

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN RE AMC ENTERTAINMENT  
HOLDINGS, INC. STOCKHOLDER  
LITIGATION

CONSOLIDATED  
C.A. No. 2023-0215-MTZ

**TRANSMITTAL AFFIDAVIT OF KEVIN M.  
GALLAGHER, ESQ. IN CONNECTION WITH DEFENDANTS’  
BRIEF IN SUPPORT OF PROPOSED SETTLEMENT**

STATE OF DELAWARE                    )  
  )     SS  
COUNTY OF NEW CASTLE            )

I, Kevin M. Gallagher, being duly sworn, depose and say:

1. I am a member of the bar of the State of Delaware and an attorney at the law firm of Richards, Layton & Finger, P.A. I represent Defendants AMC Entertainment Holdings, Inc. (“AMC”), Adam M. Aron, Denise Clark, Howard W. Koch, Jr., Kathleen M. Pawlus, Keri Putnam, Anthony J. Saich, Philip Lader, Gary F. Locke, Lee Wittlinger, and Adam J. Sussman (collectively, “Defendants”) in the above-captioned action.

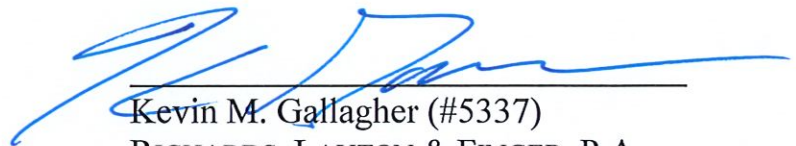
2. I submit this affidavit in connection with Defendants’ Brief in Support of Proposed Settlement.

3. To the best of my knowledge and belief, attached to this affidavit are true and correct copies of the following documents:

<b>Document</b>	<b>Description</b>
Exhibit A	Exhibit 99.1 to August 6, 2020 AMC Form 8-K

<b>Document</b>	<b>Description</b>
Exhibit B	October 20, 2020 AMC Prospectus Supplement, filed on S-3
Exhibit C	February 28, 2023 AMC Form 10-K
Exhibit D	August 4, 2022 AMC Form 10-Q
Exhibit E	March 19, 2021 AMC Proxy Statement
Exhibit F	April 27, 2021 AMC Press Release, “ <i>AMC Entertainment Announces At-The-Market Offering Program and Withdraws Proposal to Increase Authorized Shares</i> ”
Exhibit G	June 16, 2021 AMC Proxy Statement
Exhibit H	July 6, 2021 AMC Proxy Statement
Exhibit I	AMC_00026252, April 27, 2021 Common Stock Proposal Voting Summary
Exhibit J	AMC_00021634, June 28, 2021 Common Stock Proposal Voting Summary
Exhibit K	Exhibit 99.1 to August 4, 2022 AMC Form 8-K
Exhibit L	September 7, 2022 Cineworld Group plc, Announcement
Exhibit M	August 4, 2022 AMC Form 8-K
Exhibit N	Deposit Agreement, Exhibit 4.1 to August 4, 2022 AMC Form 8-K
Exhibit O	August 4, 2022 AMC Form 8-A
Exhibit P	December 19, 2022 AMC Form 8-K
Exhibit Q	Exhibit 99.1 to February 28, 2023 AMC Form 8-K
Exhibit R	December 22, 2022 AMC Form 8-K
Exhibit S	Exhibit 99.1 to December 22, 2022 AMC Form 8-K
Exhibit T	Exhibit 99.1 to August 18, 2022 AMC Form 8-K
Exhibit U	Bloomberg Terminal Data for AMC Common Stock and AMC Preferred Equity Units
Exhibit V	Matt Levine, <i>FTX Friends Flip on SBF, Also AMC’s APE-collapsing plans</i> , Bloomberg, December 22, 2022
Exhibit W	February 14, 2023 AMC Proxy Statement
Exhibit X	March 14, 2023 AMC Form 8-K

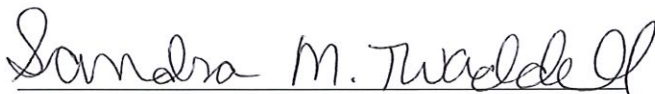
Document	Description
Exhibit Y	Exhibit 99.1 to November 8, 2022 AMC Form 8-K
Exhibit Z	AMC's Third Amended Certificate of Incorporation
Exhibit AA	September 26, 2022 AMC Prospectus Supplement, filed pursuant to Rule 424(b)(5)
Exhibit AB	Exhibit 3.1 to August 4, 2022 AMC Form 8-K



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SWORN AND SUBSCRIBED before me  
this 4th day of May, 2023.

  
Notary Public



# **EXHIBIT A**





FOR IMMEDIATE RELEASE

**INVESTOR RELATIONS:**  
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## AMC Entertainment Holdings, Inc. Reports Second Quarter 2020 Results

**LEAWOOD, KANSAS - (August 6, 2020)** -- AMC Entertainment Holdings, Inc. (NYSE: AMC) (“AMC” or “the Company”), today reported results for the second quarter ended June 30, 2020.

### Summary Results

Between February 23 and March 17, 2020, in response to COVID-19 safety concerns for our guests and associates, and in compliance with local, state or provincial and national directives, AMC suspended operations at all of its domestic and international theatres. U.S. theatre operations remained suspended for the entire second quarter ended June 30, 2020. International theatre operations resumed limited operations in early June and as of June 30, 2020, AMC had restarted at 37 theatres in nine countries.

Adam Aron, CEO and President of AMC commented, “It should be no surprise to anyone that with our operations shut the world over, and almost no revenues coming in the door, this was the most challenging quarter in the 100-year history of AMC. That is why the progress the entire AMC team made since the second quarter began is all the more important and impressive in working to achieve three key priorities: to dramatically reduce operating and capital expenditures, to strengthen our liquidity position and to set plans in motion for the successful reopening of our theatres as soon as it would be wise to do so. Through stringent expense controls and cash management, we turned on a dime, and almost immediately reduced our global cash outlays by between 80% and 90%. That included the renegotiation of almost all of our theatre leases globally. Next, we raised \$500 million from the issuance of new publicly-traded debt. Then, working with some of the world’s most noted health scientists, we devised AMC Safe & Clean protocols which put us in a position to reopen our theatres as safely and responsibly as possible.

Aron continued, “During the quarter, we also devoted considerable effort to a complex consensual restructuring of some \$2.6 billion of our debt, in transactions that were completed and closed on July 31, 2020. Embraced by more than 87% of the holders of our subordinated notes and 100% of our convertible notes, this garnered for AMC these important results: (1) reduced our principal debt balances by \$555 million, (2) generated an additional \$300 million of cash from incremental first-lien financing, prior to transaction costs, premiums payable and original issue discount, (3) provides more than \$120 million of cash interest savings in the coming 12 months, and (4) extends maturities on \$1.7 billion of our debt to mid-2026. The result of all these actions during the quarter combined with this successful debt restructuring extends our ability, if need be, to weather a hypothetical suspension of all our theatre operations globally into 2021. Of course, two months ago we started reopening theatres in Europe and the Middle East, and we currently expect to resume operations in approximately two-thirds or more of our U.S. theatres later this month.

Aron said, “In international markets, as of the end of July, we already have resumed operations in more than 130 theatres in all of the countries we serve in Europe and the Middle East. That is more than one-third of our international theatres, and we expect essentially all of them to resume operations in the next two to three weeks. So far, attendance has been understandably light, as a result of our showing mostly older catalog film content. However, we are greatly

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encouraged that new content appears to spark enthusiasm with consumers. When a sequel to a very popular Spanish-language blockbuster franchise recently opened in Spain, for example, box office revenues for the sequel this year were considerably higher than those of the original movie which itself was the highest grossing domestic film in Spain in 2019. Also, we are encouraged that certain international food and beverage metrics this year, including food and beverage revenue per patron, have shown year-over-year increases despite the pandemic.

Aron added, “We would be remiss not to mention the landmark agreement just signed with Universal Studios which generates revenue for AMC when consumers watch films in our theatres or when they do so on their couches at home, and we have already commenced discussions with all of our studio partners to determine their interest in our pursuing similar agreements with them. AMC is an innovator and we are embracing change that we are confident will be financially beneficial for AMC shareholders.

Aron concluded, “A once in a century event has transformed 2020 into a brutal year, and movie theatre businesses have been hit particularly hard. Even so, as we look ahead, we remain optimistic about AMC’s long term future. Theatrical exhibition has always been resilient, and we are confident that at AMC we are taking the right steps to emerge from this crisis and to thrive once again as the leader in our industry.”

**Key Financial Results** (presented in millions, except operating data)

	Three Months Ended June 30			Six Months Ended June 30		
	2020	2019	Change	2020	2019	Change
<b>GAAP Results*</b>						
Revenue	\$ 18.9	\$ 1,506.1	(98.7)%	\$ 960.4	\$ 2,706.5	(64.5)%
Net earnings (loss)	\$ (561.2)	\$ 49.4	(610.6)	\$ (2,737.5)	\$ (80.8)	(2,656.7)
Net cash provided by (used in) operating activities	\$ (231.9)	\$ 152.2	(384.1)	\$ (415.9)	\$ 153.6	(569.5)
Net earnings (loss) for basic earnings (loss) per share	\$ (5.38)	\$ 0.48	(5.86)	\$ (26.25)	\$ (0.78)	(25.47)
Net earnings (loss) for diluted earnings (loss) per share	\$ (5.38)	\$ 0.17	(5.55)	\$ (26.25)	\$ (0.78)	(25.47)
<b>Non-GAAP Results**</b>						
Total revenues (2020 constant currency adjusted)	\$ 19.0	\$ 1,506.1	(98.7)%	\$ 967.8	\$ 2,706.5	(64.2)%
Adjusted EBITDA	\$ (340.3)	\$ 237.6	(243.2)%	\$ (337.2)	\$ 345.8	(197.5)%
Adjusted EBITDA (2020 constant currency adjusted)	\$ (342.6)	\$ 237.6	(244.2)%	\$ (339.8)	\$ 345.8	(198.3)%
Adjusted Free Cash Flow	\$ (244.3)	\$ 100.1	(344.4)	\$ (464.3)	\$ 50.3	(514.6)
Free cash flow	\$ (266.9)	\$ 37.1	(304.0)	\$ (542.6)	\$ (76.3)	(466.3)
Adjusted net earnings (loss) for basic earnings (loss) per share	\$ (5.44)	\$ 0.08	(5.52)	\$ (7.66)	\$ (0.90)	(6.76)
Adjusted net earnings (loss) for diluted earnings (loss) per share	\$ (5.44)	\$ 0.08	(5.52)	\$ (7.66)	\$ (0.90)	(6.76)
<b>Operating Metrics</b>						
Attendance (in thousands)	100	96,955	(99.9)%	60,595	176,780	(65.7)%
U.S. markets attendance (in thousands)	-	71,900	(100.0)%	39,669	126,879	(68.7)%
International markets attendance (in thousands)	100	25,055	(99.6)%	20,926	49,901	(58.1)%
Average screens	60	10,675	(99.4)%	4,467	10,679	(58.2)%

\* Please refer to our form 10-Q filed today for a discussion of items included in GAAP net loss.

\*\* Please refer to the tables included later in this press release for definitions and full reconciliations of non-U.S. GAAP financial measures.

## **Balance Sheet, Cash and Liquidity**

AMC's top financial priority remains liquidity management. Accordingly, the Company has taken the following actions in 2020:

- During the three months ended March 31, 2020, drew down approximately \$325 million (full availability) under existing revolving credit facilities.
- In April, issued \$500 million of 10.5% first-lien notes due 2025.
- Working with our landlords, vendors, studio, and other business partners to manage, defer, and/or abate certain cash costs during suspended operations.
- Introduced an active cash management process, which, among other things, requires senior management approval of all outgoing payments.
- Suspended shareholder cash returns, including the Company's stock repurchase program and, in compliance with certain financial covenants related to our indebtedness, future dividend payments. The suspension of any future dividends beginning in the second quarter of 2020, along with the dividend decrease of \$0.17 per share in the first quarter of 2020, when compared to the first quarter of 2019, resulted in aggregate savings of \$38.3 million during the six months ended June 30, 2020.
- Cash at June 30, 2020 was \$498 million, excluding restricted cash of \$10.4 million.
- In July 2020, successfully completed a debt exchange offer:
  - Reduced principal amount of debt by \$555 million
  - Reduced cash interest expense by more than \$120 million in the first year
  - Extended maturities on approximately \$1.7 billion of debt until 2026
  - Issued \$300 million of new 10.5% first-lien notes 2026

## **Expense Management**

The Company has taken and continues to take significant steps to preserve cash by eliminating non-essential costs, including the following:

- Implemented measures to reduce corporate-level employment costs, including;
    - Ongoing full or partial furloughs of all corporate-level company employees, including senior executives, with individual workload and salary reductions ranging from 20% to 100%.
    - Cancellation of pending annual merit pay increases.
    - Elimination or reduction of non-healthcare benefits, including 401(K) match.
    - Elimination of approximately 176 corporate level positions
  - All domestic theatre-level crew members have been fully furloughed and theatre-level management has been reduced to the minimum level necessary to begin resumption of operations when permitted. Similar efforts to reduce employment costs were undertaken internationally consistent with applicable laws across the jurisdictions in which the Company operates.
  - Nearly all outside contractor roles have been eliminated.
  - Suspended non-essential operating expenditures, including marketing, promotion, and travel and entertainment expenses.
  - Terminated or deferred all non-essential capital expenditures to minimum levels necessary during the suspension of operations.
  - Natural reduction of variable expenses including cost of goods sold (e.g., film rent and food & beverage costs).
  - Renegotiated most theatre leases for the balance of calendar year 2020 in anticipation of lowered theatre revenues upon reopening.
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### **CARES Act Relief**

The Company expects to receive relief from the Coronavirus Aid, Relief and Economic Security (CARES) Act in the following forms:

- Approximately \$17.4 million of cash tax refunds and refundable alternative minimum tax credits with the filing of our 2019 federal and state tax returns and amending 2018 state tax returns, which have been filed. Thus far in 2020 we have received approximately \$6.9 million from these filings.
- Deferral of social security payroll tax matches that would otherwise be required in 2020.
- Receipt of a payroll tax credit in 2020 for expenses related to paying wages and health benefits to employees who are not working as a result of closures and reduced receipts associated with COVID-19.

### **Theatre Reopening Plans**

The Company is looking forward to welcoming guests to its theatres as soon as it is safe and wise to do so, as well as being permissible under local, state or provincial as well as national guidelines.

To that end, as of the end of July 2020, we have already resumed operations at more than 130 international theatres, including joint venture and managed theatres, with at least one theatre open in each country where we operate in Europe and the Middle East. Essentially all international theatres should reopen in August 2020.

The Company currently expects to open approximately two-thirds or more of our U.S. theatres in August 2020.

We are taking the following steps aimed at optimizing the health and safety of our guests and associates while profitably resuming operations:

- Consulting with current and former faculty from the prestigious Harvard University School of Public Health to seek guidance from the best scientists and experts on how to create a safe environment for our guests and associates. Personal protection equipment, cleaning protocols, limited theatre capacity, blocked seating, and other strategies are all being planned. We also are employing high tech solutions, to aid in our sanitization procedures including the use of electrostatic sprayers, HEPA vacuums and wherever possible, significantly upgraded MERV 13 air ventilation filters.
- Establishing a protocol partnership with The Clorox Company (NYSE:CLX) and have been advised as to how we can make our theatre environments as clean as possible.
- Educating our guests so that they understand the actions we are taking with their safety in mind.
- Implementing aggressive marketing communications and promotional activity aimed at jumpstarting consumer demand.
- Reducing our cost structure, intensely examining every category of our expenditures to lower our spending wherever possible.

### **Conference Call / Webcast Information**

The Company will host a conference call via webcast for investors and other interested parties beginning at 4:00 p.m. CDT/5:00 p.m. EDT on Thursday, August 6, 2020. To listen to the conference call via the internet, please visit the investor relations section of the AMC website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) for a link to the webcast. Investors and interested parties should go to the website at least 15 minutes prior to the call to register, and/or download and install any necessary audio software.

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Participants may also listen to the call by dialing (877) 274-4525, or (212) 231-2904 for international participants. An archive of the webcast will be available on the Company's website after the call for a limited time.

### **About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 1,000 theatres and 11,000 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. AMC operates among the most productive theatres in the United States' top markets, having the #1 or #2 market share positions in 21 of the 25 largest metropolitan areas of the United States. AMC is also #1 or #2 in market share in 9 of the 15 countries it serves in North America, Europe and the Middle East. For more information, visit [www.amctheatres.com](http://www.amctheatres.com).

### **Website Information**

This press release, along with other news about AMC, is available at [www.amctheatres.com](http://www.amctheatres.com). We routinely post information that may be important to investors in the Investor Relations section of our website, [www.investor.amctheatres.com](http://www.investor.amctheatres.com). We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit [www.investor.amctheatres.com](http://www.investor.amctheatres.com) to sign up for email alerts.

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as "will," "may," "should," "believes," "expects," "anticipates," "estimates," "intends," "projects," "goals," "objectives," "targets," "predicts," "plans," "seeks," and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding the impact of COVID-19 and our liquidity. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC's current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general, including AMC's response to the COVID-19 virus related to suspension of operations at theatres, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at AMC's facilities to protect the health and well-being of AMC's customers and employees; the general volatility of the capital markets and the market price of AMC's Class A common stock; motion picture production and performance; AMC's lack of control over distributors of films; increased use of alternative film delivery methods or other forms of entertainment; general and international economic, political, regulatory and other risks, including risks related to the United Kingdom's exit from the European Union or widespread health emergencies, or other pandemics or epidemics; risks and uncertainties relating to AMC's significant indebtedness, including AMC's borrowing capacity under its revolving credit agreement; AMC's ability to execute cost cutting and revenue enhancement initiatives as previously disclosed and in connection with response to COVID-19; limitations on the availability of capital; AMC's ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to

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impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled "Risk Factors" in the Company's Form 10-Q for the quarter ended March 31, 2020 filed with the SEC, the section entitled "Risk Factors" in AMC's Form 10-K for the year ended December 31, 2019 filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

(Tables follow)

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**AMC Entertainment Holdings, Inc.**  
**Consolidated Statements of Operations**  
**For the Three and Six Months Ended June 30, 2020 and June 30, 2019**

(dollars in millions, except share and per share data)  
(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
<b>Revenues</b>				
Admissions	\$ 0.9	\$ 895.5	\$ 568.9	\$ 1,627.0
Food and beverage	0.4	492.5	288.5	861.3
Other theatre	17.6	118.1	103.0	218.2
<b>Total revenues</b>	<b>18.9</b>	<b>1,506.1</b>	<b>960.4</b>	<b>2,706.5</b>
<b>Operating costs and expenses</b>				
Film exhibition costs	0.2	482.5	271.9	847.8
Food and beverage costs	4.5	76.4	57.9	137.9
Operating expense, excluding depreciation and amortization below	114.8	437.4	471.7	840.2
Rent	224.1	245.9	461.9	487.9
General and administrative:				
Merger, acquisition and other costs	1.8	3.2	2.0	6.5
Other, excluding depreciation and amortization below	25.4	43.2	58.6	89.4
Depreciation and amortization	119.7	112.0	242.2	225.0
Impairment of long-lived assets, indefinite-lived intangible assets and goodwill	-	-	1,851.9	-
<b>Operating costs and expenses</b>	<b>490.5</b>	<b>1,400.6</b>	<b>3,418.1</b>	<b>2,634.7</b>
<b>Operating income (loss)</b>	<b>(471.6)</b>	<b>105.5</b>	<b>(2,457.7)</b>	<b>71.8</b>
<b>Other expense (income):</b>				
Other expense	(6.6)	(23.4)	20.3	6.4
Interest expense:				
Corporate borrowings	79.6	74.2	150.9	145.5
Finance lease obligations	1.5	2.1	3.1	4.2
Non-cash NCM exhibitor services agreement	10.1	10.1	20.0	20.3
Equity in (earnings) loss of non-consolidated entities	12.4	(10.2)	15.3	(16.7)
Investment expense (income)	(1.3)	(2.1)	8.1	(18.2)
<b>Total other expense, net</b>	<b>95.7</b>	<b>50.7</b>	<b>217.7</b>	<b>141.5</b>
<b>Earnings (loss) before income taxes</b>	<b>(567.3)</b>	<b>54.8</b>	<b>(2,675.4)</b>	<b>(69.7)</b>
<b>Income tax provision (benefit)</b>	<b>(6.1)</b>	<b>5.4</b>	<b>62.1</b>	<b>11.1</b>
<b>Net earnings (loss)</b>	<b>\$ (561.2)</b>	<b>\$ 49.4</b>	<b>\$ (2,737.5)</b>	<b>\$ (80.8)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ (5.38)</b>	<b>\$ 0.17</b>	<b>\$ (26.25)</b>	<b>\$ (0.78)</b>
<b>Average shares outstanding diluted (in thousands)</b>	<b>104,319</b>	<b>135,528</b>	<b>104,282</b>	<b>103,814</b>

**Consolidated Balance Sheet Data (at period end):**  
(dollars in millions)  
(unaudited)

	As of June 30, 2020	As of December 31, 2019
Cash and cash equivalents	\$ 498.0	\$ 265.0
Corporate borrowings	5,518.0	4,753.4
Other long-term liabilities	220.0	195.9
Finance lease liabilities	93.9	99.9
Stockholders' equity (deficit)	(1,575.4)	1,214.2
Total assets	11,271.6	13,675.8

**Consolidated Other Data:**  
(in millions, except operating data)  
(unaudited)

Consolidated	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net cash provided by (used in) operating activities	\$ (231.9)	\$ 152.2	\$ (415.9)	\$ 153.6
Net cash used in investing activities	\$ (44.1)	\$ (122.8)	\$ (131.5)	\$ (221.3)
Net cash provided by (used in) financing activities	\$ 473.5	\$ (20.6)	\$ 785.9	\$ (54.5)
Adjusted free cash flow	\$ (244.3)	\$ 100.1	\$ (464.3)	\$ 50.3
Free cash flow	\$ (266.9)	\$ 37.1	\$ (542.6)	\$ (76.3)
Capital expenditures	\$ (35.0)	\$ (115.1)	\$ (126.7)	\$ (229.9)
Screen additions	-	16	13	37
Screen acquisitions	-	64	-	64
Screen dispositions	140	36	214	104
Construction openings, net	-	(3)	(7)	(52)
Average screens	60	10,675	4,467	10,679
Number of screens operated	10,833	11,036	10,833	11,036
Number of theatres operated	978	1,004	978	1,004
Screens per theatre	11.1	11.0	11.1	11.0
Attendance (in thousands)	100	96,955	60,595	176,780

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**Segment Other Data:**(in millions, except per patron amounts and operating data)  
(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
<b>Other operating data:</b>				
<b>Attendance (patrons, in thousands):</b>				
U.S. markets	-	71,900	39,669	126,879
International markets	100	25,055	20,926	49,901
Consolidated	<u>100</u>	<u>96,955</u>	<u>60,595</u>	<u>176,780</u>
<b>Average ticket price (in dollars):</b>				
U.S. markets	\$ -	\$ 9.47	\$ 9.81	\$ 9.43
International markets	\$ 9.00	\$ 8.57	\$ 8.59	\$ 8.64
Consolidated	\$ 9.00	\$ 9.24	\$ 9.39	\$ 9.20
<b>Food and beverage revenues per patron (in dollars):</b>				
U.S. markets	\$ -	\$ 5.58	\$ 5.46	\$ 5.43
International markets	\$ 4.00	\$ 3.65	\$ 3.44	\$ 3.46
Consolidated	\$ 4.00	\$ 5.08	\$ 4.76	\$ 4.87
<b>Average Screen Count (month end average):</b>				
U.S. markets	-	8,006	3,333	8,003
International markets	60	2,669	1,134	2,676
Consolidated	<u>60</u>	<u>10,675</u>	<u>4,467</u>	<u>10,679</u>

