UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

OR

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

For the transition period from to

Commission file number 001-33892

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-0303916**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One AMC Way **11500 Ash Street, Leawood, KS**	**66211**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(913) 213-2000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated Filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock	AMC	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of each class of common stock	Number of shares outstanding as of May 4, 2022
Class A common stock	516,820,595

AMC ENTERTAINMENT HOLDINGS, INC.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements. (Unaudited)

AMC ENTERTAINMENT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
(In millions, except share and per share amounts)	**March 31, 2022**	**March 31, 2021**
	(unaudited)	
Revenues		
Admissions	$ 443.8	$ 69.5
Food and beverage	252.5	50.1
Other theatre	89.4	28.7
Total revenues	785.7	148.3
Operating costs and expenses		
Film exhibition costs	189.8	22.0
Food and beverage costs	42.6	9.7
Operating expense, excluding depreciation and amortization below	344.8	179.7
Rent	223.2	192.1
General and administrative:		
Merger, acquisition and other costs	0.4	6.7
Other, excluding depreciation and amortization below	53.1	51.8
Depreciation and amortization	98.7	114.1
Operating costs and expenses	952.6	576.1
Operating loss	(166.9)	(427.8)
Other expense (income):		
Other expense (income)	136.3	(17.4)
Interest expense:		
Corporate borrowings	82.0	151.5
Finance lease obligations	1.2	1.4
Non-cash NCM exhibitor services agreement	9.2	9.9
Equity in loss of non-consolidated entities	5.1	2.8
Investment income	(63.4)	(2.0)
Total other expense, net	170.4	146.2
Net loss before income taxes	(337.3)	(574.0)
Income tax provision (benefit)	0.1	(6.8)
Net loss	(337.4)	(567.2)
Less: Net loss attributable to noncontrolling interests	—	(0.3)
Net loss attributable to AMC Entertainment Holdings, Inc.	$ (337.4)	$ (566.9)
Net loss per share attributable to AMC Entertainment Holdings, Inc.'s common stockholders:		
Basic	$ (0.65)	$ (1.42)
Diluted	$ (0.65)	$ (1.42)
Average shares outstanding:		
Basic (in thousands)	515,910	400,111
Diluted (in thousands)	515,910	400,111

See Notes to Condensed Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	(unaudited)	
Net loss	$ (337.4)	$ (567.2)
Other comprehensive income (loss):		
Unrealized foreign currency translation adjustments	(6.0)	(54.7)
Pension adjustments:		
Net gain arising during the period	0.2	3.5
Other comprehensive loss	(5.8)	(51.2)
Total comprehensive loss	(343.2)	(618.4)
Comprehensive loss attributable to noncontrolling interests	—	(0.5)
Comprehensive loss attributable to AMC Entertainment Holdings, Inc.	$ (343.2)	$ (617.9)

See Notes to Condensed Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions, except share data)	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,164.9	$ 1,592.5
Restricted cash	23.7	27.8
Receivables, net	105.8	168.5
Other current assets	110.1	81.5
Total current assets	1,404.5	1,870.3
Property, net	1,881.5	1,962.5
Operating lease right-of-use assets, net	4,144.2	4,155.9
Intangible assets, net	151.8	153.4
Goodwill	2,415.4	2,429.8
Deferred tax asset, net	0.6	0.6
Other long-term assets	347.4	249.0
Total assets	$ 10,345.4	$ 10,821.5
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 295.4	$ 377.1
Accrued expenses and other liabilities	365.3	367.5
Deferred revenues and income	379.8	408.6
Current maturities of corporate borrowings	20.0	20.0
Current maturities of finance lease liabilities	8.2	9.5
Current maturities of operating lease liabilities	597.1	605.2
Total current liabilities	1,665.8	1,787.9
Corporate borrowings	5,501.8	5,408.0
Finance lease liabilities	60.6	63.2
Operating lease liabilities	4,587.7	4,645.2
Exhibitor services agreement	520.7	510.4
Deferred tax liability, net	31.1	31.3
Other long-term liabilities	156.0	165.0
Total liabilities	12,523.7	12,611.0
Commitments and contingencies		
Stockholders' deficit:		
AMC Entertainment Holdings, Inc.'s stockholders' deficit:		
Class A common stock ($.01 par value, 524,173,073 shares authorized; 516,820,595 shares issued and outstanding as of March 31, 2022; 513,979,100 shares issued and outstanding as of December 31, 2021)	5.2	5.1
Additional paid-in capital	4,811.8	4,857.5
Accumulated other comprehensive loss	(33.9)	(28.1)
Accumulated deficit	(6,961.4)	(6,624.0)
Total stockholders' deficit	(2,178.3)	(1,789.5)
Total liabilities and stockholders' deficit	$ 10,345.4	$ 10,821.5

See Notes to Condensed Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities:	(unaudited)	
Net loss	$ (337.4)	$ (567.2)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	98.7	114.1
Deferred income taxes	(0.1)	(6.2)
Loss on extinguishment of debt	135.0	—
Unrealized gain on investments in Hycroft	(63.9)	—
Amortization of net discount (premium) on corporate borrowings to interest expense	(15.5)	42.3
Amortization of deferred financing costs to interest expense	3.5	12.1
PIK interest expense	—	52.7
Non-cash portion of stock-based compensation	6.5	5.4
Gain on disposition of assets	(0.4)	—
Equity in loss from non-consolidated entities, net of distributions	5.8	2.8
Landlord contributions	0.6	3.7
Other non-cash rent benefit	(7.1)	(7.5)
Deferred rent	(48.7)	(21.8)
Net periodic benefit income	—	(0.2)
Change in assets and liabilities:		
Receivables	63.6	(2.7)
Other assets	(30.6)	(13.0)
Accounts payable	(80.4)	(11.9)
Accrued expenses and other liabilities	(32.8)	96.4
Other, net	8.2	(11.9)
Net cash used in operating activities	(295.0)	(312.9)
Cash flows from investing activities:		
Capital expenditures	(34.8)	(11.9)
Proceeds from disposition of long-term assets	7.2	5.2
Investments in non-consolidated entities, net	(27.9)	(9.3)
Other, net	0.6	—
Net cash used in investing activities	(54.9)	(16.0)
Cash flows from financing activities:		
Proceeds from issuance of First Lien Notes due 2029	950.0	—
Proceeds from issuance of Odeon Term Loan due 2023	—	534.3
Proceeds from First Lien Toggle Notes due 2026	—	100.0
Principal payments under First Lien Notes due 2025	(500.0)	—
Principal payments under First Lien Notes due 2026	(300.0)	—
Principal payments under First Lien Toggle Notes due 2026	(73.5)	—
Premium paid to extinguish First Lien Notes due 2025	(34.5)	—
Premium paid to extinguish First Lien Notes due 2026	(25.6)	—
Premium paid to extinguish First Lien Toggle Notes due 2026	(14.6)	—
Repayments under revolving credit facilities	—	(335.0)
Scheduled principal payments under Term Loan due 2026	(5.0)	(5.0)
Net proceeds from Class A common stock issuance	—	581.6
Payments related to sale of noncontrolling interest	—	(0.3)
Principal payments under finance lease obligations	(2.5)	(1.9)
Cash used to pay for deferred financing costs	(17.7)	(19.0)
Cash used to pay dividends	(0.7)	—
Taxes paid for restricted unit withholdings	(52.2)	—
Net cash provided by (used in) financing activities	(76.3)	854.7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.5)	(5.1)

Net increase (decrease) in cash and cash equivalents and restricted cash		(431.7)		520.7
Cash and cash equivalents and restricted cash at beginning of period		1,620.3		321.4
Cash and cash equivalents and restricted cash at end of period	$	1,188.6	$	842.1
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid during the period for:				
Interest (including amounts capitalized of $0 million and $0.2 million, respectively)	$	62.5	$	26.2
Income taxes paid (received), net	$	1.5	$	(9.0)
Schedule of non-cash activities:				
Investment in NCM	$	15.1	$	5.8
Construction payables at period end	$	27.7	$	10.0

See Notes to Condensed Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

(Unaudited)

NOTE 1—BASIS OF PRESENTATION

AMC Entertainment Holdings, Inc. ("Holdings"), through its direct and indirect subsidiaries, including American Multi-Cinema, Inc. and its subsidiaries, (collectively with Holdings, unless the context otherwise requires, the "Company" or "AMC"), is principally involved in the theatrical exhibition business and owns, operates or has interests in theatres located in the United States and Europe.

Temporarily suspended or limited operations. Total consolidated revenues increased $637.4 million for the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in total consolidated revenues was primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at the Company's theatres in U.S. markets and International markets. As of March 31, 2021, the Company operated at 585 domestic theatres with limited seating capacities, representing approximately 99% of its domestic theatres. As of March 31, 2021, the Company operated at 97 international theatres, with limited seating capacities, representing approximately 27% of its international theatres. During the three months ended March 31, 2022, the Company operated substantially 100% of its U.S. and International theatres.

Liquidity. As of March 31, 2022, the Company has cash and cash equivalents of approximately $1.2 billion. In response to the COVID-19 pandemic, the Company adjusted certain elements of its business strategy and took significant steps to preserve cash. The Company is continuing to take measures to further strengthen its financial position and enhance its operations, by minimizing non-essential costs, including reductions to its variable costs and elements of its fixed cost structure, introducing new initiatives, and optimizing its theatrical footprint.

Additionally, the Company enhanced future liquidity through debt refinancing at lower interest rates. See Note 6—Corporate Borrowings and Finance Lease Obligations for further information.

The Company's net cash used in operating activities improved by $79.1 million during the three months ended June 30, 2021 compared to the three months ended March 31, 2021, $119.9 million during the three months ended September 30, 2021 compared to the three months ended June 30, 2021, and $160.4 million during the three months ended December 31, 2021 compared to the three months ended September 30, 2021. The Company's net cash provided by (used in) operating activities deteriorated by $341.5 million during the three months ended March 31, 2022 compared to the three months ended December 31, 2021 from $46.5 million to $(295.0) million. The decline in net cash provided by operating activities from the three months ended December 31, 2021 to the three months ended March 31, 2022 was primarily attributable to a decrease in attendance and increase in net loss and increases in seasonal working capital uses as the Company paid for the strong late fourth quarter 2021 results in early first quarter of 2022. The Company has also continued to repay rent amounts that were deferred during the COVID-19 pandemic, which increases its cash outflows from operating activities. See Note 2—Leases for a summary of the estimated future repayment terms for the remaining $271.7 million of rentals that were deferred during the COVID-19 pandemic.

The Company's net cash used in investing activities of $54.9 million included $34.8 million of capital expenditures and $27.9 million of investments in non-consolidated entities, partially offset by proceeds from the disposition of long-term assets of $7.2 million during the three months ended March 31, 2022.

The Company's net cash used in financing activities of $76.3 million included principal and premium payments of $955.7 million, taxes paid for restricted unit withholdings of $52.2 million, and cash used to pay for deferred financing costs of $17.7 million, partially offset by proceeds from the Company's debt issuance of $950.0 million, during the three months ended March 31, 2022.

The Company believes its existing cash and cash equivalents, together with cash generated from operations, will be sufficient to fund its operations, satisfy its obligations, including cash outflows for increased rent and planned capital expenditures, and comply with minimum liquidity and financial covenant requirements under its debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility and Odeon Term Loan Facility for at least the next 12 months. In order to achieve net positive operating cash flows and long-term profitability, the Company believes it will need to increase attendance levels significantly compared to 2021 and achieve levels in line with pre COVID-19 attendance. The Company believes the global re-opening of its theatres, the anticipated volume of titles available for theatrical release, and the anticipated broad appeal of many of those titles will support increased attendance levels. The Company believes that the sequential increases in attendance experienced each quarter of 2021 are positive signs of continued demand for the moviegoing experience. The Company's business is seasonal, with higher attendance and revenues generally occurring during the summer months and holiday seasons. However, there remain significant risks that may negatively impact attendance, including a resurgence of COVID-19 related restrictions, potential movie-goer reluctance to attend theatres due to concerns about the COVID-19 variant strains, movie studios release schedules and direct to streaming or other changing movie studio practices.

The Company entered the Ninth Amendment to the Credit Agreement, dated as of March 8, 2021, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant (the secured leverage ratio) applicable to the Senior Secured Revolving Credit Facility from March 31, 2021 to March 31, 2022, which was further extended from March 31, 2022 to March 31, 2023 by the Eleventh Amendment, dated as of December 20, 2021, as described, and on the terms and conditions specified, therein. The Company is currently subject to minimum liquidity requirements of approximately $143 million, of which $100 million is required under the conditions for the Extended Covenant Suspension Period, as amended, under the Senior Secured Revolving Credit Facility, and £32.5 million (approximately $43 million) of which is required under the Odeon Term Loan Facility. Following the expiration of the Extended Covenant Suspension Period ending March 31, 2023, the Company will be subject to the financial covenant under the Senior Secured Revolving Credit Facility as of the last day of each quarter on which the aggregate principal amount of revolving loans and letters of credit (excluding letters of credit that are cash collateralized) in excess of $25 million outstanding under the Senior Secured Revolving Credit Facility exceeds 35% of the principal amount of commitments under the Senior Secured Revolving Credit facility then in effect, beginning with the quarter ending June 30, 2023. The Company currently expects it will be able to comply with this financial covenant; however, the Company does not anticipate the need to borrow under the Senior Secured Revolving Credit Facility during the next twelve months.

The Company received rent concessions provided by the lessors that aided in mitigating the economic effects of COVID-19 during the pandemic during the years 2021 and 2020. These concessions primarily consisted of rent abatements and the deferral of rent payments. As a result, deferred lease amounts were approximately $271.7 million as of March 31, 2022. The Company's cash expenditures for rent increased significantly during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. See Note 2—Leases for a summary of the estimated future repayment terms for the deferred lease amounts due to COVID-19.

Use of estimates. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation. The accompanying unaudited condensed consolidated financial statements include the accounts of AMC, as discussed above, and should be read in conjunction with the Company's Annual Report on Form 10–K for the year ended December 31, 2021. The accompanying condensed consolidated balance sheet as of December 31, 2021, which was derived from audited financial statements, and the unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and in accordance with the instructions to Form 10–Q. Accordingly, they do not include all of the information and footnotes required by the accounting principles generally accepted in the United States of America for complete consolidated financial statements. In the opinion of management, these interim financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the Company's financial position and results of operations. All significant intercompany balances and transactions have been eliminated in consolidation. Due to the seasonal nature of the Company's business and the recovery of the industry from the global COVID-19 pandemic, results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022. The Company manages its business under two reportable segments for its theatrical exhibition operations, U.S. markets and International markets.

Cash and equivalents. At March 31, 2022, cash and cash equivalents for the U.S. markets and International markets were $963.8 million and $201.1 million respectively, and at December 31, 2021, cash and cash equivalents were $1,311.4 million and $281.1 million, respectively.

Restricted cash. Restricted cash is cash held in the Company's bank accounts in International markets as a guarantee for certain landlords.

Accumulated other comprehensive income (loss). The following table presents the change in accumulated other comprehensive income (loss) by component:

(In millions)	Foreign Currency	Pension Benefits	Total
Balance December 31, 2021	$ (19.0)	$ (9.1)	$ (28.1)
Other comprehensive income (loss)	(6.0)	0.2	(5.8)
Balance March 31, 2022	$ (25.0)	$ (8.9)	$ (33.9)

Accumulated depreciation and amortization. Accumulated depreciation was $2,642.9 million and $2,583.4 million at March 31, 2022 and December 31, 2021, respectively, related to property. Accumulated amortization of intangible assets was $41.9 million and $41.2 million at March 31, 2022 and December 31, 2021, respectively.

Other expense (income). The following table sets forth the components of other expense (income):

	Three Months Ended	
(In millions)	March 31, 2022	March 31, 2021
Decreases related to contingent lease guarantees	$ (0.1)	$ (2.0)
Governmental assistance due to COVID-19 - International markets	(2.3)	(8.2)
Governmental assistance due to COVID-19 - U.S. markets	(1.1)	(4.2)
Foreign currency transaction (gains) losses	4.8	(3.8)
Non-operating components of net periodic benefit income	—	(0.2)
Loss on extinguishment of debt	135.0	—
Financing fees related to modification of debt agreements	—	1.0
Total other expense (income)	$ 136.3	$ (17.4)

Accounting Pronouncements Recently Adopted

Government Assistance. In November 2021, the Financial Accounting Standards Board ("FASB") issued ASU 2021-10, Government Assistance (Topic 832) Disclosures by Business Entities about Government Assistance ("ASU 2021-10"). The amendments in ASU 2021-10 require annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy, including (1) information about the nature of the transactions and the related accounting policy used to account for the transactions, (2) the line items on the balance sheet and income statement that are affected by the transactions and the amounts applicable to each financial statement line item, and (3) significant terms and conditions of the transactions, including commitments and contingencies. The Company is applying the amendments in ASU 2021-10 prospectively as of January 1, 2022 and the annual government assistance disclosure requirements are effective for the Company during the year ending December 31, 2022.

NOTE 2—LEASES

The Company leases theatres and equipment under operating and finance leases. The Company typically does not believe that exercise of the renewal options is reasonably certain at the lease commencement and, therefore, considers the initial base term as the lease term. Lease terms vary but generally the leases provide for fixed and escalating rentals, contingent escalating rentals based on the Consumer Price Index and other indexes not to exceed certain specified amounts and variable rentals based on a percentage of revenues. The Company often receives contributions from landlords for renovations at existing locations. The Company records the amounts received from landlords as an adjustment to the right-of-use asset and amortizes the balance as a reduction to rent expense over the base term of the lease agreement. Equipment leases primarily consist of food and beverage equipment.

The Company received rent concessions provided by the lessors that aided in mitigating the economic effects of

COVID-19 during the pandemic. These concessions primarily consisted of rent abatements and the deferral of rent payments. In instances where there were no substantive changes to the lease terms, i.e., modifications that resulted in total payments of the modified lease being substantially the same or less than the total payments of the existing lease, the Company elected the relief as provided by the FASB staff related to the accounting for certain lease concessions. The Company elected not to account for these concessions as a lease modification, and therefore the Company has remeasured the related lease liability and right-of-use asset but did not reassess the lease classification or change the discount rate to the current rate in effect upon the remeasurement. The deferred payment amounts have been recorded in the Company's lease liabilities to reflect the change in the timing of payments. The deferred payment amounts included in current maturities of operating lease liabilities and long-term operating lease liabilities are reflected in the condensed consolidated statements of cash flows as part of the change in accrued expenses and other liabilities. Those leases that did not meet the criteria for treatment under the FASB relief were evaluated as lease modifications. The deferred payment amounts included in accounts payable for contractual rent amounts due and not paid are reflected in accounts payable on the condensed consolidated balance sheets and in the condensed consolidated statements of cash flows as part of the change in accounts payable. In addition, the Company included deferred lease payments in operating lease right-of-use assets as a result of lease remeasurements.

A summary of deferred payment amounts related to rent obligations for which payments were deferred to future periods are provided below:

(In millions)	As of December 31, 2021	Decrease in deferred amounts	As of March 31, 2022
Fixed operating lease deferred amounts (1)	$ 299.3	$ (40.6)	$ 258.7
Finance lease deferred amounts	2.4	(0.8)	1.6
Variable lease deferred amounts	13.4	(2.0)	11.4
Total deferred lease amounts	$ 315.1	$ (43.4)	$ 271.7

(1) During the three months ended March 31, 2022, the decrease in fixed operating lease deferred amounts includes $37.9 million of decreases in the deferred balances as of December 31, 2021 related to payments and abatements.

The following table reflects the lease costs for the periods presented:

(In millions)	Consolidated Statements of Operations	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating lease cost			
Theatre properties	Rent	$ 202.5	$ 175.5
Theatre properties	Operating expense	1.2	0.8
Equipment	Operating expense	2.8	2.3
Office and other	General and administrative: other	1.4	1.4
Finance lease cost			
Amortization of finance lease assets	Depreciation and amortization	0.7	1.3
Interest expense on lease liabilities	Finance lease obligations	1.2	1.4
Variable lease cost			
Theatre properties	Rent	20.7	16.6
Equipment	Operating expense	12.6	0.2
Total lease cost		$ 243.1	$ 199.5

Cash flow and supplemental information is presented below:

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in finance leases	$ (1.0)	$ (1.0)
Operating cash flows used in operating leases	(266.4)	(136.7)
Financing cash flows used in finance leases	(2.5)	(1.9)
Landlord contributions:		
Operating cashflows provided by operating leases	0.6	3.7
Supplemental disclosure of noncash leasing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities (1)	111.8	23.5

(1) Includes lease extensions and option exercises.

The following table represents the weighted-average remaining lease term and discount rate as of March 31, 2022:

Lease Term and Discount Rate	As of March 31, 2022 Weighted Average Remaining Lease Term (years)	As of March 31, 2022 Weighted Average Discount Rate
Operating leases	9.9	9.7%
Finance leases	13.8	6.5%

Minimum annual payments, including deferred lease payments less contractual rent amounts due and not paid that were recorded in accounts payable, that are recorded as operating and finance lease liabilities and the net present value thereof as of March 31, 2022 are as follows:

(In millions)	Operating Lease Payments (2)	Financing Lease Payments (2)
Nine months ending December 31, 2022 (1)	$ 775.9	$ 9.8
2023 (1)	955.7	9.6
2024	833.2	8.6
2025	784.9	7.9
2026	719.9	7.7
2027	662.1	7.7
Thereafter	3,277.6	54.6
Total lease payments	8,009.3	105.9
Less imputed interest	(2,824.5)	(37.1)
Total operating and finance lease liabilities, respectively	$ 5,184.8	$ 68.8

(1) The minimum annual payments table above does not include contractual cash rent amounts that were due and not paid, which are recorded in accounts payable as shown below, including estimated repayment dates:

(In millions)	Accounts Payable Lease Payments
Three months ended June 30, 2022	$ 29.2
Three months ended September 30, 2022	0.8
Three months ended December 31, 2022	0.8
Three months ended March 31, 2023	5.7
Total deferred lease amounts recorded in AP	$ 36.5

(2) The minimum annual payments table above includes deferred undiscounted cash rent amounts that were due and not paid related to operating and finance leases, as shown below:

(In millions)		Operating Lease Payments		Financing Lease Payments
Three months ended June 30, 2022	$	36.1	$	0.4
Three months ended September 30, 2022		32.5		0.2
Three months ended December 31, 2022		31.7		0.2
2023		83.6		0.5
2024		15.8		—
2025		5.7		—
2026		4.2		—
2027		3.4		—
Thereafter		20.9		—
Total deferred lease amounts	$	233.9	$	1.3

As of March 31, 2022, the Company had signed additional operating lease agreements for 5 theatres that have not yet commenced of approximately $99.5 million, which are expected to commence between years 2022 and 2024 and carry lease terms ranging from 5 to 20 years. The timing of lease commencement is dependent on the landlord providing the Company with control and access to the related facility.

NOTE 3—REVENUE RECOGNITION

Disaggregation of revenue. Revenue is disaggregated in the following tables by major revenue types and by timing of revenue recognition:

	Three Months Ended			
(In millions)		March 31, 2022		March 31, 2021
Major revenue types				
Admissions	$	443.8	$	69.5
Food and beverage		252.5		50.1
Other theatre:				
Screen advertising		28.9		16.9
Other		60.5		11.8
Other theatre		89.4		28.7
Total revenues	$	785.7	$	148.3

	Three Months Ended			
(In millions)		March 31, 2022		March 31, 2021
Timing of revenue recognition				
Products and services transferred at a point in time	$	708.1	$	126.8
Products and services transferred over time(1)		77.6		21.5
Total revenues	$	785.7	$	148.3

(1) Amounts primarily include subscription and advertising revenues.

The following tables provide the balances of receivables and deferred revenue income:

(In millions)		March 31, 2022		December 31, 2021
Current assets				
Receivables related to contracts with customers	$	33.7	$	85.4
Miscellaneous receivables		72.1		83.1
Receivables, net	$	105.8	$	168.5

(In millions)	March 31, 2022	December 31, 2021
Current liabilities		
Deferred revenue related to contracts with customers	$ 376.7	$ 405.1
Miscellaneous deferred income	3.1	3.5
Deferred revenue and income	$ 379.8	$ 408.6

The significant changes in contract liabilities with customers included in deferred revenues and income are as follows:

(In millions)	Deferred Revenues Related to Contracts with Customers
Balance December 31, 2021	$ 405.1
Cash received in advance(1)	54.9
Customer loyalty rewards accumulated, net of expirations:	
Admission revenues (2)	3.0
Food and beverage (2)	2.6
Other theatre (2)	0.1
Reclassification to revenue as the result of performance obligations satisfied:	
Admission revenues (3)	(54.0)
Food and beverage (3)	(12.0)
Other theatre (4)	(21.1)
Foreign currency translation adjustment	(1.9)
Balance March 31, 2022	$ 376.7

(1) Includes movie tickets, food and beverage, gift cards, exchange tickets, and AMC Stubs® loyalty membership fees.

(2) Amount of rewards accumulated, net of expirations, that are attributed to AMC Stubs® and other loyalty programs.

