the US, Cineworld, Picturehouse and Cinema City CGU Groups have been determined based on a value-in-use calculation. This calculation uses cash flow projections based on financial forecasts approved by management covering a five-year period. Adjusted EBITDA, as defined in Note 2, was used as the basis of the future cash flow calculation. Cash flows beyond the first five-year period have been extrapolated using the terminal growth rate assumptions, which reflect a period in excess of the current lease end dates. The terminal growth rate does not exceed the long-term average growth rate for the market in which the CGU Groups operate. The relevant pre-tax discount rates are disclosed in Note 8.

Given the nature of the industry, a key valuation assumption relates to future expected cinema admission levels. The Group forecasts short-term admission levels by analysing the slate of upcoming movies and their expected box office performance. This analysis is cross-checked against the views of third-party analysts. When assessing medium-term admission levels, the Group considers the views of third-party analysts and other industry experts. When assessing long-term admission levels, the Group considers industry-wide trends and dynamics.

Given the impact of the COVID-19 pandemic on 2020, 2021 and the first six months of 2022, the forecasting of future admission levels is inherently more subjective than in the past. This has been exacerbated by the continued rise of alternate forms of entertainment during the pandemic. In addition, the pandemic has led to some changes in consumer behaviour, the long-term effects of which are still unclear.

The Group has reviewed and revised down its short and medium-term cinema admission forecasts. The review was prompted by the slower-than-expected recovery being experienced in 2022 (despite the lifting of all remaining COVID restrictions in Q1), combined with external forecasts indicating a lower volume of theatrical releases in 2023 and 2024, particularly in relation to mid-sized movies. Long-term forecasts (utilised prior to the terminal growth year) were not updated from the 2021 year-end on the basis that there was insufficient third-party evidence indicating a permanent change in longer-term market dynamics.

The revision to cinema admission forecasts was deemed a triggering event under IAS 36 and a half-year impairment assessment has been performed. This impairment assessment incorporated discount rates that had increased between 31 December 2021 and 30 June 2022 (refer to Note 8 for further details) due mainly to higher risk-free rates and hence a higher assumed cost of debt.

As a result of this assessment, it was determined that the positive variance between the recoverable amounts and the balance sheet carrying values had reduced significantly from the assessment performed at 31 December 2021 but that no intangible asset impairments were required. As the year progresses, management will continue to monitor performance and re-assess its short, medium and long-term forecasts appropriately. A downwards revision to its long-term forecast would most likely lead to a material impairment of goodwill, as shown in the sensitivity disclosures below.

No impairments of goodwill were recognised in 2021. In 2020, the Group impaired $315.3m of goodwill at 31 December 2020 and $342.1m of goodwill at 30 June 2020. These prior-year impairments were triggered by the onset of the COVID pandemic and an associated increase in the Group's discount rate. The 2020 impairment assessments assumed a long-term recovery to pre-pandemic cinema admission levels.

The table below shows the goodwill impairments that would be generated as a result of changes in key assumptions (being forecast cinema admission levels, the terminal growth rate and the discount rate). The table assumes no related response by management (e.g. to drive further cost savings) and is hence theoretical in nature. The values have been calculated after considering the current period property, plant and equipment and right-of-use impairments and associated sensitivities.

	20% reduction in long-term admissions forecast $m	10% reduction in long-term admissions forecast $m	Terminal growth rates reduced by 1% $m	1 percentage point increase in the discount rates $m
United States	(909.1)	(82.1)	-	(149.0)
United Kingdom - Cineworld	-	-	-	-
United Kingdom - Picturehouse	(3.4)	-	-	-
Poland	-	-	-	-
Israel	-	-	-	-
Hungary	-	-	-	-
Romania	-	-	-	-
Czech Republic	-	-	-	-
Bulgaria	-	-	-	-
Slovakia	-	-	-	-

10. Leases

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	Land and buildings $m	Plant and machinery $m	Other $m	Total $m
Right-of-use assets				
1 January 2021	**2,305.8**	**0.4**	**0.2**	**2,306.4**
Modifications	(119.9)	-	-	(119.9)
Additions	45.9	-	-	45.9
Disposals	(4.3)	-	-	(4.3)
Effects of movement in foreign exchange	2.4	0.1	(0.1)	2.4
Impairment reversals	108.5	-	-	108.5
Impairment charges	(39.6)	-	-	(39.6)
Depreciation	(130.7)	(0.2)	(0.1)	(131.0)
30 June 2021	**2,168.1**	**0.3**	**0.0**	**2,168.4**
1 January 2022	**2,234.0**	**0.1**	**-**	**2,234.1**
Modifications	(51.6)	-	-	(51.6)
Additions	22.9	-	0.5	23.4
Disposals	-	-	-	-
Effects of movement in foreign exchange	(46.0)	-	-	(46.0)
Impairment reversals	13.9	-	-	13.9
Impairment charges	(30.6)	-	-	(30.6)
Depreciation	(128.9)	(0.1)	(0.1)	(129.1)
30 June 2022	**2,013.7**	**-**	**0.4**	**2,014.1**
Lease liabilities				
1 January 2021	**3,971.3**	**0.3**	**0.1**	**3,971.7**
Modifications	(138.5)	-	-	(138.5)
Additions	48.2	-	-	48.2
Interest expense related to lease liabilities	219.0	-	-	219.0