**Segment Information:**

(unaudited, in millions)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
<b>Revenues</b>				
U.S. markets	\$ 15.7	\$ 1,161.2	\$ 677.0	\$ 2,028.4
International markets	3.2	344.9	283.4	678.1
Consolidated	<u>\$ 18.9</u>	<u>\$ 1,506.1</u>	<u>\$ 960.4</u>	<u>\$ 2,706.5</u>
<b>Adjusted EBITDA</b>				
U.S. markets	\$ (241.6)	\$ 202.1	\$ (245.4)	\$ 279.5
International markets	(98.7)	35.5	(91.8)	66.3
Consolidated	<u>\$ (340.3)</u>	<u>\$ 237.6</u>	<u>\$ (337.2)</u>	<u>\$ 345.8</u>
<b>Capital Expenditures</b>				
U.S. markets	\$ 24.9	\$ 84.1	\$ 81.8	\$ 159.6
International markets	10.1	31.0	44.9	70.3
Consolidated	<u>\$ 35.0</u>	<u>\$ 115.1</u>	<u>\$ 126.7</u>	<u>\$ 229.9</u>

**Reconciliation of Adjusted EBITDA (1):**  
(dollars in millions)  
(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net earnings (loss)	\$ (561.2)	\$ 49.4	\$ (2,737.5)	\$ (80.8)
Plus:				
Income tax provision (benefit)	(6.1)	5.4	62.1	11.1
Interest expense	91.2	86.4	174.0	170.0
Depreciation and amortization	119.7	112.0	242.2	225.0
Impairment of long-lived assets, indefinite-lived intangible assets and goodwill (2)	-	-	1,851.9	-
Certain operating expenses (3)	(1.5)	2.3	0.6	4.8
Equity in (earnings) loss of non-consolidated entities (4)	12.4	(10.2)	15.3	(16.7)
Cash distributions from non-consolidated entities (5)	6.1	1.8	13.7	12.3
Attributable EBITDA (6)	0.6	2.0	0.5	2.9
Investment expense (income)	(1.3)	(2.1)	8.1	(18.2)
Other expense (income) (7)	(1.9)	(23.8)	25.0	6.1
Non-cash rent - purchase accounting (8)	(3.8)	5.8	(1.5)	13.4
General and administrative expense-unallocated:				
Merger, acquisition and other costs (9)	1.8	3.2	2.0	6.5
Stock-based compensation expense (10)	3.7	5.4	6.4	9.4
Adjusted EBITDA (1)	<u>\$ (340.3)</u>	<u>\$ 237.6</u>	<u>\$ (337.2)</u>	<u>\$ 345.8</u>
Rent	<u>\$ 224.1</u>	<u>\$ 245.9</u>	<u>\$ 461.9</u>	<u>\$ 487.9</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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.
- 2) During the six months ended June 30, 2020, we recorded non-cash impairment charges of \$1,124.9 million and \$619.4 million related to the enterprise fair values of our Domestic Theatres and International Theatres reporting units, respectively. We recorded non-cash impairment charges related to our long-lived assets of \$81.4 million on 57 theatres in the U.S. markets with 658 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$9.9 million on 23 theatres in the International markets with 213 screens which were related to property, net and operating lease right-of-use assets, net, during the six months ended June 30, 2020. We recorded non-cash impairment charges related to our indefinite-lived intangible assets of \$5.9 million and \$2.4 million related to the Odeon and Nordic tradenames, respectively, during the six months ended June 30, 2020. We also recorded non-cash impairment charges of \$8.0 million related to our definite-lived intangible assets.
  - 3) Amounts represent reopening 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, non-cash deferred digital equipment rent expense, and 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.
  - 4) Equity in (earnings) loss of non-consolidated entities was primarily due to equity in loss from DCIP of \$9.7 million for the three months ended June 30, 2020, compared to equity in earnings from DCIP of \$9.0 million for the three months ended June 30, 2019. Equity in (earnings) loss of non-consolidated entities was primarily due to equity in loss from DCIP of \$11.6 million for the six months ended June 30, 2020, compared to equity in earnings from DCIP of \$14.6 million for the six months ended June 30, 2019.
  - 5) 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 its operations.
  - 6) 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 (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 our gift card and package ticket program.
-

## Reconciliation of Attributable EBITDA

(dollars in millions)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
Equity in (earnings) loss of non-consolidated entities	\$ 12.4	\$ (10.2)	\$ 15.3	\$ (16.7)
Less:				
Equity in (earnings) loss of non-consolidated entities excluding International theatre joint ventures	12.2	(9.8)	14.3	(15.8)
Equity in earnings (loss) of International theatre joint ventures	(0.2)	0.4	(1.0)	0.9
Income tax provision (benefit)	-	0.1	(0.1)	0.1
Investment income	-	(0.3)	(0.2)	(0.5)
Interest expense	-	0.1	-	0.1
Depreciation and amortization	0.7	1.7	1.5	2.3
Other expense	0.1	-	0.3	-
Attributable EBITDA	\$ 0.6	\$ 2.0	\$ 0.5	\$ 2.9

- 7) Other income for the three months ended June 30, 2020 compared to three months ended June 30, 2019 decreased \$21.9 million. For the three months ended June 30, 2019, we recorded a gain of \$33.9 million related to the change in fair value of our derivative liability for the embedded conversion feature in the our Convertible Notes due 2024, partially offset by the loss on repayment of indebtedness of \$16.6 million. Other expense for the six months ended June 30, 2020 compared to six months ended June 30, 2019 increased \$18.9 million, primarily due to the decrease in the gain recorded for the change in fair value of our derivative liability for the embedded conversion feature in our Convertible Notes due 2024 of \$20.1 million, credit losses related to contingent lease guarantees of \$9.2 million, and loss due to the change in the fair value of our derivative asset for the contingent call option related to the Class B common stock purchase and cancellation agreement of \$5.7 million. For the six months ended June 30, 2019, we recorded a loss on repayment of indebtedness of \$16.6 million.
- 8) Reflects amortization of certain intangible assets reclassified from depreciation and amortization to rent expense due to the adoption of ASC 842 and deferred rent benefit related to the impairment of right-of-use operating lease assets due to the adoption of ASC 842.
- 9) Merger, acquisition and other costs are excluded as they are non-operating in nature.
- 10) Stock-based compensation expense is non-cash or non-recurring expense included in General and Administrative: Other.
-

## Reconciliation of Adjusted Free Cash Flow and Free Cash Flow (1)

(dollars in millions)

(unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net cash provided by (used in) operating activities	\$ (231.9)	\$ 152.2	\$ (415.9)	\$ 153.6
Plus:				
Merger, acquisition and other costs (2)	1.8	3.2	2.0	6.5
Less:				
Maintenance capital expenditures (3)	5.4	25.7	25.5	45.0
Landlord contributions (5)	8.8	29.6	24.9	64.8
Adjusted free cash flow (1)	<u>\$ (244.3)</u>	<u>\$ 100.1</u>	<u>\$ (464.3)</u>	<u>\$ 50.3</u>

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ (231.9)	\$ 152.2	\$ (415.9)	\$ 153.6
Less: total capital expenditures	(35.0)	(115.1)	(126.7)	(229.9)
Free cash flow (1)	<u>\$ (266.9)</u>	<u>\$ 37.1</u>	<u>\$ (542.6)</u>	<u>\$ (76.3)</u>

### Reconciliation of Capital Expenditures:

Capital expenditures

Growth capital expenditures (4)	\$ 16.7	\$ 88.2	\$ 66.0	\$ 158.7
Maintenance capital expenditures (3)	5.4	25.7	25.5	45.0
Change in construction payables (6)	12.9	1.2	35.2	26.2
Total capital expenditures	<u>\$ 35.0</u>	<u>\$ 115.1</u>	<u>\$ 126.7</u>	<u>\$ 229.9</u>

AMC is disclosing non-U.S. GAAP financial measures "Adjusted Free Cash Flow" and "Free Cash Flow" as measures of our liquidity. We believe these measures are indicative of our ability to generate cash in excess of maintenance capital expenditures and certain other non-operating costs and for other uses including repayment of our corporate borrowings and generating cash for growth opportunities.

- 1) We present "Adjusted Free Cash Flow" and "Free Cash Flow" as supplemental measures of our liquidity. Management uses Adjusted Free Cash Flow measure and we believe it is helpful to investors as an indication of our ability to generate cash in-excess-of maintenance capital expenditures and certain other non-operating and costs and for other uses including repayment of our corporate borrowings and generating cash for growth opportunities. Adjusted Free Cash Flow is a non-U.S. GAAP financial measure and is defined as net cash provided by operating activities, plus merger, acquisition and other costs, less maintenance capital expenditures and landlord contributions. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures. It should be considered in addition to, not a substitute for or superior to net cash provided by operating activities.

Free cash flow is an important financial measure for use in evaluating our liquidity, as it measures our ability to generate additional cash from our business operations. Free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities as a measure of our liquidity. Additionally, our definition of free cash flow is limited and does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as supplemental to our entire statement of cash flows.

The term adjusted free cash flow and free cash flow may differ from similar measures reported by other companies. Also provided is a reconciliation of Capital Expenditures disclosed in the Consolidated Statement of Cash Flows made up of

growth capital expenditures, maintenance capital expenditures and change in construction payables as further explanation of the components of adjusted free cash flow.

- 2) Merger, acquisition and other costs are excluded as they are non-operating.
  - 3) Maintenance capital expenditures are amounts required to keep our existing theatres in compliance with regulatory requirements and in a sustainable good operating condition, including expenditures for repair of HVAC, sight and sound systems, compliance with ADA requirements and technology upgrades of existing systems.
  - 4) Growth capital expenditures are investments that enhance the guest experience and grow revenues and profits and include initiatives such as theatre remodels, acquisitions, newly built theatres, premium large formats, enhanced food and beverage offerings and service models and technology that enable efficiencies and additional revenue opportunities. We did not deduct these from adjusted free cash flow because they are discretionary, and the related benefits may not be fully reflected in our net cash provided by operating activities.
  - 5) Landlord contributions represent reimbursements in our strategic growth initiatives by our landlords.
  - 6) Change in construction payables are changes in amounts accrued for capital expenditures and are not deducted or added back to Adjusted Free Cash Flow and Free Cash Flow as they fluctuate significantly from period to period based on the timing of actual payments.
-

**Select Consolidated Constant Currency Financial Data (see Note 11):**  
**Three and Six Months Ended June 30, 2020**  
(dollars in millions) (unaudited)

	Three Months Ended June 30, 2020			Six Months Ended June 30, 2020		
	Constant Currency (11)			Constant Currency (11)		
	US	International	Total	US	International	Total
<b>Revenues</b>						
Admissions	\$ -	\$ 0.9	\$ 0.9	\$ 389.1	\$ 184.5	\$ 573.6
Food and beverage	-	0.4	0.4	216.6	73.6	290.2
Other theatre	15.7	2.0	17.7	71.3	32.7	104.0
Total revenues	15.7	3.3	19.0	677.0	290.8	967.8
<b>Operating costs and expenses</b>						
Film exhibition costs	(0.2)	0.5	0.3	198.7	75.2	273.9
Food and beverage costs	3.3	1.2	4.5	38.2	20.2	58.4
Operating expense	79.4	36.4	115.8	331.3	144.3	475.6
Rent	164.8	61.2	226.0	339.2	126.4	465.6
General and administrative:						
Merger, acquisition and other costs	1.7	0.2	1.9	2.0	0.1	2.1
Other	13.8	11.9	25.7	31.1	28.4	59.5
Depreciation and amortization	91.0	29.5	120.5	183.4	60.4	243.8
Impairment of long-lived assets	-	-	-	1,214.3	678.4	1,892.7
Operating costs and expenses	353.8	140.9	494.7	2,338.2	1,133.4	3,471.6
Operating loss	(338.1)	(137.6)	(475.7)	(1,661.2)	(842.6)	(2,503.8)
Other expense	0.1	(7.5)	(7.4)	25.6	(6.2)	19.4
Interest expense	88.6	1.4	90.0	169.4	3.4	172.8
Equity in loss of non-consolidated entities	11.4	1.1	12.5	13.3	2.1	15.4
Investment expense (income)	(1.2)	1.0	(0.2)	8.2	0.9	9.1
Total other expense, net	98.9	(4.0)	94.9	216.5	0.2	216.7
Loss before income taxes	(437.0)	(133.6)	(570.6)	(1,877.7)	(842.8)	(2,720.5)
Income tax provision (benefit)	4.4	74.1	78.5	1.5	148.2	149.7
Net loss	<u>\$ (441.4)</u>	<u>\$ (207.7)</u>	<u>\$ (649.1)</u>	<u>\$ (1,879.2)</u>	<u>\$ (991.0)</u>	<u>\$ (2,870.2)</u>
Attendance	-	100	100	39,669	20,926	60,595
Average Screens	-	60	60	3,333	1,134	4,467
Average Ticket Price	\$ -	\$ 9.00	\$ 9.00	\$ 9.81	\$ 8.82	\$ 9.47

**Reconciliation of Consolidated Constant Currency Adjusted EBITDA (see Note 11):  
Three and Six Months Ended June 30, 2020**  
(dollars in millions) (unaudited)

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
	Constant Currency (11)	Constant Currency (11)
Net loss	\$ (649.1)	\$ (2,870.2)
Plus:		
Income tax benefit	78.5	149.7
Interest expense	90.0	172.8
Depreciation and amortization	120.5	243.8
Impairment of long-lived assets (2)	-	1,892.7
Certain operating expenses (3)	(1.4)	0.7
Equity in loss of non-consolidated entities (4)	12.5	15.4
Cash distributions from non-consolidated entities (5)	6.1	13.7
Attributable EBITDA (6)	0.6	0.6
Investment expense	(0.2)	9.1
Other expense (7)	(1.9)	24.9
Non-cash rent expense - purchase accounting (8)	(3.7)	(1.4)
General and administrative expense-unallocated:		
Merger, acquisition and other costs (9)	1.9	2.1
Stock-based compensation expense (10)	3.6	6.3
Adjusted EBITDA (1)	<u>\$ (342.6)</u>	<u>\$ (339.8)</u>
Adjusted EBITDA (in millions) (1)		
U.S. markets	\$ (241.6)	\$ (245.4)
International markets	(101.0)	(94.4)
Total Adjusted EBITDA	<u>\$ (342.6)</u>	<u>\$ (339.8)</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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 analytical tools, 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.
- 2) During the six months ended June 30, 2020, we recorded non-cash impairment charges of \$1,124.9 million and \$619.4 million related to the enterprise fair values of our Domestic Theatres and International Theatres reporting units, respectively. We recorded non-cash impairment charges related to our long-lived assets of \$81.4 million on 57 theatres in the U.S. markets with 658 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$9.9 million on 23 theatres in the International markets with 213 screens which were related to property, net and operating lease right-of-use assets, net, during the six months ended June 30, 2020. We recorded non-cash impairment charges related to our indefinite-lived intangible assets of \$5.9 million and \$2.4 million related to the Odeon and Nordic tradenames, respectively, during the six months ended June 30, 2020. We also recorded non-cash impairment charges of \$8.0 million related to our definite-lived intangible assets.
  - 3) 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, non-cash deferred digital equipment rent, and 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.
  - 4) Equity in (earnings) loss of non-consolidated entities was primarily due to equity in loss from DCIP of \$9.7 million for the three months ended June 30, 2020, compared to equity in earnings from DCIP of \$9.0 million for the three months ended June 30, 2019. Equity in (earnings) loss of non-consolidated entities was primarily due to equity in loss from DCIP of \$11.6 million for the six months ended June 30, 2020, compared to equity in earnings from DCIP of \$14.6 million for the six months ended June 30, 2019.
  - 5) 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.
  - 6) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain international markets. See below for a reconciliation of our equity (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.
-

## Reconciliation of Constant Currency Attributable EBITDA

(dollars in millions) (unaudited)

	Three Months Ended June 30 2020 <u>Constant Currency</u>	Six Months Ended June 30 2020 <u>Constant Currency</u>
Equity in loss of non-consolidated entities	\$ 12.5	\$ 15.4
Less:		
Equity in (earnings) loss of non-consolidated entities excluding international theatre joint ventures	12.3	14.4
Equity in loss of International theatre joint ventures	(0.2)	(1.0)
Income tax benefit	-	(0.1)
Investment income	-	(0.2)
Depreciation and amortization	0.7	1.6
Other expense	0.1	0.3
Attributable EBITDA	<u>\$ 0.6</u>	<u>\$ 0.6</u>

- 7) Other income for the three months ended June 30, 2020 compared to three months ended June 30, 2019 decreased \$21.9 million. For the three months ended June 30, 2019, we recorded a gain of \$33.9 million related to the change in fair value of our derivative liability for the embedded conversion feature in the our Convertible Notes due 2024, partially offset by the loss on repayment of indebtedness of \$16.6 million. Other expense for the six months ended June 30, 2020 compared to six months ended June 30, 2019 increased \$18.9 million, primarily due to the decrease in the gain recorded for the change in fair value of our derivative liability for the embedded conversion feature in our Convertible Notes due 2024 of \$20.1 million, credit losses related to contingent lease guarantees of \$9.2 million, and loss due to the change in the fair value of our derivative asset for the contingent call option related to the Class B common stock purchase and cancellation agreement of \$5.7 million. For the six months ended June 30, 2019, we recorded a loss on repayment of indebtedness of \$16.6 million.
- 8) Reflects amortization of certain intangible assets reclassified from depreciation and amortization to rent expense, due to the adoption of ASC 842 and deferred rent benefit related to the impairment of right-of-use operating lease assets due to the adoption of ASC 842.
- 9) Merger, acquisition and other costs are excluded as it is non-operating in nature.
- 10) Stock-based compensation expense is non-cash or non-recurring expense included in General and Administrative: Other.
- 11) The International segment information for the three and six months ended June 30, 2020 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2019. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.
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**Reconciliation of Adjusted Net Loss and Adjusted Loss Per Common share:  
Three and Six Months Ended June 30, 2020**  
(dollars in millions, except share and per share data)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
<b>Numerator:</b>				
Net earnings (loss)	\$ (561.2)	\$ 49.4	\$ (2,737.5)	\$ (80.8)
Calculation of adjusted net earnings (loss) for basic and diluted earnings (loss) per share:				
Impairment of long-lived assets, indefinite-lived intangible assets and goodwill	-	-	1,851.9	-
Marked-to-market (gain) loss on derivative asset	(6.4)	(7.1)	13.7	8.0
Marked-to-market (gain) loss on derivative liability	-	(33.9)	(0.5)	(20.6)
Tax expense for Spain and Germany valuation allowance	-	-	73.2	-
Adjusted net earnings (loss) for basic loss per share	\$ (567.6)	\$ 8.4	\$ (799.2)	\$ (93.4)
Interest expense for Convertible Notes due 2024	-	-	-	-
Adjusted net earnings (loss) for diluted loss per share	\$ (567.6)	\$ 8.4	\$ (799.2)	\$ (93.4)
<b>Denominator (shares in thousands):</b>				
Weighted average shares for basic earnings (loss) per common share	104,319	103,845	104,282	103,814
Common equivalent shares for RSUs and PSUs	-	-	-	-
Common equivalent shares if converted: convertible notes due 2024	-	-	-	-
Weighted average shares for diluted earnings (loss) per common share	<u>104,319</u>	<u>103,845</u>	<u>104,282</u>	<u>103,814</u>
Adjusted basic earnings (loss) per common share	<u>\$ (5.44)</u>	<u>\$ 0.08</u>	<u>\$ (7.66)</u>	<u>\$ (0.90)</u>
Adjusted diluted earnings (loss) per common share	<u>\$ (5.44)</u>	<u>\$ 0.08</u>	<u>\$ (7.66)</u>	<u>\$ (0.90)</u>

We present adjusted net earnings (loss) for basic and diluted loss per share and adjusted basic and diluted net earnings (loss) per common share as supplemental measures of our performance. We have included these measures because we believe they provide management and investors with additional information that is helpful when evaluating our underlying performance and comparing our results on a year-over-year normalized basis. Adjusted net earnings (loss) for basic and diluted loss per share eliminates the impact of certain items that we do not consider indicative of our underlying operating performance. These adjustments are itemized above. Adjusted net earnings (loss) per (basic and diluted) common share is adjusted net earnings (loss) (for basic and diluted purposes) divided by weighted average basic and diluted shares outstanding. Weighted average shares for diluted purposes include common equivalents for RSUs, PSUs, and the conversion of our Convertible Notes due 2024 if dilutive. Adjusted net earnings (loss) for diluted earnings per share removes the interest expense on the Convertible Notes due 2024 if dilutive. The impact of RSUs, PSUs, conversion of Convertible Notes due 2024 and the interest expense on the Convertible Notes due 2024 was anti-dilutive in each period other than the three months ended June 30, 2019. You are encouraged to evaluate the adjustments itemized above and the reasons we consider them appropriate for supplemental analysis. In evaluating adjusted net earnings (loss) and adjusted net earnings (loss) per common share, 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 net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted net earnings (loss) and adjusted net earnings (loss) per common share are non-U.S. GAAP financial measures and should not be construed as alternatives to net earnings (loss) and earnings (loss) per common share (basic and diluted) as indicators of operating performance (as determined in accordance with U.S. GAAP). Adjusted net earnings (loss) and adjusted net earnings (loss) per common share (basic and diluted) may not be comparable to similarly titled measures reported by other companies.

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# **EXHIBIT B**

PROSPECTUS SUPPLEMENT  
(To Prospectus dated September 2, 2020)**Up to 15,000,000 Shares****Class A Common Stock**

We have entered into an equity distribution agreement (the "Distribution Agreement") with Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC, as our sales agents, relating to the shares of our Class A common stock, par value \$0.01 (the "Class A common stock"), offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the Distribution Agreement, we may, through our sales agents, offer and sell from time to time up to an aggregate of 15,000,000 shares of our Class A common stock. The sales agents may act as agents on our behalf or purchase shares of our Class A common stock as principal.

Sales, if any, of our Class A common stock, under this prospectus supplement and the accompanying prospectus may be made in sales deemed to be "at-the-market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including by sales made directly on or through the New York Stock Exchange ("NYSE") or another market for our Class A common stock, sales made to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices prevailing at the time of sale or at negotiated prices, or as otherwise agreed with the applicable sales agent. We will submit orders to only one sales agent relating to the sale of shares of our Class A common stock on any given day. Subject to the terms and conditions of the Distribution Agreement, the sales agents will use their commercially reasonable efforts to sell on our behalf all of the designated shares. We may instruct the sales agents not to sell any shares of Class A common stock if the sales cannot be effected at or above the price designated by us in any such instruction.

We also may sell shares of our Class A common stock to one or more of the sales agents, as principal for their own accounts, at a price per share agreed upon at the time of sale. If we sell shares to one or more sales agents, as principal, we will enter into a separate terms agreement with such sales agent or agents, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

We will pay the sales agents a commission of up to 2.5% of the gross sales price per share sold through them as our agent under the Distribution Agreement. In connection with the sale of our shares of Class A common shares on our behalf, the sales agents may be deemed to be "underwriters" within the meaning of the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts.