(3) Amount of rewards redeemed that are attributed to gift cards, exchange tickets, movie tickets, AMC Stubs® loyalty programs and other loyalty programs.

(4) Amounts relate to income from non-redeemed or partially redeemed gift cards, non-redeemed exchange tickets, AMC Stubs® loyalty membership fees and other loyalty programs.

The significant changes to contract liabilities included in the exhibitor services agreement in the condensed consolidated balance sheets, are as follows:

(In millions)	Exhibitor Services Agreement (1)
Balance December 31, 2021	$ 510.4
Common Unit Adjustment–additions of common units	15.0
Reclassification of portion of the beginning balance to other theatre revenue, as the result of performance obligations satisfied	(4.7)
Balance March 31, 2022	$ 520.7

(1) Represents the carrying amount of the National CineMedia, LLC (“NCM”) common units that were previously received under the annual Common Unit Adjustment (“CUA”). The deferred revenues are being amortized to other theatre revenues over the remainder of the 30-year term of the Exhibitor Service Agreement (“ESA”) ending in February 2037.

Gift cards and exchange tickets. The total amount of non-redeemed gift cards and exchange tickets included in deferred revenues and income in the condensed consolidated balance sheet as of March 31, 2022 was $295.3 million. This will be recognized as revenues as the gift cards and exchange tickets are redeemed or as the non-redeemed gift card and exchange ticket revenues are recognized in proportion to the pattern of actual redemptions, which is estimated to occur over the next 24 months.

Loyalty programs. As of March 31, 2022, the amount of deferred revenues allocated to the loyalty programs included in deferred revenues and income in the condensed consolidated balance sheet was $64.4 million. The earned points will be recognized as revenue as the points are redeemed, which is estimated to occur over the next 24 months. The AMC Stubs® annual membership fee is recognized ratably over the one-year membership period.

The Company applies the practical expedient in ASC 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 4—GOODWILL

The following table summarizes the changes in goodwill by reporting unit for the three months ended March 31, 2022:

(In millions)	Domestic Theatres	International Theatres	Total
Balance December 31, 2021	$ 1,796.5	$ 633.3	$ 2,429.8
Currency translation adjustment	—	(14.4)	(14.4)
Balance March 31, 2022	$ 1,796.5	$ 618.9	$ 2,415.4

NOTE 5—INVESTMENTS

Investments in non-consolidated affiliates and certain other investments accounted for under the equity method generally include all entities in which the Company or its subsidiaries have significant influence, but not more than 50% voting control, and are recorded in the condensed consolidated balance sheets in other long-term assets. Investments in non-consolidated affiliates as of March 31, 2022 include interests in Digital Cinema Implementation Partners, LLC (“DCIP”) of 29.0%, Digital Cinema Distribution Coalition, LLC (“DCDC”) of 14.6%, AC JV, LLC (“AC JV”), owner of Fathom Events, of 32.0%, SV Holdco LLC (“SV Holdco”), owner of Screenvision, of 18.4%, Digital Cinema Media Ltd. (“DCM”) of 50.0%, and Saudi Cinema Company LLC (“SCC”) of 10.0%. The Company also has partnership interests in three U.S. motion picture theatres (“Theatre Partnerships”) and approximately 50.0% interests in 57 theatres in Europe. Indebtedness held by equity method investees is non-recourse to the Company. During the three months ended March 31, 2022 and March 31, 2021, the Company recorded equity in loss of non-consolidated entities of $5.1 million and $2.8 million, respectively.

Related party transactions with equity method investees. At March 31, 2022 and December 31, 2021, the Company recorded net receivable amounts due from equity method investees of $4.1 million and $2.6 million, respectively, primarily related to on-screen advertising revenue, projector warranty expenditures and other transactions. The Company recorded related party transactions with equity method investees in other revenues, film exhibition costs, and operating expenses of $5.5 million, $1.4 million, and $0 million, respectively, during the three months ended March 31, 2022, and $0.6 million, $0.3 million, and $0.4 million, respectively, during the three months ended March 31, 2021.

Investment in Hycroft

On March 14, 2022, the Company purchased 23.4 million units of Hycroft Mining Holding Corporation (NASDAQ: HYMC) (“Hycroft”), for $27.9 million, with each unit consisting of one common share of Hycroft and one common share purchase warrant. The units were priced at $1.193 per unit. Each warrant is exercisable for one common share of Hycroft at a price of $1.068 per share over a 5-year term through March 2027. Hycroft filed a resale registration statement to register the common shares and warrant shares for sale under the Securities Act on April 14, 2022. The Company accounts for the common shares of Hycroft under the equity method and has elected the fair value option in accordance with ASC 825-10. The Company accounts for the warrants as derivatives in accordance with ASC 815. Accordingly, the fair value of the investments in Hycroft are remeasured at each subsequent reporting period and unrealized gains and losses are reported in investment income. The Company believes the fair value option to be the most appropriate election for this equity method investment as the Company is not entering the mining business. During the three months ended March 31, 2022, the Company recorded unrealized gains related to the investment in Hycroft of $63.9 million in investment income. Hycroft has outstanding warrants with other investors that could dilute the Company’s share of earnings. See Note 9—Fair Value Measurements for fair value information and Note 13—Supplemental Balance Sheet Information for the asset value for investments in Hycroft measured under the fair value option as well as the total asset value for other equity method investments.

NCM Transaction

Pursuant to the Company's Common Unit Adjustment Agreement, from time-to-time common units of NCM held by the Founding Members will be adjusted up or down through a formula ("Common Unit Adjustment" or "CUA"), primarily based on increases or decreases in the number of theatre screens operated and theatre attendance generated by each Founding Member. The CUA is computed annually, except that an earlier CUA will occur for a Founding Member if its acquisition or disposition of theatres, in a single transaction or cumulatively since the most recent CUA, will cause a change of 2% or more in the total annual attendance of all of the Founding Members.

In March 2022, the NCM CUA resulted in a positive adjustment of 5,954,646 common units for the Company. The Company received the units and recorded the common units as an addition to deferred revenues for the ESA at fair value of $15.0 million, based upon a price per share of National CineMedia, Inc. ("NCM, Inc.") of $2.52 on March 30, 2022. See Note 9—Fair Value Measurements for information regarding the fair value measurement on March 31, 2022.

NOTE 6—CORPORATE BORROWINGS AND FINANCE LEASE OBLIGATIONS

A summary of the carrying value of corporate borrowings and finance lease obligations is as follows:

(In millions)	March 31, 2022	December 31, 2021
First Lien Secured Debt:		
Senior Secured Credit Facility-Term Loan due 2026 (3.352% as of March 31, 2022)	$ 1,940.0	$ 1,945.0
10.75% in Year 1, 11.25% thereafter Cash/PIK Odeon Term Loan Facility due 2023 (£147.6 million and €312.2 million par value as of March 31, 2022)	542.3	552.6
7.5% First Lien Notes due 2029	950.0	—
10.5% First Lien Notes due 2025	—	500.0
10.5% First Lien Notes due 2026	—	300.0
15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026	—	73.5
Second Lien Secured Debt:		
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	1,508.0	1,508.0
Subordinated Debt:		
6.375% Senior Subordinated Notes due 2024 (£4.0 million par value as of March 31, 2022)	5.2	5.4
5.75% Senior Subordinated Notes due 2025	98.3	98.3
5.875% Senior Subordinated Notes due 2026	55.6	55.6
6.125% Senior Subordinated Notes due 2027	130.7	130.7
	$ 5,230.1	$ 5,169.1
Finance lease obligations	68.8	72.7
Deferred financing costs	(38.5)	(39.1)
Net premium (1)	330.2	298.0
	$ 5,590.6	$ 5,500.7
Less:		
Current maturities corporate borrowings	(20.0)	(20.0)
Current maturities finance lease obligations	(8.2)	(9.5)
	$ 5,562.4	$ 5,471.2

(1) The following table provides the net premium (discount) amounts of corporate borrowings:

(In millions)	March 31, 2022	December 31, 2021
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	$ 346.0	$ 364.6
15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026	—	(16.8)
10.5% First Lien Notes due 2026	—	(24.5)
10.5% First Lien Notes due 2025	—	(7.2)
Senior Secured Credit Facility-Term Loan due 2026	(5.8)	(6.1)
10.75% in Year 1, 11.25% thereafter Cash/PIK Odeon Term Loan Facility due 2023	(10.1)	(12.1)
6.375% Senior Subordinated Notes due 2024	0.1	0.1
	$ 330.2	$ 298.0

The following table provides the principal payments required and maturities of corporate borrowing as of March 31, 2022:

(In millions)	Principal Amount of Corporate Borrowings
Nine months ended December 31, 2022	$ 15.0
2023	562.3
2024	25.2
2025	118.3
2026	3,428.6
2027	130.7
Thereafter	950.0
Total	$ 5,230.1

First Lien Notes due 2029

On February 14, 2022, the Company issued $950.0 million aggregate principal amount of its 7.5% First Lien Senior Secured Notes due 2029 ("First Lien Notes due 2029"), pursuant to an indenture, dated as of February 14, 2022, among the Company, the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and collateral agent. The Company used the net proceeds from the sale of the notes, and cash on hand, to fund the full redemption of the then outstanding $500 million aggregate principal amount of the Company's 10.5% First Lien Notes due 2025 ("First Lien Notes due 2025"), the then outstanding $300 million aggregate principal amount of the Company's 10.5% First Lien Notes due 2026 ("First Lien Notes due 2026"), and the then outstanding $73.5 million aggregate principal amount of the Company's 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026 ("First Lien Toggle Notes due 2026") and to pay related accrued interest, fees, costs, premiums and expenses. The Company recorded a loss on debt extinguishment related to this transaction of $135.0 million in other expense, during the three months ended March 31, 2022. The deferred charges will be amortized to interest expense over the term of the First Lien Notes due 2029 using the effective interest method.

The First Lien Notes due 2029 bear cash interest at a rate of 7.5% per annum payable semi-annually in arrears on February 15 and August 15, beginning on August 15, 2022. The First Lien Notes due 2029 have not been registered under the Securities Act of 1933, as amended, and will mature on February 15, 2029. The Company may redeem some or all of the First Lien Notes due 2029 at any time on or after February 15, 2025, at the redemption prices equal to (i) 103.750% for the twelve-month period beginning on February 15, 2025; (ii) 101.875% for the twelve-month period beginning on February 15, 2026, and (iii) 100.0% at any time thereafter, plus accrued and unpaid interest. In addition, the Company may redeem up to 35% of the aggregate principal amount of the First Lien Notes due 2029 using net proceeds from certain equity offerings completed prior to February 15, 2025 at a redemption price equal to 107.5% of their aggregate principal amount and accrued and unpaid interest to, but not including the date of redemption. The Company may redeem some or all of the First Lien Notes due 2029 at any time prior to February 15, 2025 at a redemption price equal to 100% of their aggregate principal amount and accrued and unpaid interest to, but not including, the date of redemption, plus an applicable make-whole premium. Upon a Change of Control (as defined in the indenture governing the First Lien Notes due 2029), the Company must offer to purchase the First Lien Notes due 2029 at a purchase price equal to 101% of the principal amounts, plus accrued and unpaid interest.

The First Lien Notes due 2029 are general senior secured obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior secured basis by all of the Company's existing and future subsidiaries that guarantee the Company's other indebtedness, including the Company's Senior Secured Credit Facilities under the credit agreement dated as of April 30, 2013 (as amended through the Eleventh Amendment thereto dated December 20, 2021). The First Lien Notes due 2029 are secured, on a pari passu basis with the Senior Secured Credit Facilities, on a first-priority basis by substantially all of the tangible and intangible assets owned by the Company and guarantors that secure obligations under the Senior Secured Credit Facilities including pledges of capital stock of certain of the Company's and the guarantor's wholly-owned material subsidiaries (but limited to 65% of the voting stock of any foreign subsidiary), subject to certain thresholds, exceptions and permitted liens.

The indentures governing the First Lien Notes due 2029 contain covenants that restrict the ability of the Company to, among other things: (i) incur additional indebtedness, including additional senior indebtedness; (ii) pay dividends on or make other distributions in respect of its capital stock; (iii) purchase or redeem capital stock or prepay subordinated debt or other junior securities (iv) create liens ranking pari passu in right of payment with or subordinated in right of payment to First Lien Notes due 2029; (v) enter into certain transactions with its affiliates; and (vi) merge or consolidate with other companies or transfer all or substantially all of their respective assets. These covenants are subject to a number of important limitations and exceptions. The indentures governing the First Lien Notes due 2029 also provides for events of default, which, if any occur, would permit or require the principal, interest and any other monetary obligations on all the then outstanding notes to be due and payable immediately.

Financial Covenants

The Company currently estimates that its existing cash and cash equivalents will be sufficient to comply with minimum liquidity and financial covenant requirements under its debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility and Odeon Term Loan Facility, currently and through the next twelve months. The Company entered the Ninth Amendment to the Credit Agreement, dated as of March 8, 2021, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant (the secured leverage ratio) applicable to the Senior Secured Revolving Credit Facility from March 31, 2021 to March 31, 2022, which was further extended from March 31, 2022 to March 31, 2023 by the Eleventh Amendment, dated as of December 20, 2021, as described, and on the terms and conditions specified, therein. The Company is currently subject to minimum liquidity requirements of approximately $143 million, of which $100 million is required under the conditions for the Extended Covenant Suspension Period, as amended, under the Senior Secured Revolving Credit Facility, and £32.5 million (approximately $43 million) of which is required under the Odeon Term Loan Facility. Following the expiration of the Extended Covenant Suspension Period ending March 31, 2023, the Company will be subject to the financial covenant under the Senior Secured Revolving Credit Facility as of the last day of each quarter on which the aggregate principal amount of revolving loans and letters of credit (excluding letters of credit that are cash collateralized) in excess of $25 million outstanding under the Senior Secured Revolving Credit Facility exceeds 35% of the principal amount of commitments under the Senior Secured Revolving Credit Facility then in effect, beginning with the quarter ending June 30, 2023. The Company currently expects it will be able to comply with this financial covenant; however, the Company does not anticipate the need to borrow under the Senior Secured Revolving Credit Facility during the next twelve months.

NOTE 7—STOCKHOLDERS' EQUITY

Stock-Based Compensation

The following table presents the stock-based compensation expense recorded within general and administrative: other:

	Three Months Ended	
(In millions)	March 31, 2022	March 31, 2021
Board of director stock award expense	$ 0.8	$ 0.9
Restricted stock unit expense	2.8	2.2
Performance stock unit expense	2.9	0.8
Special performance stock unit expense	—	1.5
Total stock-based compensation expense	$ 6.5	$ 5.4

As of March 31, 2022, the estimated remaining unrecognized compensation cost related to stock-based compensation arrangements was approximately $52.5 million, which reflects assumptions related to attainment of performance targets based on the scales as described below. The weighted average period over which this remaining compensation expense is expected to be recognized is approximately 1.1 years.

Awards Granted in 2022

During the three months ended March 31, 2022, AMC's Board of Directors approved awards of stock, restricted stock units ("RSUs"), and performance stock units ("PSUs") to certain of the Company's employees and directors under the 2013 Equity Incentive Plan. The grant date fair value of these awards during the three months ended March 31, 2022 was based on the closing price of AMC's Class A common stock ("Common Stock" or "Common Shares") on February 16, 2022 of $19.67 per share and on March 7, 2022 of $15.21 per share. Each RSU and PSU held by a participant as of a dividend record date is entitled to a dividend equivalent equal to the amount paid with respect to one share of Common Stock underlying the unit. Any such accrued dividend equivalents are paid to the holder upon vesting of the units. Each unit represents the right to receive one share of Common Stock at a future date.

The 2022 award agreements generally had the following features:

- **Stock Award Agreement:** During the three months ended March 31, 2022, the Company granted awards of 41,650 fully vested shares of Common Stock to its independent members of AMC's Board of Directors with a grant date fair value of $0.8 million.
- **Restricted Stock Unit Award Agreement:** During the three months ended March 31, 2022, the Company granted RSU awards of 688,269 to certain members of management with a grant date fair value of $13.4 million. The Company records stock-based compensation expense on a straight-line recognition method over the requisite vesting period. Each RSU represents the right to receive one share of Common Stock at a future date. The RSUs vest over three years, with 1/3 vesting in each year. These RSUs will be settled within 30 days of vesting.
- **Performance Stock Unit Award Agreement:** During the three months ended March 31, 2022, total PSUs of 688,269 were awarded ("2022 PSU award") to certain members of management and executive officers, with the total PSUs divided into three separate year tranches, with each tranche allocated to a fiscal year within the performance period ("Tranche Year"). The PSUs within each Tranche Year are further divided between two performance targets; the Adjusted EBITDA performance target and free cash flow performance target. The 2022 PSU awards will vest based on achieving 80% to 120% of the performance targets, with the corresponding vested unit amount ranging from 50% to 200%. If the performance targets are met at 100%, the 2022 PSU awards will vest at 688,269 units in the aggregate. No PSUs will vest for each Tranche Year if the Company does not achieve 80% of the Tranche Year's Adjusted EBITDA and free cash flow targets.

  The Compensation Committee establishes the annual performance targets at the beginning of each year. Therefore, the grant date (and fair value measurement date) for each Tranche Year is the date at the beginning of each year when a mutual understanding of the key terms and conditions are reached per ASC 718, Compensation – Stock compensation. During the three months ended March 31, 2022, the 2022 PSU award grant date fair value for the 2022 Tranche Year award of 229,316 units was approximately $4.5

million and the 2021 PSU award grant date fair value for the 2022 Tranche Year award of 878,540 units was approximately $17.3 million, measured using performance targets at 100%. The 2020 PSU award for the 2022 Tranche Year was previously granted in year 2020, and was subsequently modified on October 30, 2020 where the grant date fair value was not determined until the three months ended March 31, 2022 when the performance targets were established. As a result, the 2020 PSU award grant date fair value for the 2022 Tranche Year award of 429,683 units was approximately $8.5 million, measured using performance targets at 100%.

The following table represents the nonvested RSU and PSU activity for the three months ended March 31, 2022:

	Shares of RSU and PSU	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2022 (1)	7,841,733	$ 7.92
Granted	1,796,125	19.60
Vested	(2,799,845)	7.17
Forfeited	(195,720)	11.33
Cancelled (2)	(2,358,278)	7.16
Nonvested at March 31, 2022 (3)	4,284,015	$ 13.57
Tranche Years 2023 and 2024 awarded under the 2022 PSU award and Tranche Year 2023 awarded under the 2021 PSU award with grant date fair values to be determined in years 2023 and 2024, respectively	1,296,860	
Total Nonvested at March 31, 2022	5,580,875	

(1) Includes awards modified during 2020 where grant date fair value was not determined until 2022.

(2) Represents vested RSUs and PSUs surrendered in lieu of taxes and cancelled awards returned to the 2013 Equity Incentive plan. As a result, the Company paid taxes for restricted unit withholdings of approximately $52.2 million during the three months ended March 31, 2022.

(3) The number of PSU shares granted under the Tranche Year 2022 assumes the Company will attain a performance target at 100% for both the Adjusted EBITDA target and the free cash flow target. The PSUs vest ratably based on a scale ranging from 80% to 120% of the performance target with the vested amount ranging from 50% to 200% for Tranche Year 2022 awards granted under the 2022, 2021 and 2020 PSU awards.

Condensed Consolidated Statements of Stockholders' Deficit
For the Three Months Ended March 31, 2022

(In millions, except share and per share data)	Class A Voting Common Stock Shares	Class A Voting Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balances December 31, 2021	513,979,100	$ 5.1	$ 4,857.5	$ (28.1)	$ (6,624.0)	$ (1,789.5)
Net loss	—	—	—	—	(337.4)	(337.4)
Other comprehensive loss	—	—	—	(5.8)	—	(5.8)
Taxes paid for restricted unit withholdings	—	—	(52.2)	—	—	(52.2)
Stock-based compensation (1)	2,841,495	0.1	6.5	—	—	6.6
Balances March 31, 2022	516,820,595	$ 5.2	$ 4,811.8	$ (33.9)	$ (6,961.4)	$ (2,178.3)

(1) Includes 41,650 shares awarded to Board of Directors and 2,799,845 vested RSUs and PSUs.

Condensed Consolidated Statements of Stockholders' Deficit
For the Three Months Ended March 31, 2021

(In millions, except share and per share data)	Class A Voting Common Stock Shares	Class A Voting Common Stock Amount	Class B Voting Common Stock Shares	Class B Voting Common Stock Amount	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total AMC Stockholders' Equity (Deficit)	Noncontrolling Interests	Total Deficit
Balances December 31, 2020	172,563,249	$ 1.8	51,769,784	$ 0.5	$ 2,465.6	3,732,625	$ (56.4)	$ 38.7	$ (5,335.3)	$ (2,885.1)	$ 26.9	$ (2,858.2)
Net loss	—	—	—	—	—	—	—	—	(566.9)	(566.9)	(0.3)	(567.2)
Other comprehensive loss	—	—	—	—	—	—	—	(51.0)	—	(51.0)	(0.2)	(51.2)
Baltics noncontrolling capital contribution	—	—	—	—	0.2	—	—	—	—	0.2	(4.0)	(3.8)
Class A common stock, accrued dividend equivalent adjustment	—	—	—	—	—	—	—	—	(0.1)	(0.1)	—	(0.1)
Class A common stock issuance	187,066,293	1.8	—	—	579.8	—	—	—	—	581.6	—	581.6
Wanda conversion of Class B shares to Class A shares	46,103,784	0.5	(46,103,784)	(0.5)	—	—	—	—	—	—	—	—
Convertible Notes due 2026 stock conversion	44,422,860	0.4	—	—	606.1	—	—	—	—	606.5	—	606.5
Wanda forfeit and cancellation of Class B shares	—	—	(5,666,000)	—	—	—	—	—	—	—	—	—
Stock-based compensation	124,054	—	—	—	5.4	—	—	—	—	5.4	—	5.4
Balances March 31, 2021	450,280,240	$ 4.5	—	$ —	$ 3,657.1	3,732,625	$ (56.4)	$ (12.3)	$ (5,902.3)	$ (2,309.4)	$ 22.4	$ (2,287.0)

NOTE 8—INCOME TAXES

The Company's worldwide effective income tax rate is based on actual income (loss), statutory rates, valuation allowances against deferred tax assets and tax planning opportunities available in the various jurisdictions in which it operates. The Company is using a discrete income tax calculation for the three months ended March 31, 2022 due to the lingering effects of the COVID-19 pandemic on the industry. Historically, for interim financial reporting, the Company estimated the worldwide annual income tax rate based on projected taxable income (loss) for the full year and recorded a quarterly income tax provision or benefit in accordance with the anticipated annual rate, adjusted for discrete items, if any. The Company will return to the historic approach of computing quarterly tax expense based on an annual effective rate in the future interim period when more reliable estimates of annual income become available. The Company recognizes income tax-related interest expense and penalties as income tax expense and general and administrative expense, respectively.

The Company evaluates its deferred tax assets each period to determine if a valuation allowance is required based on whether it is "more likely than not" that some portion of the deferred tax assets would not be realized. The ultimate realization of these deferred tax assets is dependent upon the generation of sufficient taxable income during future periods on a federal, state, and foreign jurisdiction basis. The Company conducts its evaluation by considering all available positive and negative evidence, including historical operating results, forecasts of future profitability, the duration of statutory carryforward periods, and the outlooks for the U.S. motion picture and broader economy, among others.

A valuation allowance is recorded against the Company's U.S. deferred tax assets and most of the Company's international deferred tax assets as the Company has determined the realization of these assets does not meet the more likely than not criteria.

The effective tax rate for the three months ended March 31, 2022 reflects the impact of these valuation allowances against U.S. and international deferred tax assets generated during the three-month period. The actual effective rate for the three months ended March 31, 2022 was 0%. The Company's consolidated tax rate for the three months ended March 31, 2022 differs from the U.S. statutory tax rate primarily due to the valuation allowances in U.S. and foreign jurisdictions, foreign tax rate differences, federal and state tax credits, permanent differences and other discrete items. At March 31, 2022 and December 31, 2021, the Company has recorded net deferred tax liabilities of $30.5 million and $30.7 million, respectively.

Utilization of the Company's net operating loss carryforwards, disallowed business interest carryforwards and other tax attributes became subject to the Section 382 ownership change limitation due to changes in the Company's stock ownership on January 27, 2021. The Company does not believe, however, that tax attributes generated prior to this event are significantly impacted by Section 382.