Disposals	(7.1)	-	-	(7.1)
Effects of movement in foreign exchange	4.0	(0.1)	0.2	4.1
Repayment of lease liabilities (including interest)	(82.0)	(0.1)	(0.2)	(82.3)
30 June 2021	**4,014.9**	**0.1**	**0.1**	**4,015.1**
1 January 2022	**4,040.1**	**0.1**	**-**	**4,040.2**
Modifications	(56.6)	-	-	(56.6)
Additions	27.4	-	0.5	27.9
Interest expense related to lease liabilities	230.9	-	-	230.9
Disposals	(7.6)	-	-	(7.6)
Effects of movement in foreign exchange	(96.2)	(0.1)	-	(96.3)
Repayment of lease liabilities (including interest)	(364.9)	-	(0.1)	(365.0)
30 June 2022	**3,773.1**	**-**	**0.4**	**3,773.5**
Current	454.9	-	0.4	455.3
Non-current	3,318.2	-	-	3,318.2

Modification and Discount Rates
Amended leases are considered to have changed in substance, either from a consideration or lease term perspective. Thus, the modification treatment per IFRS 16 has been followed. In line with the approach on transition to IFRS 16, the Group has used an incremental borrowing rate ("IBR") to measure the lease liability, with a corresponding adjustment to the right-of-use asset. The amendments did not result in the identification of a separate lease.

The asset-specific IBR applied to each lease was determined by taking into account the risk-free rate adjusted for factors such as the credit rating linked to the life of the underlying lease agreement. These rates are intended to be long-term in nature and are calculated on inception of each lease. During the six months ended 30 June 2022, the IBRs varied primarily due to changes in credit risk and market debt pricing. The IBRs applied to amended leases during the period, depending on the territory and remaining lease term, ranged between:

Jan 2022	7.54%-17.46%
Feb 2022	7.93%-18.59%
March 2022	9.7%-17.89%
April 2022	9.10%-17.93%
May 2022	10.05%-19.52%
June 2022	9.75%-20.65%

Significant judgements related to the lease modifications include:

- *Lease term*: Where a lease includes the option for the Group to extend the lease term beyond the non-cancellable period, the Group makes a judgement as to whether it is reasonably certain that the option will be taken. This takes into account the length of time remaining before the option is exercisable; current and future trading forecast as to the ongoing profitability of the site; and the level and type of planned future capital investment. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Therefore, potential future cash outflows have not been included in the lease liability where it is not reasonably certain the extension periods will be taken or that the leases will be extended on similar terms (or not terminated).
- *Discount rate applied*: The Group elected to apply an average monthly discount rate over the period rather than applying the rate on the specific date of the amendment. Given the judgement required around the date of amendment and the uncertainty affecting incremental borrowing rates, using a rate covering a monthly period is considered to be appropriate.
- *Date of the amendment*: Judgement was required to determine when the terms of each amendment were formally agreed, which in some cases were considered to have occurred prior to the date of signing the agreement.
- *Treatment as modifications under IFRS 16*: Management has taken the judgement that all renegotiated leases met the criteria for amendment based on the changes to the contractual cash flows, lease term and conditions of the original leases.

Impairment and Disposals
In the six months ended 30 June 2022, the Group impaired $30.6m of right-of-use assets and recognised $13.9m of impairment reversals. In the year ended 31 December 2021, the Group impaired $13.7m of right-of-use assets and recognised $141.4m of impairment reversals, while in the six months ended 30 June 2021, the Group impaired $39.6m of right-of-use assets and recognised $108.5m of impairment reversals.

During all periods, there were lease modifications that would have required reductions to the right-of-use asset in excess of the carrying amounts at the date of modification. For these leases, the assets' carrying values were reduced to $nil with the excess gain credited to the income statement. Where these leases were previously impaired, this is first presented as an impairment reversal (up to the amount of impairment reversal permitted by IFRS) with any remaining amount presented as a lease modification gain within property related releases and charges that are part of administrative expenses. Further details are set out in Note 8.

The Condensed Consolidated Statement of Profit and Loss and Comprehensive Income includes within administrative expenses a lease modification gain of $4.9m (2021: $21.3m).

The impairment reversal is part of net impairments of property, plant and equipment, right-of-use assets and investments in the Condensed Consolidated Statement of Profit and Loss and Comprehensive Income.

Current year disposals include two sites in the US operating segment and one site in UK&I operating segment. This resulted in a

$6.8m gain. Prior year disposals included ten sites in the US operating segment and one site in the UK&I operating segment. This resulted in a $3.3m gain.