Our Class A common stock is listed on the NYSE under the symbol "AMC." On October 19, 2020, the last reported sale price of our Class A common stock on the NYSE was \$3.54 per share.

Settlement of any sales of our Class A common stock will occur on the second business day following the date on which such sales were made (or such earlier day as is industry practice for regular-way trading). There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of our Class A common stock as contemplated in this prospectus supplement will be settled through the facilities of The Depository Trust Company or by such other means as we and the sales agents may agree.

**Investing in our Class A common stock involves risks. You should carefully read and consider the risk factors included in this prospectus supplement, in our periodic reports, in the accompanying prospectus and in any other documents we file with the SEC. See the sections entitled "Risk Factors" below on page S-11, in our other filings with the SEC and in the accompanying prospectus.**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

**Citigroup****Goldman Sachs & Co. LLC**

The date of this prospectus supplement is October 20, 2020.

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#### ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. In this prospectus supplement, as permitted by law, we “incorporate by reference” information from other documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information included or incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information in the accompanying prospectus or incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference herein as described under “Where You Can Find More Information; Incorporation of Documents by Reference,” and any free writing prospectus that we prepare and distribute.

**We have not authorized anyone to provide you with information other than that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus related hereto that we may authorize to be delivered to you. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We may only offer to sell, and seek offers to buy any securities in jurisdictions where offers and sales are permitted.**

This prospectus supplement and the accompanying prospectus supplement or other offering materials do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, therefore, file reports and other information with the SEC. Statements contained in this prospectus supplement and the accompanying prospectus or other offering materials about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

**You should assume that the information in this prospectus supplement, the accompanying prospectus or any other offering materials is only accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless otherwise indicated. Our business, financial condition, results of operations and prospects may have changed since such date.**

*Unless we state otherwise, references to “we,” “us,” “our,” the “Company” or “AMC” refer to AMC Entertainment Holdings, Inc. and its consolidated subsidiaries.*



**WHERE YOU CAN FIND MORE INFORMATION;  
INCORPORATION OF DOCUMENTS BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains our reports, proxy and other information regarding us and other issuers that file electronically with the SEC, at <http://www.sec.gov>. Our SEC filings are also available free of charge at our website ([www.amtheatres.com](http://www.amtheatres.com)). However, except for our filings with the SEC that are incorporated by reference into this prospectus supplement, the information on our website is not, and should not be deemed to be, a part of, or incorporated by reference into this prospectus supplement.

This prospectus supplement contains summaries of certain of our agreements. The descriptions contained in this prospectus supplement of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements.

The SEC allows “incorporation by reference” into this prospectus supplement of information that we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus supplement and any information filed by us with the SEC subsequent to the date of this prospectus supplement automatically will be deemed to update and supersede this information. We incorporate by reference the following documents which we have filed with the SEC (excluding any documents or portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act):

- [our annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 28, 2020 \(the “Annual Report”\);](#)
- [our Proxy Statement on Schedule 14A, filed with the SEC on June 10, 2020 \(but only with respect to information required by Part III of our Annual Report\);](#)
- our quarterly reports on Form 10-Q for the three months ended March 31, 2020 and for the six months ended June 30, 2020, filed with the SEC on [June 9, 2020](#) and [August 6, 2020](#), respectively (together the “Quarterly Reports”); and
- our Current Reports on Form 8-K filed with the SEC on [January 8, 2020](#), [February 27, 2020](#) (the first 8-K filing on such date), [March 3, 2020](#), [March 20, 2020](#), [March 24, 2020](#), [April 24, 2020](#), [April 29, 2020](#), [July 10, 2020](#), [July 23, 2020](#), July 31, 2020 (the [first](#) and [second](#) 8-K filing on such date) [September 15, 2020](#), [September 24, 2020](#) and [October 13, 2020](#).

We incorporate by reference any filings made by us with the SEC in accordance with Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and the date all of the securities offered hereby are sold or the offering is otherwise terminated, with the exception of any information furnished under Item 2.02 and Item 7.01 (including any financial statements or exhibits relating thereto furnished pursuant to Item 9.01) of Form 8-K, which is not deemed filed and which is not incorporated by reference herein. Any such filings shall be deemed to be incorporated by reference and to be a part of this prospectus supplement from the respective dates of filing of those documents.

This prospectus supplement and any accompanying prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Statements in this prospectus supplement or any accompanying prospectus supplement or free writing prospectus about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC’s website, as provided above.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus supplement but not delivered with this prospectus supplement, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus supplement. You should direct requests for documents to:

**AMC Entertainment Holdings, Inc.**  
**One AMC Way**  
**11500 Ash Street**  
**Leawood, Kansas 66211**  
**(913) 213-2000**

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus supplement, the documents that are incorporated by reference in this prospectus supplement and other written or oral statements made by or on behalf of AMC may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. 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. 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 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. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in “Risk Factors”, 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:

- our ability to obtain additional liquidity and our ability to continue as a going concern;
- the impact of the COVID-19 virus on us, the motion picture exhibition industry, and the economy in general, including our response to the COVID-19 virus related to 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 borrowing capacity and our ability to meet our financial maintenance and other covenants;
- the manner, timing and amount of benefit we receive under the Coronavirus Aid, Relief, and Economic Security Act or other applicable governmental benefits and support for which we are eligible domestically and internationally;
- risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges;
- risks relating to motion picture production and performance;
- our lack of control over distributors of films;
- intense competition in the geographic areas in which we operate;
- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment;
- shrinking exclusive theatrical release windows;
- AMC Stubs<sup>®</sup> A-List may not meet anticipated revenue projections which could result in a negative impact upon operating results;
- general and international economic, political, regulatory, social and financial market conditions and other risks including the effects of the exit of the United Kingdom from the European Union;
- limitations on the availability of capital may prevent us from deploying strategic initiatives;
- certain covenants in the agreements that govern our indebtedness may limit our ability to take advantage of certain business opportunities;
- our ability to achieve expected synergies, benefits and performance from our strategic theatre acquisitions and strategic initiatives;
- our ability to refinance our indebtedness on terms favorable to us or at all;
- optimizing our theatre circuit through new construction and the transformation of our existing 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 and net operating loss carryforwards 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 recently filed 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;
- risks of poor financial results may prevent us from deploying strategic initiatives;
- operating a business in international markets AMC is unfamiliar with, including acceptance by movie-goers of AMC initiatives that are new to those markets;
- increased costs in order to comply or resulting from failure to comply with governmental regulation, including the General Data Protection Regulation, the California Consumer Privacy Act and pending future domestic privacy laws and regulations;
- geopolitical events, including the threat of terrorism or cyber-attacks, or widespread health emergencies, such as the novel coronavirus or other pandemics or epidemics, causing people to avoid our theatres or other public places where large crowds are in attendance;
- the ability to obtain suitable equity and/or debt financing and the continued availability of financing, in the amounts and on the terms necessary to support our future refinancing requirements and business; 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.

Consider these factors carefully in evaluating the forward-looking statements. Additional factors that may cause results to differ materially from those described in the forward-looking statements are set forth in the 2019 Form 10-K under the heading “Risk Factors” and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2019 Form 10-K and in subsequent reports filed by us with the SEC, including Forms 10-Q and Forms 8-K. Because of the foregoing, you are cautioned against relying on forward-looking statements, which speak only as of the date hereof. We do not undertake to update any of these statements in light of new information or future events, except as required by applicable law.

### PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary sets forth the material terms of this offering, but does not contain all of the information you should consider before investing in our Class A common stock. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision to purchase our shares of Class A common stock, especially the risks of investing in our Class A common stock discussed in the section titled "Risk Factors" in this prospectus supplement as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus.*

### THE COMPANY

We are the world's largest theatrical exhibition company and an industry leader in innovation and operational excellence. Over the course of our nearly 100-year history, we have pioneered many of the theatrical exhibition industry's most important innovations. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Most recently, we continued to innovate and evolve the movie-going experience with the deployment of our theatre renovations featuring plush, powered recliner seating and the launch of our U.S. subscription loyalty tier, AMC Stubs® A-List. Our growth has been driven by a combination of organic growth through reinvestment in our existing assets and through the acquisition of some of the most respected companies in the theatrical exhibition industry.

We were incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 and our telephone number is (913) 213-2000. Our corporate website address is [www.amctheatres.com](http://www.amctheatres.com). Our website and the information contained on, or that can be accessed through, the website is not incorporated by reference in, and is not part of, this prospectus supplement. You should not rely on any such information in making your decision whether to purchase our Class A common stock.

### RECENT DEVELOPMENTS

In providing this update, reference is made to the Company's prior updates contained in (a) its Current Report on Form 8-K, dated September 24, 2020, and (b) its Current Report on Form 8-K, dated October 13, 2020 (together, the "Prior Updates"). This update should be read together with the Prior Updates, both of which are incorporated by reference herein.

#### Update on Theatre Reopenings

As of March 17, 2020, the Company had temporarily suspended all theatre operations in its U.S. and International markets. This action was in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of the Company's guests and theatre staff.

The Company has provided the following operating update:

- As of October 16, 2020, the Company had resumed operations at 519 of its 598 U.S. theatres, with limited seating capacities of between 20% and 40%, representing approximately 87% of the U.S. theatres and 80% of 2019 U.S. same-theatre revenue.
- Since the resumption of operations in its U.S. markets, the Company has served more than 2.6 million guests as of October 16, 2020, representing a same-theatre attendance decline of approximately 85% compared to the same period a year ago.
- The remaining 13% of the U.S. theatres left to reopen are primarily located in California, Maryland and New York, and include some of the Company's most productive theatres, representing approximately 20% of 2019 U.S. revenue. Twelve theatres in New York State are scheduled to open on October 23, 2020. The Company has an active dialogue with local and state government officials, however there is limited visibility around the timing for resumption of the remaining theatre operations.

- As of October 16, 2020, the Company had resumed operations at 309 leased and partnership international theatres. This represents approximately 86% of the Company's international theatres and approximately 91% of 2019 international same-theatre revenue. Seating capacity at the reopened international theatres remains limited to between 25% and 50% of capacity to ensure social distancing for guests. Since the resumption of operations in its International markets on June 3, 2020, the Company's theatres have served more than 5.7 million guests as of October 16, representing a same-theatre attendance decline of approximately 74% compared to the same period a year ago.

We expect our industry and/or business to be affected by recent developments, including:

- As previously disclosed, major movie releases that were previously scheduled to be released in the fourth quarter have either been rescheduled for 2021 or slated for direct to streaming in lieu of a theatrical release, leaving a reduced slate of movie releases for the remainder of the year, and release dates may continue to move.
- Certain competitors have decided to temporarily reclose their theatres in light of the ongoing pandemic and the reduced slate of movie releases, which may further exacerbate the trend described above.
- In response to the current low attendance levels, the Company has made adjustments to theatre operating hours to align screen availability and associated theatre operating costs with attendance levels for each theatre.
- The Governor of New York has announced that movie theaters outside of New York City can reopen under state guidance starting October 23, 2020, subject to a limit of no greater than 25% capacity and no more than 50 people per screen, per showing. Theaters can only open outside of New York City in counties that have COVID-19 positivity rates of less than 2 percent on a 14-day average and do not have any cluster zones.
- The Company has introduced AMC Private Screening, which allows movie goers to reserve a separate AMC Safe & Clean™ auditorium for a private screening for up to 20 people, starting at \$99 plus tax.

#### **Certain Preliminary Financial Results for the Three and Nine Months Ended September 30, 2020**

The Company has released certain limited preliminary results for the three and nine months ended September 30, 2020. The preliminary results are unaudited, subject to completion of the Company's quarterly financial reporting process, based on information known by management as of the date of this document and do not represent a comprehensive statement of our financial results for the three and nine months ended September 30, 2020.

- The Company expects total revenues for the three months ended September 30, 2020 to be approximately \$119.5 million compared to \$1,316.8 million for the three months ended September 30, 2019, and total revenues for the nine months ended September 30, 2020 to be approximately \$1,079.8 million compared to \$4,023.3 million for the nine months ended September 30, 2019.
- In connection with the preparation of the quarterly results, the Company anticipates that in light of current and anticipated results, it will record non-cash charges relating to the impairment of long-lived assets, indefinite-lived intangible assets and goodwill in amounts that are likely to be material, although it is unable to predict at this time what these amounts will be.
- As a result of its previously announced private offers to exchange its existing subordinated notes for newly issued 10%/12% Cash/PIK Toggle Second Lien Subordinated Secured Notes due 2026, the Company realized significant cancellation of debt income and expects a corresponding reduction of tax attributes which are primarily net operating losses. As a result of reducing its tax attributes, the Company expects to record a material non-cash deferred tax charge during the three months ended September 30, 2020, although it is unable to predict at this time what the amount of this charge will be.
- Excluding the impairment of long-lived assets, indefinite-lived intangible assets and goodwill, the Company expects operating costs and expenses for the three months ended September 30, 2020 to be in a range of approximately \$584.4 million to \$604.4 million compared to \$1,296.0 million for the

three months ended September 30, 2019, and operating costs and expenses for the nine months ended September 30, 2020 to be in a range of approximately \$2,150.6 million to \$2,170.6 million compared to \$3,930.7 million for the nine months ended September 30, 2019. These amounts include depreciation and amortization for the three months ended September 30, 2020 expected to be approximately \$123.5 million compared to \$112.1 million for the three months ended September 30, 2019, and depreciation and amortization for the nine months ended September 30, 2020 expected to be approximately \$365.7 million compared to \$337.1 million for the nine months ended September 30, 2019.

- The Company expects interest expense for the three months ended September 30, 2020 to be approximately \$94.3 million compared to \$85.1 million for the three months ended September 30, 2019, and interest expense for the nine months ended September 30, 2020 to be approximately \$268.3 million compared to \$255.1 million for the nine months ended September 30, 2019.

#### **Liquidity Update and Going Concern Risk**

The Company estimates that its cash and cash equivalents at September 30, 2020 was \$417.9 million. As previously disclosed, in the absence of significant increases in attendance from current levels or the availability of significant additional sources of liquidity, at the existing cash burn rate, the Company anticipates that existing cash resources would be largely depleted by the end of 2020 or early 2021. Thereafter, to meet its obligations as they become due, the Company will require additional sources of liquidity and/or increases in attendance levels. The required amounts of additional liquidity will be material. Due to these factors, as previously disclosed, substantial doubt exists about the Company's ability to continue as a going concern for a reasonable period of time.

The Company is actively continuing to explore potential sources of additional liquidity, including:

- additional debt and equity financing; the Company has raised approximately \$54.7 million through the sale of 15.0 million shares of its Class A common stock through its previously announced at-the-market offering program (including approximately \$51.9 million raised subsequent to September 30, 2020) and expects to raise additional capital through this offering;
- further renegotiations with landlords regarding its lease payments;
- potential asset sales;
- joint-venture or other arrangements with existing business partners; and
- minority investments in our capital stock.

The Company is unable to determine at this time whether these potential sources of liquidity will be available to it or if available, individually or taken together, will be sufficient to address its liquidity needs. There is a significant risk that these potential sources of liquidity will not be realized or that they will be insufficient to generate the material amounts of additional liquidity that would be required until the Company is able to achieve more normalized levels of operating revenues. In the event the Company determines that these sources of liquidity will not be available to it or will not allow it to meet its obligations as they become due, it would likely seek an in-court or out-of-court restructuring of its liabilities, and in the event of a future liquidation or bankruptcy proceeding, holders of the Company's Class A common stock would likely suffer a total loss of their investment.

The Company's cash burn is impacted by, among other things, the timing of resumption of theatre operations, including with respect to some of our most productive theatres which remain closed, the timing of movie releases and the slate of future releases, theatre attendance levels, landlord negotiations and minimum lease payments, costs associated with the AMC Safe and Clean initiative, and food and beverage receipts.

It is very difficult to estimate our liquidity requirements and future cash burn rates, and depending on the assumptions used regarding the timing and ability to achieve more normalized levels of operating revenue, the estimates of amounts of required liquidity vary significantly. There can be no assurance that the assumptions used to estimate our liquidity requirements and future cash burn will be correct, or that we will be able to achieve more normalized levels of attendance described above, which are materially higher than

our current attendance levels, and our ability to be predictive is uncertain due to the unknown magnitude and duration of the COVID-19 pandemic. See “Risks Related to Our Business - We will require significant amounts of additional liquidity and there is substantial doubt about our ability to continue as a going concern for a reasonable period of time; holders of our Class A common stock could suffer a total loss of their investment,” “- The COVID-19 pandemic has disrupted our business and will continue to adversely affect our business, theatres, results of operations and liquidity” and “- Our substantial level of indebtedness and our current liquidity constraints could adversely affect our financial condition and our ability to service our indebtedness, which could negatively impact your ability to recover your investment in the common stock,” as well as the additional risks contained in and referred to in “Risk Factors”. The foregoing statements regarding liquidity are forward-looking statements that should also be read together with the Cautionary Statement Regarding Forward-Looking Statements contained in this prospectus supplement.



<b>THE OFFERING</b>	
<b>Issuer</b>	AMC Entertainment Holdings, Inc.
<b>Securities Offered by Us</b>	Up to an aggregate of 15,000,000 shares of our Class A common stock.
<b>Class A Common Stock to be Outstanding after this Offering</b>	Up to 87,549,593 shares of our Class A common stock. The actual number of shares issued may not exceed the number of authorized and available shares under our amended and restated certificate of incorporation.
<b>Manner of Offering</b>	“At-the-market offering” that may be made from time to time through our sales agents, Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC. See “Plan of Distribution” on page <a href="#">S-22</a> .
<b>Use of Proceeds</b>	We intend to use the net proceeds from the sale of our Class A common stock offered by this prospectus supplement, if any, for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness or working capital, capital expenditures and other investments. See “Use of Proceeds” on page <a href="#">S-17</a> .
<b>Material U.S. Federal Income Tax Consequences</b>	For a discussion of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our Class A common stock, see “Material U.S. Federal Income Tax Consequences” on page <a href="#">S-18</a> .
<b>Risk Factors</b>	Investing in our Class A common stock involves a high degree of risk. See “Risk Factors” beginning on page <a href="#">S-11</a> , as well as the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of risks you should carefully consider before investing in our Class A common stock.
<b>NYSE Symbol</b>	AMC

## RISK FACTORS

*Investing in our Class A common stock involves risks. You should carefully consider the risk factors described in Part I, Item 1A, "Risk Factors" in our [Annual Report on Form 10-K for the year ended December 31, 2019](#) and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q, all of which is incorporated by reference into this prospectus supplement, the accompanying prospectus by reference and in any other documents incorporated into this prospectus supplement or the accompanying prospectus by reference. We expect to update these Risk Factors from time to time in the periodic and current reports that we file with the SEC after the date of this prospectus supplement. These updated risk factors will be incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making any investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement or in the accompanying prospectus or free writing prospectus. For more information, see the section entitled "Where You Can Find More Information; Incorporation of Documents by Reference" above. These risks could materially affect our business, results of operations or financial condition and affect the value of our Class A common stock. You could lose all or part of your investment. Additionally, the risks and uncertainties discussed in this prospectus supplement or in any document incorporated by reference into this prospectus supplement are not the only risks and uncertainties that we face, and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations or financial condition.*

### Risks Related to Our Business

***We will require significant amounts of additional liquidity and there is substantial doubt about our ability to continue as a going concern for a reasonable period of time; holders of our Class A common stock could suffer a total loss of their investment.***

As previously disclosed, in the absence of significant increases in attendance from current levels or the availability of significant additional sources of liquidity, at the existing cash burn rate, the Company anticipates that existing cash resources would be largely depleted by the end of 2020 or early 2021. Thereafter, to meet its obligations as they become due, the Company will require additional sources of liquidity and/or increases in attendance levels. The required amounts of additional liquidity will be material. Although the Company is actively continuing to explore additional sources of liquidity, the Company is unable to determine at this time whether any of these potential sources of liquidity will be available to it or if available, individually or taken together, will be sufficient to address its liquidity needs. There is a significant risk that these potential sources of liquidity will not be realized or that they will be insufficient to generate the material amounts of additional liquidity that would be required until the Company is able to achieve more normalized levels of operating revenues. Further, any relief provided by lenders, governmental agencies, and business partners may not be adequate and may include onerous terms, particularly if we face a second round of theatre closures, we are unable to open theatres in our major markets that remain closed, scheduled movies releases fail to drive increased attendance, scheduled releases continue to be postponed or moved to the home video market, or if the attendance levels of, and revenues generated by, our reopened theatres normalize at a level that will not support our substantial amount of indebtedness, rent liabilities or other obligations. Due to these factors, as previously disclosed, substantial doubt exists about the Company's ability to continue as a going concern for a reasonable period of time.

In the event the Company determines that additional sources of liquidity will not be available to it or will not allow it to meet its obligations as they become due, it would likely seek an in-court or out-of-court restructuring of its liabilities, and in the event of a future liquidation or bankruptcy proceeding, holders of the Company's Class A common stock would likely suffer a total loss of their investment.

***The COVID-19 pandemic has disrupted our business and will continue to adversely affect our business, theatres, results of operations and liquidity.***

The COVID-19 pandemic has had and will continue to have a significant and adverse impact on our business. As a result of the pandemic, primarily all of our theatres worldwide temporarily suspended operations between March and late summer, during which period we generated only immaterial revenue. While we have now reopened a majority of our theaters, we have not reopened all of our theaters in major markets and our reopening in those markets may be further delayed. Currently, although we are in early

stages, our reopened theaters are generating only a small portion of the attendance and revenue from admissions and food and beverage sales compared to historical levels and during the third quarter of 2020 our cash burn is expected to be higher than when theatres were closed. The extent of our cash burn in the future will primarily be dependent on attendance which drives admission, food and beverage, and other revenue. The ultimate duration of the pandemic and of responsive governmental regulations, including shelter-in-place orders and mandated business closures is uncertain and we may need to suspend existing theatre operations or extend the suspension of operations at theatres that are currently closed. We cannot predict when or if our business will return to closer to normal levels. In addition, governmental officials may impose further restrictions on travel or introduce social distancing measures such as limiting the number of people allowed in a theatre at any given time.

The resumption of operations has resulted in a ramp-up in costs to operate our business. While we plan to closely monitor our variable costs and reduce fixed costs to the extent possible, we continue to incur significant cash outflows, including interest payments, taxes, critical maintenance capital expenditures, expenses associated with the resumption of operations, and certain compensation and benefits payments.

We may face difficulty in maintaining relationships with our landlords, vendors, motion picture distributors, customers, and employees during a suspension period. Since the outbreak of the COVID-19 virus, movie studios have suspended production of movies and delayed the release date of movies. Some movie studios have also reduced or eliminated the theatrical exclusive release window or have skipped a theatrical release and released their movies through streaming or other channels and may continue to do so with additional releases for the duration of the pandemic and after the pandemic has subsided. The longer and more severe the pandemic, including repeat or cyclical outbreaks beyond the one we are currently experiencing, the more severe the adverse effects will be on our business, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness.