NOTE 9—FAIR VALUE MEASUREMENTS

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts business. The inputs used to develop these fair value measurements are established in a hierarchy, which ranks the quality and reliability of the information used to determine the fair values. The fair value classification is based on levels of inputs. Assets and liabilities that are carried at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

Recurring Fair Value Measurements. The following table summarizes the fair value hierarchy of the Company's financial assets and liabilities carried at fair value on a recurring basis as of March 31, 2022:

(In millions)	Total Carrying Value at March 31, 2022	Fair Value Measurements at March 31, 2022 Using: Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Other long-term assets:				
Money market mutual funds	$ 2.0	$ 2.0	$ —	$ —
Investments measured at net asset value (1)	9.8	—	—	—
Investment in Hycroft Mining Holding Corporation warrants	38.0	—	—	38.0
Marketable equity securities:				
Investment in Hycroft Mining Holding Corporation	53.8	53.8	—	—
Investment in NCM	15.1	15.1	—	—
Total assets at fair value	$ 118.7	$ 70.9	$ —	$ 38.0

(1) The investments relate to non-qualified deferred compensation arrangements on behalf of certain members of management. The Company has an equivalent liability for this related-party transaction recorded in other long-term liabilities for the deferred compensation obligation. The plan was terminated on May 3, 2021 and will be liquidated in May 2022.

Valuation Techniques. The Company's money market mutual funds are invested in funds that seek to preserve principal, are highly liquid, and therefore are recorded on the balance sheet at the principal amounts deposited, which equals fair value. The equity method investment in Hycroft was measured at fair value using Hycroft's stock price at the date of measurement. The investment in NCM was measured at fair value using National CineMedia, Inc.'s underlying stock price at the date of measurement.

To estimate the fair value of the Company's investment in Hycroft warrants, the Company valued the warrants using the Black Scholes pricing model. Such judgments and estimates included estimates of volatility of 75.0% and discount rate of 2.4%. The discount rate is based on the treasury yield that matches the term as of the measurement date. Other inputs included the term of 5 years, exercise price of $1.068 and Hycroft's stock price at the date of measurement. There is considerable management judgment with respect to the inputs used in determining fair value, and, according, actual results could vary significantly from such estimates, which fall under Level 3 within the fair value measurement hierarchy. See Note 5—Investments for further information regarding the investments in Hycroft.

Other Fair Value Measurement Disclosures. The Company is required to disclose the fair value of financial instruments that are not recognized at fair value in the statement of financial position for which it is practicable to estimate that value:

(In millions)	Total Carrying Value at March 31, 2022	Fair Value Measurements at March 31, 2022 Using: Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Current maturities of corporate borrowings	$ 20.0	$ —	$ 17.9	$ —
Corporate borrowings	5,501.8	—	4,176.8	570.1

Valuation Technique. Quoted market prices and observable market based inputs were used to estimate fair value for Level 2 inputs. The Level 3 fair value measurement represents the transaction price of the corporate borrowings under estimated market conditions. The Company valued these notes at principal value less an estimated discount reflecting a market yield to maturity. See Note 6—Corporate Borrowings and Finance Lease Obligations for further information.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments.

NOTE 10—OPERATING SEGMENTS

The Company reports information about operating segments in accordance with ASC 280-10, Segment Reporting, which requires financial information to be reported based on the way management organizes segments within a company for making operating decisions and evaluating performance. The Company has identified two reportable segments and reporting units for its theatrical exhibition operations, U.S. markets and International markets. The International markets reportable segment has operations in or partial interest in theatres in the United Kingdom, Germany, Spain, Italy, Ireland, Portugal, Sweden, Finland, Norway, Denmark, and Saudi Arabia. Each segment's revenue is derived from admissions, food and beverage sales and other ancillary revenues, primarily screen advertising, AMC Stubs® membership fees and other loyalty programs, ticket sales, gift card income and exchange ticket income. The measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, as defined in the reconciliation table below. The Company does not report asset information by segment because that information is not used to evaluate the performance of or allocate resources between segments.

Below is a breakdown of select financial information by reportable operating segment:

Revenues (In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
U.S. markets	$ 563.1	$ 137.2
International markets	222.6	11.1
Total revenues	$ 785.7	$ 148.3

Adjusted EBITDA (In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
U.S. markets	$ (43.4)	$ (200.4)
International markets	(18.3)	(94.3)
Total Adjusted EBITDA (1)	$ (61.7)	$ (294.7)

(1) The Company presents Adjusted EBITDA as a supplemental measure of its performance. The Company defines Adjusted EBITDA as net earnings (loss) plus (i) income tax provision (benefit), (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that the Company does not consider indicative of the Company's ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in International markets and any cash distributions of earnings from its other equity method investees. The measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, which is consistent with how Adjusted EBITDA is defined in the Company's debt indentures.

Capital Expenditures (In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
U.S. markets	$ 21.1	$ 6.6
International markets	13.7	5.3
Total capital expenditures	$ 34.8	$ 11.9

Long-term assets, net (In millions)	As of March 31, 2022	As of December 31, 2021
U.S. markets	$ 6,508.6	$ 6,434.5
International markets	2,432.3	2,516.7
Total long-term assets (1)	$ 8,940.9	$ 8,951.2

(1) Long-term assets are comprised of property, net, operating lease right-of-use assets, intangible assets, goodwill, deferred tax assets, net and other long-term assets.

The following table sets forth a reconciliation of net loss to Adjusted EBITDA:

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net loss	$ (337.4)	$ (567.2)
Plus:		
Income tax provision (benefit)	0.1	(6.8)
Interest expense	92.4	162.8
Depreciation and amortization	98.7	114.1
Certain operating expense (1)	2.3	2.3
Equity in loss of non-consolidated entities	5.1	2.8
Cash distributions from non-consolidated entities (2)	0.7	0.3
Attributable EBITDA (3)	0.2	(0.8)
Investment income (4)	(63.4)	(2.0)
Other expense (income) (5)	139.8	(4.8)
Other non-cash rent benefit (6)	(7.1)	(7.5)
General and administrative — unallocated:		
Merger, acquisition and other costs (7)	0.4	6.7
Stock-based compensation expense (8)	6.5	5.4
Adjusted EBITDA	$ (61.7)	$ (294.7)

(1) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens, including the related accretion of interest, disposition of assets and other non-operating gains or losses included in operating expenses. The Company has excluded these items as they are non-cash in nature or are non-operating in nature.

(2) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. The Company believes including cash distributions is an appropriate reflection of the contribution of these investments to the Company's operations.

(3) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of the Company's equity in (earnings) loss of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where the Company holds a significant market share, the Company believes attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. The Company also provides services to these theatre operators including information technology systems, certain on-screen advertising services and the Company's gift card and package ticket program.

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Equity in loss of non-consolidated entities	$ 5.1	$ 2.8
Less:		
Equity in loss of non-consolidated entities excluding International theatre joint ventures	0.3	1.2
Equity in loss of International theatre joint ventures	(4.8)	(1.6)
Income tax benefit	—	(0.2)
Impairment of long-lived assets	4.2	—
Depreciation and amortization	0.8	0.9
Other expense	—	0.1
Attributable EBITDA	$ 0.2	$ (0.8)

(4) Investment income during the three months ended March 31, 2022 includes appreciation in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of $28.8 million and appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holdings corporation of $35.1 million.

(5) Other expense during the three months ended March 31, 2022, included loss on debt extinguishment of $135.0 million and foreign currency transaction losses of $4.8 million. During the three months ended March 31, 2021, other expense (income) included foreign currency transaction gains of $3.8 million and estimated credit income of $2.0 million related to decreases in contingent lease guarantees, partially offset by financing

fees of $1.0 million primarily related to deferred financing cost write-off for the Odeon revolving credit facility.

(6) Reflects amortization expense for certain intangible assets reclassified from depreciation and amortization to rent expense due to the adoption of ASC 842, Leases and deferred rent benefit related to the impairment of right-of-use operating lease assets.

(7) Merger, acquisition and other costs are excluded as they are non-operating in nature.

(8) Non-cash or non-recurring expense included in general and administrative: other.

NOTE 11—COMMITMENTS AND CONTINGENCIES

The Company, in the normal course of business, is a party to various ordinary course claims from vendors (including food and beverage suppliers and film distributors), landlords, competitors, and other legal proceedings. If management believes that a loss arising from these actions is probable and can reasonably be estimated, the Company records the amount of the loss or the minimum estimated liability when the loss is estimated using a range and no point is more probable than another. As additional information becomes available, any potential liability related to these actions is assessed and the estimates are revised, if necessary. Management believes that the ultimate outcome of such matters discussed below, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or overall trends in results of operations. However, litigation and claims are subject to inherent uncertainties and unfavorable outcomes can occur. An unfavorable outcome might include monetary damages. If an unfavorable outcome were to occur, there exists the possibility of a material adverse impact on the results of operations in the period in which the outcome occurs or in future periods.

On January 12, 2018 and January 19, 2018, two putative federal securities class actions, captioned *Hawaii Structural Ironworkers Pension Trust Fund v. AMC Entertainment Holdings, Inc., et al.*, Case No. 1:18-cv-00299-AJN (the "Hawaii Action"), and *Nichols v. AMC Entertainment Holdings, Inc., et al.*, Case No. 1:18-cv-00510-AJN (the "Nichols Action," and together with the Hawaii Action, the "Actions"), respectively, were filed against the Company in the U.S. District Court for the Southern District of New York. The Actions, which name certain of the Company's officers and directors and, in the case of the Hawaii Action, the underwriters of the Company's February 8, 2017 secondary public offering, as defendants, assert claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") with respect to alleged material misstatements and omissions in the registration statement for the secondary public offering and in certain other public disclosures. On May 30, 2018, the court consolidated the Actions. On January 22, 2019, defendants moved to dismiss the Second Amended Class Action Complaint. On September 23, 2019, the court granted the motion to dismiss in part and denied it in part. On March 2, 2020, plaintiffs moved to certify the purported class. On March 30, 2021, the court granted the motion to certify the class. On September 2, 2021, the parties reached an agreement in principle to resolve the Actions for $18.0 million. The Company agreed to the settlement and the payment of the settlement amount to eliminate the distraction, burden, expense, and uncertainty of further litigation. The Company and the other defendants continue to expressly deny any liability or wrongdoing with respect to the matters alleged in the Actions. On November 1, 2021, the parties to the Actions signed a stipulation of settlement, which memorialized the terms of the agreement in principle, and which the plaintiffs filed with the court. Also on November 1, 2021, plaintiffs filed a motion to preliminarily approve the settlement. On November 8, 2021, the court preliminarily approved the settlement, approved the form of notice to be disseminated to class members, and scheduled a final fairness hearing on the settlement for February 10, 2022. On February 14, 2022, the court issued a final judgment approving the settlement and dismissing the action.

On May 21, 2018, a stockholder derivative complaint, captioned *Gantulga v. Aron, et al.*, Case No. 2:18-cv-02262-JAR-TJJ (the "Gantulga Action"), was filed against certain of the Company's officers and directors in the U.S. District Court for the District of Kansas. The Gantulga Action, which was filed on behalf of the Company, asserts claims under Section 14(a) of the Exchange Act and for breaches of fiduciary duty and unjust enrichment based on allegations substantially similar to the Actions. On October 12, 2018, the parties filed a joint motion to transfer the action to the U.S. District Court for the Southern District of New York, which the court granted on October 15, 2018. When the action was transferred to the Southern District of New York, it was re-captioned *Gantulga v. Aron, et al.*, Case No. 1:18-cv-10007-AJN. The parties filed a joint stipulation to stay the action, which the court granted on December 17, 2018. The stay was lifted as of February 9, 2022.

On October 2, 2019, a stockholder derivative complaint, captioned *Kenna v. Aron*, et al., Case No. 1:19-cv-

09148-AJN (the “Kenna Action”), was filed in the U.S. District Court for the Southern District of New York. The parties filed a joint stipulation to stay the action, which the court granted on October 17, 2019. On April 20, 2020, the plaintiff filed an amended complaint. The Kenna Action asserts claims under Sections 10(b), 14(a), and 21D of the Exchange Act and for breaches of fiduciary duty and unjust enrichment based on allegations substantially similar to the Actions and the Gantulga Action. The stay was lifted as of February 9, 2022.

On March 20, 2020, a stockholder derivative complaint, captioned *Manuel v. Aron, et al*., Case No. 1:20-cv-02456-AJN (the “Manuel Action”), was filed in the U.S. District Court for the Southern District of New York. The Manuel Action asserts claims under Sections 10(b), 21D, and 29(b) of the Exchange Act and for breaches of fiduciary duty based on allegations substantially similar to the Actions, the Gantulga Action, and the Kenna Action. The parties filed a joint stipulation to stay the action, which the court granted on May 18, 2020.

On April 7, 2020, a stockholder derivative complaint, captioned *Dinkevich v. Aron, et al*., Case No. 1:20-cv-02870-AJN (the “Dinkevich Action”), was filed in the U.S. District Court for the Southern District of New York. The Dinkevich Action asserts the same claims as the Manuel Action based on allegations substantially similar to the Actions, the Gantulga Action, the Kenna Action, and the Manuel Action. The parties filed a joint stipulation to stay the action, which was granted on June 25, 2020. On January 11, 2022, the court lifted the stay.

On September 23, 2021, a stockholder derivative complaint, captioned *Lyon v. Aron, et al.*, Case No. 1:21-cv-07940-AJN (the “Lyon Action”), was filed in the U.S. District Court for the Southern District of New York against certain of the Company’s current and former officers and directors. The Lyon Action asserts claims for contribution and indemnification under the Exchange Act and for breaches of fiduciary duty, waste of corporate assets, and unjust enrichment/constructive trust based on allegations substantially similar to the Actions, the Gantulga Action, the Kenna Action, the Manuel Action, and the Dinkevich Action. On January 14, 2022, defendants moved to dismiss the complaint.

On December 31, 2019, the Company received a stockholder litigation demand, requesting that the Board investigate the allegations in the Actions and pursue claims on the Company’s behalf based on those allegations. On May 5, 2020, the Board determined not to pursue the claims sought in the demand at this time.

On July 15, 2020, the Company received a second stockholder litigation demand requesting substantially the same action as the stockholder demand it received on December 31, 2019. On September 23, 2020, the Board determined not to pursue the claims sought in the demand at this time.

On April 22, 2019, a putative stockholder class and derivative complaint, captioned *Lao v. Dalian Wanda Group Co., Ltd.*, et al., C.A. No. 2019-0303-JRS (the “Lao Action”), was filed against certain of the Company’s directors, Wanda, two of Wanda’s affiliates, Silver Lake, and one of Silver Lake’s affiliates in the Delaware Court of Chancery. The Lao Action asserts claims directly, on behalf of a putative class of Company stockholders, and derivatively, on behalf of the Company, for breaches of fiduciary duty and aiding and abetting breaches of fiduciary duty with respect to transactions that the Company entered into with affiliates of Wanda and Silver Lake on September 14, 2018, and the special cash dividend of $1.55 per share of common stock that was payable on September 28, 2018 to the Company’s stockholders of record as of September 25, 2018. On July 18, 2019, the Company’s Board of Directors formed a Special Litigation Committee to investigate and evaluate the claims and allegations asserted in the Lao Action and make a determination as to how the Company should proceed with respect to the Lao Action. On January 8, 2021, the Special Litigation Committee filed a report with the court recommending that the court dismiss all of the claims asserted in the Lao Action, and moved to dismiss all of the claims in the Lao Action.

NOTE 12—LOSS PER SHARE

Basic loss per share is computed by dividing net loss by the weighted-average number of common shares outstanding. Diluted loss per share includes the effects of unvested RSUs with a service condition only and unvested contingently issuable RSUs and PSUs that have service and performance conditions, if dilutive.

The following table sets forth the computation of basic and diluted loss per common share:

(In millions)	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
Numerator:				
Net loss for basic loss per share attributable to AMC Entertainment Holdings, Inc.	$	(337.4)	$	(566.9)
Net loss for diluted loss per share attributable to AMC Entertainment Holdings, Inc.	$	(337.4)	$	(566.9)
Denominator (shares in thousands):				
Weighted average shares for basic loss per common share		515,910		400,111
Weighted average shares for diluted loss per common share		515,910		400,111
Basic loss per common share	$	(0.65)	$	(1.42)
Diluted loss per common share	$	(0.65)	$	(1.42)

Vested RSUs, PSUs, and special performance stock units ("SPSUs") have dividend rights identical to the Company's Common Stock and are treated as outstanding shares for purposes of computing basic and diluted earnings per share. For the three months ended March 31, 2022 and March 31, 2021, unvested RSUs of 2,807,026 and 3,812,964, respectively, were not included in the computation of diluted loss per share because they would be anti-dilutive.

Unvested PSUs and SPSUs are subject to performance and market conditions, respectively, and are included in diluted earnings per share, if dilutive, based on the number of shares, if any, that would be issuable under the terms of the Company's 2013 Equity Incentive Plan if the end of the reporting period were the end of the contingency period. Unvested PSUs of 1,476,989 and 2,161,337 at 100% performance targets for the three months ended March 31, 2022 and March 31, 2021, respectively, and unvested SPSUs of 1,156,656 at the minimum market condition for the three months ended March 31, 2021, were not included in the computation of diluted loss per share because they would not be issuable if the end of the reporting period were the end of the contingency period or they would be anti-dilutive.

NOTE 13—SUPPLEMENTAL BALANCE SHEET INFORMATION

Other current assets and other long-term assets consist of the following:

(In millions)	March 31, 2022		December 31, 2021	
Other current assets:				
Income taxes receivable	$	1.5	$	1.9
Prepaids (1)		63.2		35.4
Merchandise inventory		33.3		31.3
Other		12.1		12.9
	$	110.1	$	81.5
Other long-term assets:				
Investments in real estate	$	8.0	$	9.7
Deferred financing costs revolving credit facility		7.3		5.5
Investments in equity method investees		79.1		85.6
Computer software		84.8		83.7
Investment in common stock		15.1		11.4
Pension asset		20.5		21.1
Investment in Hycroft common stock (2)		53.8		—
Investment in Hycroft warrants (2)		38.0		—
Other		40.8		32.0
	$	347.4	$	249.0

(1) The increase primarily relates to prepaid insurance.

(2) The equity method investment in Hycroft is measured under the fair value option. See Note 5—Investments and Note 9—Fair Value Measurements for further information regarding the investment in Hycroft.

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

Forward-Looking Statements

In addition to historical information, this Quarterly Report on Form 10–Q contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "may," "will," "forecast," "estimate," "project," "intend," "plan," "expect," "should," "believe" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions and speak only as of the date on which it is made. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance levels and our liquidity. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- the risks and uncertainties relating to the sufficiency of our existing cash and cash equivalents and available borrowing capacity to comply with minimum liquidity and financial requirements under our debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility and Odeon Term Loan Facility, fund operations, and satisfy obligations including cash outflows for deferred rent and planned capital expenditures currently and through the next twelve months. In order to achieve net positive operating cash flows and long-term profitability, the Company will need to continue to increase attendance levels significantly compared to aggregate 2021 and the first quarter of 2022. Domestic industry box office grosses increased significantly to approximately $1.4 billion during the first quarter of 2022, compared to the first quarter of 2021 of $0.3 billion, and were approximately 58% of domestic box office grosses of $2.4 billion during the first quarter of 2019. The Company believes the anticipated volume of titles available for theatrical release and the anticipated broad appeal of many of those titles will support increased attendance levels. The Company's business is seasonal, with higher attendance and revenues generally occurring during the summer months and holiday seasons. However, there remain significant risks that may negatively impact attendance levels, including a resurgence of COVID-19 related restrictions, potential movie-goer reluctance to attend theatres due to concerns about the COVID-19 variant strains, movie studios release schedules and direct to streaming or other changing movie studio practices and consumer behavior. If we are unable to achieve significantly increased levels of attendance and operating revenues, we may be required to obtain additional liquidity. If such additional liquidity were not realized or insufficient, we likely would seek an in-court or out-of-court restructuring of our liabilities, and in the event of such future liquidation or bankruptcy proceeding, holders of our Common Stock and other securities would likely suffer a total loss of their investment;

- the impact of the COVID-19 variant strains on us, the motion picture exhibition industry, and the economy in general, including our response to the COVID-19 variant strains and suspension of operations at our theatres, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at our facilities to protect the health and well-being of our customers and employees;

- risks and uncertainties relating to our significant indebtedness, including our borrowings and our ability to meet our financial maintenance and other covenants;

- shrinking exclusive theatrical release windows or release of movies to theatrical exhibition and streaming platforms on the same date;

- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment;

- intense competition in the geographic areas in which we operate among exhibitors or from other forms of entertainment;
- certain covenants in the agreements that govern our indebtedness may limit our ability to take advantage of certain business opportunities and limit or restrict our ability to pay dividends, pre-pay debt, and also to refinance debt and to do so at favorable terms;
- risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges, and the fair value of the investment in Hycroft common shares and warrants;
- risks relating to motion picture production and performance;
- our lack of control over distributors of films;
- general and international economic, political, regulatory, social and financial market conditions, inflation, and other risks;
- limitations on the availability of capital or poor financial results may prevent us from deploying strategic initiatives;
- an issuance of preferred stock could dilute the voting power of the common stockholders and adversely affect the market value of our Common Stock;
- limitations on the authorized number of Common Stock shares prevents us from raising additional capital through Common Stock issuances;
- our ability to achieve expected synergies, benefits and performance from our strategic initiatives;
- our ability to refinance our indebtedness on terms favorable to us or at all;
- our ability to optimize our theatre circuit through new construction, the transformation of our existing theatres, and strategically closing underperforming theatres may be subject to delay and unanticipated costs;
- failures, unavailability or security breaches of our information systems;
- our ability to utilize interest expense deductions may be limited annually due to Section 163(j) of the Tax Cuts and Jobs Act of 2017;
- our ability to recognize interest deduction carryforwards, net operating loss carryforwards and other tax attributes to reduce our future tax liability;
- our ability to recognize certain international deferred tax assets which currently do not have a valuation allowance recorded;
- impact of the elimination of the calculation of USD LIBOR rates on our contracts indexed to USD LIBOR;
- review by antitrust authorities in connection with acquisition opportunities;
- risks relating to the incurrence of legal liability, including costs associated with the ongoing securities class action lawsuits;
- dependence on key personnel for current and future performance and our ability to attract and retain senior executives and other key personnel, including in connection with any future acquisitions;

- increased costs in order to comply or resulting from a failure to comply with governmental regulation, including the General Data Protection Regulation ("GDPR"), the California Consumer Privacy Act ("CCPA") and pending future domestic privacy laws and regulations;
- supply chain disruptions may negatively impact our operating results;
- the dilution caused by recent and potential future sales of our Common Stock could adversely affect the market price of the Common Stock;
- the market price and trading volume of our shares of Common Stock has been and may continue to be volatile, and purchasers of our securities could incur substantial losses;
- future offerings of debt, which would be senior to our Common Stock for purposes of distributions or upon liquidation, could adversely affect the market price of our Common Stock;
- the geopolitical events, including the threat of political, social, or economic unrest, terrorism, hostilities, cyber-attacks, war, including the conflict between Russia and Ukraine and that Sweden and Finland (countries where we operate approximately 100 theatres) have recently agreed to submit simultaneous applications to the NATO alliance as early as May 2022, which could cause a deterioration in the relationship each country has with Russia, or widespread health emergencies, such as the COVID-19 or other pandemics or epidemics, causing people to avoid our theatres or other public places where large crowds are in attendance;
- anti-takeover protections in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage or prevent a takeover of our Company, even if an acquisition would be beneficial to our stockholders; and
- other risks referenced from time to time in filings with the SEC.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative but not exhaustive. In addition, new risks and uncertainties may arise from time to time. Accordingly, all forward-looking statements should be evaluated with an understanding of their inherent uncertainty and we caution accordingly against relying on forward-looking statements.

Readers are urged to consider these factors carefully in evaluating the forward-looking statements. For further information about these and other risks and uncertainties as well as strategic initiatives, see Item 1A. "Risk Factors" of this Form 10-Q, Item 1. "Business" in our Annual Report on Form 10–K for the year ended December 31, 2021, and our other public filings.

All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements included herein are made only as of the date of this Quarterly Report on Form 10–Q, and we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Temporarily Suspended or Limited Operations

Total consolidated revenues increased $637.4 million for the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in total consolidated revenues was primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at our theatres in U.S. markets and International markets. As of March 31, 2021, the Company operated at 585 domestic theatres with limited seating capacities, representing approximately 99% of its domestic theatres. As of March 31, 2021, the Company operated at 97 international theatres, with limited seating capacities, representing approximately 27% of its international theatres. During the three months ended March 31, 2022, the Company operated essentially 100% of its U.S. and International theatres.

Overview

AMC is the world's largest theatrical exhibition company and an industry leader in innovation and operational excellence. We operate theatres in 12 countries, including the U.S., Europe and Saudi Arabia.

Our theatrical exhibition revenues are generated primarily from box office admissions and theatre food and beverage sales. The balance of our revenues is generated from ancillary sources, including on-screen advertising, fees earned from our AMC Stubs® customer loyalty program, rental of theatre auditoriums, income from gift card and exchange ticket sales, and online ticketing fees. As of March 31, 2022, we owned, operated or had interests in 938 theatres and 10,493 screens.

Box Office Admissions and Film Content

Box office admissions are our largest source of revenue. We predominantly license theatrical films from distributors owned by major film production companies and from independent distributors on a film-by-film and theatre-by-theatre basis. Film exhibition costs are based on a share of admissions revenues and are accrued based on estimates of the final settlement pursuant to our film licenses. These licenses typically state that rental fees are based on the box office performance of each film, though in certain circumstances and less frequently, our rental fees are based on a mutually agreed settlement rate that is fixed. In some European territories, film rental fees are established on a weekly basis and some licenses use a per capita agreement instead of a revenue share, paying a flat amount per ticket.