11. Loans and borrowings

	30 June 2022 $m	31 December 2021 $m
Non-current liabilities		
Secured bank and private placement loans, less issue costs of debt to be amortised	**4,394.7**	4,833.8
Unsecured bank and private placement loans, less issue costs of debt to be amortised	**189.6**	186.3
Total non-current liabilities	**4,584.3**	5,020.1
Current liabilities		
Secured bank and private placement loans, less issue costs of debt to be amortised	**506.6**	50.5
Unsecured bank and private placement loans, less issue costs of debt to be amortised	**58.6**	98.7
Overdraft	**15.3**	20.3
Total current liabilities	**580.5**	169.5
Total liabilities	**5,164.8**	5,189.6

The terms and conditions of outstanding loans were as follows:

				30 June 2022		31 December 2021	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value $m**	**Carrying amount $m**	**Face value $m**	**Carrying amount $m**
Initial US Dollar Term Loan	USD	Eurocurrency Base Rate (1) plus applicable margin(2)	2025	2,656.0	2,636.6	2,672.6	2,649.5
Initial Euro Term Loan	EUR	Eurocurrency Base Rate(1) plus applicable margin(2)	2025	195.3	193.9	214.1	212.2
Incremental US Dollar Term Loan	USD	Eurocurrency Base Rate(1) plus applicable margin(2)	2026	633.7	629.0	636.9	631.5
Incremental B1 Term Loan	USD	Eurocurrency Base Rate(1) plus 8.25% margin	2024	200.0	194.7	200.0	193.0
B1 Term Loan	USD	7.0% plus 8.25% PIK	2024	544.6	445.4	523.0	407.8
B2 Term Loan	USD	Eurocurrency Base Rate(1) plus 5.0% margin	2024	110.8	84.8	110.8	79.5
ROW Private Placement Loan	USD and EUR	11.0%	2023	256.0	247.8	251.8	240.6
Convertible Bonds	USD	7.5%	2025	213.0	192.4	213.0	189.8
Revolving Credit Facility	USD	Eurocurrency Base Rate(1) plus applicable margin(2)	2023	456.6	452.5	456.7	451.9
Regal Dissenting Shareholders	USD	4.0% to 20%	2022	56.8	55.8	95.8	95.2
Midwest City	USD	Base rate plus 3.0%	2041	11.9	11.9	11.9	11.9
Secured Bank Loan - DCIP	USD	4.17%	2021	-	-	-	-
Israeli Government Loan	NIS	Base rate plus 2%	2025	4.9	4.7	6.5	6.4

Total interest-bearing liabilities	**5,339.6**	**5,149.5**	**5,393.1**	**5,169.3**

(1) The rate of interest in the case of any Eurocurrency Rate Loan denominated in Dollars is the rate per annum equal to the London interbank offered rate administered by ICE Benchmark Administration Limited, subject to a 1% floor. The rate of interest in the case of any Eurocurrency Rate Loan denominated in Euro is the rate per annum equal to the Euro interbank offered rate administered by the European Money Markets Institute, subject to a zero floor. The B2 Term Loan is subject to a LIBOR floor of 1.00%. In 2023, the Secured Overnight Financing Rate (SOFR) will supplant the LIBOR as the dominant benchmark for dollar-denominated derivatives and credit products. The Group is currently discussing this transition with its lenders.

(2) The margin applicable to each tranche of term loans and to drawings under the revolving credit facility is calculated according to the first lien net leverage ratio of Crown UK Holdco Limited and its subsidiaries. The applicable margin on Eurocurrency Rate Loans is as follows:

- Initial US Dollar term loan - 2.50% per annum where the first lien net leverage ratio is greater than or equal to 3.50:1.00 and otherwise 2.25% per annum;
- Initial Euro term loan - 2.625% per annum where the first lien net leverage ratio is greater than or equal to 3.50:1.00 and otherwise 2.375% per annum;
- Incremental US Dollar term loan - 2.75% per annum where the first lien net leverage ratio is greater than or equal to 3.50:1.00, 2.25% per annum where the first lien net leverage ratio is less than or equal to 3.00:1.00 and otherwise 2.50% per annum; and
- Revolving credit facility drawings - 3.00% per annum where the first lien net leverage ratio is greater than or equal to 3.50:1.00, 2.50% per annum where the first lien net leverage ratio is less than 3.00:1.00 and otherwise 2.75% per annum.

ROW Private Placement loan
On 30 June 2020, the Group secured a $250.0m private placement debt facility with a maturity of 31 December 2023. The $250.0m debt facility consisted of a €122.9m and $112.5m loan. An original issue discount of €4.9m and $4.5m was incurred on draw down respectively alongside borrowing costs of $9.3m which were capitalised against this facility. During the period, the Group incurred $9.3m in relation to the waiver of financial covenants on the Private Placement Loan.