Even when the COVID-19 pandemic subsides, we cannot guarantee that we will recover as rapidly as other industries, or that we will recover as rapidly as others within the industry due to our strong footprint in densely populated areas. For example, even where applicable government restrictions are lifted or reduced, it is unclear how quickly patrons will return to our theatres, which may be a function of continued concerns over safety and social distancing and/or depressed consumer sentiment due to adverse economic conditions, including job losses, among other things. In our theatres that have resumed operations, a single case of COVID-19 in a theatre could result in additional costs and further closures, or a "second wave" or recurrence of COVID-19 cases could cause another widespread suspension of operations. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation, which could significantly adversely affect our business. Furthermore, the effects of the pandemic on our business could be long-lasting and could continue to have adverse effects on our business, results of operations, liquidity, cash flows and financial condition, some of which may be significant, and may adversely impact our ability to operate our business on the same terms as we conducted business prior to the pandemic. Significant impacts on our business caused by the COVID-19 pandemic include and are likely to continue to include, among others:

- lack of availability of films in the short or long term, including as a result of (i) continued delay in film releases; (ii) release of scheduled films on alternative channels or (iii) disruptions of film production;
- decreased attendance at our theatres, including due to (i) continued safety and health concerns, (ii) additional regulatory requirements limiting our seating capacity or (iii) a change in consumer behavior in favor of alternative forms of entertainment;
- a ramp up of costs in connection with theater reopenings that is not matched by increases in revenues from those reopened theatres, which costs may be substantial;
- increased operating costs resulting from additional regulatory requirements enacted in response to the COVID-19 pandemic and from precautionary measures we voluntarily take at our facilities to protect the health and well-being of our customers and employees;
- our inability to negotiate favorable rent payment terms with our landlords;

- unavailability of employees and/or their inability or unwillingness to conduct work under any revised work environment protocols;
- increased risks related to employee matters, including increased employment litigation and claims relating to terminations or furloughs caused by the suspension of theatre operations;
- reductions and delays associated with planned operating and capital expenditures;
- further impairment charges upon a portion of our goodwill, long-lived assets or intangible assets as consequence of failure to meet operating projections and other adverse events or circumstances, as a result of the impact on our prior impairment analysis due to delays in theater reopenings, which could be material to our results of operations and financial condition;
- our inability to generate significant cash flow from operations if our theatres continue to operate at significantly lower than historical levels, which could lead to a substantial increase in indebtedness and negatively impact our ability to comply with the financial covenants, as applicable, in our debt agreements;
- our inability to access lending, capital markets and other sources of liquidity, if needed, on reasonable terms, or at all, or obtain amendments, extensions and waivers of financial maintenance covenants, among other material terms; our inability to effectively meet our short- and long-term obligations; and
- our inability to service our existing and future indebtedness or other liabilities, the failure of which could result in insolvency proceedings and result in a total loss of your equity investment.

The outbreak of COVID-19 has also significantly increased economic uncertainty. It is possible that the current outbreak or continued spread of COVID-19 will cause a global recession, which could further adversely affect our business, and such adverse effects may be material. We have never previously experienced a complete cessation of our operations, and as a consequence, our ability to be predictive regarding the impact of such a cessation on our operations and future prospects is uncertain. In addition, the magnitude, duration and speed of the global pandemic is uncertain. As a consequence, we cannot estimate the impact on our business, financial condition or near or longer-term financial or operational results with certainty.

The COVID-19 pandemic (including governmental responses, broad economic impacts and market disruptions) has heightened the risks related to the other risk factors described in our Annual Report and Quarterly Reports, each of which is incorporated by reference herein and may also heighten many of the other risks described herein.

***Our substantial level of indebtedness and our current liquidity constraints could adversely affect our financial condition and our ability to service our indebtedness, which could negatively impact your ability to recover your investment in the common stock.***

We have a substantial amount of indebtedness, which requires significant interest payments. As of September 30, 2020, following the financial restructuring that occurred on July 31, 2020 (the “debt restructuring”), we and our subsidiaries had approximately \$5.5 billion aggregate principal amount of indebtedness outstanding. Our substantial level of indebtedness and the current constraints on our liquidity could have important consequences, including the following:

- we must use a substantial portion of our cash flow from operations to pay interest and principal on our indebtedness, which reduces or will reduce funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes and potential acquisitions;
- we may be unable to comply with financial and other restrictive covenants contained in the agreements governing our indebtedness, including the financial maintenance covenants in our credit facility once the current waiver period expires and the covenant renews in March 2021, which could result in an event of default that, if not cured or waived, would have an adverse effect on our business and prospects and could force us into bankruptcy or liquidation. In the event of a bankruptcy or liquidation, the claims in respect of indebtedness rank senior to claims of an equity holder, and you would likely suffer a total loss on your investment in the common stock.
- our ability to refinance such indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired;

- we are exposed to fluctuations in interest rates because our senior credit facilities have variable rates of interest;
- our leverage may be greater than that of some of our competitors, which may put us at a competitive disadvantage and reduce our flexibility in responding to current and changing industry and financial market conditions;
- the loss of tax attributes resulting from the cancellation of indebtedness that occurred in connection with the exchange offers that closed on July 31, 2020, coupled with the increased interest expense that will ultimately result therefrom and the inability to deduct all or significant portions of our interest expense for tax purposes, will ultimately increase the need to generate revenues to support our capital structure;
- there are significant constraints on our ability to generate liquidity through incurring additional debt; and
- we may be more vulnerable to economic downturn and adverse developments in our business.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in the agreements governing our indebtedness. To the extent new indebtedness is added to our debt levels, including as a result of satisfying interest payment obligations on certain of our indebtedness with payments-in-kind, the related risks that we now face could intensify. Our ability to access funding under our revolving credit facilities will depend upon, among other things, the absence of an event of default under such indebtedness, including any event of default arising from a failure to comply with the related covenants. If we are unable to comply with our covenants under our indebtedness, our liquidity may be further adversely affected.

Our ability to meet our expenses, to remain in compliance with our covenants under our debt instruments and to make future principal and interest payments in respect of our debt depends on, among other factors, our operating performance, competitive developments and financial market conditions, all of which are significantly affected by financial, business, economic and other factors. We are not able to control many of these factors. Given current industry and economic conditions, our cash flow may not be sufficient to allow us to pay principal and interest on our debt and meet our other obligations.

In connection with the exchange offers and related financing transactions that closed on July 31, 2020, a group of lenders that purported at the time to represent a majority of loans under our credit facility and which opposed the exchange offers and related financing transactions, alleged various defaults, including in connection with those transactions. The company in closing the transactions determined that no continuing default or event of default existed that would prohibit the transactions or enable the lenders to accelerate the loans, and, to date, the lenders have not sought to accelerate the loans. However, to the extent our relationship with lenders is negatively affected by these events or other disputes that may arise from time to time, it may be more difficult to seek covenant relief, if needed, or to raise additional funds in the future.

***The cancellation of certain indebtedness in connection with the debt restructuring resulted in significant cancellation of indebtedness income to us.***

We realized significant cancellation of indebtedness income (“CODI”) in connection with our debt restructuring. As a result of such CODI, we may suffer a loss of all or substantially all of our net operating losses and potentially certain other tax attributes. Any loss of tax attributes as a result of such CODI may adversely affect our cash flows and therefore our ability to service our indebtedness.

**Risks Related to This Offering**

***You may face significant dilution as a result of future issuances of additional shares of Class A common stock.***

We anticipate that seeking additional issuances of our Class A common stock, for example in the form of additional offerings or minority investments, may provide a primary source of our potential future liquidity, subject to market and other conditions and potential regulatory constraints, including in the case of any public offerings potential SEC review periods. Depending on the market price of our shares of Class A

common stock, in order to generate material amounts of additional liquidity from equity issuances, we would have to issue a substantial number of shares relative to our outstanding number of shares. Any future issuances of our Class A common stock may be at prices significantly lower than the price you pay for any shares of Class A common stock pursuant to this offering. These future issuances may be significantly dilutive to your investment and result in a decline in the market price of our Class A common stock.

***The market price and trading volume of our shares of Class A common stock could be volatile.***

The market price of our shares of Class A common stock could be volatile. In addition, the trading volume in our Class A common stock could fluctuate and cause significant price variations to occur. If the market price of our Class A common stock declines, you may be unable to resell your shares at or above the price at which you acquired them. We cannot assure you that the market price of our Class A common stock will not fluctuate or decline significantly in the future.

Some of these factors, many of which are beyond our control, that could negatively affect the market price of our Class A common stock or result in fluctuations in the price or trading volume of our Class A common stock include:

- the ongoing impacts and developments relating to COVID-19;
- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our earnings;
- our current inability to pay dividends or other distributions;
- publication of research reports by analysts or others about us or the motion picture exhibition industry, which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;
- changes in market interest rates that may cause purchasers of our shares to demand a different yield;
- changes in market valuations of similar companies;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;
- additions or departures of key personnel;
- actions by institutional or significant stockholders;
- speculation in the press or investment community about our company or industry;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business, our industry, including positions taken by the Internal Revenue Service (“IRS”);
- anticipated or pending investigations, proceedings, or litigation that involve or affect us;
- the occurrence of any of the other risk factors included or incorporated by reference in this prospectus supplement; and
- general market and economic conditions.

***Future offerings of debt, which would be senior to our Class A common stock upon liquidation, and/or preferred equity securities, which may be senior to our Class A common stock for purposes of distributions or upon liquidation, could adversely affect the market price of our Class A common stock.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including convertible or non-convertible senior or subordinated notes, convertible or non-convertible preferred stock, medium-term notes and trust preferred securities. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our Class A common stock. In addition, any preferred stock we may issue could have a preference on liquidating distributions or a preference on distribution payments that could limit our ability to make a distribution to the holders of our

Class A common stock. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our Class A common stock.

***The shares of Class A common stock offered hereby will be sold in “at-the-market” offerings, and investors who buy shares at different times will likely pay different prices.***

Investors who purchase shares in this offering at different times will likely pay different prices, and so may experience different outcomes in their investment results. We will have discretion, subject to market demand, to vary the timing, prices, and numbers of shares sold, and there is no minimum or maximum sales price. Investors may experience a decline in the value of their shares as a result of share sales made at prices lower than the prices they paid.

***The actual number of shares we will issue under the Distribution Agreement, at any one time or in total, is uncertain.***

Subject to certain limitations in the Distribution Agreement and compliance with applicable law, we have the discretion to deliver a sales notice to the sales agents at any time throughout the term of the Distribution Agreement. The number of shares that are sold by the sales agents after delivering a sales notice will fluctuate based on the market price of the shares of Class A common stock during the sales period and limits we set with the sales agents. Because the price per share of each share sold will fluctuate based on the market price of our Class A common stock during the sales period, it is not possible at this stage to predict the number of shares that will be ultimately issued.

***Increases in market interest rates may cause potential investors to seek higher returns and therefore reduce demand for our Class A common stock, which could result in a decline in our stock price.***

One of the factors that may influence the price of our Class A common stock is the return on our Class A common stock (*i.e.*, the amount of distributions as a percentage of the price of our Class A common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Class A common stock to expect a return, which we may be unable or choose not to provide. Further, higher interest rates would likely increase our borrowing costs and potentially decrease the cash available for distribution. Thus, higher market interest rates could cause the market price of our Class A common stock to decline.

***Our management team may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a significant return.***

Our management will have broad discretion over the use of any proceeds from this offering. We intend to use the net proceeds from the sale of our shares of Class A common stock pursuant to this offering for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness, working capital, capital expenditures and businesses and other related investments. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or enhance the value of our Class A common stock.

**USE OF PROCEEDS**

The amount of proceeds from this offering will depend upon the number of shares of our Class A common stock sold, if any, and the market price at which they are sold. There can be no assurance that we will be able to sell any shares under or fully utilize the Distribution Agreement as a source of financing. We intend to use the net proceeds from the sale of our Class A common stock offered by this prospectus supplement for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness, working capital, capital expenditures and other investments.



### MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our Class A common stock. This discussion does not provide a complete analysis of all potential U.S. federal income tax considerations relating thereto. This description is based on the Internal Revenue Code of 1986, as amended (the “Code”), and existing and proposed U.S. Treasury regulations promulgated thereunder, administrative pronouncements, judicial decisions, and interpretations of the foregoing, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is limited to non-U.S. holders who hold shares of our Class A common stock as capital assets within the meaning of Section 1221 of the Code (generally for investment).

Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to you in light of your particular circumstances, including the alternative minimum tax or any state, local or foreign tax laws or any U.S. federal tax laws other than U.S. federal income tax laws, nor does it discuss special tax provisions, which may apply to you if you are subject to special treatment under U.S. federal income tax laws, such as for:

- certain financial institutions or financial services entities,
- insurance companies,
- tax-exempt entities,
- tax-qualified retirement plans,
- “qualified foreign pension funds” (and entities all of the interests of which are held by qualified foreign pension funds),
- dealers in securities or currencies,
- entities that are treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and partners or beneficial owners therein),
- foreign branches,
- “controlled foreign corporations,”
- “passive foreign investment companies,”
- former U.S. citizens or long-term residents,
- corporations that accumulate earnings to avoid U.S. federal income tax,
- persons deemed to sell Class A common stock under the constructive sale provisions of the Code, and
- persons that hold Class A common stock as part of a straddle, hedge, conversion transaction, or other integrated investment.

You are urged to consult your own tax advisor concerning the U.S. federal income tax consequences of purchasing, owning and disposing of our Class A common stock, as well as the application of any state, local, foreign income and other tax laws and tax treaties. As used in this section, a “non-U.S. holder” is a beneficial owner of our Class A common stock (other than a partnership or any other entity treated as a pass-through entity for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial

decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

If you are an individual, you are a resident alien if you are a lawful permanent resident of the United States (e.g., a green card holder) and you may, in many cases, be deemed to be a resident alien, as opposed to a nonresident alien, by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in and including the current calendar year. For these purposes, all the days present in the United States in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Resident aliens are subject to U.S. federal income tax as if they are U.S. citizens. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the purchase, ownership or disposition of our Class A common stock.

If a partnership or other entity treated as a pass-through entity for U.S. federal income tax purposes is a beneficial owner of our Class A common stock, the tax treatment of a partner in the partnership or an owner of the other pass-through entity should depend upon the status of the partner or owner and the activities of the partnership or other pass-through entity. Any partnership, partner in such a partnership or owner of another pass-through entity holding shares of our Class A common stock should consult its own tax advisor as to the particular U.S. federal income tax consequences applicable to it.

**INVESTORS CONSIDERING THE PURCHASE OF OUR CLASS A COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF OTHER FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND APPLICABLE TAX TREATIES.**

#### **Distributions on Class A Common Stock**

If we pay distributions on shares of our Class A common stock, such distributions should constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits should constitute a return of capital that is applied against and reduces, but not below zero, a non-U.S. holder's adjusted tax basis in shares of our Class A common stock. Any remaining excess should be treated as gain realized on the sale or other disposition of our Class A common stock. See "Dispositions of Class A Common Stock."

Subject to the discussion below regarding effectively connected income, any dividend paid to a non-U.S. holder on our Class A common stock should generally be subject to U.S. federal withholding tax at a 30% rate. The withholding tax might not apply, however, or might apply at a reduced rate, under the terms of an applicable income tax treaty. You are urged to consult your own tax advisor regarding your entitlement to benefits under a relevant income tax treaty. Generally, in order for us or our paying agent to withhold tax at a lower treaty rate, a non-U.S. holder must certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification requirement by providing a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form or documentation), as applicable, to us or our paying agent. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the holder's behalf, the holder should be required to provide appropriate documentation to the agent. Even if our current or accumulated earnings or profits are less than the amount of the distribution, the applicable withholding agent may elect to treat the entire distribution as a dividend for U.S. federal withholding tax purposes. A non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dividends received by a non-U.S. holder that are effectively connected with a U.S. trade or business conducted by the non-U.S. holder and, if required by an applicable income tax treaty, are attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States, are generally not subject to such withholding tax. To obtain this exemption, a non-U.S. holder must provide us or the paying agent with a valid IRS Form W-8ECI properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax

(provided certain certification and disclosure requirements are satisfied), are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition to the graduated tax described above, such effectively connected dividends received by corporate non-U.S. holders may also be subject to a branch profits tax at a rate of 30%, as adjusted for certain items, or such lower rate as may be specified by an applicable income tax treaty.

#### **Dispositions of Class A Common Stock**

Subject to the discussion below on backup withholding and other withholding taxes, gain realized by a non-U.S. holder on a sale, exchange or other disposition of our Class A common stock generally should not be subject to U.S. federal income or withholding tax, unless:

- the gain (i) is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business and (ii) if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States (in which case the special rules described below apply);
- the non-U.S. holder is an individual who is present in the United States for 183 or more days in the taxable year of such disposition and certain other conditions are met (in which case the gain would be subject to a flat 30% tax, or such reduced rate as may be specified by an applicable income tax treaty, which may be offset by certain U.S. source capital losses, provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses); or
- we are, or become, a “United States real property holding corporation” (a “USRPHC”), for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of our Class A common stock and the non-U.S. holder’s holding period for our Class A common stock.

Generally, a corporation is a USRPHC if the fair market value of its “United States real property interests” equals 50% or more of the sum of the fair market value of (a) its worldwide real property interests and (b) its other assets used or held for use in a trade or business. The tax relating to dispositions of stock in a USRPHC does not apply to a non-U.S. holder whose holdings, actual and constructive, amount to 5% or less of our Class A common stock at all times during the applicable period, provided that our Class A common stock is regularly traded on an established securities market. No assurance can be provided that our Class A common stock will be regularly traded on an established securities market at all times for purposes of the rules described above. Although there can be no assurances in this regard, we believe we have not been and are not currently a USRPHC, and do not anticipate being a USRPHC in the future. You are urged to consult your own tax advisor about the consequences that could result if we are, or become, a USRPHC.

If any gain from the sale, exchange or other disposition of our Class A common stock, (1) is effectively connected with a U.S. trade or business conducted by a non-U.S. holder and (2) if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individuals, a fixed base) maintained by such non-U.S. holder in the United States, then the gain generally should be subject to U.S. federal income tax at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If the non-U.S. holder is a corporation, under certain circumstances, that portion of its earnings and profits that is effectively connected with its U.S. trade or business, subject to certain adjustments, generally would also be subject to a “branch profits tax.” The branch profits tax rate is generally 30%, although an applicable income tax treaty might provide for a lower rate.

#### **Backup Withholding and Information Reporting**

Any distributions that are paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. Copies of these information returns also may be made available to the tax authorities of the country in which the non-U.S. holder resides under the provisions of various treaties or agreements for the exchange of information. Dividends paid on our Class A common stock and the gross proceeds from a taxable disposition of our Class A common stock may be subject to additional information reporting and may also be subject to U.S. federal backup withholding if such non-U.S. holder fails to comply with applicable

U.S. information reporting and certification requirements. Provision of an IRS Form W-8 appropriate to the non-U.S. holder's circumstances should generally satisfy the certification requirements necessary to avoid the additional information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules should be refunded by the IRS or credited against the non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

**Other Withholding Taxes**

Provisions commonly referred to as "FATCA" impose withholding (separate and apart from, but without duplication of, the withholding tax described above) at a rate of 30% on payments of U.S.-source dividends (including our dividends) paid to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. Withholding imposed by FATCA may also apply to gross proceeds from the sale or other disposition of domestic corporate stock (including our Class A common stock); although, under proposed U.S. Treasury regulations published on December 18, 2018, no withholding would apply to such gross proceeds. The preamble to the proposed regulations specifies that taxpayers (including withholding agents) are permitted to rely on the proposed regulations pending finalization. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our Class A common stock is held should affect the determination of whether such withholding is required. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally should be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return containing the required information (which may entail significant administrative burden). Non-U.S. holders are urged to consult their own tax advisors regarding the effects of FATCA on their investment in our Class A common stock.

**THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR CLASS A COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS AND TREATIES.**

**PLAN OF DISTRIBUTION**

We have entered into an equity distribution agreement with Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC, as our sales agents, under which we may offer and sell from time to time up to an aggregate of 15,000,000 shares of our Class A common stock. The sales agents may act as agents on our behalf or purchase shares of our Class A common stock as principal. If we sell our Class A common stock to a sales agent as principal, we will enter into a separate terms agreement with that sales agent and we will describe the terms of the offering of those shares in a separate prospectus supplement or pricing supplement.

Sales, if any, of our shares of Class A common stock under the Distribution Agreement may be made in ordinary brokers' transactions, to or through a market maker, on or through the NYSE or any other market venue where the securities may be traded, in the over-the-counter market, in privately negotiated transactions, in block trades, in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act or through a combination of any such methods of sale. The sales agents may also sell our shares of Class A common stock by any other method permitted by law.

The securities may be sold at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Each time we wish to issue and sell shares of Class A common stock under the Distribution Agreement, we will notify a sales agent of the maximum number of shares to be issued, the dates on which such sales are anticipated to be made, any minimum price below which sales may not be made and other sales parameters as we deem appropriate. Once we have so instructed such sales agent, unless the sales agent declines to accept the terms of the notice, the sales agent has agreed to use its reasonable efforts consistent with its normal trading and sales practices to sell such shares of Class A common stock up to the amount specified on such terms. The obligations of the sales agents under the Distribution Agreement to sell our shares of Class A common stock are subject to a number of conditions that we must meet. We may instruct the sales agents not to sell any shares of Class A common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We or any sales agent, with respect to itself only, may suspend the offering of our shares of Class A common stock by notifying the other party.

The sales agents will provide to us written confirmation following the close of trading on the NYSE each day on which shares of Class A common stock are sold under the Distribution Agreement. Each confirmation will include the number of shares of Class A common stock sold on such day, the aggregate gross sales proceeds, the net proceeds to the Company, and the compensation payable by us such sales agent with respect to such sales. We will report at least quarterly the number of shares of common stock sold through the sales agents under the Distribution Agreement, the net proceeds to us (before expenses) and the compensation paid by us to the sales agents in connection with the sales of the shares of Class A common stock.

We will pay each sales agent a commission of up to 2.5% of the gross sales price per share of Class A common stock sold through such agent under the Distribution Agreement. We have also agreed to reimburse the sales agents for certain of their expenses and disbursements of their legal counsel in an amount not to exceed \$40,000, in addition to \$10,000 per quarter thereafter for any quarter in which shares of Class A common stock are sold under the Distribution Agreement. The foregoing rate of compensation shall not apply when a sales agent acts as principal.

Settlement of any sales of our shares of Class A common stock will occur on the third business day following the date on which such sales were made. Settlement for shares of our Class A common stock sold as contemplated in this prospectus supplement will be effected by free delivery through the facilities of The Depository Trust Company or to such sales agent's account in return for payments in same day funds delivered to the account designated by us. If we or our transfer agent (if applicable) shall default on our obligation to deliver the shares on any settlement date, we shall (A) indemnify and hold each applicable sales agent harmless against any loss, claim or damage arising from or as a result of such default and (B) pay the applicable sales agent any commission to which it would otherwise be entitled absent such default.

The offering of our shares of Class A common stock pursuant to the Distribution Agreement will terminate upon the earlier of (i) the sale of all of our shares of Class A common stock subject to the Distribution Agreement or (ii) termination of the Distribution Agreement by us or by the sales agents as provided therein.

In connection with the sale of the shares of Class A common stock on our behalf, each of the sales agents may be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation paid to each of the sales agents may be deemed to be underwriting commissions or discounts.

We have agreed to provide indemnification and contribution to the several sales agents against certain liabilities, including civil liabilities under the Securities Act.