The North American and International industry box offices have been significantly impacted by the COVID-19 pandemic. As a result, film distributors have postponed new film theatrical releases and/or shortened the period of theatrical exclusivity ("the window"). Theatrical releases may continue to be postponed and windows shortened while the box office and film production industry suffers from COVID-19 impacts. As a result of the reduction in theatrical film releases in 2021, we licensed and exhibited a larger number of previously released films that had lower film rental terms during the three months ended March 31, 2021. We have made adjustments to theatre operating hours to align screen availability and associated theatre operating costs with attendance levels for each theatre.

As we continue our recovery from the impacts of the COVID-19 pandemic on our business, our aggregate attendance levels remain significantly behind pre-pandemic levels. However, for the first time since 2019, substantially all of our worldwide theatres were open for the entirety of the third and fourth quarters of 2021 and also the first quarter of 2022.

Our revenues attributable to individual distributors may vary significantly from year to year depending upon the commercial success of each distributor's films in any given year. Our results of operations may vary significantly from quarter to quarter and from year to year based on the timing and popularity of film releases.

Movie Screens

The following table provides detail with respect to digital delivery, 3D enabled projection, large screen formats, such as IMAX® and our proprietary Dolby Cinema™, other Premium Large Format ("PLF") screens, enhanced food and beverage offerings and our premium seating as deployed throughout our circuit:

	U.S. Markets		International Markets	
Format	**Number of Screens As of March 31, 2022**	**Number of Screens As of March 31, 2021**	**Number of Screens As of March 31, 2022**	**Number of Screens As of March 31, 2021**
IMAX®	185	185	37	37
Dolby Cinema™	154	153	8	6
Other Premium Large Format ("PLF")	56	55	77	74
Dine-in theatres	729	735	13	8
Premium seating	3,395	3,339	579	531

Guest Amenities

As part of our long-term strategy, we seek to continually upgrade the quality of our theatre circuit through substantial renovations featuring our seating concepts, acquisitions, new builds (including expansions), expansion of food and beverage offerings (including Dine-in Theatres), and by disposing of older screens through closures and sales.

Our capital allocation strategy will be driven by the cash generation of our business and will be contingent on a required return threshold. We believe we are an industry leader in the development and operation of theatres. Typically, our theatres have 12 or more screens and offer amenities to enhance the movie-going experience, such as stadium seating providing unobstructed viewing, digital sound and premium seat design.

Recliner seating is the key feature of theatre renovations. We believe that maximizing comfort and convenience for our customers will be increasingly necessary to maintain and improve our relevance. These renovations, in conjunction with capital contributions from our landlords, involve stripping theatres to their basic structure in order to replace finishes throughout, upgrading the sight and sound experience, installing modernized points of sale and, most importantly, replacing traditional theatre seats with plush, electric recliners that allow customers to deploy a leg rest and fully recline at the push of a button. As of December 31, 2019, prior to the COVID-19 pandemic, the quality improvement in the customer experience could drive a 33% increase in attendance, on average, at these locations in their first year post-renovation. These increases will only continue post-COVID-19 pandemic if attendance returns to normalized pre-COVID-19 levels. Upon reopening a remodeled theatre, we typically increase the ticket price to reflect the enhanced consumer experience.

As of March 31, 2022, in our U.S. markets, we featured recliner seating in approximately 351 U.S. theatres, including Dine-in Theatres, totaling approximately 3,395 screens and representing 44.0% of total U.S. screens. In our International markets, as of March 31, 2022, we had recliner seating in approximately 90 International theatres, totaling approximately 579 screens and representing 20.8% of total International screens.

Open-source internet ticketing makes our AMC seats (approximately 1.1 million as of March 31, 2022) in all our U.S. theatres and auditoriums for all our showtimes as available as possible, on as many websites as possible. Our tickets are currently on sale either directly or through mobile apps, at our own website and mobile apps and other third-party ticketing vendors.

Food and beverage sales are our second largest source of revenue after box office admissions. We offer enhanced food and beverage products that include meals, healthy snacks, premium liquor, beer and wine options, and other gourmet products. Our long-term growth strategy calls for investment across a spectrum of enhanced food and beverage formats, ranging from simple, less capital-intensive food and beverage menu improvements to the expansion of our Dine-in Theatre brand. As a result of the COVID-19 pandemic, we have streamlined our concession menus to focus on our best-selling products and expanded cashless transactions technology through the deployment of mobile ordering, all in an effort to reduce the number of touch-points between guests and employees. We have also upgraded our Coca Cola Freestyle beverage software to allow guests to dispense drinks without the need to utilize the machine's touch screen using the Coca-Cola Freestyle app.

We currently operate 51 Dine-In Theatres in the U.S. and three Dine-In Theatres in Europe that deliver chef-inspired menus with seat-side or delivery service to luxury recliners with tables. Our recent Dine-In Theatre concepts are designed to capitalize on the latest food service trend, the fast and casual eating experience.

Our MacGuffins Bar and Lounges ("MacGuffins") give us an opportunity to engage our legal age customers. As of March 31, 2022, we offer alcohol in approximately 350 AMC theatres in the U.S. markets and 241 theatres in our International markets and continue to explore expansion globally.

Loyalty Programs and Other Marketing

In our U.S. markets, we begin the process of engagement with AMC Stubs®, our customer loyalty program, which allows members to earn rewards, receive discounts and participate in exclusive members-only offerings and services. It features a paid tier called AMC Stubs Premiere™ for a flat annual membership fee and a non-paid tier called AMC Stubs Insider™. Both programs reward loyal guests for their patronage of AMC theatres. Rewards earned are redeemable on future purchases at AMC locations.

The portion of the admissions and food and beverage revenues attributed to the rewards is deferred as a reduction of admissions and food and beverage revenues and is allocated between admissions and food and beverage revenues based on expected member redemptions. Upon redemption, deferred rewards are recorded as revenues along with associated cost of goods. We estimate point breakage in assigning value to the points at the time of sale based on historical trends. The program's annual membership fee is allocated to the material rights for discounted or free products and services and is initially deferred, net of estimated refunds, and recorded as the rights are redeemed based on estimated utilization, over the one-year membership period in admissions, food and beverage, and other revenues. A portion of the revenues related to a material right are deferred as a virtual rewards performance obligation using the relative standalone selling price method and are recorded as the rights are redeemed or expire.

AMC Stubs® A-List is our monthly subscription-based tier of our AMC Stubs® loyalty program. This program offers guests admission to movies at AMC up to three times per week including multiple movies per day and repeat visits to already seen movies from $19.95 to $23.95 per month depending upon geographic market. AMC Stubs® A-List also includes premium offerings including IMAX®, Dolby Cinema™ at AMC, RealD, Prime and other proprietary PLF brands. AMC Stubs® A-List members can book tickets online in advance and select specific seats at AMC Theatres with reserved seating. Upon the temporary suspension of theatre operations due to the COVID-19 pandemic, all monthly A-List subscription charges were put on hold. As we reopened theatres, A-List members had the option to reactivate their subscription, which restarted the monthly charge for the program.

As of March 31, 2022, we had more than 25,700,000 member households enrolled in AMC Stubs® A-List, AMC Stubs Premiere™ and AMC Stubs Insider™ programs, combined. Our AMC Stubs® members represented approximately 41% of AMC U.S. markets attendance during the three months ended March 31, 2022. Our large database of identified movie-goers also provides us with additional insight into our customers' movie preferences. This enables us to have a larger, more personalized and targeted marketing effort.

In our International markets, we currently have loyalty programs in the major territories in which we operate. The movie-goers can earn points for spending money at the theatre, and those points can be redeemed for tickets and concession items at a later date. We currently have more than 13,100,000 members in our various International loyalty programs.

Our marketing efforts are not limited to our loyalty program as we continue to improve our customer connections through our website and mobile apps and expand our online and movie offerings. We upgraded our mobile applications across the U.S. circuit with the ability to order food and beverage offerings via our mobile applications while ordering tickets ahead of scheduled showtimes. Our mobile applications also include AMC Theatres On Demand, a service for members of the AMC Stubs® loyalty program that allows them to rent or buy movies.

In response to the COVID-19 pandemic, AMC's robust online and mobile platforms in our U.S. markets offer customers the safety and convenience of enhanced social distancing by allowing them to purchase tickets and concession items online, avoid the ticket line, and limit other high-touch interactions with AMC employees and other guests. Online and mobile platforms are also available in our International markets.

Critical Accounting Estimate

Hycroft common stock and warrants fair value measurement. On March 14, 2022, we purchased 23.4 million units of Hycroft, with each unit consisting of one common share of Hycroft and one common share purchase warrant. The units were priced at $1.193 per unit. We elected the fair value option in accordance with ASC 825-10, and therefore, the fair value of the investment in common stock of Hycroft is remeasured at each subsequent reporting period and unrealized gains and losses are reported in investment income. During the three months ended March 31, 2022, we recorded appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft of $35.1 million in investment income following ASC 815, which fall under Level 3 within the fair value measurement hierarchy and appreciation in estimated fair value of our investment in common shares of Hycroft of $28.8 million in investment income, which fall under Level 1 within the fair value measurement hierarchy.

Critical estimates. There is considerable management judgment with respect to volatility used in determining fair value of the warrants that is used by management in performing the fair value measurement. Such judgments and estimates include selecting a group of comparable companies in the mining industry.

Assumptions and judgment. Our valuation methodology for the fair value measurements requires management to make judgments and assumptions based on comparable companies to include in the historical volatility input.

Impact if actual results differ from assumptions. Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates, which fall under Level 3 within the fair value measurement hierarchy.

For a discussion of our critical accounting policies and the means by which we develop estimates therefore, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2021 Annual

Report on Form 10-K. Other than as discussed above, there have been no material changes from critical accounting estimates described in our Form 10-K.

Significant Events

Investment in Hycroft. On March 14, 2022, we purchased 23.4 million units of Hycroft Mining Holding Corporation (NASDAQ: HYMC) (“Hycroft”) for $27.9 million, with each unit consisting of one common share of Hycroft and one common share purchase warrant. The units were priced at $1.193 per unit. Each warrant is exercisable for one common share of Hycroft at a price of $1.068 per share over a 5-year term through March 2027. We account for the common shares of Hycroft under the equity method and we have elected the fair value option in accordance with ASC 825-10. We account for the warrants as derivatives in accordance with ASC 815. Accordingly, the fair value of the investments in Hycroft are remeasured at each subsequent reporting period and unrealized gains and losses are reported in investment income. During the three months ended March 31, 2022, the Company recorded unrealized gains related to the investment in Hycroft of $63.9 million in investment income. See Note 9—Fair Value Measurements in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I in this Form 10-Q for further information.

Debt refinancing. We enhanced liquidity through debt refinancing at lower interest rates. On February 14, 2022, we issued $950.0 million aggregate principal amount of our 7.5% First Lien Senior Secured Notes due 2029 (“First Lien Notes due 2029”), pursuant to an indenture, dated as of February 14, 2022, among us, the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and collateral agent. We used the net proceeds from the sale of the notes, and cash on hand, to fund the full redemption of the then outstanding $500 million aggregate principal amount of our 10.5% First Lien Notes due 2025 (“First Lien Notes due 2025”), the then outstanding $300 million aggregate principal amount of our 10.5% First Lien Notes due 2026 (“First Lien Notes due 2026”), and the then outstanding $73.5 million aggregate principal amount of our 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026 (“First Lien Toggle Notes due 2026”) and to pay related accrued interest, fees, costs, premiums and expenses. We recorded a loss on debt extinguishment related to this transaction of $135.0 million in other expense, during the three months ended March 31, 2022.

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Operating Results

The following table sets forth our consolidated revenues, operating costs and expenses:

(In millions)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	% Change
Revenues			
Admissions	$ 443.8	$ 69.5	* %
Food and beverage	252.5	50.1	* %
Other theatre	89.4	28.7	* %
Total revenues	785.7	148.3	* %
Operating Costs and Expenses			
Film exhibition costs	189.8	22.0	* %
Food and beverage costs	42.6	9.7	* %
Operating expense, excluding depreciation and amortization below	344.8	179.7	91.9 %
Rent	223.2	192.1	16.2 %
General and administrative:			
Merger, acquisition and other costs	0.4	6.7	(94.0)%
Other, excluding depreciation and amortization below	53.1	51.8	2.5 %
Depreciation and amortization	98.7	114.1	(13.5)%
Operating costs and expenses	952.6	576.1	65.4 %
Operating loss	(166.9)	(427.8)	(61.0)%
Other expense (income):			
Other expense (income)	136.3	(17.4)	* %
Interest expense:			
Corporate borrowings	82.0	151.5	(45.9)%
Finance lease obligations	1.2	1.4	(14.3)%
Non-cash NCM exhibitor service agreement	9.2	9.9	(7.1)%
Equity in loss of non-consolidated entities	5.1	2.8	82.1 %
Investment income	(63.4)	(2.0)	* %
Total other expense, net	170.4	146.2	16.6 %
Net loss before income taxes	(337.3)	(574.0)	(41.2)%
Income tax provision (benefit)	0.1	(6.8)	* %
Net loss	(337.4)	(567.2)	(40.5)%
Less: Net loss attributable to noncontrolling interests	—	(0.3)	(100.0)%
Net loss attributable to AMC Entertainment Holdings, Inc.	$ (337.4)	$ (566.9)	(40.5)%

* Percentage change in excess of 100%

Operating Data:	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Screen additions	7	32
Screen acquisitions	30	—
Screen dispositions	118	63
Construction openings (closures), net	12	6
Average screens (1)	10,099	6,724
Number of screens operated	10,493	8,329
Number of theatres operated	938	682
Total number of circuit screens	10,493	10,518
Total number of circuit theatres	938	945
Screens per theatre	11.2	11.1
Attendance (in thousands) (1)	39,075	6,797

(1) Includes consolidated theatres only and excludes screens offline due to construction and temporary suspension of operations as consequence of the COVID-19 pandemic.

Segment Operating Results

The following table sets forth our revenues, operating costs and expenses by reportable segment:

	U.S. Markets		International Markets		Consolidated	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
(In millions)	2022	2021	2022	2021	2022	2021
Revenues						
Admissions	$ 310.8	$ 64.9	$ 133.0	$ 4.6	$ 443.8	$ 69.5
Food and beverage	194.0	47.6	58.5	2.5	252.5	50.1
Other theatre	58.3	24.7	31.1	4.0	89.4	28.7
Total revenues	563.1	137.2	222.6	11.1	785.7	148.3
Operating Costs and Expenses						
Film exhibition costs	138.7	20.2	51.1	1.8	189.8	22.0
Food and beverage costs	28.7	8.5	13.9	1.2	42.6	9.7
Operating expense	241.0	142.0	103.8	37.7	344.8	179.7
Rent	166.3	136.5	56.9	55.6	223.2	192.1
General and administrative expense:						
Merger, acquisition and other costs	0.2	3.7	0.2	3.0	0.4	6.7
Other, excluding depreciation and amortization below	35.2	36.0	17.9	15.8	53.1	51.8
Depreciation and amortization	75.6	86.4	23.1	27.7	98.7	114.1
Operating costs and expenses	685.7	433.3	266.9	142.8	952.6	576.1
Operating loss	(122.6)	(296.1)	(44.3)	(131.7)	(166.9)	(427.8)
Other expense (income):						
Other expense (income)	133.7	(3.5)	2.6	(13.9)	136.3	(17.4)
Interest expense:						
Corporate borrowings	63.2	143.0	18.8	8.5	82.0	151.5
Finance lease obligations	0.1	0.2	1.1	1.2	1.2	1.4
Non-cash NCM exhibitor service agreement	9.2	9.9	—	—	9.2	9.9
Equity in loss of non-consolidated entities	0.3	0.9	4.8	1.9	5.1	2.8
Investment income	(63.4)	(2.0)	—	—	(63.4)	(2.0)
Total other expense (income), net	143.1	148.5	27.3	(2.3)	170.4	146.2
Net loss before income taxes	(265.7)	(444.6)	(71.6)	(129.4)	(337.3)	(574.0)
Income tax provision (benefit)	0.1	(4.5)	—	(2.3)	0.1	(6.8)
Net loss	(265.8)	(440.1)	(71.6)	(127.1)	(337.4)	(567.2)
Less: net loss attributable to noncontrolling interests	—	—	—	(0.3)	—	(0.3)
Net loss attributable to AMC Entertainment Holdings, Inc.	$ (265.8)	$ (440.1)	$ (71.6)	$ (126.8)	$ (337.4)	$ (566.9)

	U.S. Markets		International Markets		Consolidated	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2022	2021	2022	2021	2022	2021
Segment Operating Data:						
Screen additions	—	31	7	1	7	32
Screen acquisitions	30	—	—	—	30	—
Screen dispositions	88	23	30	40	118	63
Construction openings (closures), net	12	6	—	—	12	6
Average screens (1)	7,622	6,390	2,477	334	10,099	6,724
Number of screens operated	7,709	7,609	2,784	720	10,493	8,329
Number of theatres operated	587	585	351	97	938	682
Total number of circuit screens	7,709	7,682	2,784	2,836	10,493	10,518
Total number of circuit theatres	587	590	351	355	938	945
Screens per theatre	13.1	13.0	7.9	8.0	11.2	11.1
Attendance (in thousands) (1)	25,792	6,239	13,283	558	39,075	6,797

(1) Includes consolidated theatres only and excludes screens offline due to construction and temporary suspension of operations as consequence of the COVID-19 pandemic.

Adjusted EBITDA

We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net earnings (loss) plus (i) income tax provision (benefit), (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in International markets and any cash distributions of earnings from other equity method investees. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

During the three months ended March 31, 2022, Adjusted EBITDA in the U.S. markets was $(43.4) million compared to $(200.4) million during the three months ended March 31, 2021. The year-over-year improvement was primarily due to the decreased net loss driven by an increase in attendance primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at our theatres, deterred customers from attending our theatres when we resumed operations, and prompted film distributors to delay or alternatively distribute films and lifting of seat restrictions, decreases in general and administrative expenses excluding stock-based compensation, and increased cash distributions from AC JV, partially offset by increases in operating costs due to the increase in attendance, increases in rent expense and decreases in government assistance. During the three months ended March 31, 2022, Adjusted EBITDA in the International markets was $(18.3) million compared to $(94.3) million during the three months ended March 31, 2021. The year-over-year improvement was primarily due to the decreased net loss driven by an increase in attendance primarily due to the COVID-19 pandemic impact on the prior year and lifting of seat restrictions, and decreases in general and administrative expenses excluding stock-based compensation, partially offset by increases in operating costs due to the increase in attendance, increases in rent expense, and decreases in government assistance. During the three months ended March 31, 2022, Adjusted EBITDA in the U.S. markets and International markets was $(61.7) million compared to $(294.7) million during the three months ended March 31, 2021, driven by the aforementioned factors impacting Adjusted EBITDA.

The following tables set forth our Adjusted EBITDA by reportable operating segment and our reconciliation of Adjusted EBITDA:

	Three Months Ended	
Adjusted EBITDA (In millions)	**March 31, 2022**	**March 31, 2021**
U.S. markets	$ (43.4)	$ (200.4)
International markets	(18.3)	(94.3)
Total Adjusted EBITDA	$ (61.7)	$ (294.7)

	Three Months Ended	
(In millions)	**March 31, 2022**	**March 31, 2021**
Net loss	$ (337.4)	$ (567.2)
Plus:		
Income tax provision (benefit)	0.1	(6.8)
Interest expense	92.4	162.8
Depreciation and amortization	98.7	114.1
Certain operating expense (1)	2.3	2.3
Equity in loss of non-consolidated entities	5.1	2.8
Cash distributions from non-consolidated entities (2)	0.7	0.3
Attributable EBITDA (3)	0.2	(0.8)
Investment income (4)	(63.4)	(2.0)
Other expense (income) (5)	139.8	(4.8)
Other non-cash rent benefit (6)	(7.1)	(7.5)
General and administrative — unallocated:		
Merger, acquisition and other costs (7)	0.4	6.7
Stock-based compensation expense (8)	6.5	5.4
Adjusted EBITDA	$ (61.7)	$ (294.7)

(1) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens, including the related accretion of interest, disposition of assets and other non-operating gains or losses included in operating expenses. We have excluded these items as they are non-cash in nature or are non-operating in nature.

(2) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. We believe including cash distributions is an appropriate reflection of the contribution of these investments to our operations.

(3) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of our equity in (earnings) loss of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where we hold a significant market share, we believe attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. We also provide services to these theatre operators including information technology systems, certain on-screen advertising services and our gift card and package ticket program.

	Three Months Ended	
(In millions)	**March 31, 2022**	**March 31, 2021**
Equity in loss of non-consolidated entities	$ 5.1	$ 2.8
Less:		
Equity in loss of non-consolidated entities excluding International theatre joint ventures	0.3	1.2
Equity in loss of International theatre joint ventures	(4.8)	(1.6)
Income tax benefit	—	(0.2)
Impairment of long-lived assets	4.2	—
Depreciation and amortization	0.8	0.9
Other expense	—	0.1
Attributable EBITDA	$ 0.2	$ (0.8)

(4) Investment income during the three months ended March 31, 2022 includes appreciation in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of $28.8 million and appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holdings Corporation of $35.1 million.

(5) Other expense during the three months ended March 31, 2022, included loss on debt extinguishment of $135.0 million and foreign currency transaction losses of $4.8 million. During the three months ended March 31, 2021, other expense (income) included foreign currency transaction gains of $3.8 million and estimated credit income of $2.0 million related to decreases in contingent lease guarantees, partially offset by financing fees of $1.0 million primarily related to deferred financing cost write-off for the Odeon revolving credit facility.

(6) Reflects amortization expense for certain intangible assets reclassified from depreciation and amortization to rent expense due to the adoption of ASC 842, Leases and deferred rent benefit related to the impairment of right-of-use operating lease assets.

(7) Merger, acquisition and other costs are excluded as they are non-operating in nature.

(8) Non-cash expense included in general and administrative: other.

Adjusted EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net earnings (loss) as an indicator of operating performance (as determined in accordance with U.S. GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. We have included Adjusted EBITDA because we believe it provides management and investors with additional information to measure our performance and estimate our value.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example, Adjusted EBITDA:

- does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;

- does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments on our debt;
- excludes income tax payments that represent a reduction in cash available to us; and
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future.

Segment Information

Our historical results of operations for the three months ended March 31, 2022 and March 31, 2021 reflect the results of operations for our two theatrical exhibition reportable segments, U.S. markets and International markets.

Results of Operations— For the Three Months Ended March 31, 2022 Compared to the Three Months Ended March 31, 2021

Condensed Consolidated Results of Operations

Revenues. Total revenues increased $637.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Admissions revenues increased $374.3 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to an increase in attendance from 6.8 million patrons to 39.1 million patrons and a 11.1% increase in average ticket price. The increase in attendance was primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at our theatres in U.S. markets and International markets, deterred customers from attending our theatres when we resumed operations, and prompted film distributors to delay or alternatively distribute films. The increase in average ticket price was primarily due to strategic pricing initiatives put in place over the prior year, increases in IMAX and Premium content and lower frequency on our A-List subscription program, partially offset by a decrease in foreign currency translation rates.

Food and beverage revenues increased $202.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance, partially offset by the decrease in food and beverage per patron. Food and beverage per patron decreased 12.3% from $7.37 to $6.46 due primarily to an increase in revenues in International markets as a percentage of consolidated revenues from 5% during the three months ended March 31, 2021 to 23.2% during the three months ended March 31, 2022. Food and beverage per patron in International markets is much lower in our International markets than in our U.S. markets and this change in the mix of revenues resulted in a decline in consolidated food and beverage per patron along with a decrease in foreign currency translation rates. The higher number of private theatre rentals in the prior year resulted in larger party sizes and larger individual orders.

Total other theatre revenues increased $60.7 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen advertising due to the increase in attendance, partially offset by the decrease in foreign currency translation rates.

Operating costs and expenses. Operating costs and expenses increased $376.5 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Film exhibition costs increased $167.8 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 42.8% for the three months ended March 31, 2022, compared to 31.7% for the three months ended March 31, 2021. The increase in film exhibition cost percentage is primarily due to the concentration of box office revenues in higher grossing films in the current year and higher amounts of library content in the prior year, which typically results in higher film exhibition costs. Additionally, lower film exhibition costs were paid on films with shorter exclusive theatrical windows in the prior year.

Food and beverage costs increased $32.9 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in food and beverage costs was primarily due to the increase in food and beverage revenues. As a percentage of food and beverage revenues, food and beverage costs were 16.9% for the three months ended March 31, 2022 and 19.4% for the three months ended March 31, 2021. Food and beverage costs included $1.3 million of charges for obsolete inventory during the three months ended March 31, 2021, due to the suspension of theatre operations.