B2 Term Loan
On 28 May 2020, the Group further increased its RCF limit by $110.8m to $573.3m. On 23 November 2020, the Group converted the incremental RCF of $110.8m into a term loan facility (B2 term loan) with a maturity of May 2024. The amendment to this facility was considered to represent a discount to the face value of the debt at the time of the agreement and therefore resulted in a gain on extinguishment of debt of $33.2m, which was recognised within finance income. The amended facility was secured with the same collateral as the new debt facility, bringing lenders in second lien on these assets. The remaining RCF of $462.5m was fully utilised as of December 2021 and June 2022.

B1 Term Loan
On 23 November 2020, the Group secured a new debt facility of $450.0m (B1 term loan) with a majority group of existing term loan lenders and a maturity of 24 May 2024. Alongside the new debt facility, the Group issued to participating TLB lenders 153,477,195 equity warrants representing in aggregate 9.99% of the fully diluted ordinary share capital of the Company assuming full exercise of the warrants. Each of the equity warrants that were issued alongside the new debt facility are exercisable into one ordinary share of the Company at an exercise price of 41.49 pence per share with the proceeds of such exercise being retained by the Company. The warrants are exercisable at any time over a five-year period from inception date. The exercise price represents a 10% discount to the closing share price on 20 November 2020. The detachable equity warrants include an anti-dilution provision, meaning that the number of shares to be issued on exercise of the warrants is not fixed.

On 23 November 2020, the Group recognised in connection to equity warrants a $80.2m derivative liability, a $3.3m derivative asset in respect of a prepayment option and fees of $36.0m incurred in connection with obtaining the facility. The initial carrying value of the B1 term loan on issuance date was $337.1m. The Group also incurred upfront fees of $27.0m on issuance, which were capitalised against this facility.

At 30 June 2022 the equity warrants were valued at $19.1m (2021: $39.0m) and the embedded derivative asset in respect of a prepayment option within the new agreement was valued at $0.3m (2021: $2.8m).

Convertible Bond
On 16 April 2021, the Group raised additional funding by issuing Convertible Bonds which are convertible into equity shares of Cineworld Group plc. The bonds have a principal amount of $213.0m and were issued at a 1% original issuance discount with a four year maturity. The Convertible Bonds are denominated into units of $200,000 each and the investors have an option to convert each unit into ordinary shares of the Group at a conversion price of $1.762 per unit. The Group recognised a separate derivative liability in respect to the conversion feature with an initial value of $27.8m. Directly attributable fees of $1.2m were incurred in connection with raising the facility. The initial carrying value of the amortised cost debt component of the bonds was $181.9m. At 30 June 2022, the derivative liability was valued at $0.2m (2021: $6.3m).

Incremental B1 Term loan
On 29 July 2021, the Group secured $200m of incremental loans from a group of existing lenders with a maturity of 23 May 2024. Directly attributable fees of $11.6m were incurred in connection with raising the facility. Upon raising this additional term loan facility, the Group paid amendment fees totalling $46.5m in connection with the B1 term loan facility of $450.0m raised in November 2020, of which fees of $16.5m were directly apportioned to the initial term loans increasing their notional position. The initial carrying value of the amortised cost B1 Term loan debt was $188.4m.

Regal Dissenting Shareholders
On 10 September 2021, the Group announced that it had reached agreement with dissenting shareholders of Regal Entertainment Group with respect to the payment of judgment of their claim. Under this agreement, the Group paid an initial cash settlement of $170.0m and $92.0m was placed into an escrow account to be available as additional liquidity under certain circumstances, with a corresponding term loan entered into for $92.0m. The Group paid an upfront fee of $1.0m and a base cash fee of $2.7m to Shareholders. On 8 October 2021 and 14 December 2021, the Group drew down $45.0m and $47.0m, respectively, from the escrow account. At 31 December 2021, cash balance remaining in the escrow account was nil. This position was unchanged at 30 June 2022. At June 30, the outstanding amount of the loan became due in full.

Other Loans
In 2021, the Group secured a $11.9m loan with Arvest Bank for the Midwest City cinema in the US with a maturity of 1 July 2041. In 2020, the Israeli government granted a loan of NIS 24.0m ($6.9m) with a maturity of 2025. There are no conditions attached to the loan. In 2020, the Group drew $0.4m on the DCIP secured bank loan. In 2021 the entire DCIP secured bank loan was forgiven.

In September 2022, following the filing of the Chapter 11 Cases, the Group secured provision of the DIP Facility (refer to Notes 1 and 18 for further detail).

Following the commencement of the Chapter 11 Cases, the Company's Term Loans, RCF, and Convertible Bonds are in default, have accelerated and become due according to their terms subject to the protection afforded by the automatic stay which is in place as a result of the Chapter 11 Cases. Certain defaults also remain outstanding under the ROW Private Placement Loan but these are subject to temporary forbearance arrangements whilst a long term waiver is negotiated and entered into.

Loans and Borrowings covenants

Revolving Credit Facility

The Group's RCF is subject to a springing covenant when utilisation is above 35%. This covenant requires the Group to maintain a net leverage of 5.0x, tested semi-annually on a twelve-month rolling basis. In 2020, the Group successfully secured a covenant waiver on the RCF until the June 2022 testing date. Following the commencement of the Chapter 11 case, the requirement to prepare the semi-annual compliance certificate has ceased and the company is now subject to certain new financial and reporting covenants under the DIP facility including minimum liquidity of $30m and budget and variance reporting.