If we or any of the managers have reason to believe that our Class A common stock is no longer an “actively-traded security” as defined under Rule 101(c)(1) of Regulation M under the Exchange Act, that party will promptly notify the others and sales of our shares of Class A common stock pursuant to the Distribution Agreement or any terms agreement will be suspended until Rule 101(c)(1) or another exemptive provision has been satisfied in the judgement of each party.

The sales agents and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the sales agents and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the sales agents and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The sales agents and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

**LEGAL MATTERS**

The validity of the shares of our Class A common stock being offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters in connection with the offering of shares of our Class A common stock will be passed upon for the sales agents by Latham & Watkins LLP, New York, New York.

**EXPERTS**

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries as of December 31, 2019 and 2018, and for each of the years in the three-year period ended December 31, 2019, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2019 have been incorporated by reference herein, in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2019 consolidated financial statements refers to changes in the method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification (ASC) Topic 842, *Leases*, and for the recognition of revenue and certain costs as of January 1, 2018 due to the adoption of ASC Topic 606, *Revenue from Contracts with Customers*.

The consolidated financial statements of Digital Cinema Implementation Partners, LLC as of December 31, 2019 and 2018 and for each of the years in the three-year period ended December 31, 2019, incorporated in this registration statement by reference, have been so incorporated in reliance upon the report of CohnReznick LLP, independent auditors, given upon the authority of said firm as experts in accounting and auditing.

PROSPECTUS



**AMC Entertainment Holdings, Inc.**

**30,000,000 Shares of Class A common stock**

AMC Entertainment Holdings, Inc. may offer and sell from time to time, in one or more series or issuances and on terms that we will determine at the time of the offering, up to 30,000,000 shares of our Class A common stock, par value \$0.01 (the “Class A common stock”) described in this prospectus.

This prospectus provides you with a general description of the securities offered. Each time we offer and sell securities, we will file a prospectus supplement to this prospectus that contains specific information about the offering and, if applicable, the amounts, prices and terms of the securities. Such supplements may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the applicable prospectus supplement before you invest in any of our securities. This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

We may offer and sell the securities described in this prospectus and any prospectus supplement directly to our stockholders or to other purchasers or through agents on our behalf or through underwriters or dealers as designated from time to time. If any agents or underwriters are involved in the sale of any of these securities, the applicable prospectus supplement will provide the names of the agents or underwriters and any applicable fees, commission or discounts.

Our Class A common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “AMC.” On September 1, 2020, the last reported sale price of our Class A common stock on the NYSE was \$6.07.

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**Investing in our Class A common stock involves risks. You should carefully read and consider the risk factors included in this prospectus, in our periodic reports, in any applicable prospectus supplement relating to a specific offering of securities and in any other documents we file with the SEC. See the sections entitled “Risk Factors” below on page 7, in our other filings with the SEC and in the applicable prospectus supplement, if any.**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is September 17, 2020.

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#### ABOUT THIS PROSPECTUS

This prospectus is part of a Registration Statement that we filed with the SEC using a “shelf” registration process. Under this shelf registration process, we may sell up to 30,000,000 shares of our Class A common stock described in this prospectus in one or more offerings. This prospectus provides you with a general description of our Class A common stock that we may offer. To the extent required by applicable law, each time we sell securities, we will provide you with this prospectus and, to the extent required, a prospectus supplement that will contain more information about the specific terms of the offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. Each such prospectus supplement (and any related free writing prospectus that we may authorize to be provided to you), if any, may also add, update or change information contained in this prospectus or in documents incorporated by reference into this prospectus. We urge you to carefully read this prospectus, any applicable prospectus supplement, if any, and any related free writing prospectus, together with the information incorporated herein and therein by reference as described under the headings “Where You Can Find Additional Information; Incorporation of Documents by Reference” before buying any of the shares of Class A common stock being offered. If there is any inconsistency between the information in this prospectus and any prospectus supplement or free writing prospectus, you should rely on the information provided in the prospectus supplement or free writing prospectus, as applicable.

You should rely only on the information contained in this prospectus, and any accompanying prospectus supplement, including the information incorporated by reference herein as described under “Where You Can Find More Information; Incorporation of Documents by Reference”, and any free writing prospectus that we prepare and distribute.

**We have not authorized anyone to provide you with information other than that contained in or incorporated by reference into this prospectus, any accompanying prospectus supplement or any free writing prospectus related hereto that we may authorize to be delivered to you. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We may only offer to sell, and seek offers to buy any securities in jurisdictions where offers and sales are permitted.**

This prospectus and any accompanying prospectus supplement or other offering materials do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, therefore, file reports and other information with the SEC. Statements contained in this prospectus and any accompanying prospectus supplement or other offering materials about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

**You should assume that the information in this prospectus, any accompanying prospectus supplement or any other offering materials is only accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless otherwise indicated. Our business, financial condition, results of operations and prospects may have changed since such date.**

*Unless we state otherwise, references to “we,” “us,” “our,” the “Company” or “AMC” refer to AMC Entertainment Holdings, Inc. and its consolidated subsidiaries.*

**WHERE YOU CAN FIND MORE INFORMATION;  
INCORPORATION OF DOCUMENTS BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains our reports, proxy and other information regarding us and other issuers that file electronically with the SEC, at <http://www.sec.gov>. Our SEC filings are also available free of charge at our website ([www.amtheatres.com](http://www.amtheatres.com)). However, except for our filings with the SEC that are incorporated by reference into this prospectus, the information on our website is not, and should not be deemed to be, a part of, or incorporated by reference into this prospectus.

The SEC allows “incorporation by reference” into this prospectus of information that we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus and any information filed by us with the SEC subsequent to the date of this prospectus automatically will be deemed to update and supersede this information. We incorporate by reference the following documents which we have filed with the SEC (excluding any documents or portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act):

- [our annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 28, 2020 \(the “Annual Report”\);](#)
- [our Proxy Statement on Schedule 14A, filed with the SEC on June 10, 2020 \(but only with respect to information required by Part III of our Annual Report\);](#)
- our quarterly reports on Form 10-Q for the three months ended March 31, 2020 and for the six months ended June 30, 2020, filed with the SEC on [June 9, 2020](#) and [August 6, 2020](#), respectively (together the “Quarterly Reports”);
- our Current Reports on Form 8-K filed with the SEC on [January 8, 2020](#), [February 27, 2020](#) (the first 8-K filing on such date), [March 3, 2020](#), [March 20, 2020](#), [March 24, 2020](#), [April 24, 2020](#), [April 29, 2020](#), [July 10, 2020](#), [July 23, 2020](#) and July 31, 2020 (the [first](#) and [second](#) 8-K filing on such date); and
- [the description of our Class A common stock contained in our Registration Statement on Form 8-A filed with the SEC on December 17, 2013, pursuant to the Exchange Act, and any amendment or report filed for the purpose of further updating such description.](#)

We incorporate by reference any filings made by us with the SEC in accordance with Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and the date all of the securities offered hereby are sold or the offering is otherwise terminated, with the exception of any information furnished under Item 2.02 and Item 7.01 (including any financial statements or exhibits relating thereto furnished pursuant to Item 9.01) of Form 8-K, which is not deemed filed and which is not incorporated by reference herein. Any such filings shall be deemed to be incorporated by reference and to be a part of this prospectus from the respective dates of filing of those documents.

This prospectus and any accompanying prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Statements in this prospectus or any accompanying prospectus supplement or free writing prospectus about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC’s website, as provided above.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request, a copy of any or all of the documents that are incorporated

by reference into this prospectus but not delivered with this prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus. You should direct requests for documents to:

**AMC Entertainment Holdings, Inc.**  
**One AMC Way**  
**11500 Ash Street**  
**Leawood, Kansas 66211**  
**(913) 213-2000**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made in this prospectus, the documents that are incorporated by reference in this prospectus and other written or oral statements made by or on behalf of AMC may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act. 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. Examples of forward-looking statements include statements we make regarding the impact of COVID-19 and our liquidity. 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. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in “Risk Factors”, 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 impact of the COVID-19 virus on us, the motion picture exhibition industry, and the economy in general, including our response to the COVID-19 virus related to 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;
- the manner, timing and amount of benefit we receive under the Coronavirus Aid, Relief, and Economic Security Act or other applicable governmental benefits and support for which we are eligible domestically and internationally;
- risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges;
- risks relating to motion picture production and performance;
- our lack of control over distributors of films;
- intense competition in the geographic areas in which we operate;
- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment;
- shrinking exclusive theatrical release windows;
- AMC Stubs® A-List may not meet anticipated revenue projections which could result in a negative impact upon operating results;
- general and international economic, political, regulatory, social and financial market conditions and other risks including the effects of the exit of the United Kingdom from the European Union;
- risks and uncertainties relating to our significant indebtedness, including our borrowing capacity under our revolving credit agreements;
- our ability to execute cost cutting and revenue enhancement initiatives as previously disclosed and in connection with response to COVID-19;
- limitations on the availability of capital may prevent us from deploying strategic initiatives;
- certain covenants in the agreements that govern our indebtedness may limit our ability to take advantage of certain business opportunities;
- our ability to achieve expected synergies, benefits and performance from our strategic theatre acquisitions and strategic initiatives;
- our ability to refinance our indebtedness on terms favorable to us or at all;

- optimizing our theatre circuit through new construction and the transformation of our existing 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 and net operating loss carryforwards 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 recently filed 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;
- risks of poor financial results may prevent us from deploying strategic initiatives;
- operating a business in international markets AMC is unfamiliar with, including acceptance by movie-goers of AMC initiatives that are new to those markets;
- increased costs in order to comply or resulting from failure to comply with governmental regulation, including the General Data Protection Regulation, the California Consumer Privacy Act and pending future domestic privacy laws and regulations;
- geopolitical events, including the threat of terrorism or cyber-attacks, or widespread health emergencies, such as the novel coronavirus or other pandemics or epidemics, causing people to avoid our theatres or other public places where large crowds are in attendance;
- the ability to obtain suitable equity and/or debt financing and the continued availability of financing, in the amounts and on the terms necessary to support our future refinancing requirements and business; 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.

Consider these factors carefully in evaluating the forward-looking statements. Additional factors that may cause results to differ materially from those described in the forward-looking statements are set forth in the 2019 Form 10-K under the heading “Risk Factors” and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2019 Form 10-K and in subsequent reports filed by us with the SEC, including Forms 10-Q and Forms 8-K. Because of the foregoing, you are cautioned against relying on forward-looking statements, which speak only as of the date hereof. We do not undertake to update any of these statements in light of new information or future events, except as required by applicable law.

#### THE COMPANY

We are the world's largest theatrical exhibition company and an industry leader in innovation and operational excellence. Over the course of our nearly 100-year history, we have pioneered many of the theatrical exhibition industry's most important innovations. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Most recently, we continued to innovate and evolve the movie-going experience with the deployment of our theatre renovations featuring plush, powered recliner seating and the launch of our U.S. subscription loyalty tier, AMC Stubs® A-List. Our growth has been driven by a combination of organic growth through reinvestment in our existing assets and through the acquisition of some of the most respected companies in the theatrical exhibition industry.

We were incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 and our telephone number is (913) 213-2000. Our corporate website address is [www.amctheatres.com](http://www.amctheatres.com). Our website and the information contained on, or that can be accessed through, the website is not incorporated by reference in, and is not part of, this prospectus. You should not rely on any such information in making your decision whether to purchase our Class A common stock.

### RISK FACTORS

Investing in our Class A common stock involves risks. You should carefully consider the risk factors described in Part I, Item 1A, "Risk Factors" in our [Annual Report on Form 10-K for the year ended December 31, 2019](#) and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q, all of which is incorporated by reference into this prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act, as well as any prospectus supplement relating to a specific offering or resale. Before making any investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus or in any applicable prospectus supplement or free writing prospectus. For more information, see the section entitled "Where You Can Find More Information; Incorporation of Documents by Reference" above. These risks could materially affect our business, results of operations or financial condition and affect the value of our Class A common stock. You could lose all or part of your investment. Additionally, the risks and uncertainties discussed in this prospectus or in any document incorporated by reference into this prospectus are not the only risks and uncertainties that we face, and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations or financial condition.



**USE OF PROCEEDS**

Except as otherwise provided in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the Class A common stock offered by this prospectus for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness or capital stock, working capital, capital expenditures and other investments. Additional information on the use of net proceeds from the sale of Class A common stock offered by this prospectus may be set forth in the prospectus supplement relating to that offering.

### DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is summarized from, and qualified in its entirety by reference to Delaware law, our amended and restated certificate of incorporation (the "certificate of incorporation") and our amended and restated bylaws (the "bylaws"), each of which has been publicly filed with the SEC. See the section entitled "Where You Can Find More Information; Incorporation of Documents by Reference" above.

Our authorized capital stock consists of 524,173,073 shares of Class A common stock, 51,769,784 shares of Class B common stock, par value \$0.01 per share ("Class B common stock") and 50,000,000 shares of preferred stock, par value \$0.01 per share. As of August 3, 2020, there were 51,769,784 shares of Class A common stock outstanding, 51,796,784 shares of Class B common stock outstanding and no shares of preferred stock outstanding. Our Class A common stock is listed on the NYSE under the symbol "AMC." The transfer agent and registrar for our Class A common stock is Computershare Trust Company, N.A.

#### Voting Rights

Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to three votes per share. Holders of Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of stockholders, unless otherwise required by law.

Our directors are elected by all of the common stockholders voting together as a single class.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of our outstanding voting power. Except as otherwise required by the Delaware General Corporation Law (the "DGCL"), our certificate of incorporation or voting rights granted to any subsequently issued preferred stock, the holders of outstanding shares of our common stock and our preferred stock entitled to vote thereon, if any, vote as one class with respect to all matters to be voted on by our stockholders. Under the DGCL, amendments to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

#### Conversion

The Class A common stock is not convertible into any other shares of our capital stock.

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock shall convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in the certificate of incorporation.

All authorized shares of Class B common stock shall automatically convert to Class A common stock if and when the holders of Class B common stock collectively hold less than 30% of the aggregate number of outstanding shares of our common stock. Once transferred and converted into Class A common stock, the Class B common stock shall not be reissued. No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

#### Dividends

Holders of Class A common stock and Class B common stock share ratably (based on the number of shares of common stock held) in any dividend declared by the AMC board of directors (the "AMC Board"), subject to any preferential rights of any outstanding preferred stock.

#### Other Rights

Upon liquidation, dissolution or winding up, after payment in full of the amounts required to be paid to holders of preferred stock, if any, all holders of common stock, regardless of class, will be entitled to

share ratably in any assets available for distribution to holders of shares of common stock. No shares of any class of common stock are subject to redemption or have preemptive rights to purchase additional shares of common stock.

#### **Preferred Stock**

Our certificate of incorporation authorizes the AMC Board to issue from time to time up to an aggregate of 50,000,000 shares of preferred stock in one or more series without further stockholder approval. The AMC Board is authorized, without further stockholder approval, to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any series or designations of such series.

#### **Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws**

Certain provisions of our certificate of incorporation and bylaws may be considered to have an anti-takeover effect and may delay or prevent a tender offer or other corporate transaction that a stockholder might consider to be in its best interest, including those transactions that might result in payment of a premium over the market price for our shares. These provisions are designed to discourage certain types of transactions that may involve an actual or threatened change of control of AMC without prior approval of the AMC Board. These provisions are meant to encourage persons interested in acquiring control of AMC to first consult with the AMC Board to negotiate terms of a potential business combination or offer. For example, the certificate of incorporation and bylaws:

- provide that the size of the AMC Board will be set by members of the AMC Board, and any vacancy on the AMC Board, including a vacancy resulting from an enlargement of the AMC Board, may be filled only by vote of a majority of the directors then in office;
- do not permit stockholders to take action by written consent unless Dalian Wanda Group Co., Ltd. (“Wanda”) owns shares of our outstanding common stock representing at least 50.1% of the total voting power;
- provide that, except as otherwise required by law, special meetings of stockholders can only be called by the AMC Board;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to the AMC Board;
- limit consideration by stockholders at annual meetings to only those proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the AMC Board or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder’s intention to bring such business before the meeting;
- authorize the issuance of “blank check” preferred stock that could be issued by the AMC Board to increase the number of outstanding shares or establish a stockholders rights plan making a takeover more difficult and expensive; and
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates.

The certificate of incorporation expressly states that we have elected not to be governed by Section 203 of the DGCL, which prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the time the stockholder became an interested stockholder, subject to certain exceptions, including if, prior to such time, the board of such corporation approved the business combination or the transaction which resulted in the stockholder becoming an interested stockholder. “Business combinations” include mergers, asset sales and other transactions resulting in a financial benefit to the “interested stockholder.” Subject to various exceptions, an

“interested stockholder” is a person who, together with his or her affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s outstanding voting stock. These restrictions generally prohibit or delay the accomplishment of mergers or other takeover or change-in-control attempts that are not approved by a company’s board. Although we have elected to opt out of the statute’s provisions, we could elect to be subject to Section 203 in the future.

The bylaws state that unless AMC consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of AMC, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of AMC to AMC or AMC’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or the certificate of incorporation or bylaws, or (iv) any action asserting a claim against AMC governed by the internal affairs doctrine; provided, however, that this provision of the bylaws does not apply to any actions arising under the Securities Act or the Exchange Act.

#### **Special Meeting of Stockholders**

Special meetings of our stockholders may be called only by a majority of our directors.

#### **Actions by Written Consent**

Stockholder action by written consent in lieu of a meeting may only be taken so long as Wanda owns common stock representing a majority of our outstanding voting power. Thereafter, stockholder action can be taken only at an annual or special meeting of stockholders.

#### **Advance Notice Requirements for Stockholder Proposals and Director Nominations**

The bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder’s notice generally must be delivered to and received at our principal executive offices, not less than 30 days nor more than 60 days prior to the first anniversary of the preceding year’s annual meeting; provided, that in the event that the date of such meeting is advanced more than 30 days prior to, or delayed by more than 30 days after, the anniversary of the preceding year’s annual meeting of our stockholders, a stockholder’s notice to be timely must be so delivered not earlier than the close of business on the 60th day prior to such meeting and not later than the close of business on the later of the 30th day prior to such meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The bylaws also specify certain requirements as to the form and content of a stockholder’s notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

#### **Authorized But Unissued Shares**

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of AMC by means of a proxy contest, tender offer, merger or otherwise.

#### **Amendments to Certificate of Incorporation or Bylaws**

The certificate of incorporation provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend the certificate of incorporation. In addition, under the DGCL, an amendment to the certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

Subject to the bylaws, the AMC Board may from time to time make, amend, supplement or repeal the bylaws by vote of a majority of the AMC Board.

#### **Registration Rights**

Pursuant to the management stockholders agreement, dated as of August 30, 2012, as amended on December 17, 2013, by and among us and the stockholders party thereto, certain members of management have the right subject to various conditions and limitations, to include shares of our Class A common stock in registration statements relating to our Class A common stock. Pursuant to a registration rights agreement dated December 23, 2013, we have agreed, subject to certain conditions, to use our best efforts to effect registered offerings upon request from Wanda and have granted incidental or “piggyback” registration rights with respect to our common stock held by Wanda. Pursuant to the amended and restated investment agreement, dated as of July 31, 2020, we have agreed, subject to certain conditions, to use our reasonable efforts to effect registered offerings upon request from holders of the 2.95% Senior Secured Convertible Notes due 2026 with respect to the Class A common stock issuable upon conversion of the such notes. Pursuant to a registration rights agreement, dated July 31, 2020, we have agreed, subject to certain conditions, to use our reasonable best efforts to effect registered offerings upon request from certain holders of our Class A Common Stock that are party to the backstop agreement, dated July 10, 2020, that we entered into with certain holders of our subordinated notes. These registration rights of our stockholders and other parties could impair the prevailing market price and impair our ability to raise capital by depressing the price at which we could sell our Class A common stock.

#### **Limitation of Liability and Indemnification of Directors and Officers**

As permitted by the DGCL, we have adopted provisions in the certificate of incorporation that limit or eliminate the personal liability of our directors and officers for monetary damages for a breach of their fiduciary duty of care as a director or officer. The duty of care generally requires that, when acting on behalf of the corporation, directors and officers exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director or officer will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability for:

- any breach of the person’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the person derived an improper personal benefit.

These limitations of liability do not generally affect the availability of equitable remedies such as injunctive relief or rescission.

As permitted by the DGCL, the certificate of incorporation and bylaws provide that:

- we will indemnify our current and former directors and officers and anyone who is or was serving at our request as the director or officer of, or legal representative in, another entity, and may indemnify our current or former employees and other agents, to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- we may purchase and maintain insurance on behalf of our current or former directors, officers, employees or agents against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

We currently maintain liability insurance for our directors and officers.

The certificate of incorporation requires us to advance expenses to our directors and officers in connection with a legal proceeding, subject to receiving an undertaking from such director or officer to

repay advanced amounts if it is determined he or she is not entitled to indemnification. The bylaws provide that we may advance expenses to our employees and other agents, upon such terms and conditions, if any, as we deems appropriate.

#### **Provisions of the Certificate of Incorporation Relating to Corporate Opportunities**

To address situations in which officers or directors have conflicting duties to affiliated corporations, Section 122(17) of the DGCL allows a corporation to renounce, in its certificate of incorporation or by action of its board of directors, any interest or expectancy of the corporation in specified classes or categories of business opportunities. As such, and in order to address potential conflicts of interest between us and Wanda and its subsidiaries, the certificate of incorporation contains provisions regulating and defining, to the fullest extent permitted by law, the conduct of our affairs as they may involve Wanda and its officers and directors.

The certificate of incorporation provides that, subject to any written agreement to the contrary, Wanda will have no duty to refrain from engaging in the same or similar activities or lines of business that we engage in, and, except as set forth in the certificate of incorporation, neither Wanda nor its officers or directors will be liable to us or our stockholders for any breach of any fiduciary duty due to any such activities of Wanda.

The certificate of incorporation also provides that we may from time to time be or become a party to and perform, and may cause or permit any subsidiary to be or become a party to and perform, one or more agreements (or modifications or supplements to pre-existing agreements) with Wanda. With limited exceptions, to the fullest extent permitted by law, no such agreement, nor the performance thereof in accordance with its terms by us or any of our subsidiaries or Wanda, shall be considered contrary to any fiduciary duty to us or our stockholders of any director or officer of AMC who is also a director, officer or employee of Wanda. With limited exceptions, to the fullest extent permitted by law, no director or officer of AMC who is also a director, officer or employee of Wanda shall have or be under any fiduciary duty to us or our stockholders to refrain from acting on behalf of us or any of our subsidiaries or on behalf of Wanda in respect of any such agreement or performing any such agreement in accordance with its terms.

The certificate of incorporation further provides that if one of our directors or officers who is also a director or officer of Wanda acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both Wanda and AMC, the director or officer will have satisfied his or her fiduciary duty to us and our stockholders with respect to that corporate opportunity if he or she acts in a manner consistent with the following policy:

- a corporate opportunity offered to any person who is an officer of AMC and who is also a director but not an officer of Wanda, will belong to us unless the opportunity is expressly offered to that person in a capacity other than such person's capacity as one of our officers, in which case it will not belong to us;
- a corporate opportunity offered to any person who is a director but not an officer of AMC, and who is also a director or officer of Wanda, will belong to us only if that opportunity is expressly offered to that person in that person's capacity as one of our directors; and
- corporate opportunity offered to any person who is an officer of both Wanda and AMC will belong to AMC only if that opportunity is expressly offered to that person in that person's capacity as one of AMC's officers.