As a percentage of revenues, operating expense was 43.9% for the three months ended March 31, 2022, and was not meaningful for the three months ended March 31, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 16.2%, or $31.1 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, due primarily to cash rent abatements from landlords in the prior year and the opening of new theatres, partially offset by theatre closures and the decrease in foreign currency translation rates. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information on the impact of COVID-19 on leases and rent obligations of approximately $271.7 million that have been deferred to future years as of March 31, 2022.

Merger, acquisition, and other costs. Merger, acquisition, and other costs were $0.4 million during the three months ended March 31, 2022, compared to $6.7 million during the three months ended March 31, 2021, primarily due to higher legal and professional costs in the prior year.

Other. Other general and administrative expense increased 2.5%, or $1.3 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. See Note 7—Stockholders' Equity in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about stock-based compensation expense.

Depreciation and amortization. Depreciation and amortization decreased 13.5%, or $15.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to lower depreciation expense on theatres impaired during years ended December 31, 2020 and December 31, 2021 and the decrease in foreign currency translation rates.

Other expense (income). Other expense of $136.3 million during the three months ended March 31, 2022 was primarily due to a loss on extinguishment of debt of $135.0 million related to the full redemption of the $500 million aggregate principal amount of the First Lien Notes due 2025, the $300 million aggregate principal amount of the First Lien Notes due 2026, and the $73.5 million aggregate principal amount of the First Lien Toggle Notes due 2026. Other income of $17.4 million during the three months ended March 31, 2021 was primarily due to $12.4 million in government assistance related to COVID-19, foreign currency transaction gains of $3.8 million, and estimated credit income of $2.0 million related to decreases in contingent lease guarantees, partially offset by $1.0 million of financing fees related to the write-off of unamortized deferred charges on the Odeon revolver. See Note 1—Basis of Presentation in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about the components of other expense (income).

Interest expense. Interest expense decreased $70.4 million to $92.4 million for the three months ended March 31, 2022 compared to $162.8 million during the three months ended March 31, 2021 primarily due to:

- the conversion of $600.0 million 2.95% Convertible Notes due 2026 to 44,422,860 Common Shares on January 27, 2021 that resulted in the write-off to interest expense of $70.0 million of unamortized discount and deferred charges at the date of conversion following the guidance in ASC 815-15-40-1;
- the extinguishment of $500.0 million of 10.5% First Lien Notes due 2025 on February 14, 2022;
- the extinguishment of $300.0 million of 10.5% First Lien Notes due 2026 on February 14, 2022;
- the extinguishment of $73.5 million of 15%/17% Cash/PIK/Toggle Second Lien Notes due 2026; and
- the decline in foreign currency translation rates,

partially offset by:

- the issuance of $950.0 million of 7.5% First Lien Senior Secured Notes due 2029 on February 14, 2022; and
- the issuance of £140.0 million and €296.0 million 10.75%/11.25% Cash/PIK Term Loans due 2023 on February 19, 2021.

Equity in loss of non-consolidated entities. Equity in loss of non-consolidated entities was $5.1 million for the three months ended March 31, 2022, compared to $2.8 million for the three months ended March 31, 2021. The increase in equity in loss of $2.3 million was primarily due to increases in equity in losses from Saudi Cinema Company, LLC of $4.2 million.

Investment income. Investment income was $63.4 million for the three months ended March 31, 2022, compared to investment income of $2.0 million for the three months ended March 31, 2021. Investment income in the current year includes $28.8 million of appreciation in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation and $35.1 million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation.

Income tax provision (benefit). The income tax provision (benefit) was $0.1 million and $(6.8) million for the three months ended March 31, 2022 and March 31, 2021, respectively. See Note 8—Income Taxes in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information.

Net loss. Net loss was $337.4 million and $567.2 million during the three months ended March 31, 2022 and March 31, 2021, respectively. Net loss during the three months ended March 31, 2022 compared to net loss for the three months ended March 31, 2021 was positively impacted by the increase in attendance as a result of an increase in new film releases in connection with the reopening of theatres in the current year that had been temporarily closed due to the COVID-19 pandemic and lifting of seating restrictions, decreases in general and administrative expenses, decreases in depreciation and amortization expense, decreases in interest expense, increases in investment income and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in other expense, and a decrease in income tax benefit.

Theatrical Exhibition–U.S. Markets

Revenues. Total revenues increased $425.9 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Admissions revenues increased $245.9 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to an increase in attendance from 6.2 million patrons to 25.8 million patrons and a 15.8% increase in average ticket price. The increase in attendance was primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at our theatres in U.S. markets, deterred customers from attending our theatres when we resumed operations, and prompted film distributors to delay or alternatively distribute films. The increase in average ticket price was primarily due to strategic pricing initiatives put in place over the prior year, increases in IMAX and Premium content and lower frequency on our A-List subscription program.

Food and beverage revenues increased $146.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance and partially offset by the decrease in food and beverage per patron. Food and beverage per patron decreased 1.4% from $7.63 to $7.52 due primarily to decreases in units sold per transaction due to the decline in private theatre rentals from the prior year, partially offset by the percentage of patrons making purchases, a shift toward larger sizes and higher priced items, and reduced loyalty program penetration. The higher number of private theatre rentals in the prior year resulted in larger party sizes and larger individual orders.

Total other theatre revenues increased $33.6 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen advertising due to the increase in attendance.

Operating costs and expenses. Operating costs and expenses increased $252.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Film exhibition costs increased $118.5 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 44.6% for the three months ended March 31, 2022 and 31.1% for the three months ended March 31, 2021. The increase in film exhibition cost percentage is primarily due to the concentration of box office revenues in higher grossing films in the current year and higher amounts of library content in the prior year, which typically results in higher film exhibition costs. Additionally, lower film exhibition costs were paid on films with shorter exclusive theatrical windows in the prior year.

Food and beverage costs increased $20.2 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in food and beverage costs was primarily due to the increase in food and beverage revenues. As a percentage of food and beverage revenues, food and beverage costs were 14.8% for the three months ended March 31, 2022, compared to 17.9% for the three months ended March 31, 2021. Food and beverage costs included $0.5 million of charges for obsolete inventory during the three months ended March 31, 2021, due to the suspension of theatre operations.

As a percentage of revenues, operating expense was 42.8% for the three months ended March 31, 2022 and was not meaningful for the three months ended March 31, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 21.8%, or $29.8 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, due primarily to cash rent abatements from landlords in the prior year and the opening of new theatres, partially offset by theatre closures. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information on the impact of COVID-19 on leases and rent obligations of approximately $221.5 million that have been deferred to future years as of March 31, 2022.

Merger, acquisition, and other costs. Merger, acquisition, and other costs were $0.2 million during the three months ended March 31, 2022, compared to $3.7 million during the three months ended March 31, 2021, primarily due to higher legal and professional costs in the prior year.

Other. Other general and administrative expense decreased 2.2%, or $0.8 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. See Note 7—Stockholders' Equity in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about stock-based compensation expense.

Depreciation and amortization. Depreciation and amortization decreased 12.5%, or $10.8 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to lower depreciation expense on theatres impaired during years ended December 31, 2020 and December 31, 2021.

Other expense (income). Other expense of $133.7 million during the three months ended March 31, 2022 was primarily due to a loss on extinguishment of debt of $135.0 million related to the full redemption of the $500 million aggregate principal amount of the First Lien Notes due 2025, the $300 million aggregate principal amount of the First Lien Notes due 2026, and the $73.5 million aggregate principal amount of the First Lien Toggle Notes due 2026. Other income of $3.5 million during the three months ended March 31, 2021 was primarily due to $4.2 million in government assistance related to COVID-19 and foreign currency transaction loss of $0.9 million. See Note 1—Basis of Presentation in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about the components of other expense (income).

Interest expense. Interest expense decreased $80.6 million to $72.5 million for the three months ended March 31, 2022 compared to $153.1 million during the three months ended March 31, 2021, primarily due to:

- the conversion of $600.0 million 2.95% Convertible Notes due 2026 to 44,422,860 Common Shares on January 27, 2021 that resulted in the write-off to interest expense of $71.0 million of unamortized discount and deferred charges at the date of conversion following the guidance in ASC 815-15-40-1;
- the extinguishment of $500.0 million of 10.5% First Lien Notes due 2025 on February 14, 2022;
- the extinguishment of $300.0 million of 10.5% First Lien Notes due 2026 on February 14, 2022; and
- the extinguishment of $73.5 million of 15%/17% Cash/PIK/Toggle second Lien Notes due 2026,

partially offset by:

- the issuance of $950.0 million of 7.5% First Lien Senior Secured Notes due 2029 on February 14, 2022.

Equity in loss of non-consolidated entities. Equity in loss of non-consolidated entities was $0.3 million for the three months ended March 31, 2022, compared to $0.9 million for the three months ended March 31, 2021.

Investment income. Investment income was $63.4 million for the three months ended March 31, 2022, compared to investment income of $2.0 million for the three months ended March 31, 2021. Investment income in the current year includes $28.8 million of appreciation in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation and $35.1 million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation.

Income tax provision (benefit). The income tax provision (benefit) was $0.1 million and $(4.5) million for the three months ended March 31, 2022 and March 31, 2021, respectively. See Note 8—Income Taxes in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information.

Net loss. Net loss was $265.8 million and $440.1 million during the three months ended March 31, 2022 and March 31, 2021, respectively. Net loss during the three months ended March 31, 2022 compared to net loss for the three months ended March 31, 2021 was positively impacted by the increase in attendance as a result of an increase in new film releases in connection with the reopening of theatres in the current year that had been temporarily closed due to the COVID-19 pandemic and lifting of seating restrictions, decreases in general and administrative expenses, decreases in depreciation and amortization expense, decreases in interest expense and increases in investment income, partially offset by increases in rent expense, increases in other expense, and a decrease in income tax benefit.

Theatrical Exhibition - International Markets

Revenues. Total revenues increased $211.5 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Admissions revenues increased $128.4 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to an increase in attendance from 0.6 million patrons to 13.3 million patrons and a 21.5% increase in average ticket price. The increase in attendance was primarily due to the COVID-19 pandemic impact on the prior year which resulted in the temporary suspension of operations at our theatres in International markets, deterred customers from attending our theatres when we resumed operations, and prompted film distributors to delay or alternatively distribute films. The increase in average ticket price was primarily due to strategic pricing initiatives put in place over the prior year, partially offset by a decrease in foreign currency translation rates.

Food and beverage revenues increased $56.0 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance, partially offset by the decrease in food and beverage per patron. Food and beverage per patron decreased 1.8% from $4.48 to $4.40 due primarily to decreases in foreign currency translation rates.

Total other theatre revenues increased $27.1 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen advertising due to the increase in attendance, partially offset by the decrease in foreign currency translation rates.

Operating costs and expenses. Operating costs and expenses increased $124.1 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. Film exhibition costs increased $49.3 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 38.4% for the three months ended March 31, 2022, compared to 39.1% for the three months ended March 31, 2021.

Food and beverage costs increased $12.7 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. The increase in food and beverage costs was primarily due to the increase in food and beverage revenues. As a percentage of food and beverage revenues, food and beverage costs were 23.8% for the three months ended March 31, 2022, compared to 48.0% for the three months ended March 31, 2021. Food and beverage costs included $0.8 million of charges for obsolete inventory during the three months ended March 31, 2021, due to the temporary suspension of theatre operations.

As a percentage of revenues, operating expense was 46.6% for the three months ended March 31, 2022, and was not meaningful for the three months ended March 31, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 2.3%, or $1.3 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, due primarily to cash rent abatements from landlords in the prior year and the opening of new theatres, partially offset by theatre closures and the decrease in foreign currency translation rates. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information on the impact of COVID-19 on leases and rent obligations of approximately $50.2 million that have been deferred to future years as of March 31, 2022.

Merger, acquisition, and other costs. Merger, acquisition, and other costs were $0.2 million during the three months ended March 31, 2022, compared to $3.0 million during the three months ended March 31, 2021, primarily due to legal and professional costs related to strategic contingency planning in the prior year.

Other. Other general and administrative expense increased 13.3%, or $2.1 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. See Note 7—Stockholders' Equity in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about stock-based compensation expense.

Depreciation and amortization. Depreciation and amortization decreased 16.6%, or $4.6 million, during the three months ended March 31, 2022, compared to the three months ended March 31, 2021, primarily due to lower depreciation expense on theatres impaired during years ended December 31, 2020 and December 31, 2021 and the decrease in foreign currency translation rates.

Other expense (income). Other expense of $2.6 million during the three months ended March 31, 2022 was primarily due to $4.8 million of foreign currency transaction losses, partially offset by $2.3 million in government assistance. Other income of $13.9 million during the three months ended March 31, 2021 was primarily due to $8.2 million in government assistance related to COVID-19, foreign currency transaction gains of $4.7 million, and estimated credit income of $2.0 million related to decreases in contingent lease guarantees, partially offset by $1.0 million of financing fees related to the write-off of unamortized deferred charges on the Odeon revolver. See Note 1—Basis of Presentation in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for additional information about the components of other expense (income).

Interest expense. Interest expense increased $10.2 million to $19.9 million for the three months ended March 31, 2022 compared to $9.7 million during the three months ended March 31, 2021, primarily due to:

- the issuance of £140.0 million and €296.0 million 10.75%/11.25% Cash/PIK Term Loans due 2023 on February 19, 2021,

partially offset by:

- the decline in foreign currency translation rates.

Equity in loss of non-consolidated entities. Equity in loss of non-consolidated entities was $4.8 million for the three months ended March 31, 2022, compared to $1.9 million for the three months ended March 31, 2021. The increase in equity in loss of $2.9 million was primarily due to increases in equity in losses from Saudi Cinema Company, LLC of $4.2 million.

Income tax provision (benefit). The income tax provision (benefit) was $0.0 million and $(2.3) million for the three months ended March 31, 2022 and March 31, 2021, respectively. See Note 8—Income Taxes in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information.

Net loss. Net loss was $71.6 million and $127.1 million during the three months ended March 31, 2022 and March 31, 2021, respectively. Net loss during the three months ended March 31, 2022 compared to net loss for the three months ended March 31, 2021 was positively impacted by the increase in attendance as a result of an increase in new film releases in connection with the reopening of theatres in the current year that had been temporarily closed due to the COVID-19 pandemic and lifting of seating restrictions, decreases in general and administrative expenses, decreases in depreciation and amortization expense and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in other expense, increases in interest expense and a decrease in income tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

Our consolidated revenues are primarily collected in cash, principally through box office admissions and food and beverage sales. Prior to the impact of COVID-19 on our business, we had an operating “float” which partially financed our operations and which generally permitted us to maintain a smaller amount of working capital capacity. This float existed because admissions revenues are received in cash, while exhibition costs (primarily film rentals) are ordinarily paid to distributors from 20 to 45 days following receipt of box office admissions revenues. As attendance and revenues increase, we are starting to see this float resume. Film distributors generally release the films which they anticipate will be the most successful during the summer and year-end holiday seasons. Consequently, we typically generate higher revenues during such periods.

We had working capital surplus (deficit) (excluding restricted cash) as of March 31, 2022 and December 31, 2021 of $(285.0) million and $54.6 million, respectively. As of March 31, 2022 and December 31, 2021, working capital included operating lease liabilities of $597.1 million and $605.2 million, respectively, and deferred revenues of $379.8 million and $408.6 million, respectively. As of March 31, 2022, we had $211.1 million unused borrowing capacity, net of letters of credit, under our $225.0 million Senior Secured Revolving Credit Facility. As of December 31, 2021, we had $209.1 million unused borrowing capacity, net of letters of credit, under our $225.0 million Senior Secured Revolving Credit Facility. See Note 6—Corporate Borrowings and Finance Lease Obligations in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for a further discussion of our Financial Covenants.

As of March 31, 2022, we had cash and cash equivalents of approximately $1.2 billion. In response to the COVID-19 pandemic, we adjusted certain elements of our business strategy and took significant steps to preserve cash. We are continuing to take measures to further strengthen our financial position and enhance our operations, by minimizing non-essential costs, including reductions to our variable costs and elements of our fixed cost structure, introducing new initiatives, and optimizing our theatrical footprint.

Additionally, we enhanced future liquidity through debt refinancing at lower interest rates. See Note 6—Corporate Borrowings and Finance Lease Obligations in the Notes to the Condensed Consolidated Financial Statements under Item 1 of Part I of this Form 10-Q for further information.

Our net cash used in operating activities improved by $79.1 million during the three months ended June 30, 2021 compared to the three months ended March 31, 2021, $119.9 million during the three months ended September 30, 2021 compared to the three months ended June 30, 2021, and $160.4 million during the three months ended December 31, 2021 compared to the three months ended September 30, 2021. Our net cash provided by (used in) operating activities deteriorated by $341.5 million during the three months ended March 31, 2022 compared to the three months ended December 31, 2021 from $46.5 million to $(295.0) million. The decline in net cash provided by operating activities from the three months ended December 31, 2021 to the three months ended March 31, 2022 was primarily attributable to a decrease in attendance and increase in net loss and increases in seasonal working capital uses as we paid for the strong late fourth quarter 2021 results in early first quarter of 2022. We will also continue to repay rent amounts that were deferred during the COVID-19 pandemic, which will increase our cash outflows from operating activities. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I in this Form 10-Q for a summary of the estimated future repayment terms for the remaining $271.7 million of rentals that were deferred during the COVID-19 pandemic.

Our net cash used in investing activities of $54.9 million included $34.8 million of capital expenditures and $27.9 million of investments in non-consolidated entities, partially offset by proceeds from the disposition of long-term assets of $7.2 million during the three months ended March 31, 2022.

Our net cash used in financing activities of $76.3 million included principal and premium payments of $955.7 million, taxes paid for restricted unit withholdings of $52.2 million, and cash used to pay for deferred financing costs of $17.7 million, partially offset by proceeds from our debt issuance of $950.0 million, during the three months ended March 31, 2022.

We believe our existing cash and cash equivalents, together with cash generated from operations, will be sufficient to fund our operations, satisfy our obligations, including cash outflows for increased rent and planned capital expenditures, and comply with minimum liquidity and financial covenant requirements under our debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility and Odeon Term Loan Facility for at least the next 12 months. In order to achieve net positive operating cash flows and long-term profitability, we believe we will need to increase attendance levels significantly compared to 2021 and achieve levels in line with pre COVID-19 attendance. We believe the global re-opening of our theatres, the anticipated volume of titles available for theatrical release, and the anticipated broad appeal of many of those titles will support increased attendance levels. We believe that the sequential increases in attendance experienced each quarter of 2021 are positive signs of continued demand for the moviegoing experience. Our business is seasonal, with higher attendance and revenues generally occurring during the summer months and holiday seasons. However, there remain significant risks that may negatively impact attendance, including a resurgence of COVID-19 related restrictions, potential movie-goer reluctance to attend theatres due to concerns about the COVID-19 variant strains, movie studios release schedules and direct to streaming or other changing movie studio practices.

We entered the Ninth Amendment to the Credit Agreement, dated as of March 8, 2021, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant (the secured leverage ratio) applicable to the Senior Secured Revolving Credit Facility from March 31, 2021 to March 31, 2022, which was further extended from March 31, 2022 to March 31, 2023 by the Eleventh Amendment, dated as of December 20, 2021, as described, and on the terms and conditions specified, therein. We are currently subject to minimum liquidity requirements of approximately $143 million, of which $100 million is required under the conditions for the Extended Covenant Suspension Period, as amended, under the Senior Secured Revolving Credit Facility, and £32.5 million (approximately $43 million) of which is required under the Odeon Term Loan Facility. Following the expiration of the Extended Covenant Suspension Period ending March 31, 2023, we will be subject to the financial covenant under the Senior Secured Revolving Credit Facility as of the last day of each quarter on which the aggregate principal amount of revolving loans and letters of credit (excluding letters of credit that are cash collateralized) in excess of $25 million outstanding under the Senior Secured Revolving Credit Facility exceeds 35% of the principal amount of commitments under the Senior Secured Revolving Credit facility then in effect, beginning with the quarter ending June 30, 2023. We currently expect we will be able to comply with this financial covenant; however, we do not anticipate the need to borrow under the Senior Secured Revolving Credit Facility during the next twelve months.

We received rent concessions provided by the lessors that aided in mitigating the economic effects of COVID-19 during the pandemic during the years 2021 and 2020. These concessions primarily consisted of rent abatements and the deferral of rent payments. As a result, deferred lease amounts were approximately $271.7 million as of March 31, 2022. Our cash expenditures for rent increased significantly during the three months ended March 31, 2022, compared to the three months ended March 31, 2021. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I in this Form 10-Q for a summary of the estimated future repayment terms for the deferred lease amounts due to COVID-19, and also a summary of the estimated future repayment terms for the minimum operating lease and finance lease amounts.

It is very difficult to estimate our liquidity requirements, future cash burn rates and future attendance levels. Depending on our assumptions regarding the timing and ability to achieve significantly increased levels of operating revenue, the estimates of amounts of required liquidity vary significantly. In order to achieve net positive operating cash flows and long-term profitability, we believe we will need to increase attendance levels significantly compared to 2021 and achieve levels in line with pre COVID-19 attendance. While our current cash burn rates have improved, these levels are not sustainable. Further, we cannot accurately predict what future changes may occur to the supply or release date of movie titles available for theatrical exhibition once moviegoers are prepared to return in large numbers. Nor can we know with certainty the impact on consumer movie-going behavior of studios who may choose to release movies to theatrical exhibition and their streaming platforms on the same date, or the potential attendance impact of other studio decisions to accelerate in home availability of their theatrical movies. Studio negotiations regarding evolving theatrical release models and film licensing terms are ongoing. There can be no assurance that the attendance levels and other assumptions used to estimate our liquidity requirements and future cash burn rates will be correct, and our ability to be predictive is uncertain due to the unknown magnitude and duration of the COVID-19 pandemic. Further, there can be no assurances that we will be successful in generating the additional liquidity necessary to meet our obligations beyond twelve months from the issuance of these financial statements on terms acceptable to us or at all. If we are unable to maintain or renegotiate our minimum liquidity covenant requirements, it could have a significant adverse effect on our business, financial condition and operating results.

Cash Flows from Operating Activities

Cash flows used in operating activities, as reflected in the condensed consolidated statements of cash flows, were $295.0 million and $312.9 million during the three months ended March 31, 2022 and March 31, 2021, respectively. The decrease in cash flows used in operating activities was primarily due to the increase in attendance and decrease in net loss, partially offset by increased working capital used during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 and an increase in cash paid for interest. We will also continue to repay rent amounts that were deferred during the COVID-19 pandemic, which will increase cash outflows from operating activities. See Note 2—Leases in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I in this Form 10-Q for a summary of the estimated future repayment terms for the remaining $271.7 million of rentals that were deferred during the COVID-19 pandemic.

Cash Flows from Investing Activities

Cash flows used in investing activities, as reflected in the condensed consolidated statements of cash flows, were $54.9 million and $16.0 million during the three months ended March 31, 2022 and March 31, 2021, respectively. Cash outflows from investing activities include capital expenditures of $34.8 million and $11.9 million during the three months ended March 31, 2022 and March 31, 2021, respectively. During the three months ended March 31, 2022, cash flows used in investing activities included investment in Hycroft common stock for $25.0 million, investment in Hycroft warrants for $2.9 million, and proceeds from the disposition of long-term assets of $7.2 million related to one property and other assets.

During the three months ended March 31, 2021, cash flows used in investing activities included proceeds from the disposition of assets of $5.2 million, primarily related to the sale of our remaining interest in one of the Baltic's theatres located in Estonia of $3.8 million and proceeds received from the disposition of one property of $1.4 million. During the three months ended March 31, 2021, we made an additional investment of $9.3 million in Saudi Cinema Company LLC.

We fund the costs of constructing, maintaining and remodeling our theatres through existing cash balances, cash generated from operations, landlord contributions, or borrowed funds, as necessary. We generally lease our theatres pursuant to long-term non-cancelable operating leases, which may require the developer, who owns the property, to reimburse us for the construction costs. We estimate that our capital expenditures, net of landlord contributions, will be approximately $150 million and $200 million for year ended December 31, 2022 to maintain and enhance operations.

Cash Flows from Financing Activities

Cash flows provided by (used in) financing activities, as reflected in the condensed consolidated statements of cash flows, were $(76.3) million and $854.7 million during the three months ended March 31, 2022 and March 31, 2021, respectively. Cash flows from financing activities during the three months ended March 31, 2022 was primarily due to principal and premium payments under the First Lien Notes due 2025 of $534.5 million, principal and premium payments under the First Lien Notes due 2026 of $325.6 million, principal and premium payments under the First Lien Toggle Notes due 2026 of $88.1 million, taxes paid for restricted unit withholdings of $52.2 million, and cash used to pay for deferred financing costs of $17.7 million, partially offset by the issuance of the First Lien Notes due 2029 of $950.0 million. See Note 6—Corporate Borrowings and Finance Lease Obligations in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q for further information, including a summary of principal payments required and maturities of corporate borrowings as of March 31, 2022.

Cash flows from financing activities during the three months ended March 31, 2021 was primarily due to the borrowings under the Odeon Term Loan Facility of $534.3 million, the issuance of First Lien Toggle Notes due 2026 of $100.0 million, and net proceeds from the sale of Common Stock of $581.6 million, partially offset by the repayments under the revolving credit facilities of $335.0 million, payment for deferred financing costs of $19.0 million, and principal payments under the Term Loan due 2026 of $5.0 million.