ROW Private Placement Loan

The following financial covenants are attached to the private placement debt facility raised in June 2020. These financial covenants are calculated only on those entities within the ROW operating segment:

– Springing liquidity covenant: Minimum liquidity of $30.0m from 30 June 2021 until 30 April 2022, then $35.0m on 31 May 2022 and $40.0m after 30 June 2022, tested monthly. If on a test date, net leverage is less than 2.0x, the minimum liquidity covenant shall not be required to be tested on that test date.
– Net leverage: 5.0x, tested semi-annually from 31 December 2021, on a twelve-month rolling basis.

B1 and B2 Term Loans

The B1 and B2 term loan facilities are subject to financial and liquidity covenants.

Originally, until the Group reached 80% of admission levels for a 3-month comparable period in 2019, it was subject to a minimum liquidity covenant and restrictions on operating and capital cash disbursements. The minimum liquidity covenant ranged between $66.9 and $297.1m during 2021. The agreement also entitled the lenders to appoint a board observer.

On 30 July 2021, the Group announced that it secured $200m of incremental loans from a group of existing lenders. The Group also agreed amendments on certain covenants and restrictions under its B1 and B2 term loan agreements, including the removal of the operating and capital cash disbursements covenants described above. The minimum liquidity covenant was also amended to $100m until the group reaches 80% of admission levels for a 3-month comparable period in 2019. At this point the Group's remaining minimum liquidity requirement would be $40.0m under the terms of the Rest of the World Private Placement loan.

12. Net debt

	Bank and other loans $m	Convertible bond $m	Lease liabilities $m	Derivatives $m	Bank overdraft $m	**Total financing activity liabilities $m**	Restricted cash $m	Cash at bank and in hand $m	**Net debt $m**
1 January 2021	(4,640.9)	-	(3,971.7)	(18.5)	(21.8)	**(8,652.9)**	-	336.7	**(8,316.2)**
Cash flows	(248.8)	(209.7)	400.5	3.0	0.5	**(54.5)**	8.0	21.9	**(24.6)**
Non-cash movement	(118.9)	19.9	(493.0)	5.6	-	**(586.4)**	-	-	**(586.4)**
Effect of movement on foreign exchange rates	29.1	-	24.0	-	1.0	**54.1**	-	(4.3)	**49.8**
At 31 December 2021	**(4,979.5)**	**(189.8)**	**(4,040.2)**	**(9.9)**	**(20.3)**	**(9,239.7)**	**8.0**	**354.3**	**(8,877.4)**
Cash flows	69.3	-	365.0	2.7	3.2	440.2	(8.0)	(217.0)	215.2
Non-cash movement	(76.8)	(2.6)	(194.6)	7.4	-	(266.6)	-	-	(266.6)
Effect of movement on foreign exchange rates	29.9	-	96.3	-	1.8	128.0	-	(6.7)	121.3
At 30 June 2022	**(4,957.1)**	**(192.4)**	**(3,773.5)**	**0.2**	**(15.3)**	**(8,938.1)**	**-**	**130.6**	**(8,807.5)**

Net debt excludes an embedded derivative of $5.0m (31 December 2021: $36.1m) which reflects the fair value of future interest charges arising from interest rate floor features in the Group's US dollar denominated term loans and equity warrants of $19.1m (31 December 2021: $39.0m), which had a noncash movement in the period and which will not result in future cash outflows.

The non-cash movements of $76.8m (2021: $118.9m) within bank loans includes waiver fees, amortisation of debt issuance costs, accrued interest and discounting on the draw-down of the term and Israeli government loan.

The non-cash movement of $194.6m (2021: $493.0m) within lease liabilities includes the following:

- $230.9m (2021: $444.5m) of interest expense related to lease liabilities;
- $27.9m (2021: $91.9m) associated with the impact of entering into new lease contracts;
- ($56.6m) (2021: ($34.9m)) deriving from modifications of existing leases; and
- ($7.6m) (2021: ($8.5m)) of lease disposals.

13. Fair value measurement of financial instruments

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities are reflected in the Consolidated Financial Statements at carrying values that approximate fair values because of the short-term maturities of these financial instruments. Short-term debtors, creditors and cash and cash equivalents have been excluded from the following disclosures on the basis that their carrying amount is a reasonable approximation to fair value.

Finance lease liabilities are recorded at amortised cost, as derived from expected cash outflows and the estimated incremental borrowing rate attached to the lease. Finance lease liabilities are separately disclosed within the Consolidated Statement of Financial Position.