Notwithstanding these provisions, the certificate of incorporation does not prohibit us from pursuing any corporate opportunity of which we become aware.

These provisions in the certificate of incorporation will no longer be effective on the date that none of our directors or officers are also directors or officers of Wanda.

If the certificate of incorporation did not include provisions setting forth the circumstances under which opportunities will belong to us and regulating the conduct of our directors and officers in situations where their duties to us and Wanda conflict, the actions of our directors and officers in each such situation would be subject to the fact-specific analysis of the corporate opportunity doctrine as articulated under

Delaware law. Under Delaware law, a director of a corporation may take a corporate opportunity, or divert it to another corporation in which that director has an interest, if (i) the opportunity is presented to the director or officer in his or her individual capacity, (ii) the opportunity is not essential to the corporation, (iii) the corporation holds no interest or expectancy in the opportunity and (iv) the director or officer has not wrongfully employed the resources of the corporation in pursuing or exploiting the opportunity. Based on Section 122(17) of the DGCL, we do not believe the corporate opportunity guidelines set forth in the certificate of incorporation conflict with Delaware law. If, however, a conflict were to arise between the provisions of the certificate of incorporation and Delaware law, Delaware law would control.

### PLAN OF DISTRIBUTION

We may sell the Class A common stock offered by this prospectus from time to time in one or more transactions, including without limitation:

- directly to one or more purchasers;
- through one or more agents, including in an “at the market” offering within the meaning of Rule 415(a)(4) under the Securities Act;
- to or through underwriters, brokers or dealers; or
- through a combination of any of these methods of sale.

In addition, the manner in which we may sell some or all of the Class A common stock covered by this prospectus includes any method permitted by law, including, without limitation, through:

- “at the market” offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange or otherwise;
- block trades in which a broker-dealer will attempt to sell as agent, but may position or resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account;
- ordinary brokerage transactions and transactions in which a broker solicits purchasers; or
- privately negotiated transactions.

We may also enter into hedging transactions. For example, we may:

- enter into transactions with a broker-dealer or affiliate thereof in connection with which such broker-dealer or affiliate will engage in short sales of the Class A common stock pursuant to this prospectus, in which case such broker-dealer or affiliate may use shares of Class A common stock received from us or selling stockholders to close out its short positions;
- sell Class A common stock short and re-deliver such shares to close out the short positions;
- enter into options or other types of transactions that require us to deliver Class A common stock to a broker-dealer or an affiliate thereof, who will then resell or transfer the Class A common stock under this prospectus; or
- loan or pledge the Class A common stock to a broker-dealer or an affiliate thereof, who may sell the loaned shares or, in an event of default in the case of a pledge, sell the pledged shares pursuant to this prospectus.

The Class A common stock covered by this prospectus may be sold:

- on a national securities exchange;
- in the over-the-counter market; or
- in transactions otherwise than on an exchange or in the over-the-counter market, or in combination.

In addition, we may enter into derivative or hedging transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with such a transaction, the third parties may sell securities covered by and pursuant to this prospectus and an applicable prospectus supplement or pricing supplement, as the case may be. If so, the third party may use securities borrowed from us or selling stockholders or others to settle such sales and may use securities received from us or selling stockholders to close out any related short positions. We may also loan or pledge securities covered by this prospectus and an applicable prospectus supplement to third parties, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus and the applicable prospectus supplement or pricing supplement, as the case may be. The third party in such sale transactions may be an underwriter and will be named in the applicable prospectus supplement (or a post effective amendment) to the extent required.



A prospectus supplement with respect to each offering of Class A common stock will state the terms of the offering of the Class A common stock, including:

- the name or names of any underwriters or agents and the amounts of Class A common stock underwritten or purchased by each of them, if any;
- the public offering price or purchase price of the Class A common stock and the net proceeds to be received by us from the sale;
- any delayed delivery arrangements;
- the method of distribution;
- any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any securities exchange or markets on which the securities may be listed.

The offer and sale of the Class A common stock described in this prospectus by us, the underwriters or the third parties described above may be effected from time to time in one or more transactions, including privately negotiated transactions, either:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to the prevailing market prices; or
- at negotiated prices.

We will identify the specific plan of distribution, including any underwriters, brokers, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

**LEGAL MATTERS**

The validity of the securities being offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Any underwriters will also be advised about the validity of the securities and other legal matters by their own counsel, which will be named in the applicable prospectus supplement.

**EXPERTS**

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries as of December 31, 2019 and 2018, and for each of the years in the three-year period ended December 31, 2019, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2019 have been incorporated by reference herein, in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2019 consolidated financial statements refers to changes in the method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification (ASC) Topic 842, *Leases*, and for the recognition of revenue and certain costs as of January 1, 2018 due to the adoption of ASC Topic 606, *Revenue from Contracts with Customers*.

The consolidated financial statements of Digital Cinema Implementation Partners, LLC as of December 31, 2019 and 2018 and for each of the years in the three-year period ended December 31, 2019, incorporated in this registration statement by reference, have been so incorporated in reliance upon the report of CohnReznick LLP, independent auditors, given upon the authority of said firm as experts in accounting and auditing.

**Up to 15,000,000 Shares**



A WANDA GROUP COMPANY

**Class A Common Stock**

PROSPECTUS SUPPLEMENT

**Citigroup**

**Goldman Sachs & Co. LLC**

October 20, 2020

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# **EXHIBIT C**

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended **December 31, 2022**

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

OR  
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**  
(State or other jurisdiction of incorporation or organization)

**26-0303916**  
(I.R.S. Employer Identification No.)

**One AMC Way**  
**11500 Ash Street, Leawood, KS**  
(Address of principal executive offices)

**66211**  
(Zip Code)

**(913) 213-2000**

Registrant's telephone number, including area code:

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
AMC Preferred Equity Units, each constituting a depository share representing a 1/100th interest in a share of Series A Convertible Participating Preferred Stock	APE	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "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 check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2022, computed by reference to the price at which the registrant's Class A common stock was last sold on the New York Stock Exchange on such date was \$7,002,919,062 (516,820,595 shares at a closing price per share of \$13.55).

Shares of Class A common stock outstanding-517,580,416 shares at February 22, 2023

Shares of AMC Preferred Equity Units outstanding, each representing participating voting and economic rights in the equivalent of one (1) share of Class A common stock -929,849,612 shares at February 22, 2023

**DOCUMENTS INCORPORATED BY REFERENCE**

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Certain portions of the registrant's definitive proxy statement, in connection with its 2022 annual meeting of stockholders, to be filed within 120 days of December 31, 2022, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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### Forward-Looking Statements

In addition to historical information, this Annual Report on Form 10-K 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, operating revenues 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 (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof), 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, operating revenues will need to increase significantly from 2022 levels to levels in line with pre-COVID-19 operating revenues. Domestic industry box office grosses increased significantly to approximately \$7.5 billion during the twelve months ended December 31, 2022 compared to approximately \$4.5 billion during the twelve months ended December 31, 2021. For the twelve months ended December 31, 2019 the domestic industry box office was \$11.4 billion. 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 operating revenues and attendance levels. However, there remain significant risks that may negatively impact operating revenues and attendance levels, including changes to movie studios release schedules and direct to streaming or other changing movie studio practices. 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 is not obtained 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, AMC Preferred Equity Units, and other securities would likely suffer a total loss of their investment;
- the ongoing impact of COVID-19 to 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;
- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment;
- the risk that the North American and international box office in the near term will not recover sufficiently, resulting in higher cash burn and the need to seek additional financing;
- 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, and the theatrical release of fewer movies;
- the seasonality of our revenue and working capital, which are dependent upon the timing of motion picture releases by distributors, such releases being seasonal and resulting in higher attendance and revenues generally during the summer months and holiday seasons;



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- 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;
- risks relating to motion picture production and performance;
- general and international economic, political, regulatory, social and financial market conditions, including potential economic recession, inflation, and other risks that may negatively impact discretionary income and our operating revenues and attendance levels;
- our lack of control over distributors of films;
- limitations on the availability of capital or poor financial results may prevent us from deploying strategic initiatives;
- an issuance of preferred stock, including the Series A Convertible Participating Preferred Stock (represented by AMC Preferred Equity Units), could dilute the voting power of the common stockholders and adversely affect the market value of our Common Stock and AMC Preferred Equity Units;
- 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 will 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;

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- 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”) and all other current and pending privacy and data regulations in the jurisdictions where we have operations;
- supply chain disruptions may negatively impact our operating results;
- the availability and/or cost of energy particularly in Europe;
- the dilution caused by recent and potential future sales of our Common Stock and AMC Preferred Equity Units, including the implications of the proposed conversion of the Series A Convertible Participating Preferred Stock (which are represented by AMC Preferred Equity Units) to Common Stock, if approved, could adversely affect the market price of the Common Stock and AMC Preferred Equity Units;
- the market price and trading volume of our shares of Common Stock has been and may continue to be volatile and such volatility may also apply to our AMC Preferred Equity Units, and purchasers of our securities could incur substantial losses;
- future offerings of debt, which would be senior to our Common Stock and AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our Common Stock and AMC Preferred Equity Units;
- failure to receive the requisite approval necessary from our stockholders at our Special Meeting (as defined herein) to approve the Charter Amendment Proposals (as defined in Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof);
- 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) signed the accessions protocols on July 5, 2022. If completed, the accession could cause a deterioration in the relationship each country has with Russia;
- the potential impact of financial and economic sanctions on the regional and global economy, or widespread health emergencies, such as 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.

Except as required by law, we assume no obligation to publicly update or revise these forward-looking statements for any reason. Actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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” and Item 1. “Business” in this Annual Report on Form 10-K.

## PART I

### Item 1. Business.

#### General Development of Business

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 primarily located in the United States and Europe.

Our business was founded in Kansas City, Missouri in 1920. Holdings was incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211.

#### COVID-19 Impact, Company Response and Change in Business Strategy

The North American and International industry box offices have been significantly impacted by the COVID-19 pandemic. The COVID-19 pandemic resulted in the suspension of new movie production, studios postponed new film releases or moved them to the home video market, streaming, or premium video on demand (“PVOD”) platforms.

The number of previously delayed major movie title releases increased significantly in the second half of 2021, however the production backlog, due to the COVID-19 pandemic, resulted in significantly fewer wide releases during 2022. A more robust slate of major movie releases is expected during 2023, which has generated optimism that box office revenues and attendance levels will continue to improve from what we experienced in 2022. The box office performance in 2022 was also impacted by the direct or simultaneous release of movie titles to the home video or streaming markets in lieu of theatre exhibition, however this practice has diminished and we believe will have a smaller impact on the box office performance and attendance levels of our business in 2023.

As of December 31, 2022, we had cash and cash equivalents of approximately \$631.5 million. 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 significant measures to further strengthen our financial position and enhance our operations, by eliminating 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 liquidity through debt issuances, debt refinancing that extended maturities, purchases of debt below par value, and equity sales. See Note 8-Corporate Borrowings and Finance Lease Liabilities, Note 9-Stockholders’ Equity, and Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

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 to repay rent amounts that were deferred during the COVID-19 pandemic 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 for at least the next twelve months. In order to achieve net positive operating cash flows and long-term profitability, we believe that operating revenues will need to increase significantly from 2021 and 2022 levels to levels in line with pre-COVID-19 operating revenues. We believe the anticipated volume of titles available for theatrical release, and the anticipated broad appeal of many of those titles will support increased operating revenues and attendance levels. We believe that recent operating revenues and attendance levels are positive signs of continued demand for the moviegoing experience. Total revenues for the years ended December 31, 2022, 2021, and 2020 were \$3.9 billion, \$2.5 billion, and \$1.2 billion, respectively, compared to \$5.5 billion for the year ended December 31, 2019. For the years ended December 31, 2022, 2021, 2020, attendance was 201.0 million patrons, 128.5 million patrons, and 75.2 million patrons, respectively, compared to 356.4 million patrons for the year ended December 31, 2019. Moreover, it is difficult to predict future operating revenues and attendance levels and there remain significant risks that may negatively impact operating revenues and attendance, including movie studios release schedules, the production and theatrical release of fewer films compared to levels before the onset of the COVID-19 pandemic, and direct-to-streaming or other changing movie studio practices.

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We currently estimate that our existing cash and cash equivalents will be sufficient to comply with minimum liquidity and financial covenant requirements under our debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility, currently and through the next twelve months. Pursuant to the Twelfth Amendment (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof), the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Senior Secured Revolving Credit Facility under the Credit Agreement (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof) through March 31, 2024. The current maturity date of the Senior Secured Revolving Credit Facility is April 22, 2024; since the financial covenant applicable to the Senior Secured Revolving Credit Facility is tested as of the last day of any fiscal quarter for which financial statements have been (or were required to have been) delivered, the financial covenant has been effectively suspended through maturity of the Senior Secured Revolving Credit Facility. As of December 31, 2022 we were subject to a minimum liquidity requirement of \$100 million as a condition to the financial covenant suspension period under the Credit Agreement.

The 11.25% Odeon Term Loan due 2023 (“Odeon Term Loan Facility”) was to mature on August 19, 2023 during the third fiscal quarter of the Company’s next calendar year. On October 20, 2022 we completely repaid the Odeon Term Loan Facility using existing cash and \$363.0 million net proceeds from the issuance of new 12.75% Odeon Senior Secured Notes due 2027 (“Odeon Notes due 2027”).

We actively seek and expect, at any time and from time to time, to continue to seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity (including AMC Preferred Equity Units) or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material and to the extent equity is used, dilutive. During the year ended December 31, 2022, we repurchased \$118.3 million aggregate principal of the Second Lien Notes due 2026 for \$68.3 million and recorded a gain on extinguishment of \$75.0 million in other expense (income). These 2022 repurchases included a purchase of \$15.0 million aggregate principal of the Second Lien Notes due 2026 from Antara Capital LP (“Antara”), which subsequently became a related party on February 7, 2023, for \$5.9 million and a gain on extinguishment of \$12.0 million.

Additionally, during the year ended December 31, 2022 we repurchased \$5.3 million aggregate principal of the Senior Subordinated Notes due 2027 for \$1.6 million and recorded a gain on extinguishment of \$3.7 million in other expense (income). Accrued interest of \$4.5 million was paid in connection with the repurchases. See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for more information.

We 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. As a result, deferred lease amounts were approximately \$157.2 million as of December 31, 2022. Including repayments of deferred lease amounts, our cash expenditures for rent increased significantly during the year ended December 31, 2022 compared to December 31, 2021. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 in this Form 10-K 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, future operating revenues, and 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 that operating revenues will need to increase significantly to levels in line with pre-COVID-19 operating revenues. Our current cash burn rates 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. Nor can we know with certainty the impact on consumer movie-going behavior of studios who release movies to theatrical exhibition and their streaming platforms on the same date, or the potential operating revenue and impact on attendance related to 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 operating revenues, 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 limited ability to predict studio film release dates and success of individual titles. Further, there can be no assurances that

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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.

Please see “Item 7-Management’s Discussion and Analysis of Financial Condition and Results of Operations of Part II thereof for additional information.

We realized \$1.2 billion of cancellation of debt income (“CODI”) in connection with our 2020 debt restructuring. As a result, \$1.2 billion of our federal net operating losses were eliminated due to tax attribute reduction to offset the CODI. The loss of these attributes may adversely affect our cash flows and therefore our ability to service our indebtedness.

**Narrative Description of Business**

We are the world’s largest theatrical exhibition company and an industry leader in innovation and operational excellence. Over the course of our 100+ year history, we have pioneered many of the theatrical exhibition industry’s most important innovations. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Most recently, we continued to innovate and evolve the movie-going experience with the deployment of our theatre renovations featuring plush, powered recliner seating and the launch of our U.S. subscription loyalty tier, AMC Stubs® A-List. Our growth has been driven by a combination of organic growth through reinvestment in our existing assets and through the acquisition of some of the most significant companies in the theatrical exhibition industry.

Our business is operated in two theatrical exhibition reportable segments, U.S. markets and International markets. Prior to 2016, we primarily operated in the United States. Our international operations are largely a result of our acquisition of Odeon and UCI Cinemas Holdings Limited (“Odeon”) in November of 2016 and Nordic Cinema Group Holding AB (“Nordic”) in March of 2017.

Today, AMC is the largest theatre operator in the world. As of December 31, 2022, we owned, leased or operated 940 theatres and 10,474 screens in 12 countries, including 586 theatres with a total of 7,648 screens in the United States and 354 theatres and 2,826 screens in European markets and Saudi Arabia. On January 24, 2023, we sold our investment in 13 theatres and 85 screens in Saudi Arabia, see Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information. During the year ended December 31, 2021, we sold the remaining 51% equity interest in Estonia and Lithuania. As of December 31, 2022, we were the market leader in the United States and Europe including in Italy, Sweden, Norway, and Finland; and a leading theatre operator in the United Kingdom, Ireland, Spain, Portugal and Germany. We have operations in four of the world’s 10 largest economies, including four of the six largest European economies (the United Kingdom, Spain, Italy and Germany) as of December 31, 2022.

As of December 31, 2022, in the U.S. markets, we owned, leased or operated theatres in 43 states and the District of Columbia, with approximately 50% of the U.S. population living within 10 miles of one of our theatres. We have a diversified footprint with complementary global geographic and guest demographic profiles, which we believe gives our circuit a unique profile and offers us strategic and operational advantages while providing our studio partners with a large and diverse distribution channel. As of December 31, 2022, we operated some of the most productive theatres in the top markets in the United States and were the market leader in the top two markets: New York and Los Angeles. As of December 31, 2022, our top five markets, in each of which we held the #1 share position, are Los Angeles, New York, Chicago, Atlanta and Washington, D.C., according to data provided by Comscore.

As of December 31, 2022, in the International markets, we owned, leased or operated theatres in 10 European countries and in Saudi Arabia through Saudi Cinema Company, LLC, our joint venture with Saudi Entertainment Ventures. On January 24, 2023, we sold our investment in Saudi Cinema Company, LLC, see Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information. In all of these 11 countries, we operate productive assets in each of the country’s capitals. Due to the population density in Europe, prior to the effects of COVID-19 pandemic, each screen served on average twice the population of a U.S. screen in a less populated market.

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The following table provides detail with respect to the geographic location of our theatrical exhibition circuit as of December 31, 2022:

U.S. Markets	Theatres(1)	Screens(1)
Alabama	18	229
Arizona	12	197
Arkansas	4	45
California	60	800
Colorado	14	193
Connecticut	9	104
Delaware	1	14
Florida	40	612
Georgia	30	378
Idaho	1	11
Illinois	47	578
Indiana	23	301
Iowa	5	71
Kansas	9	132
Kentucky	2	40
Louisiana	7	99
Maryland	15	171
Massachusetts	10	142
Michigan	11	172
Minnesota	7	101
Missouri	11	132
Montana	5	55
Nebraska	2	21
Nevada	2	28
New Hampshire	1	10
New Jersey	25	322
New Mexico	1	12
New York	30	322
North Carolina	22	293
North Dakota	2	19
Ohio	14	176
Oklahoma	13	153
Oregon	2	25
Pennsylvania	27	308
South Carolina	2	26
South Dakota	1	10
Tennessee	19	235
Texas	43	621
Utah	3	29
Virginia	13	173
Washington	15	181
West Virginia	2	20
Wisconsin	5	73
District of Columbia	1	14
Total U.S. Markets	586	7,648
<b>International Markets</b>		
Denmark	2	12
Finland	29	170
Germany	22	197
Ireland	11	77
Italy	41	419
Norway	12	91
Portugal	3	44
Saudi Arabia (2)	13	85
Spain	37	438
Sweden	74	407
United Kingdom	110	886
Total International Markets	354	2,826
Total	940	10,474

- (1) Included in the above table are 75 theatres and 400 screens that we manage or in which we have a partial ownership interest. In the U.S. markets segment, we manage or have a partial interest in five theatres and 61 screens. In the International markets segment, we manage or have a partial interest in 70 theatres and 339 screens.

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- (2) On January 24, 2023, we sold our investment in 13 theatres and 85 screens in Saudi Arabia. See Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

Our theatrical exhibition revenues are generated primarily from box office admissions and theatre food and beverage sales. We offer consumers a broad range of entertainment alternatives including traditional film programming, private theatre rentals, independent and foreign films, performing arts, music and sports. We also offer food and beverage alternatives beyond traditional concession items, including made-to-order meals, customized coffee, healthy snacks, beer, wine, premium cocktails, and dine-in theatre options. The balance of our revenues are generated from ancillary sources, including on-screen advertising, fees earned from our customer loyalty program, rental of theatre auditoriums, income from gift card and exchange ticket sales, and online ticketing fees.

### ***Our Strategy***

We are committed to maintaining a leadership position in the exhibition industry by focusing on forward-thinking initiatives for the benefit of our guests. We do this through a combination of unique marketing outreach, seamless digital technology and innovative theatre amenities designed to 1) transform AMC into a world-class leader in customer engagement, 2) deliver the best in-person experience while at AMC theatres, 3) selectively enhance our footprint through expansion in certain markets and strategic closure of underperforming theatres, 4) pursue adjacent opportunities that extend the AMC brand, and 5) explore attractive acquisitions leveraging our existing capabilities and core competencies. Consistent with our history and culture of innovation, we believe our vision and relentless focus on these key elements, which apply strategic and marketing components to traditional theatrical exhibition, will drive our future success.

As discussed above, the COVID-19 pandemic has had a significant impact on our business. We have taken and continue to take steps to adapt our business strategy in response to the COVID-19 pandemic, including adjusting our theatre operating hours in those markets where we are open to align screen availability and associated theatre operating costs with attendance levels for each theatre. We have also taken and continue to take significant steps to preserve cash by eliminating non-essential costs. Our capital allocation strategy will be driven by the cash generation of our business and will be contingent on maintaining adequate liquidity as well as a required return threshold.

#### ***1) Transform AMC into a World-Class Leader in Customer Engagement***

AMC engages movie-goers through advances in technology and marketing activities to strengthen the bonds with our current guests and create new connections with potential customers that drive both growth and loyalty. AMC serves our guests, end-to-end, from before they enter our theatres, through their enjoyment of a comprehensive spectrum of film content while at our theatres and then again after the movie when they've left the theatre and are deciding what film to see the next time they visit.

In our U.S. markets, we begin the process of engagement with AMC Stubs<sup>®</sup>, 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<sup>™</sup> for a flat annual membership fee and a non-paid tier called AMC Stubs Insider<sup>™</sup>. Both programs reward loyal guests for their patronage of AMC theatres. Rewards earned are redeemable on future purchases at AMC locations.

AMC Stubs<sup>®</sup> A-List is our monthly subscription-based tier of our AMC Stubs<sup>®</sup> 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 \$24.95 per month depending upon the geographic market. AMC Stubs<sup>®</sup> A-List also includes premium offerings including IMAX<sup>®</sup>, Dolby Cinema<sup>™</sup> at AMC, RealD, Prime and other proprietary PLF brands. AMC Stubs<sup>®</sup> A-List members can book tickets online in advance and select specific seats at AMC Theatres with reserved seating.

As of December 31, 2022, we had approximately 28,200,000 member households enrolled in AMC Stubs<sup>®</sup> A-List, AMC Stubs Premiere<sup>™</sup> and AMC Stubs Insider<sup>™</sup> programs on a combined basis. Our AMC Stubs<sup>®</sup> members represented approximately 43% of AMC's U.S. market attendance during the year ended December 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 an increasingly comprehensive, more personalized and targeted marketing effort.