First Lien Notes due 2029. On February 14, 2022, we issued $950.0 million aggregate principal amount of our 7.5% First Lien Senior Secured Notes due 2029 ("First Lien Notes due 2029"), pursuant to an indenture, dated as of February 14, 2022, among the Company, the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and collateral agent. We used the net proceeds from the sale of the notes, and cash on hand, to fund the full redemption of the then outstanding $500 million aggregate principal amount of our 10.5% First Lien Notes due 2025, the then outstanding $300 million aggregate principal amount of our 10.5% First Lien Notes due 2026, and the then outstanding $73.5 million aggregate principal amount of our 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026 and to pay related accrued interest, fees, costs, premiums and expenses. We recorded a loss on debt extinguishment related to this transaction of $135.0 million in other expense, during the three months ended March 31, 2022. The First Lien Notes due 2029 bear cash interest at a rate of 7.5% per annum payable semi-annually in arrears on February 15 and August 15, beginning on August 15, 2022. The First Lien Notes due 2029 will mature on February 15, 2029. The First Lien Notes due 2029 are general senior secured obligations of the Company and are secured on a pari passu basis with the Senior Secured Credit Facilities.

See Note 6—Corporate Borrowings and Finance Lease Obligations in the Notes to the Condensed Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q for further information regarding the above.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of business, our financial results are exposed to fluctuations in interest rates and foreign currency exchange rates. In accordance with applicable guidance, we presented a sensitivity analysis showing the potential impact to net income of changes in interest rates and foreign currency exchange rates. For the three months ended March 31, 2022 and March 31, 2021, our analysis utilized a hypothetical 100 basis-point increase or decrease to the average interest rate on our variable rate debt instruments to illustrate the potential impact to interest expense of changes in interest rates and a hypothetical 100 basis-point increase or decrease to market interest rates on our fixed rate debt instruments to illustrate the potential impact to fair value of changes in interest rates.

Similarly, for the same period, our analysis used a uniform and hypothetical 10% strengthening of the U.S. dollar versus the average exchange rates of applicable currencies to depict the potential impact to net income of changes in foreign exchange rates. These market risk instruments and the potential impacts to the condensed consolidated statements of operations are presented below.

Market risk on variable-rate financial instruments. At March 31, 2022 and March 31, 2021, we maintained Senior Secured Credit Facilities comprised of a $225.0 million revolving credit facility and $2,000.0 million of Term Loan due 2026. The Credit Agreement (which governs the Senior Secured Credit Facilities) provides for borrowings at a rate per annum equal to, at our option, either (1) a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate, and (b) the prime rate announced by the Administrative Agent or (2) LIBOR plus (x) in the case of the Senior Secured Term Loans, 2.0% for base rate loans or 3.0% for LIBOR loans or (y) in the case of the Senior Secured Revolving Credit Facility, an applicable margin based on the Secured Leverage Ratio (defined in the Credit Agreement). The rate in effect for the outstanding Senior Secured Term Loan due 2026 was 3.352% per annum at March 31, 2022 and 3.195% per annum at March 31, 2021.

Increases in market interest rates would cause interest expense to increase and earnings before income taxes to decrease. The change in interest expense and earnings before income taxes would be dependent upon the weighted average outstanding borrowings during the reporting period following an increase in market interest rates. At March 31, 2022, we had no variable-rate borrowings outstanding under our revolving credit facilities and had an aggregate principal balance of $1,940.0 million outstanding under the Term Loan due 2026. A 100-basis point change in market interest rates would have increased or decreased interest expense on the Senior Secured Credit Facilities by $4.9 million during the three months ended March 31, 2022.

At March 31, 2021, we had no variable-rate borrowings outstanding under our revolving credit facilities and had an aggregate principal balance of $1,960.0 million outstanding under the Term Loan due 2026. A 100-basis point change in market interest rates would have increased or decreased interest expense on our Senior Secured Term Loan due 2026 by $4.9 million during the three months ended March 31, 2021.

Market risk on fixed-rate financial instruments. Included in long-term corporate borrowings at March 31, 2022 were principal amounts of $950.0 million of our First Lien Notes due 2029, $1,508.0 million of our Second Lien Notes due 2026, $542.3 million (£147.6 million and €312.2 million) of our Odeon Term Loan due 2023, $98.3 million of our Notes due 2025, $55.6 million of our Notes due 2026, $130.7 million of our Notes due 2027, and £4.0 million ($5.2 million) of our Sterling Notes due 2024. A 100-basis point change in market interest rates would have caused an increase or (decrease) in the fair value of our fixed rate financial instruments of approximately $109.5 million and $(104.1) million, respectively, as of March 31, 2022.

Included in long-term corporate borrowings at March 31, 2021 were principal amounts of $500.0 million of our First Lien Notes due 2025, $1,423.6 million of our Second Lien Notes due 2026, $538.8 million (£140.0 million and €296.0 million) of our Odeon Term Loan due 2023, $300.0 million of our First Lien Notes due 2026, $100.0 million First Lien Toggle Notes due 2026, $98.3 million of our Notes due 2025, $55.6 million of our Notes due 2026, $130.7 million of our Notes due 2027, and £4.0 million ($5.5 million) of our Sterling Notes due 2024. A 100-basis point change in market interest rates would have caused an increase or (decrease) in the fair value of our fixed rate financial instruments of approximately $99.3 million and $(94.9) million, respectively, as of March 31, 2021.

Foreign currency exchange rate risk. We are also exposed to market risk arising from changes in foreign currency exchange rates as a result of our ownership of Odeon and Nordic. Odeon's revenues and operating expenses are transacted in British Pounds and Euros, and Nordic's revenues and operating expenses are transacted primarily in Swedish Krona and Euros. U.S. GAAP requires that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If Odeon and Nordic operate in a highly inflationary economy, U.S. GAAP requires that the U.S. dollar be used as the functional currency for Odeon and Nordic. Currency fluctuations in the countries in which we operate result in us reporting exchange gains (losses) or foreign currency translation adjustments. Based upon our currencies from operations in the International markets as of March 31, 2022, holding everything else constant, a hypothetical 10% strengthening of the U.S. dollar versus the average exchange rates of applicable currencies to depict the potential impact to net income (loss) of changes in foreign exchange rates would increase the aggregate net loss of our International theatres for the three months ended March 31, 2022 by approximately $7.1 million. Based upon our ownership in Odeon and Nordic as of March 31, 2021, holding everything else constant, a hypothetical 10% strengthening of the U.S. dollar versus the average exchange rates of applicable currencies to depict the potential impact to net income (loss) of changes in foreign exchange rates would decrease the aggregate net loss of our International theatres for the three months ended March 31, 2021 by approximately $12.6 million.

Our foreign currency translation rates decreased by approximately 5.4% for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

The Company maintains a set of disclosure controls and procedures designed to ensure that material information required to be disclosed in its filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that material information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have evaluated these disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10–Q and have determined that such disclosure controls and procedures were effective.

(b) Changes in internal control.

There has been no change in our internal control over financial reporting during our most recent calendar quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Note 11—Commitments and Contingencies of the Notes to the Company's Condensed Consolidated Financial Statements in Item 1 of Part I of this Form 10-Q for information on certain litigation to which we are a party.

Item 1A. Risk Factors

Reference is made to Part I Item 1A. Risk Factors in our Annual Report on Form 10–K for the year ended December 31, 2021, which sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition or operating results. Except as set forth below, there have been no material changes to the risk factors contained in our Quarterly Report on Form 10-Q for the three months ended March 31, 2022.

Supply chain disruptions, labor shortages, increased cost and inflation may negatively impact our operations and operating results.

We rely on a limited number of suppliers for certain products, supplies and services, including a single U.S. vendor for the warehousing and distribution of most of the products and supplies for our U.S. food and beverage operations. Items such as consumable oils used in food preparation and containers/packaging for food and beverage service have been impacted by price and availability in both the U.S. markets and International markets. Shortages, delays, or interruptions in the availability of food and beverage items and other supplies to our theatres may be caused by commodity availability; public health crises or pandemics, including resulting lockdowns in areas where goods are manufactured; social or economic unrest, terrorism, hostilities, cyber-attacks or war, including the conflict between Russia and Ukraine and the potential impact of financial and economic sanctions on the regional and global economy; labor issues or other operational disruptions; the inability of our suppliers to manage adverse business conditions, obtain credit or remain solvent; adverse weather conditions; natural disasters; governmental regulation; recalls; or other conditions beyond our control. Such shortages, delays or interruptions could adversely affect the availability, quality, and cost of the items we buy and the operations of our business. Supply chain risk could increase our costs and limit the availability of products that are critical to our operations. If we raise prices in response to increased costs or shortages, it may negatively impact our sales. If we temporarily remove popular food and beverage options without comparable alternatives, we may experience a reduction in sales during the time affected by the shortage or thereafter if our guests change their purchasing habits.

During the recovery from the impacts of the COVID-19 pandemic, we have, with regard to certain items, experienced difficulties in maintaining a consistent supply, seen delays in production and deliveries, been required to identify alternative suppliers, and suspended sales regionally or entirely. We expect these issues to continue for the foreseeable future and plan to minimize the impact by focusing on the supply of those items with the greatest impact on our sales and operations.

One of the impacts of COVID-19 has been extended labor shortages, resulting in our demand for staff outweighing the available supply. The success of our business depends on our ability to recruit and retain staff members for our theatres. Without proper staffing, wait times to buy tickets and concessions are extended, operating hours may be reduced, and, in some cases, theatres cannot open at all. As patrons begin to return to our theatres in greater numbers, these conditions may result in a poor guest experience, perhaps causing them to not return in the future. These labor shortages have also required us to raise wages to be competitive in the small available workforce. Increased labor costs cut into profits already extremely affected by COVID-19.

In addition, we are dependent upon natural gas and electricity to operate our theatres. The cost of natural gas and electricity may fluctuate widely due to economic and political conditions, government policy and regulations, war, or other unforeseen circumstances. Substantial future increases in prices for, or shortages of, natural gas and electricity could have a negative effect on our profitability. There can be no assurance that we can cover these potential cost increases through future pricing actions.

Inflation may adversely affect us by increasing our food and beverage costs, utilities, and labor. In an inflationary environment, such as the current economic environment, depending on the market conditions in each region or country, we may be unable to raise the prices of our movie tickets or food and beverage products enough to keep up with the rate of inflation, which would reduce our profitability, and continued inflationary pressures could impact our business, financial condition, and results of operations.

Our business is subject to international economic, political and other risks that could negatively affect our business, results of operations and financial condition.

As a result of our international operations, 28.3% of our revenues were derived from countries outside the United States for the three months ended March 31, 2022. The success of our international operations is subject to risks that are beyond our control. Accordingly, our business is subject to risks associated with doing business internationally, including:

- difficulties and costs of staffing and managing international operations among diverse geographies, languages and cultures;
- the impact of regional or country-specific business cycles and economic instability;
- the potential for political, social, or economic unrest, terrorism, hostilities, cyber-attacks or war, including the conflict between Russia and Ukraine and that Sweden and Finland (countries where we operate approximately 100 theatres) have recently agreed to submit simultaneous applications to the NATO alliance as early as May 2022, which could cause a deterioration in the relationship each country has with Russia, and the potential impact of financial and economic sanctions on the regional and global economy;
- fluctuations in foreign currency exchange rates which could lead to fluctuations in our reported results of operations or result in significant decreases in the value of our international investments as denominated in U.S. Dollars;
- increased foreign interest rates, foreign exchange fees and other bank charges as a result of financing our foreign operations;
- exposure to anti-corruption laws, including the Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act (the “Bribery Act”), and export-control regulations and economic sanctions regulations, including those promulgated by the Office of Foreign Assets Control, United States Department of Treasury (“OFAC”);
- exposure to local economic conditions and local laws and regulations;
- exposure to local labor and employment laws;
- relationships with local labor unions and works councils;

- limited borrowing capabilities relating to activities in non-U.S. countries;
- economic and/or credit conditions abroad;
- potential adverse changes in the political and/or economic stability of foreign countries or in their diplomatic relations with the United States;
- restrictions on the withdrawal of foreign investment and earnings;
- government policies against businesses owned by foreigners;
- investment restrictions or requirements;
- diminished ability to legally enforce our contractual rights in foreign countries;
- difficulty in protecting our brand, reputation and intellectual property;
- restrictions on the ability to obtain or retain licenses required for operation;
- foreign exchange restrictions;
- adverse changes in regulatory or tax requirements;
- restrictions on foreign ownership of subsidiaries;
- data protection and privacy laws, including GDPR and other restrictions on transferring personally identifiable information outside of a jurisdiction; and
- tariffs and other trade barriers.

If we are unable to manage the complexity of our global operations successfully, it could have a material adverse effect on our business, financial condition and results of operations.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

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Item 6. Exhibits.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
4.1	Indenture, dated as of February 14, 2022, among AMC Entertainment Holdings, Inc., the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and collateral agent (including the form of the 7.500% First Lien Notes due 2029) (incorporated by reference from Exhibit 4.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on February 14, 2022).
+*10.1	Employment Agreement, dated as of December 20, 2016, by and between Daniel E. Ellis and AMC Entertainment Holdings, Inc.
+*10.2	Employment Agreement, dated as of March 7, 2022, by and between Eliot Hamlisch and AMC Entertainment Holdings, Inc.
*31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.
*31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.
*32.1	Section 906 Certifications of Adam M. Aron (Chief Executive Officer) and Sean D. Goodman (Chief Financial Officer) furnished in accordance with Securities Act Release 33-8212.
**101.INS	Inline XBRL Instance Document
**101.SCH	Inline XBRL Taxonomy Extension Schema Document
**101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
**101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
**101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
**104	Cover Page Interactive Data File (formatted as inline XBRL and contained as Exhibit 101)

* Filed herewith.
** Submitted electronically with this Report.
\+ Management contract, compensatory plan or arrangement.

SIGNATURES

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

AMC ENTERTAINMENT HOLDINGS, INC.

Date: May 9, 2022	/s/ ADAM M. ARON Adam M. Aron *Chairman of the Board, Chief Executive Officer and President*
Date: May 9, 2022	/s/ SEAN D. GOODMAN Sean D. Goodman *Executive Vice President, International Operations, Chief Financial Officer and Treasurer*

EXECUTION COPY

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 20th day of December, 2016, by and between AMC Entertainment Holdings, Inc., a Delaware corporation (the "Company"), and Daniel E. Ellis (the "Officer").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. The Company desires to obtain the services of the Officer on the terms and conditions set forth in this Agreement.

B. This Agreement shall govern the employment relationship between the Officer and the Company and supersedes and negates all previous agreements with respect to such relationship.

C. The Officer desires to be employed by the Company on the terms and conditions set forth in this Agreement.

D. This Agreement is contingent upon the consummation of a sale of all or substantially all of the voting stock or assets of Carmike Cinemas, Inc. to, or a merger with, AMC Entertainment, Inc. or any of its affiliates (the "Transaction Closing"). This Agreement will be null and void, without obligation to either party, should the Transaction Closing not occur.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 **Retention**. The Company does hereby hire, engage and employ the Officer beginning on the Transaction Closing as set forth above (the "Effective Date"), and concluding on the last day of the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement. The Officer does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement. Officer's employer of record will be Company's wholly owned subsidiary, American Multi-Cinema, Inc.

1.2 **Duties**. During the Period of Employment, the Officer shall serve the Company as its Senior Vice President, Domestic Development and shall have the powers, authorities, duties and obligations of management usually vested in such position of a company of a similar size and similar nature as the Company, and such other powers, authorities, duties and obligations commensurate with such position as the Company's Board of Directors (the "Board") or the Company's Chief Executive Officer may assign from time to time, all subject to the directives of the Board and the corporate policies of the Company as they are in effect from time to time throughout the Period of Employment (including, without limitation, the Company's business conduct and ethics policies, as they may change from time to time).

1.3 **No Other Employment; Minimum Time Commitment**. During the Period of Employment, the Officer shall (i) devote substantially all of the Officer's business time, energy and skill to the performance of the Officer's duties for the Company, (ii) perform such duties in a faithful, effective and efficient manner to the best of his abilities, and (iii) hold no other employment. The Officer's service on the boards of directors (or similar body) of other for-profit business entities is subject to the approval of the Board or the Company's Chief Executive Officer. The Company shall have the right to require the Officer to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) on which he may then serve if the Board or the Company's Chief Executive Officer reasonably determines that the Officer's service on such board or body interferes with the effective discharge of the Officer's duties and responsibilities to the Company or that any business related to such service is then in competition with any business of the Company or any of its Affiliates (as such term is defined in Section 5.5), successors or assigns.

1.4 **No Breach of Contract**. The Officer hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Officer and the Company and the performance by the Officer of the Officer's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Officer is a party or otherwise bound or any judgment, order or decree to which the Officer is subject; (ii) the Officer has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as such term is defined in Section 5.5) which would prevent, or be violated by, the Officer entering into this Agreement or carrying out his duties hereunder; (iii) the Officer is not bound by any employment, consulting, non-compete, confidentiality, trade secret or similar agreement with any other Person; and (iv) the Officer understands the Company will rely upon the accuracy and truth of the representations and warranties of the Officer set forth herein and the Officer consents to such reliance.

1.5 **Location**. The Officer's principal place of employment shall be in Leawood, Kansas. The Officer agrees that he will be regularly present at that office. The Officer acknowledges that he will be required to travel from time to time in the course of performing his duties for the Company including periodically to Beijing, China.

2. **Period of Employment**. The "Period of Employment" shall be a period of two (2) years commencing on the Effective Date and ending at the close of business on the second anniversary of the Effective Date (the "Termination Date"); provided, however, that this Agreement shall be automatically renewed, and the Period of Employment shall be automatically extended, for one (1) additional year on the Termination Date and each anniversary of the Termination Date thereafter. The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement.

3. **Compensation**.

3.1 **Base Salary**. During the Period of Employment, the Company shall pay the Officer a base salary (the "Base Salary"), which shall be paid in accordance with the Company's regular payroll practices in effect from time to time, but not less frequently than monthly. The

Officer's Base Salary shall be at an annualized rate of Four Hundred Thousand Dollars ($400,000). The Board (or a committee thereof) will review the Officer's rate of Base Salary on an annual basis and may, in its sole discretion, increase (but not decrease) the rate then in effect.

3.2 **Incentive Bonus**. The Officer shall be eligible to receive an incentive bonus for each fiscal year of the Company that occurs during the Period of Employment ("Incentive Bonus"); provided, that the Officer must be employed by the Company at the end of the fiscal year in order to be eligible for an Incentive Bonus with respect to that fiscal year. If the Officer is not so employed at such time, he shall not be considered to have "earned" any Incentive Bonus with respect to the fiscal year in question. The target Incentive Bonus for each fiscal year during the Period of Employment shall equal 65% of Base Salary. Any Incentive Bonus shall be paid to the Officer in the immediately following fiscal year at the same time that the Company pays its annual bonuses to officers generally. The Officer's target Incentive Bonus amount for a particular fiscal year of the Company shall be determined by the Company in its sole discretion, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) established with respect to that particular fiscal year by Company.

3.3 **Long Term Incentives**. The Officer shall be granted long term incentive awards on an annual basis on terms and conditions established by the Board, which shall be consistent with the terms and conditions of the awards made to other officers of the Company ("Long Term Incentive").

3.4 **Clawback**. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation or any other compensation paid to the Officer pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company (whether in existence as of the Effective Date or later adopted) pursuant to any such law, government regulation or stock exchange listing requirement or otherwise).

4. **Benefits**.

4.1 **Retirement, Welfare and Fringe Benefits**. During the Period of Employment, the Officer shall be entitled to participate in all retirement and welfare benefit plans and programs, and fringe benefit plans and programs, made available by the Company to the Company's executive officers generally, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

4.2 **Reimbursement of Business Expenses**. The Officer is authorized to incur reasonable expenses in carrying out the Officer's duties for the Company under this Agreement and shall be entitled to reimbursement for all reasonable business expenses that the Officer incurs during the Period of Employment in connection with carrying out the Officer's duties for the Company, subject to the Company's expense reimbursement policies and any pre-approval policies in effect from time to time.

4.3 **Vacation and Other Leave**. During the Period of Employment, the Officer's annual rate of vacation accrual shall be fifteen (15) days per year; provided that such vacation shall accrue and be subject to the Company's vacation policies in effect from time to time. The Officer shall also be entitled to all other holiday and leave pay generally available to other Officers of the Company.

4.4 **Relocation Expenses**. The Company shall reimburse the Officer for costs incurred in connection with his relocation to the Kansas City, Kansas area in accordance with Company's standard relocation policy. Reimbursment of the expenses is subject to receipt by the Company of applicable documentation and compliance with Company's standard relocation policy. The Company shall also provide for or reimburse the Officer for temporary housing for the period from the Effective Date and ending on the earlier of (i) the date Officer permanently relocates to the Kansas City, Kansas area, or (ii) June 30, 2017.

5. **Termination**.

5.1 **Termination by the Company**. The Officer's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (i) with Cause (as such term is defined in Section 5.5), or (ii) without Cause, or (iii) in the event of the Officer's death, or (iv) in the event that the Board determines in good faith that the Officer has a Disability (as such term is defined in Section 5.5).

5.2 **Termination by the Officer**. The Officer's employment by the Company, and the Period of Employment, may be terminated by the Officer with no less than ninety (90) days' advance written notice to the Company (such notice to be delivered in accordance with Section 16); provided, however, that in the case of a termination with Good Reason, the Officer may provide immediate written notice of termination once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the Company has not reasonably cured the circumstances that gave rise to the basis for the termination with Good Reason.

5.3 **Benefits Upon Termination**. If the Officer's employment by the Company is terminated during the Period of Employment for any reason by the Company or by the Officer (in any case, the date that the Officer's employment by the Company terminates is referred to as the "Severance Date"), the Company shall have no further obligation to make or provide to the Officer, and the Officer shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

(a) The Company shall pay the Officer (or, in the event of his death, the Officer's estate) any Accrued Obligations (as such term is defined in Section 5.5);

(b) If, during the Period of Employment, the Officer's employment with the Company terminates as a result of an Involuntary Termination, the Company shall pay the Officer (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to (i) any unpaid Base Salary through the initial two (2) year Period of Employment if such Involuntary Termination occurs during his first year of employment or (ii) one (1) times his Base Salary if such Involuntary Termination occurs after the first year of employment. Such amount is referred to hereinafter as the "Severance Benefit." Subject to Section 5.8(a), the Company shall pay the Severance Benefit to the Officer in substantially equal bi-weekly installments in accordance with the Company's standard payroll practices over a period of consecutive weeks, as applicable, with the first installment payable on the next regularly scheduled payday following the Officer's

Separation from Service (as such term is defined in Section 5.5). (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Severance Benefit.)

(c) Notwithstanding the foregoing provisions of this Section 5.3, if the Officer breaches his obligations under Section 6 or under any other agreement that imposes restrictions with respect to the Officer's activities at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Officer will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit; provided that, if the Officer provides the release contemplated by Section 5.4, in no event shall the Officer be entitled to a Severance Benefit payment of less than $5,000, which amount the parties agree is good and adequate consideration, standing alone, for the Officer's release contemplated by Section 5.4.

(d) The foregoing provisions of this Section 5.3 shall not affect: (i) the Officer's receipt of any benefits otherwise due terminated employees under group insurance coverage consistent with the terms of an applicable Company welfare benefit plan; (ii) the Officer's rights to continued health coverage under COBRA; (iii) the Officer's receipt of benefits otherwise due in accordance with the terms of the Company's 401(k) plan (if any); or (iv) the Officer's rights (if any) to stock options or other equity-based awards or incentive previously granted, which shall be governed by the terms of the applicable equity incentive plan and award documents.

5.4 Release; Exclusive Remedy.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement. As a condition precedent to payment of the Severance Benefit, the Officer shall, prior to the last day of the month following the month in which Executive's Separation from Service (as such term is defined in Section 5.5) occurs, provide the Company and its Affiliates with a valid, executed general release agreement in a form acceptable to the Company (which form shall be substantially in the same form as that attached hereto as Exhibit A), and such release agreement shall have not been revoked or remain revocable by the Officer pursuant to any revocation rights afforded by applicable law.

(b) The Officer agrees that the payments and benefits contemplated by Section 5.3 shall constitute the exclusive and sole remedy for any termination of his employment and the Officer covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment. The Officer agrees to resign, on the Severance Date, as an officer and director of the Company and any Affiliate of the Company, and as a fiduciary of any benefit plan of the Company or any Affiliate of the Company, and to promptly execute and provide to the Company any further documentation, as requested by the Company, to confirm such resignation.

5.5 Certain Defined Terms.

(a) As used herein, "Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid on or before the Severance Date;

(ii) any Incentive Bonus for a completed fiscal year that has not yet been paid, to the extent the Officer is eligible for any such Incentive Bonus for such fiscal year; and

(iii) any reimbursement due to the Officer pursuant to Section 4.2 for expenses reasonably incurred by the Officer on or before the Severance Date and documented and pre-approved, to the extent applicable, in accordance with the Company's expense reimbursement policies in effect at the applicable time.