	Carrying amount 30 June 2022 $m	**Fair value 30 June 2022 $m**	Carrying amount 31 December 2021 $m	Fair value 31 December 2021 $m
Secured bank and private placement loans	4,901.3	4,151.6	4,884.3	4,408.8
Unsecured bank and private placement loans	248.2	180.9	285.0	281.9
Bank overdrafts	15.3	15.3	20.3	20.3
Equity investments	(5.8)	(5.8)	(5.8)	(5.8)
Unhedged cross-currency interest rate swaps	-	-	5.4	5.4
Warrants	19.1	19.1	39.0	39.0
Embedded derivatives - liability(1)	5.1	5.1	43.5	43.5
Embedded derivatives - asset(2)	(0.3)	(0.3)	(2.8)	(2.8)
Total	**5,182.9**	**4,365.9**	**5,268.9**	**4,790.3**

(1) Fair value of the convertible derivative and the US LIBOR floors on the US Dollar Term Loans and B2 Term Loan

(2) Fair value of the B1 Term Loan prepayment option

Fair Value Hierarchy of Financial Instruments:

Under the provisions of IFRS 9, the interest rate swap agreements were recorded on the Consolidated Statement of Financial Position at their fair values, with changes in fair value recorded in the Consolidated Statement of Profit and Loss. The Group closed out all remaining swap agreements in the six months ended 30 June 2022.

Equity investments relate to investments designated as fair value through OCI. Any movement in fair value has been recognised within the fair value reserve. The Group holds unquoted equity investments and has concluded that the costs of investments represent their fair value at 30 June 2022.

The difference between net carrying amount and estimated fair value reflects unrealised gains or losses inherent in the instruments based on valuations at 30 June 2022 and 31 December 2021. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates, except where the borrowings are traded in secondary markets and traded prices are available. The carrying amount of unsecured bank loans is stated net of debt issuance costs and the fair value is stated gross of debt issuance costs and is calculated using the market interest rates.

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical financial assets or financial liabilities that the Group has the ability to access.
- Fair values determined by Level 2 inputs use inputs other than the quoted prices included in Level 1 that are observable for the financial asset or financial liability, either directly or indirectly. Level 2 inputs include quoted prices for similar financial assets and financial liabilities in active markets, and inputs other than quoted prices that are observable for the financial assets or financial liabilities. The Group uses market interest rates and yield curves that are observable at commonly quoted intervals in the valuation of its interest rate swap and option agreements. The derivative options are valued using models developed internally by the respective counterparty that uses, as its basis, readily observable market parameters (such as forward yield curves, share prices and share price volatility) and are classified within Level 2 of the valuation hierarchy.
- The Group considers its own credit risk as well as the credit risk of its counterparties when evaluating the fair value of its derivatives. The impact of own credit risk on derivatives is recognised in the income statement. For other liabilities designated at FVTPL (except for loan commitments and financial guarantees), changes in fair value related to changes in own credit risk are presented separately in OCI.
- Level 3 inputs are unobservable inputs for the financial asset or financial liability, and include situations where there is little, if any, market activity for the financial asset or financial liability. The Group's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the financial asset or financial liability.

	Level 1 $m	Level 2 $m	Level 3 $m	**Total $m**
30 June 2022				
Derivative financial instruments	-	23.9	-	**23.9**
Secured and unsecured bank and private placement loans		4,332.5		**4,332.5**
Equity investments	-	-	(5.8)	**(5.8)**
31 December 2021				

Derivative financial instruments	-	85.1	-	**85.1**
Secured and unsecured bank and private placement loans	-	4,690.7	-	**4,690.7**
Equity investments	-	-	(5.8)	**(5.8)**

There have been no transfers between levels in 2022 (2021: no transfers).

Valuation techniques used to determine fair values
Specific valuation techniques used to value financial instruments include:

- The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.
- The carrying amount of bank loans is stated net of debt issuance costs and the fair value is stated gross of debt issuance costs and is calculated using the market interest rates.
- The fair value of investments has been calculated by reference to quoted market values where available. The Group holds one unquoted equity investment and have concluded that the cost of one of these investments represents its fair value at 30 June 2022.

All of the resulting fair value estimates are included in Level 2 except for unquoted equity investments (Level 3).

The difference between net carrying amount and estimated fair value reflects unrealised gains or losses inherent in the instruments based on valuations at 30 June 2022 and 31 December 2021. The volatile nature of the markets means that values at any subsequent date could be significantly different from the values reported above.

14. Equity securities issued

	2022 Shares (thousands)	**2021 Shares** (thousands)	**2022** $m	**2021** $m
Issues of ordinary shares during the period ended 30 June				
Exercise of options issued under the Employee share scheme and employee performance plan	**433**	**198**	**-**	**-**
	433	**198**	**-**	**-**

15. Provisions

	Provisions for contracts with suppliers $m	**Other provisions $m**	**Total provisions $m**
Balance at 31 December 2021	**5.0**	**1.0**	**6.0**
Provisions made	-	-	**-**
Provisions utilised	-	-	**-**
Provisions released to profit or loss during the period	-	(0.2)	**(0.2)**
Balance at 30 June 2022	**5.0**	**0.8**	**5.8**
Current	5.0	-	**5.0**
Non-current	-	0.8	**0.8**
Total	**5.0**	**0.8**	**5.8**

Provisions for contracts with suppliers relate to claims from suppliers against contractual obligations. These provisions were assessed by applying the expected payments based on settlement of historic claims, and legal claims which have been assessed based on legal advice received.