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In our International markets, we currently have loyalty programs in the major territories in which we operate. 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 14,400,000 members in our various International loyalty programs.

Our marketing efforts expand beyond our loyalty program. 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.

In June 2021, the Company launched AMC Investor Connect (“AIC”), an innovative new communication initiative to engage directly with its sizable retail shareholder base and convert shareholders into AMC consumers. AIC allows AMC shareholders to self-identify through the AMC website and receive AMC special offers and important Company updates. As part of AIC, domestic members must sign up for an AMC Stubs account, which includes providing additional personalized data that allows AMC to more precisely engage with our investor consumers. As of February 23, 2023, there were 923,950 global self-identified AMC shareholder members of AIC, which is comprised of both registered and beneficial shareholders.

### **2) *Deliver the best in-person experience while at AMC theatres***

In conjunction with our advances in technology and marketing initiatives, and consistent with our long-term growth strategy, we plan to continue investing in our theatres and enhancing the consumer experience to deliver the best in-person experience and take greater advantage of incremental revenue-generating opportunities, primarily through comfort and convenience innovations, imaginative food and beverage initiatives, and exciting premium large format (“PLF”) offerings.

**Comfort and Convenience Innovations.** Recliner seating is the key feature of our 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. Upon reopening a remodeled theatre, we typically increase the ticket price to reflect the enhanced consumer experience.

As of December 31, 2022, in our U.S. markets, we featured recliner seating in approximately 361 U.S. theatres, including Dine-in-Theatres, totaling approximately 3,503 screens and representing 45.8% of total U.S. screens. In our International markets, as of December 31, 2022, we had recliner seating in approximately 96 International theatres, totaling approximately 621 screens and representing 22.0% of total International screens.

Open-source internet ticketing makes AMC’s entire universe of seats in the U.S. (approximately 1.0 million as of December 31, 2022), for all our show times, as available as possible, on as many websites and mobile applications as possible. Our tickets are currently on sale either directly or through mobile apps, at our own website and our mobile apps and other third-party ticketing vendors. For the year ended December 31, 2022, approximately 66% of our tickets were purchased online in the U.S., with approximately 81% of total online tickets being purchased through AMC.

Traditional payment sources are evolving rapidly around the globe as the use of cryptocurrencies become more popular and convenient. In response, during the fourth quarter of 2021, we introduced the ability for consumers to pay for tickets, food and beverage items and associated gifts cards with cryptocurrencies in the U.S. markets, including Bitcoin, Ethereum, Litecoin, Dogecoin, Ripple, ShibaInu and Bitcoin Cash. The acceptance of cryptocurrency is designed to offer guests greater flexibility and convenience. These transactions all settle in U.S. Dollars. We did not hold any cryptocurrency during the years ended December 31, 2022 and December 31, 2021.

**Imaginative Food and Beverage Initiatives.** Our deployment initiatives also apply to food and beverage enhancements. We have expanded our menu of enhanced food and beverage products to include meals, healthy snacks, premium beers, wine and mixed drinks, 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 design improvements to the development of new dine-in theatre options. We have expanded the capabilities of our online and mobile apps to include the ability to pre-order food and beverages when advanced tickets are purchased.



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Guests are able to order food and beverage items when buying tickets in advance and have the items ready upon arrival and available at dedicated pick-up areas or delivered to seat at select theatres.

Our MacGuffins Bar and Lounges (“MacGuffins”) give us an opportunity to engage our legal age customers. As of December 31, 2022, we offer alcohol in approximately 357 AMC theatres in the U.S. markets and 236 theatres in our International markets and continue to explore expansion globally.

**Exciting Premium Large Format Offerings.** PLF auditoriums generate our highest customer satisfaction scores, and we believe the investment in premium formats increases the value of the movie-going experience for our guests, ultimately leading to additional ticket revenue. To that end, we are committed to investing in and expanding our offerings of the best sight and sound experiences through a combination of our partnerships with IMAX® and Dolby Cinema™ and the further development of our own proprietary PLF offering, AMC Prime.

- **IMAX®.** IMAX® is one of the world’s leading entertainment technology companies, specializing in motion picture technologies and presentations.

As of December 31, 2022, AMC was the largest IMAX® exhibitor in the U.S., with 186 (3D enabled) IMAX® screens and a 55% market share. Each one of our IMAX® local installations is protected by geographic exclusivity, and as of December 31, 2022, our IMAX® screen count was 96% greater than our closest competitor. Additionally, as of December 31, 2022, our per-screen grosses were 22% higher than our closest competition. We also operate 35 IMAX® screens in International markets. As part of our long-term growth strategy, we expect to continue to expand our IMAX® relationship across the U.S. and Europe, further strengthening our position as the largest IMAX® exhibitor in the U.S. and a leading IMAX® exhibitor in the United Kingdom and Europe.

- **Dolby Cinema™.** Dolby Cinema™ offers a premium cinema offering for movie-goers that combines state-of-the-art image and sound technologies with inspired theatre design and comfort. Dolby Cinema™ at AMC includes Dolby Vision™ laser projection and object-oriented Dolby Atmos® audio technology, as well as AMC’s plush power reclining seats with seat transducers that vibrate with the action on screen.

As of December 31, 2022, we operated 156 Dolby Cinema™ at AMC auditoriums in the U.S and nine Dolby Cinema™ Auditoriums in the International markets. We expect to expand the deployment of our innovative Dolby Cinema™ auditoriums in both our U.S. and International markets as part of our long-term growth strategy.

- **In-house PLF Brands.** We also offer our private label PLF experience at many of our locations, with superior sight and sound technology and enhanced seating as contrasted with our traditional auditoriums. These proprietary PLF auditoriums offer an enhanced theatrical experience for movie-goers beyond our current core theatres, at a lower price premium than IMAX® or Dolby Cinema™. Therefore, it may be especially relevant in smaller or more price-sensitive markets. As of December 31, 2022, we operated 57 screens under proprietary PLF brand names in the U.S. markets and 83 screens in the International markets.

The following table provides detail with respect to large screen formats, such as IMAX® and our proprietary Dolby Cinema™, other PLF screens, enhanced food and beverage offerings and our premium seating as deployed throughout our circuit on December 31, 2022:

Format	U.S. Markets		International Markets	
	Theatres	Screens	Theatres	Screens
IMAX®	185	186	35	35
Dolby Cinema™	156	156	9	9
Other PLF	57	57	82	83
Dine-in theatres	49	684	3	13
Premium seating	361	3,503	96	621

**Laser at AMC.** We launched Laser at AMC, a broadscale initiative to upgrade the projectors at 3,500 auditoriums throughout the United States, with cutting-edge laser projectors. The Laser at AMC experience delivered by laser projection from Cinionic provides guaranteed light levels that are at the top end of the 2D DCI specification. The technology improves image contrast, produces more vivid colors, and maximizes brightness, compared to digital projectors with a xenon light source. We are partnering with Cinionic, a global leader in laser-powered cinema solutions,

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through their Cinema-as-a-Service program which requires minimal upfront capital investment required by AMC. The initial agreement to install 3,500 projectors is expected to be completed by 2026.

### 3) *Expand and Strategically Close Underperforming Theatres*

Our long-term growth strategy includes the deployment of our strategic growth initiatives, opening new-build theatres and continued exploration of small acquisitions. By expanding our platform through disciplined new-build theatres and acquisitions, we are able to further deploy our proven strategic initiatives while further diversifying our consumer base, leading to greater appeal for more films. The additional scale achieved through new-build theatres and acquisitions also serves to benefit AMC through global procurement savings and increased overhead efficiencies. We believe that expansion offers us additional opportunities to introduce our proven guest-focused strategies to movie-goers and will generate meaningful benefits to guests, employees, studio partners and our shareholders.

The following table sets forth our historical information concerning new builds (including expansions), acquisitions and dispositions (including permanent closures of underperforming theatres and net construction closures) and end-of-period operated theatres and screens through December 31, 2022:

Fiscal Year	New Builds		Acquisitions		Permanent/Temporary Closures/(Openings), net		Total Theatres	
	Number of Theatres	Number of Screens	Number of Theatres	Number of Screens	Number of Theatres	Number of Screens	Number of Theatres	Number of Screens
	Beginning balance						1,014	11,169
Calendar 2018	11	89	4	39	23	206	1,006	11,091
Calendar 2019	10	85	7	70	19	205	1,004	11,041
Calendar 2020	8	63	1	14	63	575	950	10,543
Calendar 2021	10	82	11	140	25	203	946	10,562
Calendar 2022	7	51	15	157	28	296	940	10,474
	<u>46</u>	<u>370</u>	<u>38</u>	<u>420</u>	<u>158</u>	<u>1,485</u>		

### 4) *Pursue Adjacent Opportunities that Extend the AMC Brand*

We believe there is considerable opportunity to extend and monetize the AMC brand outside of our movie theatre auditoriums. We plan to pursue opportunities that capitalize on our attractive customer base, our leading brand, our 100+ years of food and beverage expertise, and technology capabilities.

As part of that strategy, in the fourth quarter of 2021, we announced we would be expanding our food and beverage business beyond theatrical exhibition and enter the multi-billion dollar popcorn industry with the launch of AMC Theatres Perfectly Popcorn in the U.S. markets.

- Beginning in 2023, we will offer prepackaged and ready-to-pop microwaveable AMC Theatres Perfectly Popcorn, which will become available for purchase in supermarkets and convenience stores around the country.
- Freshly popped AMC Theatres Perfectly Popcorn is available through food delivery-to-home services. In this way, consumers will be able to enjoy a slice of the AMC experience when being entertained at home.
- “To Go” packages at our theatres of freshly popped popcorn for takeout and/or pickup.

AMC Theatres Perfectly Popcorn is an opportunity to diversify our business and to create a new food and beverage revenue stream for the Company.

In early 2023, the Company will offer the AMC Entertainment Visa Credit Card. Credit card holders will have the opportunity to earn additional AMC Stubs reward points when they use their AMC Entertainment Visa Credit Card at the movies and on everyday purchases.

## 5) *Explore Attractive Acquisitions Leveraging Our Existing Capabilities and Core Competencies*

As part of our plans to pursue value-enhancing initiatives that lead to diversification of our business, we will consider attractive and opportunistic acquisitions inside and outside the Exhibition industry that leverage AMC's footprint and capabilities as well as the core competencies and experiences of AMC's management team.

### ***Our Competitive Strengths***

We believe we have the following competitive strengths:

**Leading guest engagement through digital marketing and technology platforms.** Through our AMC Stubs® loyalty program, we have developed a consumer database of some 28.2 million households, representing approximately 58 million individuals. Our digital marketing and technology platforms allow us to engage with these customers frequently, efficiently and on a very personalized level. We believe personalized data drives increased engagement, resulting in higher attendance.

**Leading Market Share in Important, Affluent and Diverse Markets.** As of December 31, 2022, across our three biggest metropolitan markets in the United States-New York, Los Angeles and Chicago, representing 19% of the country's total box office-we held a 44% combined market share. We had theatres located in the top 25 U.S. markets, holding the #1 or #2 position in 18 of those 25 markets based on box office revenue. We are also the #1 theatre operator in Italy, Sweden, Norway, and Finland; the #2 operator in the United Kingdom, Ireland, Spain, and Portugal; and the #4 operator in Germany as of December 31, 2022. We believe our strong presence in these top markets makes our theatres highly visible and therefore strategically more important to content providers, who rely on the large audiences and marketing momentum provided by major markets to drive opinion-making and deliver a movie's overall box office results.

We also have a diversified footprint with complementary global geographic and guest demographic profiles. We have theatres in more densely populated major metropolitan markets, where there is also a scarcity of attractive retail real estate opportunities, as well as complementary suburban and rural markets. Guests from different demographic and geographic profiles have different tastes in movies, and we believe by broadening our geographic base, we can help mitigate the impact of film genre volatility on our box office revenues.

**Well Located, Highly Productive Theatres.** Our theatres are generally located in the top retail centers across the United States. We believe this provides for long-term visibility and higher productivity and is a key element in the success of our enhanced food and beverage and more comfort and convenience initiatives. Our location strategy, combined with our strong major market presence, enable us to deliver industry-leading theatre-level productivity. During the year ended December 31, 2022, 8 of the 10 highest grossing theatres in the United States were AMC theatres, according to data provided by Comscore. During the same period, AMC's U.S. markets average total revenues per theatre was approximately \$5.1 million. This per unit productivity is important not only to content providers, but also to developers and landlords, for whom per location and per square foot sales numbers are critical measures.

AMC Classic theatres are located primarily in smaller, suburban and rural markets, which affects total revenues per theatre. However, in general, theatres located in smaller suburban and rural markets tend to have less competition and a lower cost structure.

In our International markets, many theatres are located in top retail centers in major metropolitan markets with high visibility. We believe that deploying our proven strategic initiatives in these markets will help drive attendance and greatly improve productivity. Other theatres are in larger and mid-sized cities and towns in affluent regions.

**Deployment of unique pricing structures to enhance revenue.** AMC has developed a dedicated pricing department and, as a result, we have deployed several different strategic pricing structures that have increased revenue and profitability.

In June 2018, we launched AMC Stubs® A-List, a subscription pricing structure that offers members three movies a week, including premium formats, for a monthly fee ranging from \$19.95 to \$24.95 depending on geographical location. Around the same time, we launched "Discount Tuesday" which offers AMC Stubs® members a reduced price for movie attendance on Tuesdays. Prior to the COVID-19 pandemic, the results showed an incremental increase in attendance and corresponding increase in admissions and food and beverage revenue.

### *Sources of Revenue*

**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 office have been significantly impacted by the COVID-19 pandemic. As a result, film distributors have postponed new film theatrical releases and/or shortened or disregarded the period of theatrical exclusivity (the “window”) and reduced the number of theatrically released motion pictures. Theatrical releases may continue to be postponed and windows shortened or disregarded while the box office suffers from COVID-19 impacts. As a result of the reduction in theatrical film releases, we have licensed and exhibited a larger number of previously released films that have lower film rental terms. 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, AMC’s admissions revenues and attendance levels remain significantly behind pre-pandemic levels. Admissions revenues for the years ended December 31, 2022 and 2021 were \$2.2 billion and \$1.4 billion, respectively, compared to \$3.3 billion for the year ended December 31, 2019. For the years ended December 31, 2022 and 2021, attendance was 201.0 million patrons and 128.5 million patrons, respectively, compared to 356.4 million patrons for the year ended December 31, 2019.

During the year ended December 31, 2022, films licensed from our seven largest movie studio distributors based on revenues accounted for approximately 88% of our U.S. admissions revenues, which consisted of Universal, Disney, Paramount, Warner Bros., Sony, 20th Century Studios, and Lionsgate. In Europe, approximately 73% of our box office revenue came from films attributed to our four largest movie distributor groups; which consisted of Disney, Universal, Warner Bros, and Paramount. 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.

**Food and Beverage.** 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.

We currently operate 49 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 December 31, 2022, we offer alcohol in approximately 357 AMC theatres in the U.S. markets and 236 theatres in our International markets and continue to explore expansion globally.

### *Theatrical Exhibition Industry and Competition*

**U.S. markets.** In the United States, the movie exhibition business is large and mature. While in any given calendar quarter the quantity and quality of movies can drive volatile results, box office revenues have generally advanced from 2011 to 2019. The industry’s best year ever, in terms of revenues, was 2018, with box office revenues of approximately \$11.9 billion, an increase of approximately 7.1% from 2017, with 1.3 billion admissions in the U.S. and Canada.

We believe it is the quality of the movie-going experience that will define future success. Whether through enhanced food and beverage options (Food and Beverage Kiosks, Marketplaces, Coca-Cola Freestyle, MacGuffins or Dine-in Theatres), more comfort and convenience (recliner seating, open-source internet ticketing, reserved seating), engagement and loyalty (AMC Stubs®, mobile apps, social media) or sight and sound (digital and laser projection, 3D,

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Dolby Cinema™ at AMC, IMAX® or other PLF screens), it is the ease of use and the amenities that these innovations bring to customers that we believe will drive sustained profitability in the years ahead.

The following table represents information about the U.S./Canada exhibition industry obtained from the National Association of Theatre Owners, with the exception of box office revenues for calendar years 2022 and 2021 obtained from Comscore. See Management’s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7 thereof for information regarding our operating data:

Calendar Year	Box Office Revenues	Attendance	Average Ticket
	(in millions)	(in millions)	Price
2022	\$ 7,454	708	\$ 10.53
2021	4,544	447	10.17
2020	2,205	240	9.18
2019	11,400	1,244	9.16
2018	11,880	1,304	9.11
2017	11,091	1,236	8.97
2016	11,372	1,314	8.65
2015	11,120	1,320	8.42
2014	10,400	1,270	8.19
2013	10,920	1,340	8.15

Based on information obtained from Comscore, we believe that the three largest exhibitors, in terms of U.S./Canada box office revenue (AMC, Regal Entertainment Group, and Cinemark Holdings, Inc.) generated approximately 54% of the box office revenues in 2022.

**International markets.** Movie-going is a popular leisure activity with high penetration across key geographies in our International markets. Theatre appeal has proven resilient to competition for consumers’ leisure spending and to recessionary periods and we believe we will continue to benefit from increased spending across International markets. The European market lags the U.S. market across a number of factors, including annual spend per customer, number of IMAX® screens and screens per capita, which causes us to believe that the deployment of our customer initiatives will be successful in these markets. On the other hand, our European markets are more densely populated and operate with fewer screens per one million of population, making the screens we acquired more valuable.

Additionally, U.S. films generate the majority of the box office in Europe, but movie-goers in specific geographies also welcome locally produced films with local actors and familiar story lines which can mitigate film genre attendance fluctuations. Going forward, we believe we will see positive growth in theatre attendance as we continue to deploy our proven guest-centered innovations like recliner seating, enhanced food and beverage offerings, and premium large format experiences. Like the United States, the international industry box office suffered from months of theatre closures, significantly fewer new films and reopening restrictions and generated far fewer sales than 2019.

The following table provides information about the exhibition industry attendance for the International markets where we operate obtained from territory industry trade sources, see Management’s Discussion and Analysis of Financial Condition and Results of Operations under Part II, Item 7 thereof for information regarding our operating data:

(In millions)	Calendar Year				
	2022	2021	2020	2019	2018
United Kingdom	117.5	74.6	44.0	176.0	177.3
Germany	78.6	42.5	37.3	119.9	104.2
Spain	59.8	41.5	28.7	105.8	97.8
Italy	47.9	26.6	30.2	104.7	91.8
Sweden	10.4	6.1	5.4	15.8	16.3
Ireland	10.7	6.1	3.9	15.1	15.8
Portugal	9.2	5.3	3.6	15.2	14.6
Norway	8.8	5.6	4.8	11.3	12.1
Finland	5.8	3.4	3.9	8.4	8.1
Total	348.7	211.7	161.8	572.2	538.0

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**Competition.** Our theatres are subject to varying degrees of competition in the geographic areas in which they operate. Competition is often intense with respect to attracting patrons, licensing motion pictures and finding new theatre sites. Where real estate is readily available, it is easier to open a theatre near one of our theatres, which may adversely affect operations at our theatre. However, in certain of our densely populated major metropolitan markets, we believe a scarcity of attractive retail real estate opportunities enhances the strategic value of our existing theatres. We also believe the complexity inherent in operating in these major metropolitan markets is a deterrent to other less sophisticated competitors, protecting our market share position.

The theatrical exhibition industry faces competition from other forms of out-of-home entertainment, such as concerts, amusement parks and sporting events, and from other distribution channels for filmed entertainment, such as cable television, pay-per-view, video streaming services, PVOD, and home video systems, as well as from all other forms of entertainment.

We believe movie-going is a compelling consumer out-of-home entertainment experience. Movie theatres currently garner a relatively small share of overall consumer entertainment time and spend, and our industry benefits from available capacity to satisfy additional consumer demand without capital investment.

### ***Seasonality***

Our revenues are dependent upon the timing of motion picture releases by distributors. The most marketable motion pictures are usually released during the summer and the year-end holiday seasons. Therefore, our business is seasonal, with higher attendance and revenues generally occurring during the summer months and holiday seasons.

### ***Regulatory Environment***

Our theatres in the United States must comply with Title III of the Americans with Disabilities Act, or ADA. Compliance with the ADA requires that public accommodations, including websites and mobile apps for such accommodations, be accessible to individuals with disabilities and that new construction or alterations are made to conform to accessibility guidelines. Non-compliance with the ADA could result in the imposition of injunctive relief, fines, and awards of damages to private litigants and additional capital expenditures to remedy such noncompliance. As an employer covered by the ADA, we must make reasonable accommodations to the limitations of employees and qualified applicants with disabilities, provided that such reasonable accommodations do not pose an undue hardship on the operation of our business. In addition, many of our employees are covered by various government employment regulations, including minimum wage, overtime and working conditions regulations. In Europe, all territories have similar national regulations relating to disabilities.

Our operations also are subject to federal, state and local laws regulating such matters as construction, renovation and operation of theatres as well as wages and working conditions, citizenship, health and sanitation requirements, consumer and employee privacy rights, and licensing, including alcoholic beverage sales. We believe our theatres are in material compliance with such requirements.

We own and operate theatres and other properties in the United States, United Kingdom, Spain, Italy, Germany, Portugal, Ireland, Sweden, Finland, Norway, and Denmark, which are subject to various federal, state and local laws and regulations. Certain of these laws and regulations, including those relating to environmental protection, may impose joint and several liability on certain statutory classes of persons for the costs of investigation or remediation of contamination, regardless of fault or the legality of original disposal. We believe our theatres are in material compliance with such requirements.

### ***AMC Human Capital Resources***

**Our People.** AMC associates are core to our commitment to delivering the best theatrical experience in the world. They uphold AMC's mission of focusing on the guest experience in our theatres, an experience in which excellent customer service is complemented with amazing food and beverage, comfort and premium sight and sound.

**COVID-19 Pandemic Impacts.** The pandemic has had enormous impacts on our industry, guests and associates and has resulted in material variances in our associate metrics in calendar 2022 compared to the 2019 pre-COVID-19 years. As of December 31, 2022, we employed a total of 33,694 employees, including part-time employees, consisting of 2,787 full-time and 30,907 part-time employees, up from an aggregate of 31,198 employees, including part-time and furloughed employees, consisting of 3,046 full-time and 28,152 part-time employees as of December 31,

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2021, and down from an aggregate of 38,872 employees consisting of 3,952 full-time and 34,920 part-time employees as of December 31, 2019.

**Talent Acquisition, Development and Retention.** Critical to our operations is the hiring, developing and retaining of associates who support our guest-focused mission in our theatres. Acquiring the right talent at speed and scale is a core capability that we regularly monitor and manage, given the need to rapidly staff our frontline operations. Once hired, we focus on the development of our associates, creating experiences and programs that promote performance, growth and career opportunities for those who are life-long passionate about our business. We sponsor numerous training, education and leadership development programs for associates at all levels, from hourly associates to executive officers. These programs are designed to enhance leadership and managerial capability, facilitate quality execution of our programs, drive guest satisfaction and increase return on investment.