(b) As used herein, "Affiliate" of the Company means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person. The term "Affiliate" shall not include any entity that would not otherwise be an Affiliate of the Company but for the controlling ownership interest of Dalian Wanda Group Co., Ltd. or its successors or related investment funds.

(c) As used herein, "Cause" shall mean, as reasonably determined by the Board (excluding the Officer, if he is then a member of the Board) or Company's Chief Executive Officer based on the information then known to it/him, that one or more of the following has occurred:

(i) the Officer has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Officer has engaged in acts of fraud, dishonesty, gross negligence or other misconduct including abuse of controlled substances, that is injurious to the Company, its Affiliates or any of their customers, clients or employees;

(iii) the Officer willfully fails to perform or uphold his duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board or Company's Chief Executive Officer, in either case, that is not remedied by the Officer within fifteen (15) days after written notice thereof has been delivered to the Officer; or

(iv) any breach by the Officer of any provision of Section 6, or any material breach by the Officer of any other contract he is a party to with the Company or any of its Affiliates including the code of ethics or another material written policy.

(d) As used herein, "Good Reason" shall mean a termination of the Officer's employment by means of resignation by the Officer after the occurrence (without the Officer's consent) of any one or more of the following conditions:

(i) a material diminution in the Officer's rate of Base Salary, Incentive Bonus or Long Term Incentive;

(ii) a material diminution in the Officer's authority, duties, or responsibilities;

(iii) a material change in the geographic location of the Officer's principal office with the Company (for this purpose, in no event shall a relocation of such office to a new location that is not more than fifty (50) miles from the current location of the Company's executive offices constitute a "material change"); or

(iv) a material breach by the Company of this Agreement;

provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination with Good Reason unless (x) the Officer provides written notice to the Company of the condition claimed to constitute grounds for a termination with Good Reason within thirty (30) days after the initial existence of such condition(s) (such notice to be delivered in accordance with Section 16), and (y) the Company fails to remedy such condition(s) within thirty (30) days of receiving such written notice thereof; and (z) the termination of the Officer's employment with the Company shall not constitute a termination with Good Reason unless such termination occurs not more than one hundred and twenty (120) days following the initial existence of the condition claimed to constitute grounds for a termination with Good Reason.

(e) As used herein, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Officer unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(f) As used herein, "Involuntary Termination" shall mean (i) a termination of the Officer's employment by the Company without Cause (and other than due to Officer's death or in connection with a good faith determination by the Board that the Officer has a Disability), or (ii) a termination with Good Reason.

(g) As used herein, the term "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(h) As used herein, a "Separation from Service" occurs when the Officer dies, retires, or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

5.6 Notice of Termination. Any termination of the Officer's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. This notice of termination must be delivered in accordance with Section 16 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

5.7 Limitation on Benefits.

(a) To the extent that any payment, benefit or distribution of any type to or for the benefit of the Officer by the Company or any of its Affiliates, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards or incentives) (collectively, the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Company shall submit for the vote of the stockholders of the Company (the "Stockholders") the payments to the Officer in a manner that complies with the requirements of Section 280G(b)(5)(B) of the Code and the Treasury Regulations promulgated thereunder. It shall be a prerequisite to the Company's obligations under this Section 5.7(a) that the Officer shall have executed a valid waiver in a form reasonably satisfactory to the Company and sufficient to enable the Stockholders' approval to have the effect that no payments to the Officer would be subject to the excise tax under Section 4999 of the Code. If the exemption described in Section 280G(b)(5)(B) of the Code and the Treasury Regulations promulgated thereunder does not apply, then the procedures set forth in Section 5.7(b) and Section 5.7(c) hereof shall apply.

(b) Notwithstanding anything contained in this Agreement to the contrary, to the extent that the Total Payments would be subject to Section 4999 of the Code, then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code. Unless the Officer shall have given prior written notice to the Company to effectuate a reduction in the Total Payments that complies with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any other remaining Total Payments. The preceding provisions of this Section 5.7(b) shall take precedence over the provisions of any other plan, arrangement or agreement governing the Officer's rights and entitlements to any benefits or compensation.

(c) Any determination that Total Payments to the Officer must be reduced or eliminated in accordance with Section 5.7(b) and the assumptions to be utilized in arriving at such determination, shall be made by the Board in the exercise of its reasonable, good faith discretion based upon the advice of such professional advisors it may deem appropriate in the circumstances. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Board hereunder, it is possible that Total Payments to the Officer which will not have been made by the Company should have been made ("Underpayment"). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid by the Company to or for the benefit of the Officer. In the event that any Total Payment made to the Officer shall be determined to otherwise result in the imposition of any tax under Section 4999 of the Code, then the Officer shall promptly repay to the Company the amount of any such Underpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Officer to the date the same is repaid to the Company.

5.8 **Section 409A**.

(a) If the Officer is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Officer's Separation from Service and the Severance Benefit or any other amount payable under this Agreement constitutes deferred compensation within the meaning of Section 409A of the Code, the Officer shall not be entitled to such Severance Benefit or other amount until the earlier of (i) the date which is six (6) months after his Separation from Service for any reason other than death, or (ii) the date of the Officer's death. The provisions of this paragraph shall apply only if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code after taking into account all applicable exemptions available thereunder. Any amounts otherwise payable to the Officer upon or in the six (6) month period following the Officer's Separation from Service that are not so paid by reason of this Section 5.8(a) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Officer's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Officer's death).

(b) It is intended that any amounts payable under this Agreement and the Company's and the Officer's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. Nothing contained herein is intended to provide a guarantee of tax treatment to the Officer. For purposes of Section 409A of the Code, the Officer's right to receive installment payments pursuant to Section 5.3(b) shall be treated as a right to receive a series of separate and distinct payments.

6. **Protective Covenants**.

6.1 **Confidential Information; Inventions**.

(a) The Officer shall not disclose or use at any time, either during the Period of Employment or thereafter, any confidential information (as defined below) of which the Officer is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Officer's performance in good faith of duties for the Company. The Officer will take all appropriate steps to safeguard confidential information in his possession and to protect it against disclosure, misuse, espionage, loss and theft. The Officer shall deliver to the Company at the termination of the Period of Employment, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the confidential information or the Work Product (as hereinafter defined) of the business of the Company or any of its Affiliates which the Officer may then possess or have under his control. Notwithstanding the foregoing, the Officer may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or its Affiliates in connection with their respective businesses, including, but not limited to, information, observations and data obtained by the Officer while employed by the Company or any predecessors thereof (including those obtained prior to the Effective Date) concerning (i) the business or affairs of the Company or its Affiliates (or such predecessors), (ii) products or services, (iii) fees, costs, compensation and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Officer in breach of this Agreement) in a form generally available to the public prior to the date the Officer proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(c) As used in this Agreement, the term "Work Product" means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to the Company's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Officer (whether or not during usual business hours, whether or not by the use of the facilities of the Company or any of its Affiliates, and whether or not alone or in conjunction with any other person) while employed by the Company (including those conceived, developed or made prior to the Effective Date) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Officer may have discovered, invented or originated during his employment by the Company or any of its Affiliates prior to the Effective Date, that he may discover, invent or originate during the Period of Employment or at any time in the period of twelve (12) months after the Severance Date, shall be the exclusive property of the Company and its Affiliates, as applicable, and Officer hereby assigns all of Officer's right, title and interest in and to such Work Product to the Company or its applicable Affiliate, including all intellectual property rights therein. Officer shall promptly disclose all Work Product to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem necessary to protect or perfect its (or any of its Affiliates', as applicable) rights therein, and shall assist the Company (or any of its Affiliates, as applicable), at the Company's expense, in obtaining, defending and enforcing the Company's (or any of its Affiliates', as applicable) rights therein. The Officer hereby appoints the Company as his attorney-in-fact to execute on his behalf any assignments or other documents deemed necessary by the Company to protect or perfect the Company's (and any of its Affiliates', as applicable) rights to any Work Product.

6.2 **Restriction on Competition**. The Officer agrees that if the Officer were to become employed by, or substantially involved in, the business of a competitor of the Company or any of its Affiliates during the twelve (12) months following the Severance Date, it would be very difficult for the Officer not to rely on or use the Company's and its Affiliates' trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Company's and its Affiliates' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Company's and its Affiliates' relationships and goodwill with customers, during the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer, licensor of technology or otherwise. For purposes of this Agreement, "Competing Business" means a Person anywhere in the continental United States or elsewhere in the world where the Company or any of its Affiliates engage in business, or reasonably anticipate engaging in business, on the Severance Date (the "Restricted Area") that at any time during the Period of Employment has competed, or at any time during the twelve (12) month period following the Severance Date competes, with the Company or any of its Affiliates in any of its or their businesses, including, without limitation, theatrical exhibition, digital cinema, internet ticketing and virtual box office for theatrical exhibitions, IMAX or other three dimensional screened entertainment, pre-show content, cinema or lobby advertising products, meeting and event services or special in-theater events. Nothing herein shall prohibit the Officer from (i) being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as the Officer has no active participation in the business of such corporation, (ii) providing services to a Person otherwise engaged in a Competing Business, provided the Officer provides no services to any business operated, managed or controlled by such Person that causes such Person to constitute a Competing Business, or (iii) providing services to a Person the business or businesses of which are unrelated to theatrical exhibition.

6.3 **Non-Solicitation of Employees and Consultants**. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person (i) induce or attempt to induce any employee or independent contractor of the Company or any Affiliate of the Company to leave the employ or service, as applicable, of the Company or such Affiliate, or in any way interfere with the relationship between the Company or any such Affiliate, on the one hand, and any employee or independent contractor thereof, on the other hand, or (ii) hire any person who was an employee of the Company or any Affiliate of the Company until twelve (12) months after such individual's employment relationship with the Company or such Affiliate has been terminated.

6.4 **Non-Solicitation of Customers**. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, associates, consultants, agents, or partners of the Company or any Affiliate of the Company to divert their business away from the Company or such Affiliate, and the Officer will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Company or any

Affiliate of the Company, on the one hand, and any of its or their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand.

6.5 **Nondisparagement**. The Officer acknowledges and agrees that he will not defame, disparage or publicly criticize, directly or through another Person, the services, business or reputation of the Company or any of its officers, directors, partners, employees, Affiliates or agents in either a professional or personal manner either during his employment with the Company or thereafter.

6.6 **Understanding of Covenants**. The Officer acknowledges that, in the course of his employment with the Company and/or its Affiliates and their predecessors, he has become familiar, or will become familiar, with the Company's and its Affiliates' and their predecessors' trade secrets and with other confidential and proprietary information concerning the Company, its Affiliates and their respective predecessors and that his services have been and will be of special, unique and extraordinary value to the Company and its Affiliates. The Officer agrees that the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants") are reasonable and necessary to protect the Company's and its Affiliates' trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

Without limiting the generality of the Officer's agreement in the preceding paragraph, the Officer (i) represents that he is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that he is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Affiliates currently conducts business throughout the Restricted Area, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Officer is then entitled to receive severance pay or benefits from the Company. The Officer understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Company and any of its Affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Officer does not believe would prevent him from otherwise earning a living. The Officer agrees that the Restrictive Covenants do not confer a benefit upon the Company disproportionate to the detriment of the Officer.

6.7 **Enforcement**. The Officer agrees that the Officer's services are unique and that he has access to Confidential Information and Work Product. Accordingly, the Officer agrees that a breach by the Officer of any of the covenants in this Section 6 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Officer agrees that in the event of any breach or threatened breach of any provision of this Section 6 or any similar provision, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 6 or any similar provision, as the case may be, and/or require the Officer to account for and pay over to the

Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 6 or any similar provision, as the case may be, if and when final judgment of a court of competent jurisdiction or arbitrator is so entered against the Officer. The Officer further agrees that for the applicable period of time any Restrictive Covenant is in effect following the Severance Date, as determined pursuant to the foregoing provisions of this Section 6, such period of time shall be extended by the same amount of time that Officer is in breach of any Restrictive Covenant. Any action to enforce this Agreement pursuant to this Section 6.7 shall be instituted in the United States Federal Court for the District of Kansas or the courts of the State of Kansas located in Johnson County, Kansas, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

6.8 The Officer agrees to execute any additional documentation as may reasonably be requested by the Company in furtherance of the enforcement of any Restrictive Covenant.

7. **Withholding Taxes**. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8. **Successors and Assigns**.

8.1 This Agreement is personal to the Officer and without the prior written consent of the Company shall not be assignable by the Officer otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Officer's legal representatives.

8.2 This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any assignee or successor to all or substantially all of the Company's assets, as applicable, which assumes this Agreement by operation of law or otherwise.

9. **Number and Gender; Examples**. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

10. **Section Headings**. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

11. **Governing Law; Arbitration; Waiver of Jury Trial**.

11.1 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF DELAWARE WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

11.2 Except for the limited purpose provided in Section 6.7, any legal dispute related to this Agreement and/or any claim related to this Agreement, or breach thereof, shall, in lieu of being submitted to a court of law, be submitted to arbitration, in accordance with the applicable dispute resolution procedures of the American Arbitration Association. The award of the arbitrator shall be final and binding upon the parties. The parties hereto agree that (i) one arbitrator shall be selected pursuant to the rules and procedures of the American Arbitration Association, (ii) the arbitrator shall have the power to award injunctive relief or to direct specific performance, (iii) each of the parties, unless otherwise required by applicable law, shall bear its own attorneys' fees, costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration and the arbitrator shall award to the prevailing party a sum equal to that party's share of the arbitrator's and administrative fees of arbitration, and (iv) the arbitration shall be conducted in Johnson County, Kansas. Nothing in this Section 11 shall be construed as providing the Officer a cause of action, remedy or procedure that the Officer would not otherwise have under this Agreement or the law.

11.3 EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. **Severability**. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by an arbitrator or court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. **Entire Agreement**. This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bears upon the subject matter hereof, including, without limitation, any term sheet prepared in connection herewith. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. Notwithstanding the foregoing integration provisions, the Officer acknowledges having received and read the Company's code of ethics and agrees to conduct himself in accordance therewith as in effect from time to time.

14. **Modifications**. This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

15. **Waiver**. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

16. **Notices**. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit on a weekday with a reputable overnight courier service.

if to the Company:

AMC Entertainment Holdings, Inc.
11500 Ash Street
Leawood, KS 66211
Facsimile: 913-213-2059
Attn: Chief Executive Officer
General Counsel

if to the Officer, to the address most recently on file in the payroll records of the Company.

17. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

18. **Legal Counsel; Mutual Drafting**. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Officer agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Company and the Officer have executed this Agreement as of the day and year first set forth above.

“COMPANY”

AMC Entertainment Holdings, Inc.

By: __/s/ Carla Sanders____________________

“OFFICER”

___/s/ Daniel E. Ellis______________________

Exhibit A

FORM OF RELEASE[1]

1. Release by Officer. _______________________ (the "Officer"), on his/her own behalf, on behalf of any entities he/she controls and on behalf of his/her descendants, dependents, heirs, executors, administrators, assigns and successors, and each of them, hereby acknowledges full and complete satisfaction of and releases and discharges and covenants not to sue AMC ENTERTAINMENT HOLDINGS, INC. , a Delaware corporation (the "Company"), its divisions, subsidiaries, parents, or affiliated corporations, and each of its and their employees, officers and directors, past and present, and each of them, as well as its assignees and successors (individually and collectively, "Company Releasees"), from and with respect to any and all claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, arising out of or in any way connected, in whole or in part, with the Officer's employment, the termination thereof, or any other relationship with or interest in the Company, including without limiting the generality of the foregoing, any claim for severance pay, profit sharing, bonus or similar benefit, pension, retirement, life insurance, health or medical insurance or any other fringe benefit, or disability, or any other claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, resulting from or arising out of, in whole or in part, any act or omission by or on the part of Company Releasees committed or omitted prior to the date of this release agreement (this "Agreement"), including, without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, or any other federal, state or local law, regulation or ordinance; provided, however, that the foregoing release does not apply to any obligation of the Company to the Officer pursuant to the benefits due to the Officer in connection with the execution and delivery of this Release Agreement pursuant to his/her employment agreement with __________________________ dated as of _______________________, 20___ by and between the Company and the Officer. In addition, this release does not cover any claim that cannot be released as a matter of applicable law.

2. Waiver of Civil Code Section 1542. This Agreement is intended to be effective as a general release of and bar to each and every claim, agreement, obligation, demand and cause of action hereinabove specified (collectively, the "Claims"). Accordingly, the Officer hereby expressly waives any rights and benefits conferred by Section 1542 of the California Civil Code as to the Claims. Section 1542 of the California Civil Code provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO A CLAIM WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Officer acknowledges that he/she later may discover claims, demands, causes of action or facts in addition to or different from those which the Officer now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected its terms. Nevertheless, the Officer hereby waives, as to the Claims, any claims, demands, and causes of action that might arise as a result of such different or additional claims, demands, causes of action or facts.

[1] Subject to revision to the extent advisable based on changes in law or legal interpretation.

3. ADEA Waiver. The Officer expressly acknowledges and agrees that by entering into this Agreement, he/she is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. The Officer further expressly acknowledges and agrees that:

(a) In return for this Agreement, he/she will receive consideration beyond that to which he/she would have been entitled had he/she not entered into this Agreement;

(b) He/She is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;

(c) He/She was given a copy of this Agreement on **[__________**, 20__**]** and informed that he/she had twenty-one (21) days within which to consider the Agreement; and

(d) He/She was informed that he/she has seven (7) days following the date of execution of the Agreement in which to revoke the Agreement.

4. No Transferred Claims. The Officer represents and warrants to the Company that he/she has not heretofore assigned or transferred to any person other than the Company any released matter or any part or portion thereof.[2]

The undersigned has read and understands the consequences of this Agreement and voluntarily signs it. The undersigned declares under penalty of perjury under the laws of the State of [Delaware] that the foregoing is true and correct.

EXECUTED this ________ day of ________ 20__, at ____________________ County, [State].

"Officer"

____
Name

Acknowledged and agreed:

AMC ENTERTAINMENT HOLDINGS, INC.,
on behalf of itself and its divisions, subsidiaries, parents, and affiliated companies, past and present, and each of them

By: ______________________________
Name:
Title:

2 If requested by the Company, the Officer shall provide a separate release from the Officer's spouse at the time of execution.

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 7th day of March, 2022, by and between AMC Entertainment Holdings, Inc., a Delaware corporation (the "Company"), and Eliot Hamlisch (the "Officer").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. The Company desires to obtain the services of the Officer on the terms and conditions set forth in this Agreement.

B. This Agreement shall govern the employment relationship between the Officer and the Company and supersedes and negates all previous agreements with respect to such relationship.

C. The Officer desires to be employed by the Company on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Retention and Duties.

1.1 **Retention**. The Company does hereby hire, engage and employ the Officer beginning on the date first set forth above (the "Effective Date"), and concluding on the last day of the Period of Employment (as such term is defined in Section 2) on the terms and conditions expressly set forth in this Agreement. The Officer does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement. Officer's employer of record will be Company's wholly owned subsidiary, American Multi-Cinema, Inc.

1.2 **Duties**. During the Period of Employment, the Officer shall serve the Company as its Executive Vice President & Chief Marketing Officer and shall have the powers, authorities, duties and obligations of management usually vested in such position of a company of a similar size and similar nature as the Company, and such other powers, authorities, duties and obligations commensurate with such position as the Company's Board of Directors (the "Board") or the Company's Chief Executive Officer may assign from time to time, all subject to the directives of the Board and the corporate policies of the Company as they are in effect from time to time throughout the Period of Employment (including, without limitation, the Company's business conduct and ethics policies, as they may change from time to time).

1.3 **No Other Employment; Minimum Time Commitment**. During the Period of Employment, the Officer shall (i) devote substantially all of the Officer's business time, energy and skill to the performance of the Officer's duties for the Company, (ii) perform such duties in a faithful, effective and efficient manner to the best of his abilities, and (iii) hold no other employment. The Officer's service on the boards of directors (or similar body) of other for-profit business entities is subject to the approval of the Board or the Company's Chief Executive Officer. The Company shall have the right to require the Officer to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) on which he may then serve if the Board or the Company's Chief Executive Officer reasonably determines that the Officer's service on such board or body interferes with the effective discharge of the Officer's duties and responsibilities to the Company or that any business related to such service is then in competition with any business of the Company or any of its Affiliates (as such term is defined in Section 5.5), successors or assigns.

1.4 **No Breach of Contract**. The Officer hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Officer and the Company and the performance by the Officer of the Officer's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Officer is a party or otherwise bound or any judgment, order or decree to which the Officer is subject; (ii) the Officer has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as such term is defined in Section 5.5) which would prevent, or be violated by, the Officer entering into this Agreement or carrying out her duties hereunder; (iii) the Officer is not bound by any employment, consulting, non-compete, confidentiality, trade secret or similar agreement with any other Person that has not already been disclosed; and (iv) the Officer understands the Company will rely upon the accuracy and truth of the representations and warranties of the Officer set forth herein and the Officer consents to such reliance.

1.5 **Location**. The Officer's principal place of employment shall be in Leawood, Kansas; but the Officer will be permitted to work remotely up to two (2) days per work week other than Mondays or Tuesdays. On the remote days, the Officer may work from other locations of his choosing, including his current home in New Jersey. The Officer agrees that he will be regularly present at the Leawood office. The Officer acknowledges that he will be required to travel from time to time in the course of performing his duties for the Company. Business travel days and AMC recognized holidays shall count as days worked in the Leawood office. The Officer may occasionally alter his required days in the office to accommodate personal obligations so long as it does not unreasonably interfere with his duties.

2. **Period of Employment**. The "Period of Employment" shall be a period of three (3) years commencing on the Effective Date and ending at the close of business on the third anniversary of the Effective Date (the "Termination Date"); provided, however, that this Agreement shall be automatically renewed, and the Period of Employment shall be automatically extended, for one (1) additional year on the Termination Date and each anniversary of the Termination Date thereafter. The term "Period of Employment" shall include any extension thereof pursuant to the preceding sentence. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement.

3. **Compensation**.

3.1 **Base Salary**. During the Period of Employment, the Company shall pay the Officer a base salary (the "Base Salary"), which shall be paid in accordance with the Company's regular payroll practices in effect from time to time, but not less frequently than monthly. The Officer's Base Salary shall be at an annualized rate of four hundred twenty-five thousand dollars ($425,000). The Board (or a committee thereof) will review the Officer's rate of Base Salary on an annual basis and may, in its sole discretion, increase (but not decrease) the rate then in effect.

3.2 **Incentive Bonus**. The Officer shall be eligible to receive an incentive bonus for each fiscal year of the Company that occurs during the Period of Employment ("Incentive Bonus"); provided, that the Officer must be employed by the Company at the end of the fiscal year in order to be eligible for an Incentive Bonus with respect to that fiscal year. If the Officer is not so employed at such time, he shall not be considered to have "earned" any Incentive Bonus with respect to the fiscal year in question. Any Incentive Bonus shall be paid to the Officer in the immediately following fiscal year at the same time that the Company pays its annual bonuses to officers generally. The Officer's target Incentive Bonus amount for a particular fiscal year of the Company shall be determined by the Company in its sole discretion, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) established with respect to that particular fiscal year by Company. The Officer's target Incentive Bonus for the fiscal year including the Effective Date shall be sixty-five percent (65%) of the Base Salary and shall not be subject to proration.

3.3 **Long Term Incentives**. The Officer will be considered for long term incentive awards on terms and conditions established by the Board. For the fiscal year including the Effective Date, the Officer shall receive a grant of restricted stock units and performance stock units with an aggregate value of eight hundred thousand dollars ($800,000) under the Company's Equity Incentive Plan subject to the same terms, conditions and performance targets applicable to the grants made to other officers of the Company. The grant for the fiscal year including the Effective Date will be made effective with the Officer's start date of March 7, 2022 and will not be subject to proration.

3.4 **Clawback**. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation or any other compensation paid to the Officer pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company (whether in existence as of the Effective Date or later adopted) pursuant to any such law, government regulation or stock exchange listing requirement or otherwise).

4. **Benefits**.

4.1 **Retirement, Welfare and Fringe Benefits**. During the Period of Employment, the Officer shall be entitled to participate in all retirement and welfare benefit plans and programs, and fringe benefit plans and programs, made available by the Company to the Company's executive officers generally, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

4.2 **Reimbursement of Business Expenses**. The Officer is authorized to incur reasonable expenses in carrying out the Officer's duties for the Company under this Agreement and shall be entitled to reimbursement for all reasonable business expenses that the Officer incurs during the Period of Employment in connection with carrying out the Officer's duties for the Company, subject to the Company's expense reimbursement policies and any pre-approval policies in effect from time to time.

4.3 **Vacation and Other Leave**. During the Period of Employment, the Officer's annual rate of vacation accrual shall conform with Company's vacation policies in effect from time to time, but shall not be less than four (4) weeks per year. The Officer shall also be entitled to all other holiday and leave pay generally available to other Officers of the Company.