Other provisions relate to royalty claims. Based on legal advice, the provision is not expected to be used within the next year.

16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Total compensation for the Directors during the period to 30 June 2022 was $3.5m (period ended 30 June 2021: $2.1m; year ended 31 December 2021: $4.8m). At 30 June 2022 the balance owed to directors was $nil (year ended 31 December 2021: $2.2m). Payment has been made in respect of amounts deferred in the prior years.

Digital Cinema Media (DCM) is a joint venture between the Group and Odeon Cinemas Holdings Limited. Revenue receivable from DCM in the period to 30 June 2022 was $15.2m (year ended 31 December 2021: $8.4m). In addition, the Group has a working capital loan receivable outstanding from DCM of $0.7m (year ended 31 December 2021: $0.7m).

National CineMedia (NCM) is a joint venture set up between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and Regal. As at 30 June 2022 $2.8m (year ended 31 December 2021: $10.1m) was due to NCM in respect of trade payables and $nil (year ended 31 December 2021: $3.8m) was due from NCM in respect of trade receivables.

Revenue receivable from NCM during the period to 30 June 2022 was $49.7m (year ended 31 December 2021: $91.1m).

AC JV is a joint venture between AMC Entertainment Holdings Inc, Cinemark Holdings Inc and NCM. As 30 June 2022 $1.4m (year ended 31 December 2021: $2.6m) was due to Fathom AC in respect of trade payables.

Global City Holdings B.V. ("GCH"), is a company in which Moshe Greidinger and Israel Greidinger, Directors of the Group, have a controlling interest. During the period, the Group made lease payments of $4.4m (for the year ended 31 December 2021: $9.1m) to companies under the control of GCH. At 30 June 2022, $51.4m (year ended 31 December 2021: $57.1m) in lease liabilities were included within the Group's Statement of Financial Position. The Group had amounts receivable of $1.8m (year ended 31 December 2021: amounts payable of $13.6m) from companies under the control of GCH.

17. Contingent Liabilities

On 6 July 2020, the Group confirmed that Cineplex, Inc. ("Cineplex") had initiated proceedings against it in relation to its termination on 12 June 2020 of the Arrangement Agreement relating to its proposed acquisition of Cineplex (the "Acquisition"). The proceedings alleged that the Group breached its obligations under the Arrangement Agreement and/or duty of good faith and claimed damages of up to C$2.18 billion less the value of Cineplex shares retained by Cineplex shareholders.

The Group defended these proceedings on the basis that it had terminated the Arrangement Agreement because Cineplex breached a number of its covenants and counter-claimed against Cineplex for damages and losses suffered as a result of these breaches and the Acquisition not proceeding, including the Group's financing costs, advisory fees and other costs.

The Ontario Superior Court of Justice handed down its judgment in December 2021. It granted Cineplex's claim, dismissed the Group's counter-claim and awarded Cineplex damages of C$1.23 billion for lost synergies to Cineplex and C$5.5 million for lost transaction costs. The Group disagrees with this judgment and has appealed the decision on the basis of both liability and damages. There is no requirement to settle the existing judgment on damages whilst the appeal is ongoing. Following an assessment of the external advice received, management has concluded that it is not probable that damages will be payable at this stage and therefore no liability has been recognised in respect of the current judgment in the Group's interim condensed consolidated financial statements.

In the event that the appeal process is not successful, it would not be possible to determine an appropriate settlement amount or range. The Group does not expect to have sufficient liquidity in order to pay the quantum of damages currently awarded to Cineplex. Any future payments would depend however on the outcome of the Chapter 11 Cases. On 9 September 2022, Cineplex filed a motion for emergency relief from the automatic stay in connection with the Company's Chapter 11 Cases in order to proceed with the appeal process relating to the Cineplex litigation. The Company filed an objection to Cineplex's motion on 22 September 2022. A hearing before the United States Bankruptcy Court for the Southern District of Texas (the "Court") took place on 28 September 2022 to consider Cineplex's motion. The Court denied the motion and ruled to uphold the automatic stay in connection with the Chapter 11 Cases and, as a result, the Company expects its appeal process relating to the Cineplex litigation to remain on hold. Any amounts owed to Cineplex will rank alongside the Company's other unsecured claims and will be determined as part of the Chapter 11 Cases.

The Group is also exposed to certain other claims in its ROW operating segment, including in respect of royalty and exclusivity agreements. In addition, the Group has been issued with winding-up petitions by the landlord of certain Picturehouse cinemas which are being vigorously opposed. The Group does not believe that there is any merit in these claims or actions and does not expect any outflow will occur as a result of them.