4.4 **Relocation Expenses**. The Company shall reimburse the Officer for costs incurred prior to December 31, 2025, in connection with his relocation to the Kansas City metropolitan area in accordance with Company's standard relocation policy. Reimbursment of the expenses is subject to receipt by the Company of applicable documentation and compliance with Company's standard relocation policy. The Company shall also provide for or reimburse the Officer for temporary housing and commuting to Leawood, Kansas for the period starting on the Effective Date and ending on June 30, 2022. The reimbursement provided for in this section shall not exceed one hundred fifty thousand dollars ($150,000) in the aggregate and shall not be subject to gross-up for tax purposes.

5. **Termination**.

5.1 **Termination by the Company**. The Officer's employment by the Company, and the Period of Employment, may be terminated at any time by the Company: (i) with Cause (as such term is defined in Section 5.5), or (ii) without Cause, or (iii) in the event of the Officer's death, or (iv) in the event that the Board determines in good faith that the Officer has a Disability (as such term is defined in Section 5.5).

5.2 **Termination by the Officer**. The Officer's employment by the Company, and the Period of Employment, may be terminated by the Officer with no less than ninety (90) days' advance written notice to the Company (such notice to be delivered in accordance with Section 16); provided, however, that in the case of a termination with Good Reason, the Officer may provide immediate written notice of termination once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the Company has not reasonably cured the circumstances that gave rise to the basis for the termination with Good Reason.

5.3 **Benefits Upon Termination**. If the Officer's employment by the Company is terminated during the Period of Employment for any reason by the Company or by the Officer (in any case, the date that the Officer's employment by the Company terminates is referred to as the "Severance Date"), the Company shall have no further obligation to make or provide to the Officer, and the Officer shall have no further right to receive or obtain from the Company, any payments or benefits except as follows:

(a) The Company shall pay the Officer (or, in the event of his death, the Officer's estate) any Accrued Obligations (as such term is defined in Section 5.5);

(b) If, during the Period of Employment, the Officer's employment with the Company terminates as a result of an Involuntary Termination, the Company shall pay the Officer (in addition to the Accrued Obligations), subject to tax withholding and other authorized deductions, an amount equal to one (1) times his annualized Base Salary. Such amount is referred to hereinafter as the "Severance Benefit." Subject to Section 5.8(a), the Company shall pay the Severance Benefit to the Officer in substantially equal installments in accordance with the Company's standard payroll practices over a period of twelve (12) consecutive months, with the first installment payable on the last day of the month following the month in which the Officer's Separation from Service (as such term is defined in Section 5.5) occurs. (For purposes of clarity, each such installment shall equal the applicable fraction of the aggregate Severance Benefit. For example, if such installments were to be made on a monthly basis, each installment would equal 1/12th of the Severance Benefit.)

(c) Notwithstanding the foregoing provisions of this Section 5.3, if the Officer breaches his obligations under Section 6 or under any other agreement that imposes restrictions with respect to the Officer's activities at any time, from and after the date of such breach and not in any way in limitation of any right or remedy otherwise available to the Company, the Officer will no longer be entitled to, and the Company will no longer be obligated to pay, any remaining unpaid portion of the Severance Benefit; provided that, if the Officer provides the release contemplated by Section 5.4, in no event shall the Officer be entitled to a Severance Benefit payment of less than $5,000, which amount the parties agree is good and adequate consideration, standing alone, for the Officer's release contemplated by Section 5.4.

(d) The foregoing provisions of this Section 5.3 shall not affect: (i) the Officer's receipt of any benefits otherwise due terminated employees under group insurance coverage consistent with the terms of an applicable Company welfare benefit plan; (ii) the Officer's rights to continued health coverage under COBRA; (iii) the Officer's receipt of benefits otherwise due in accordance with the terms of the Company's 401(k) plan (if any); or (iv) the Officer's rights (if any) to stock options or other equity-based awards or incentive previously granted, which shall be governed by the terms of the applicable equity incentive plan and award documents.

5.4 Release; Exclusive Remedy.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement. As a condition precedent to payment of the Severance Benefit, the Officer shall, prior to the last day of the month following the month in which Executive's Separation from Service (as such term is defined in Section 5.5) occurs, provide the Company and its Affiliates with a valid, executed general release agreement in a form acceptable to the Company (which form shall be substantially in the same form as that attached hereto as Exhibit A), and such release agreement shall have not been revoked or remain revocable by the Officer pursuant to any revocation rights afforded by applicable law.

(b) The Officer agrees that the payments and benefits contemplated by Section 5.3 shall constitute the exclusive and sole remedy for any termination of his employment and the Officer covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment. The Officer agrees to resign, on the Severance Date, as an officer and director of the Company and any Affiliate of the Company, and as a fiduciary of any benefit plan of the Company or any Affiliate of the Company, and to promptly execute and provide to the Company any further documentation, as requested by the Company, to confirm such resignation.

5.5 Certain Defined Terms.

(a) As used herein, "Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid on or before the Severance Date;

(ii) any Incentive Bonus for a completed fiscal year that has not yet been paid, to the extent the Officer is eligible for any such Incentive Bonus for such fiscal year; and

(iii) any reimbursement due to the Officer pursuant to Section 4.2 for expenses reasonably incurred by the Officer on or before the Severance Date and documented and pre-approved, to the extent applicable, in accordance with the Company's expense reimbursement policies in effect at the applicable time.

(b) As used herein, "Affiliate" of the Company means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

(c) As used herein, "Cause" shall mean, as reasonably determined by the Board (excluding the Officer, if he is then a member of the Board) or Company's Chief Executive Officer based on the information then known to it, that one or more of the following has occurred:

(i) the Officer has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Officer has engaged in acts of fraud, dishonesty, gross negligence or other misconduct including abuse of controlled substances, that is injurious to the Company, its Affiliates or any of their customers, clients or employees;

(iii) the Officer willfully fails to perform or uphold his duties under this Agreement and/or willfully fails to comply with reasonable directives of the Board or Company's Chief Executive Officer, in either case, that is not remedied by the Officer within fifteen (15) days after written notice thereof has been delivered to the Officer; or

(iv) any breach by the Officer of any provision of Section 6, or any material breach by the Officer of any other contract he is a party to with the Company or any of its Affiliates including the code of ethics or another material written policy.

(d) As used herein, "Good Reason" shall mean a termination of the Officer's employment by means of resignation by the Officer after the occurrence (without the Officer's consent) of any one or more of the following conditions:

(i) a material diminution in the Officer's rate of Base Salary;

(ii) a material diminution in the Officer's authority, duties, or responsibilities;

(iii) a material change in the geographic location of the Officer's principal office with the Company (for this purpose, in no event shall a relocation of such office to a new location that is not more than fifty (50) miles from the current location of the Company's executive offices constitute a "material change"); or

(iv) a material breach by the Company of this Agreement;

provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination with Good Reason unless (x) the Officer provides written notice to the Company of the condition claimed to constitute grounds for a termination with Good Reason within thirty (30) days after the initial existence of such condition(s) (such notice to be delivered in accordance with Section 16), and (y) the Company fails to remedy such condition(s) within thirty (30) days of receiving such written notice thereof; and (z) the termination of the Officer's employment with the Company shall not constitute a termination with Good Reason unless such termination occurs not more than one hundred and twenty (120) days following the initial existence of the condition claimed to constitute grounds for a termination with Good Reason.

(e) As used herein, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Officer unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(f) As used herein, "Involuntary Termination" shall mean (i) a termination of the Officer's employment by the Company without Cause (and other than due to Officer's death or in connection with a good faith determination by the Board that the Officer has a Disability), or (ii) a termination with Good Reason.

(g) As used herein, the term "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(h) As used herein, a "Separation from Service" occurs when the Officer dies, retires, or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

5.6 Notice of Termination. Any termination of the Officer's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. This notice of termination must be delivered in accordance with Section 16 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

5.7 Limitation on Benefits.

(a) To the extent that any payment, benefit or distribution of any type to or for the benefit of the Officer by the Company or any of its Affiliates, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards or incentives) (collectively, the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Company shall submit for the vote of the stockholders of the Company (the "Stockholders") the payments to the Officer in a manner that complies with the requirements of Section 280G(b)(5)(B) of the Code and the Treasury

Regulations promulgated thereunder. It shall be a prerequisite to the Company's obligations under this Section 5.7(a) that the Officer shall have executed a valid waiver in a form reasonably satisfactory to the Company and sufficient to enable the Stockholders' approval to have the effect that no payments to the Officer would be subject to the excise tax under Section 4999 of the Code. If the exemption described in Section 280G(b)(5)(B) of the Code and the Treasury Regulations promulgated thereunder does not apply, then the procedures set forth in Section 5.7(b) and Section 5.7(c) hereof shall apply.

(b) Notwithstanding anything contained in this Agreement to the contrary, to the extent that the Total Payments would be subject to Section 4999 of the Code, then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code. Unless the Officer shall have given prior written notice to the Company to effectuate a reduction in the Total Payments that complies with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any other remaining Total Payments. The preceding provisions of this Section 5.7(b) shall take precedence over the provisions of any other plan, arrangement or agreement governing the Officer's rights and entitlements to any benefits or compensation.

(c) Any determination that Total Payments to the Officer must be reduced or eliminated in accordance with Section 5.7(b) and the assumptions to be utilized in arriving at such determination, shall be made by the Board in the exercise of its reasonable, good faith discretion based upon the advice of such professional advisors it may deem appropriate in the circumstances. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Board hereunder, it is possible that Total Payments to the Officer which will not have been made by the Company should have been made ("Underpayment"). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid by the Company to or for the benefit of the Officer. In the event that any Total Payment made to the Officer shall be determined to otherwise result in the imposition of any tax under Section 4999 of the Code, then the Officer shall promptly repay to the Company the amount of any such Underpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Officer to the date the same is repaid to the Company.

5.8 Section 409A.

(a) If the Officer is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Officer's Separation from Service and the Severance Benefit or any other amount payable under this Agreement constitutes deferred compensation within the meaning of Section 409A of the Code, the Officer shall not be entitled to such Severance Benefit or other amount until the earlier of (i) the date which is six (6) months after his Separation from Service for any reason other than death, or (ii) the date of the Officer's death. The provisions of this paragraph shall apply only if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code after taking into account all applicable exemptions available thereunder.

Any amounts otherwise payable to the Officer upon or in the six (6) month period following the Officer's Separation from Service that are not so paid by reason of this Section 5.8(a) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Officer's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Officer's death).

(b) It is intended that any amounts payable under this Agreement and the Company's and the Officer's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. Nothing contained herein is intended to provide a guarantee of tax treatment to the Officer. For purposes of Section 409A of the Code, the Officer's right to receive installment payments pursuant to Section 5.3(b) shall be treated as a right to receive a series of separate and distinct payments.

6. Protective Covenants.

6.1 Confidential Information; Inventions.

(a) The Officer shall not disclose or use at any time, either during the Period of Employment or thereafter, any confidential information (as defined below) of which the Officer is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Officer's performance in good faith of duties for the Company. The Officer will take all appropriate steps to safeguard confidential information in him possession and to protect it against disclosure, misuse, espionage, loss and theft. The Officer shall deliver to the Company at the termination of the Period of Employment, or at any time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the confidential information or the Work Product (as hereinafter defined) of the business of the Company or any of its Affiliates which the Officer may then possess or have under his control. Notwithstanding the foregoing, the Officer may truthfully respond to a lawful and valid subpoena or other legal process, but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought, and shall assist the Company and such counsel in resisting or otherwise responding to such process.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or its Affiliates in connection with their respective businesses, including, but not limited to, information, observations and data obtained by the Officer while employed by the Company or any predecessors thereof (including those obtained prior to the Effective Date) concerning (i) the business or affairs of the Company or its Affiliates (or such predecessors), (ii) products or services, (iii) fees, costs, compensation and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Officer in breach of this Agreement) in a form generally available to the public prior to the date the Officer proposes to disclose or use such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(c) As used in this Agreement, the term "Work Product" means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to the Company's or any of its Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Officer (whether or not during usual business hours, whether or not by the use of the facilities of the Company or any of its Affiliates, and whether or not alone or in conjunction with any other person) while employed by the Company (including those conceived, developed or made prior to the Effective Date) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Officer may have discovered, invented or originated during his employment by the Company or any of its Affiliates prior to the Effective Date, that he may discover, invent or originate during the Period of Employment or at any time in the period of twelve (12) months after the Severance Date, shall be the exclusive property of the Company and its Affiliates, as applicable, and Officer hereby assigns all of Officer's right, title and interest in and to such Work Product to the Company or its applicable Affiliate, including all intellectual property rights therein. Officer shall promptly disclose all Work Product to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem necessary to protect or perfect its (or any of its Affiliates', as applicable) rights therein, and shall assist the Company (or any of its Affiliates, as applicable), at the Company's expense, in obtaining, defending and enforcing the Company's (or any of its Affiliates', as applicable) rights therein. The Officer hereby appoints the Company as his attorney-in-fact to execute on his behalf any assignments or other documents deemed necessary by the Company to protect or perfect the Company's (and any of its Affiliates', as applicable) rights to any Work Product.

6.2 **Restriction on Competition**. The Officer agrees that if the Officer were to become employed by, or substantially involved in, the business of a competitor of the Company or any of its Affiliates during the twelve (12) months following the Severance Date, it would be very difficult for the Officer not to rely on or use the Company's and its Affiliates' trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Company's and its Affiliates' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Company's and its Affiliates' relationships and goodwill with customers, during the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, nor participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer, licensor of technology or otherwise. For purposes of this Agreement, "Competing Business" means a Person anywhere in the continental United States or elsewhere in the world where the Company or any of its Affiliates engage in business, or reasonably anticipate engaging in business, on the Severance Date (the "Restricted Area") that at any time during the Period of Employment has competed, or at any time during the twelve (12) month period following the Severance Date competes, with the Company or any of its Affiliates in any of its or their businesses, including, without limitation, theatrical exhibition, digital cinema, internet ticketing and virtual box office for theatrical exhibitions, IMAX or other three dimensional screened entertainment, pre-show content, cinema or lobby advertising products, meeting and event services or special in-theater events. Nothing herein shall prohibit the Officer from (i) being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as the Officer has no active participation in the business of such corporation, (ii) providing services to a Person otherwise engaged in a Competing Business, provided the Officer provides no services to any business operated, managed or controlled by such Person that causes such Person to constitute a Competing Business, or (iii) providing services to a Person the business or businesses of which are unrelated to theatrical exhibition.

6.3 **Non-Solicitation of Employees and Consultants**. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person (i) induce or attempt to induce any employee or independent contractor of the Company or any Affiliate of the Company to leave the employ or service, as applicable, of the Company or such Affiliate, or in any way interfere with the relationship between the Company or any such Affiliate, on the one hand, and any employee or independent contractor thereof, on the other hand, or (ii) hire any person who was an employee of the Company or any Affiliate of the Company until twelve (12) months after such individual's employment relationship with the Company or such Affiliate has been terminated.

6.4 **Non-Solicitation of Customers**. During the Period of Employment and for a period of twelve (12) months after the Severance Date, the Officer will not directly or indirectly through any other Person influence or attempt to influence customers, vendors, suppliers, licensors, lessors, joint venturers, associates, consultants, agents, or partners of the Company or any Affiliate of the Company to divert their business away from the Company or such Affiliate, and the Officer will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Company or any Affiliate of the Company, on the one hand, and any of its or their customers, suppliers, vendors, lessors, licensors, joint venturers, associates, officers, employees, consultants, managers, partners, members or investors, on the other hand.

6.5 **Nondisparagement**. For the Period of Employment and five years thereafter, the Officer and the Company (acting through any of its executive officers or directors), acknowledge and agree that neither party will defame, disparage or publicly criticize, directly or through another Person, the services, business or reputation of the Company or any of its officers, directors, partners, employees, Affiliates or agents, on the one hand, or the Officer, on the other, in either a professional or personal manner.

6.6 **Understanding of Covenants**. The Officer acknowledges that, in the course of his employment with the Company and/or its Affiliates and their predecessors, he has become familiar, or will become familiar, with the Company's and its Affiliates' and their predecessors' trade secrets and with other confidential and proprietary information concerning the Company, its Affiliates and their respective predecessors and that his services have been and will be of special, unique and extraordinary value to the Company and its Affiliates. The Officer agrees that the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants") are reasonable and necessary to protect the Company's and its Affiliates' trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

Without limiting the generality of the Officer's agreement in the preceding paragraph, the Officer (i) represents that he is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that he is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its Affiliates currently conducts business throughout the Restricted Area, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Officer is then entitled to receive severance pay or benefits from the Company. The Officer understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Company and any of its Affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Officer does not believe would prevent him from otherwise earning a living. The Officer agrees that the Restrictive Covenants do not confer a benefit upon the Company disproportionate to the detriment of the Officer.

6.7 **Enforcement**. The Officer agrees that the Officer's services are unique and that he has access to Confidential Information and Work Product. Accordingly, the Officer agrees that a breach by the Officer of any of the covenants in this Section 6 would cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Officer agrees that in the event of any breach or threatened breach of any provision of this Section 6 or any similar provision, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Section 6 or any similar provision, as the case may be, and/or require the Officer to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this Section 6 or any similar provision, as the case may be, if and when final judgment of a court of competent jurisdiction or arbitrator is so entered against the Officer. The Officer further agrees that for the applicable period of time any Restrictive Covenant is in effect following the Severance Date, as determined pursuant to the foregoing provisions of this Section 6, such period of time shall be extended by the same amount of time that Officer is in breach of any Restrictive Covenant. Any action to enforce this Agreement pursuant to this Section 6.7 shall be instituted in the United States Federal Court for the District of Kansas or the courts of the State of Kansas located in Johnson County, Kansas, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

6.8 The Officer agrees to execute any additional documentation as may reasonably be requested by the Company in furtherance of the enforcement of any Restrictive Covenant.

7. **Withholding Taxes**. Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8. **Successors and Assigns**.

8.1 This Agreement is personal to the Officer and without the prior written consent of the Company shall not be assignable by the Officer otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Officer's legal representatives.

8.2 This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any assignee or successor to all or substantially all of the Company's assets, as applicable, which assumes this Agreement by operation of law or otherwise.

9. **Number and Gender; Examples**. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

10. **Section Headings**. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

11. **Governing Law; Arbitration; Waiver of Jury Trial**.

11.1 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF DELAWARE WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

11.2 Except for the limited purpose provided in Section 6.7, any legal dispute related to this Agreement and/or any claim related to this Agreement, or breach thereof, shall, in lieu of being submitted to a court of law, be submitted to arbitration, in accordance with the applicable dispute resolution procedures of the American Arbitration Association. The award of the arbitrator shall be final and binding upon the parties. The parties hereto agree that (i) one arbitrator shall be selected pursuant to the rules and procedures of the American Arbitration Association, (ii) the arbitrator shall have the power to award injunctive relief or to direct specific performance, (iii) each of the parties, unless otherwise required by applicable law, shall bear its own attorneys' fees, costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration and the arbitrator shall award to the prevailing party a sum equal to that party's share of the arbitrator's and administrative fees of arbitration, and (iv) the arbitration shall be conducted in Johnson County, Kansas. Nothing in this Section 11 shall be construed as providing the Officer a cause of action, remedy or procedure that the Officer would not otherwise have under this Agreement or the law.

11.3 EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. **Severability**. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by an arbitrator or court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

13. **Entire Agreement**. This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. This Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bears upon the subject matter hereof, including, without limitation, any term sheet prepared in connection herewith. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. Notwithstanding the foregoing integration provisions, the Officer acknowledges having received and read the Company's code of ethics and agrees to conduct himself in accordance therewith as in effect from time to time.

14. **Modifications**. This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

15. **Waiver**. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

16. **Notices**. Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit on a weekday with a reputable overnight courier service.

if to the Company:

AMC Entertainment Holdings, Inc.
11500 Ash Street
Leawood, KS 66211
Facsimile: 913-213-2059
Attn: Chief Executive Officer
General Counsel

if to the Officer, to the address most recently on file in the payroll records of the Company with a courtesy copy to the Officer's attorney:

David Greenberger
Bailey Duquette P.C.
104 Charlton Street
Suite 1W
New York, NY 10014

17. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

18. **Legal Counsel; Mutual Drafting**. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Officer agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the Company and the Officer have executed this Agreement as of the day and year first set forth above.

“COMPANY”

AMC Entertainment Holdings, Inc.

By: ___/s/ Adam Aron______________________
Adam Aron
Chairman, Chief Executive Officer & President

“OFFICER”

___/s/ Eliot Hamlisch______________________
Eliot Hamlisch

Exhibit A

FORM OF RELEASE[1]

1. Release by Officer. _______________________ (the "Officer"), on his own behalf, on behalf of any entities he/she controls and on behalf of his descendants, dependents, heirs, executors, administrators, assigns and successors, and each of them, hereby acknowledges full and complete satisfaction of and releases and discharges and covenants not to sue AMC ENTERTAINMENT HOLDINGS, INC. , a Delaware corporation (the "Company"), its divisions, subsidiaries, parents, or affiliated corporations, and each of its and their employees, officers and directors, past and present, and each of them, as well as its assignees and successors (individually and collectively, "Company Releasees"), from and with respect to any and all claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, arising out of or in any way connected, in whole or in part, with the Officer's employment, the termination thereof, or any other relationship with or interest in the Company, including without limiting the generality of the foregoing, any claim for severance pay, profit sharing, bonus or similar benefit, pension, retirement, life insurance, health or medical insurance or any other fringe benefit, or disability, or any other claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, resulting from or arising out of, in whole or in part, any act or omission by or on the part of Company Releasees committed or omitted prior to the date of this release agreement (this "Agreement"), including, without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, or any other federal, state or local law, regulation or ordinance; provided, however, that the foregoing release does not apply to any obligation of the Company to the Officer pursuant to the benefits due to the Officer in connection with the execution and delivery of this Release Agreement pursuant to her employment agreement with _________________________ dated as of _______________________, 20___ by and between the Company and the Officer. In addition, this release does not cover any claim that cannot be released as a matter of applicable law, and does not waive or modify the rights the Officer has as set forth in the Indemnification Agreement by and between AMC Entertainment Holdings, Inc. and the Officer dated March 7, 2022.

2. Waiver of Civil Code Section 1542. This Agreement is intended to be effective as a general release of and bar to each and every claim, agreement, obligation, demand and cause of action hereinabove specified (collectively, the "Claims"). Accordingly, the Officer hereby expressly waives any rights and benefits conferred by Section 1542 of the California Civil Code as to the Claims. Section 1542 of the California Civil Code provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO A CLAIM WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Officer acknowledges that he/she later may discover claims, demands, causes of action or facts in addition to or different from those which the Officer now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected its terms. Nevertheless, the Officer hereby waives, as to the Claims, any

[1]Subject to revision to the extent advisable based on changes in law or legal interpretation.

claims, demands, and causes of action that might arise as a result of such different or additional claims, demands, causes of action or facts.

3. ADEA Waiver. The Officer expressly acknowledges and agrees that by entering into this Agreement, he/she is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. The Officer further expressly acknowledges and agrees that:

(a) In return for this Agreement, he/she will receive consideration beyond that to which he/she would have been entitled had he/she not entered into this Agreement;

(b) He/She is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;

(c) He/She was given a copy of this Agreement on **[__________**, 20__**]** and informed that he/she had twenty-one (21) days within which to consider the Agreement; and

(d) He/She was informed that he/she has seven (7) days following the date of execution of the Agreement in which to revoke the Agreement.

4. No Transferred Claims. The Officer represents and warrants to the Company that he/she has not heretofore assigned or transferred to any person other than the Company any released matter or any part or portion thereof.[2]

The undersigned has read and understands the consequences of this Agreement and voluntarily signs it. The undersigned declares under penalty of perjury under the laws of the State of [Delaware] that the foregoing is true and correct.

EXECUTED this ________ day of ________ 20__, at ______________________ County, [State].

"Officer"

____
Name

Acknowledged and agreed:

AMC ENTERTAINMENT HOLDINGS, INC.,
on behalf of itself and its divisions, subsidiaries, parents, and affiliated companies, past and present, and each of them

By: _______________________________________
Name:
Title:

2 If requested by the Company, the Officer shall provide a separate release from the Officer's spouse at the time of execution.

EXHIBIT 31.1

CERTIFICATIONS

I, Adam M. Aron, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 9, 2022

/s/ ADAM M. ARON
Adam M. Aron
Chairman of the Board, Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATIONS

I, Sean D. Goodman, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 9, 2022

/s/ SEAN D. GOODMAN

Sean D. Goodman

Executive Vice President, International Operations, Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION OF PERIODIC REPORT

The undersigned Chairman of the Board, Chief Executive Officer and President and Executive Vice President, International Operations, Chief Financial Officer and Treasurer of AMC Entertainment Holdings, Inc. (the "Company"), each hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2022

/s/ ADAM M. ARON

Adam M. Aron
Chairman of the Board, Chief Executive Officer and President

/s/ SEAN D. GOODMAN

Sean D. Goodman
Executive Vice President, International Operations, Chief Financial Officer and Treasurer