18. Post balance sheet events

Chapter 11 filing

On 7 September 2022, Cineworld Group plc ("Cineworld") and its subsidiaries (the "Group") announced that Cineworld and certain of its subsidiaries (collectively, the "Group Chapter 11 Companies") had filed a voluntary petition under title 11 of the United States Code (the "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.

On 11 September 2022, the Group Chapter 11 Companies received approval from the Court for "first day" relief related to the Chapter 11 Cases. As part of such relief, the Court granted the Group immediate access to $785 million of an approximate $1.94 billion debtor-in-possession financing facility (the "DIP Facility") that, together with the Group's available cash reserves and cash provided by operations, is expected to provide sufficient liquidity for the Group to meet its ongoing obligations, including post-petition obligations to vendors and suppliers, as well as employee wages, salaries and benefits programs. The remainder of the DIP Facility is expected to become available upon Court approval on a final basis. This will be largely used to re-finance the existing priming loans.

As previously announced, it is expected that any de-leveraging transaction will result in very significant dilution or elimination 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 currently expect the Chapter 11 Cases 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 re-organisation (the "Plan") with the Court in due course and to meet the necessary requirements to emerge from the Chapter 11 Cases as expeditiously as possible. Cineworld currently anticipates emerging from the Chapter 11 Cases during Q1 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.

The Chapter 11 Cases are a court-supervised process that will provide a forum for efficient re-organisation 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.

From an IFRS reporting perspective, the Chapter 11 Cases are considered a non-adjusting event and therefore there has been no impact on the financial statements for the six months ended 30 June 2022.

Upon filing for relief through the Chapter 11 Cases, 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. The Group Chapter 11 Companies intend to take additional steps where required to give effect to the "automatic stay" and ensure a consistent approach to pre-petition claims in the UK and Jersey during the Chapter 11 Cases. This will involve engagement with key stakeholders with reference to the "first day" relief that has been obtained and the budget included in the DIP Facility, as well as the use of ancillary court proceedings in the UK and Jersey, if required.

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 Cases.

During the restructuring process, Cineworld expects to operate its global business and cinemas as usual without interruption.

The Group Chapter 11 Companies intend to pay vendors and suppliers in full and on normal terms for valid amounts for goods and services received during the Chapter 11 Cases. In addition, the Group expects that employees will continue to receive their usual wages and benefits without interruption.

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 Facility have also agreed that a portion of the DIP Facility would be used 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 occurred upon the Court's interim approval of the DIP Facility at the "first day" hearing, after which a newly incorporated Group company is the sole lender under the "Rest of World" facility. The terms of such facility may be further amended. Prior to the debt transfer, the prior lenders under the "Rest of World" facility had agreed to forbear temporarily in exercising certain rights triggered by the filing of the Chapter 11 Cases. As a result of these arrangements, the Rest of World group entities are not debtors within the 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.

For details on recent Cineplex court motions associated with the Chapter 11 Cases, refer to Note 17. **Risk and Uncertainties**

The principal risks and uncertainties which could have a material impact on the Group's performance in the remaining six months of 2022 are largely the same as those described in detail pages 15-19 of the Group's Annual Report for 2021, a copy of which is available from the Group's website www.cineworldplc.com.

These include:

1. Technology and Data Control	A critical system interruption or major IT security breach encountered
2. Availability and Performance of Film Content	Lack of access to high quality, diverse and well publicised movie product
3. Provision of next Generation Cinemas	Maintaining/refurbishing existing sites and/or developing new sites fails to provide a circuit of next generation cinemas.
4. Viewer Experience and Competition	The quality of products and services offered fails to meet the needs of the customer and deliver an enhanced viewer experience
5. Revenue from Retail/Concession Offerings	Delivery of a retail/concession offering that does not meet the requirements and preferences of our customers
6. Cinema operations	Failure to maintain and operate well run and cost-effective cinemas
7. Regulatory Breach	A major statutory, regulatory or contractual compliance breach
8. Strategy and Performance	The approach to setting, communicating, monitoring and executing a clear strategy fails to deliver long-term objectives
9. Retention and Attraction	Failure to attract and retain Senior Management and/or other key personnel
10. Governance and Internal Control	A critical internal control and/ or governance failing occurs
11. Major incident	Inability to respond to a major incident
12. Treasury Management	Ineffective treasury management slows down our ability to service our debt obligations and deliver against our planned strategic initiatives (e.g. refurbishment programs)
13. Climate Change (TCFD)	Warming of the planet caused by greenhouse gas emissions poses serious risks to the global economy and will have an impact across many economic sectors.

In addition, the principal risks and uncertainties related to the Chapter 11 process are set out in Note 1 to the interim condensed consolidated financial statements.

Responsibility Statement of the Directors' in Respect of the Interim Report

The directors confirm that to the best of our knowledge:

The interim condensed consolidated financial statements have been prepared on the basis of policies set out in the in the 2021 annual financial statements and in accordance with UK adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of Cineworld Group plc are listed on the Cineworld Group plc website (www.cineworldplc.com).

By order of the Board

Moshe Greidinger	Nisan Cohen
Director	Director

30 September 2022

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