**Diversity, Equity and Inclusion.** Our goal is to create a workforce as diverse as the guests we serve and the movies we show on our screens. As such, Diversity, Equity and Inclusion (“DEI”) are fundamental to our culture and critical to our success. In support of this goal, AMC established four councils in support of Women, Latinx, African American and LGBTQ+ associates. The purpose of these councils is to strengthen AMC’s culture by defining opportunities to embrace our diversity, lead with fairness and impartiality and create a more inclusive work environment by leveraging associate experiences. These councils are supported by the DEI function under the guidance of the Chief Human Resources Officer. This DEI focus ensures that all communities are represented in our long-term systemic approach. Our work has been recognized externally: AMC has received a perfect score for 14 consecutive years on the Human Rights Campaign Foundation’s Corporate Equality Index as one of the “Best Places to Work for LGBTQ Equality”; eight consecutive years as one of the “Best Places to Work” for people with disabilities on the Disability Equality Index; and five consecutive years as one of Forbes “Best Employers for Diversity.”

**Compensation, Benefits, Safety and Wellness.** In addition to offering market competitive salaries and wages, we offer comprehensive health and retirement benefits to eligible employees. Our health and welfare benefits are supplemented with specific programs to manage or improve common health conditions, a variety of voluntary benefits and paid time away from work programs. We also provide a number of innovative programs designed to promote physical, emotional and financial well-being. Our commitment to the safety and health of our associates continues to be a top priority.

**Available Information**

We make available free of charge on our website ([www.amctheatres.com](http://www.amctheatres.com)) under “Investor Relations” / Financial Performance”/ “SEC Filings,” annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy materials on Schedule 14A and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials with the Securities and Exchange Commission. The contents of our Internet website are not incorporated into this report. The Securities and Exchange Commission maintains a website ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements and other information about the Company.

**Information about our Executive Officers**

The following table sets forth certain information regarding our executive officers and key employees as of February 28, 2023:

<u>Name</u>	<u>Age</u>	<u>Position(s) Held</u>
Adam M. Aron	68	Chairman of the Board, Chief Executive Officer and President
Sean D. Goodman	57	Executive Vice President, International Operations, Chief Financial Officer and Treasurer
Elizabeth Frank	53	Executive Vice President, Worldwide Programming and Chief Content Officer
Eliot Hamlich	40	Executive Vice President, Chief Marketing Officer
Daniel Ellis	54	Executive Vice President, Chief Operations and Development Officer
Kevin M. Connor	60	Senior Vice President, General Counsel and Secretary
Chris A. Cox	57	Senior Vice President, Chief Accounting Officer
Carla C. Chavarria	57	Senior Vice President, Chief Human Resources Officer

All our current executive officers hold their offices at the pleasure of our board of directors, subject to rights under their respective employment agreements in some cases. There are no family relationships between or among any executive officers.



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*Mr. Adam Aron* has served as Chief Executive Officer, President and Director of the Company since January 2016, and as Chairman of the Board of Directors since July 2021. From February 2015 to December 2015, Mr. Aron was Chief Executive Officer of Starwood Hotels and Resorts Worldwide, Inc. and served on the board from 2006 to 2015. Since 2006, Mr. Aron has served as Chairman and Chief Executive Officer of World Leisure Partners, Inc., a personal consultancy for matters related to travel and tourism, high-end real estate development, and professional sports, that he founded. Mr. Aron served as Chief Executive Officer and Co-Owner of the Philadelphia 76ers from 2011 to 2013, and remains an investor. From 2006 to 2015, Mr. Aron served as Senior Operating Partner of Apollo Management L.P. Mr. Aron currently serves on the board of directors of Norwegian Cruise Line Holdings, Ltd. and HBSE, which owns the NHL's New Jersey Devils and the NBA's Philadelphia 76ers. Mr. Aron briefly served on the board of directors of Centricus Acquisitions Corp. in 2021. He also served on the board of directors of Prestige Cruise Holdings Inc. from 2007 to 2014. Mr. Aron received a Master's of Business Administration degree with distinction from The Harvard Business School and a Bachelor of Arts degree cum laude from Harvard College.

*Mr. Sean D. Goodman* has served as AMC's Executive Vice President, Chief Financial Officer and Treasurer since January 2022, Executive Vice President and Chief Financial Officer from February 2020 to January 2022, and Executive Vice President Finance from December 2019 to February 2020. Mr. Goodman's areas of responsibility at AMC include information technology, procurement, and international operations. Mr. Goodman has served on the Board of Directors of Hycroft Mining, Inc. as AMC's representative since April 2022. Prior to joining AMC, Mr. Goodman was the Chief Financial Officer of Asbury Automotive Group, Inc. from July 2017 to November 2019. Earlier in his career, Mr. Goodman held Chief Financial Officer roles at Unifi, Inc. and Landis+Gyr, AG. In addition, Mr. Goodman served in various strategy and finance roles with increasing responsibility at The Home Depot, Inc. Mr. Goodman began his career as an investment banker with Morgan Stanley, Inc. and in various consulting and accounting positions with Deloitte LLP. Mr. Goodman has a Master's of Business Administration degree from The Harvard Business School and a Bachelor of Business Science Degree (with honors) from the University of Cape Town in South Africa. Mr. Goodman is also a certified public accountant.

*Ms. Elizabeth Frank* has served as Executive Vice President, Worldwide Programming and Chief Content Officer for AMC since July 2012. Between August 2010 and July 2012, Ms. Frank served as Senior Vice President, Strategy and Strategic Partnerships. From 2006 to 2010, Ms. Frank served as Senior Vice President of Global Programs for AmeriCares. From 2003 to 2006, Ms. Frank served as Vice President of Corporate Strategic Planning for Time Warner Inc. Prior to Time Warner Inc., Ms. Frank was a partner at McKinsey & Company for nine years. Ms. Frank holds a Bachelor of Business Administration degree from Lehigh University and a Master's of Business Administration from The Harvard Business School.

*Mr. Eliot Hamlisch* has served as Executive Vice President, Chief Marketing Officer of AMC since March 2022. Prior to joining AMC, Mr. Hamlisch was an officer at Wyndham Hotels & Resorts where he served as Executive Vice President Loyalty & Revenue Optimization from 2020 until 2022 and Senior Vice President Global Loyalty & Partnerships from 2017 until 2020. Prior to joining Wyndham, Mr. Hamlisch held several strategic planning, business development and customer engagement positions with Starwood Hotels & Resorts, Deloitte Consulting and American Express. Mr. Hamlisch has a Bachelor of Arts from Harvard University and a Master's of Business Administration from The Harvard Business School.

*Mr. Daniel Ellis* has served as the Executive Vice President, Chief Operations and Development Officer since March 2022. From March 2020 to March 2022, he served as Senior Vice President Development & International. From December 21, 2016 to March 2020, he served as Senior Vice President, Domestic Development. From August 2011 until December 2016, Mr. Ellis was Senior Vice President, General Counsel and Secretary of Carmike Cinemas, Inc. From 1999 until 2011, Mr. Ellis served in several roles with Lodgian, Inc., including as President, Chief Executive Officer, and a member of the Board of Directors from 2009 through 2010 and Senior Vice-President, General Counsel and Secretary from 2002 through 2009. Prior to joining Lodgian, Mr. Ellis was engaged in private law practice and also served as an Assistant District Attorney for the State of Georgia. Mr. Ellis holds a Bachelor of Business Administration from Georgia Southern University, a Master's of Business Administration from Mercer University, and a Juris Doctorate degree from the University of Mississippi.

*Mr. Kevin M. Connor* has served as Senior Vice President, General Counsel and Secretary of AMC since April 2003. Prior to April 2003, Mr. Connor served as Senior Vice President, Legal beginning November 2002. Prior thereto, Mr. Connor was in private practice in Kansas City, Missouri as a partner with the firm Seigfreid Bingham, P.C. from October 1995. Mr. Connor holds a Bachelor of Arts degree in English and History from Vanderbilt University, a



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Juris Doctorate degree from the University of Kansas School of Law and LLM in Taxation from the University of Missouri-Kansas City.

*Mr. Chris A. Cox* has served as Senior Vice President, Chief Accounting Officer of AMC since June 2010. Prior thereto Mr. Cox served as Vice President and Chief Accounting Officer since May 2002. Prior to May 2002, Mr. Cox had served as Vice President and Controller since November 2000. Previously, Mr. Cox had served as Director of Corporate Accounting for the Dial Corporation from December 1999 until November 2000. Prior to Dial Corporation, Mr. Cox held various positions at PwC LLP. Mr. Cox holds a Bachelor of Business Administration in Accounting and Finance degree from the University of Iowa.

*Ms. Carla C. Chavarria* has served as Senior Vice President, Chief Human Resources Officer of AMC since January 2019 and Senior Vice President, Human Resources of AMC since January 2014. Ms. Chavarria served as Vice President, Human Resources Services from September 2006 to January 2014. Prior thereto, Ms. Chavarria served as Vice President, Recruitment and Development from April 2005 to September 2006. Ms. Chavarria's prior experience includes human resources manager and director of employment practices. Ms. Chavarria holds a B.S. from The Pennsylvania State University.

**Item 1A. Risk Factors.**

The following is a summary list of risk factors:

**Risks Related to the COVID-19 Pandemic**

- the impact of responses to the COVID-19 virus related to interruptions of operations at our theatres, personnel reductions and other cost-cutting measures and actions 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.

**Financial Risks**

- our ability to obtain additional liquidity, which if not realized or insufficient, likely would result in us seeking an in-court or out-of-court restructuring of our liabilities absent more normalized levels of attendance and operating revenues, and in the event of such future liquidation or bankruptcy proceeding, holders of our Common Stock, AMC Preferred Equity Units and other securities would likely suffer a total loss of their investment;
- our substantial level of indebtedness and our current liquidity constraints could adversely affect our financial condition and our ability to service our indebtedness, to pre-pay debt, and to refinance debt and to do so with comparable interest rates or other favorable terms, and our ability to take advantage of certain business opportunities, which could negatively impact the ability of investors to recover their investment in the Common Stock and AMC Preferred Equity Units;
- risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges;
- limitations on the availability of capital or poor financial results may prevent us from deploying strategic initiatives;
- we are currently not paying dividends and in the future may not generate sufficient cash flows or have sufficient restricted payment capacity under our Credit Agreement or the indentures governing our debt securities to pay dividends on our Common Stock and AMC Preferred Equity Units;
- our ability to recognize interest deduction carryforwards and net operating loss carryforwards to reduce our future tax liability;
- our ability to recognize certain international deferred tax assets which currently do not have a valuation allowance recorded; and
- impact of the elimination of the calculation of USD LIBOR rates on our contracts indexed to USD LIBOR.

**Operational Risks**

- risks relating to motion picture production and theatrical performance;

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- our lack of control over distributors of films;
- intense competition in the geographic areas in which we operate among exhibitors or from other forms of entertainment;
- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment;
- shrinking exclusive theatrical release windows or release of movies to theatrical exhibition and streaming platforms on the same date, and the theatrical release of fewer movies;
- AMC Stubs® A-List may not meet anticipated revenue projections, which could result in a negative impact upon operating results;
- failures, unavailability or security breaches of our information systems;
- 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;
- our ability to achieve expected synergies, benefits and performance from our strategic theatre acquisitions and strategic initiatives;
- the risk of severe weather events or other events caused by climate change disrupting or limiting operations;
- general and international economic, political, regulatory, social and financial market conditions, including potential economic recession, inflation, and other risks that may negatively impact discretionary income and our operating revenues and attendance levels;
- the availability and/or cost of energy in Europe may negatively impact our operating results;
- supply chain disruptions, labor shortages, and inflation may negatively impact our operating results; and
- optimizing our theatre circuit through new construction and the transformation of our existing theatres may be subject to delay and unanticipated costs.

### **Regulatory Risks**

- general and international economic, political, regulatory, social and financial market conditions, including potential economic recession, inflation, and other risks that may negatively impact discretionary income and our operating revenues and attendance levels;
- review by antitrust authorities in connection with acquisition opportunities;
- risks relating to the incurrence of legal liability, including costs associated with ongoing securities class action lawsuits;
- increased costs in order to comply or resulting from a failure to comply with governmental regulation, including the General Data Protection Regulation (“GDPR”) and all other current and pending privacy and data regulations in the jurisdictions where we have operations; and
- 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) completed accession talks at NATO headquarters in Brussels on July 4, 2022 and NATO ambassadors signed the accession protocols on July 5, 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.

### **Risks Related to our Shares**

- there has been significant recent dilution and there may continue to be additional future dilution of our Common Stock and AMC Preferred Equity Units, which could adversely affect the market price of shares of our Common Stock and AMC Preferred Equity Units. The risks of future dilution must also be weighed against the risks of failing to increase our authorized shares, each of which could adversely affect the market price of shares of our Common Stock and AMC Preferred Equity Units;
- the Special Meeting and the Charter Amendment Proposals, including the recent shareholder litigation seeking to prevent the conversion of AMC Preferred Equity Units into Common Stock without separate Common Stock class approval at the Special Meeting, could cause extreme volatility in our Common Stock

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and AMC Preferred Equity Units and may adversely affect the market price of our Common Stock and/or AMC Preferred Equity Units;

- if the Charter Amendment Proposals are approved, our authorized but unissued shares of Common Stock will increase, which could lead to the issuance of additional shares of Common Stock or securities convertible into Common Stock, which may have a dilutive effect on earnings per share and the relative voting power and may cause a decline in the trading price of the Common Stock;
- the market prices and trading volumes of our shares of Common Stock and AMC Preferred Equity Units, have experienced, and may continue to experience, extreme volatility, which could cause purchasers of our Common Stock and AMC Preferred Equity Units to incur substantial losses;
- a “short squeeze” due to a sudden increase in demand for shares of our Common Stock that largely exceeds supply and/or focused investor trading in anticipation of a potential short squeeze have led to, may be currently leading to, and could again lead to, extreme price volatility in shares of our Common Stock and the price of the AMC Preferred Equity Units may also be subject to similar dynamics and volatility;
- there is no guarantee that our retail stockholders will continue to support AMC in the future, and negative sentiment among AMC’s retail stockholder base in the future could have a material adverse impact on the market prices of the Common Stock and AMC Preferred Equity Units and your investment therein;
- future offerings of debt, which would be senior to our Common Stock and AMC Preferred Equity Units upon liquidation, and/or other preferred equity securities, which may be senior to our Common Stock and AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our Common Stock and AMC Preferred Equity Units;
- 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;
- an issuance of preferred stock, including the Series A Convertible Participating Preferred Stock (represented by AMC Preferred Equity Units), could dilute the voting power of the common stockholders and adversely affect the market value of our Common Stock and AMC Preferred Equity Units;
- information available in public media that is published by third parties, including blogs, articles, online forums, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate; and
- increases in market interest rates may cause potential investors to seek higher returns and therefore reduce demand for our Common Stock and our AMC Preferred Equity Units, which could result in a decline in the market price of our Common Stock and our AMC Preferred Equity Units.

**Risk Related to the COVID-19 Pandemic**

***The COVID-19 pandemic has disrupted our business and will continue to adversely affect our business, theatres, results of operations and liquidity.***

The COVID-19 pandemic has had and will continue to have a significant and adverse impact on our business.

After reopening substantially all of our theatres over the course of 2021, we are not generating the attendance and revenue from admissions and food and beverage sales compared to historical levels. The extent of our cash burn in the future will primarily be dependent on attendance, which drives admission, food and beverage, and other revenue. We cannot predict with certainty when or if our business will return to closer to normal levels.

While we plan to closely monitor our costs to the extent possible, we continue to incur significant cash outflows, including interest payments, taxes, critical maintenance capital expenditures, and certain compensation and benefits payments.

With the changing operating landscape for the film exhibition industry following the COVID-19 pandemic, we may face difficulty in maintaining relationships with our landlords, vendors, motion picture distributors, customers, and employees. Since the outbreak of the COVID-19 virus, movie studios have, at various times, suspended production of movies and delayed the release date of movies. Some movie studios have also reduced or eliminated the theatrical exclusive release window or have skipped a theatrical release and released

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their movies through streaming or other channels, or have announced that future theatrical releases will be released concurrently through streaming channels, and studios may continue to do so with additional releases.

Significant impacts on our business caused by changes in the film exhibition industry during the course of, and after, the COVID-19 pandemic include and are likely to continue to include, among others:

- lack of availability of films in the short or long term, including as a result of release of scheduled films on alternative channels;
- decreased attendance at our theatres, including due to changes in consumer behavior in favor of viewing feature-length movies at home on directly to video streaming or PVOD platforms or spending on alternative forms of entertainment;
- increased operating costs resulting from additional regulatory requirements enacted in response to the COVID-19 pandemic and from precautionary measures we voluntarily take at our facilities to protect the health and well-being of our customers and employees;
- our ability to negotiate favorable rent payment terms with our landlords;
- unavailability of employees due to general shortages in the labor market;
- supply chain disruptions that may continue to affect the availability and costs of food, beverage, and other items that we sell in our theatres;
- increased risks related to employee matters, including increased employment litigation and claims relating to terminations and vaccination or testing requirements;
- reductions and delays associated with planned operating and capital expenditures;
- further impairment charges upon a portion of our goodwill, long-lived assets or intangible assets as consequence of failure to meet operating projections and other adverse events or circumstances, as a result of the impact on our prior impairment analysis due to delays in theatre reopenings or future interruptions in operations, which could be material to our results of operations and financial condition;
- our inability to generate significant cash flow from operations if our theatres continue to operate at significantly lower than historical levels, which could lead to a substantial increase in indebtedness and negatively impact our ability to comply with the financial covenants, as applicable, in our debt agreements;
- our inability to access lending, capital markets and other sources of liquidity, if needed, on reasonable terms, or at all, or obtain amendments, extensions and waivers of financial maintenance covenants, among other material terms;
- our inability to effectively meet our short- and long-term obligations; and
- our inability to service our existing and future indebtedness or other liabilities, the failure of which could result in insolvency proceedings and result in a total loss of your equity investment.

The COVID-19 pandemic (including governmental responses, broad economic impacts and market disruptions) has heightened the risks related to the other risk factors described herein.

### **Financial Risks**

***In the absence of significant increases in operating revenues and attendance from current levels, or obtaining significant additional sources of liquidity, an investment in our Common Stock and AMC Preferred Equity Units is highly speculative; holders of our Common Stock and AMC Preferred Equity Units could suffer a total loss of their investment.***

To remain viable beyond the next twelve months, the Company will require additional sources of liquidity, reductions or abatements of its rent obligations and/or significant increases in operating revenues and attendance levels, see Liquidity and Capital Resources-For the Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021 included in Part II, Item 7 thereof for further information regarding operating revenue and

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attendance assumptions. The required amounts of additional liquidity may be material. Although the Company believes that cash flow from operations and the liquidity under its borrowing facilities will be sufficient to meet its material cash requirements over the next twelve months, it is actively continuing to explore additional sources of liquidity. The Company is unable to determine at this time whether any additional sources of liquidity will be available to it or if available, individually or taken together, will be sufficient to address its potential liquidity needs. There is significant uncertainty as to whether these potential sources of liquidity will be realized or that they will be sufficient to generate the material amounts of additional liquidity that may be required until the Company is able to achieve more normalized levels of attendance and operating revenues. Any individual source of liquidity that the Company is pursuing may not be sufficient to address all the Company's future liquidity requirements, and even if all of the potential sources of liquidity that the Company is pursuing are available, they may not be sufficient to address the Company's liquidity requirements. Further, any relief provided by lenders, governmental agencies, and business partners may not be adequate and may include onerous terms, particularly if we face additional rounds of suspension of operations at our theatres, scheduled film releases fail to drive increased operating revenues and attendance, scheduled releases are postponed or moved to the home video market, or if the attendance levels of, and revenues generated by, our theatres normalize at a level that will not support our substantial amount of indebtedness, rent liabilities or other obligations. Due to these factors, if the Company is unable to obtain the necessary additional sources of liquidity, an investment in our Common Stock and AMC Preferred Equity Units is highly speculative.

In the event the Company's operating revenues and attendance levels do not continue to increase significantly from 2021 and 2022 levels to pre-COVID-19 levels, we would seek to negotiate with creditors changes to our balance sheet liabilities and continue to take steps to reach agreements with our landlords to reduce or abate its rent obligations. Ultimately, if operating revenues and attendance levels do not normalize and we are unsuccessful in restructuring our liabilities, we would face the risk of a future liquidation or bankruptcy proceeding, in which case holders of the Company's Common Stock and AMC Preferred Equity Units would likely suffer a total loss of their investment.

***Our substantial level of indebtedness and our current liquidity constraints could adversely affect our financial condition and our ability to service our indebtedness, which could negatively impact your ability to recover your investment in the Common Stock and AMC Preferred Equity Units.***

We have a substantial amount of indebtedness, which requires significant interest payments. As of December 31, 2022, we had outstanding approximately \$5,140.8 million of indebtedness (\$4,949.0 million aggregate principal amount) and \$58.8 million of existing finance lease obligations. As of December 31, 2022, we also had approximately \$4.8 billion of discounted rental payments under operating leases (with a weighted average remaining lease term of 9.4 years).

Including repayments of deferred lease amounts, the Company's cash expenditures for rent increased substantially in the second, third and fourth quarters of 2021 and throughout 2022 as previously deferred rent payments and landlord concessions started to become current obligations. 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. As a result, deferred lease amounts were approximately \$157.2 million as of December 31, 2022. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for a summary of the estimated future repayment terms for the deferred lease amounts due to COVID-19.

Our substantial level of indebtedness and the current constraints on our liquidity could have important consequences, including the following:

- we entered into the Ninth Amendment (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof), pursuant to which the requisite revolving lenders party thereto agreed to extend the fixed date for the termination of the suspension period for the financial covenant applicable to the Senior Secured Revolving Credit Facility from March 31, 2021 to March 31, 2022, which was further extended by the Eleventh Amendment (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof) and Twelfth Amendment from March 31, 2022 to March 31, 2023 and then from March 31, 2023 to March 31, 2024, respectively, in each case, as described, and on the terms and conditions specified, therein, including a minimum liquidity requirement of \$100 million during the covenant suspension period. A breach of any

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condition to the financial covenant suspension set forth in the Credit Agreement may result in an event of default under the Credit Agreement or resume testing of the financial covenant;

- we must use a substantial portion of our cash flow from operations to pay interest and principal on our indebtedness, which reduces or will reduce funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes and potential acquisitions;
- our ability to refinance such indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired;
- we are exposed to fluctuations in interest rates because our senior credit facilities have variable rates of interest;
- our leverage may be greater than that of some of our competitors, which may put us at a competitive disadvantage and reduce our flexibility in responding to current and changing industry and financial market conditions;
- the loss of tax attributes resulting from the cancellation of indebtedness that occurred in connection with the exchange offers that closed on July 31, 2020, coupled with the inability to deduct all or significant portions of our interest expense for tax purposes, will ultimately increase the need to generate revenues to support our capital structure;
- there are significant constraints on our ability to generate liquidity through incurring additional debt; and
- we may be more vulnerable to economic downturn and adverse developments in our business, including potential economic recession, inflation, and other risks that may negatively impact discretionary income and our operating revenues, and attendance levels.

We and our subsidiaries may be able to incur additional indebtedness in the future, subject to the restrictions contained in the agreements governing our indebtedness. To the extent new indebtedness is added to our debt levels, including as a result of satisfying interest payment obligations on certain of our indebtedness with payments-in-kind, the related risks that we now face could intensify. Our ability to access funding under our revolving credit facilities will depend upon, among other things, the absence of an event of default under such indebtedness, including any event of default arising from a failure to comply with the related covenants. If we are unable to comply with our covenants under our indebtedness, our liquidity may be further adversely affected.

Our ability to meet our expenses, to remain in compliance with our covenants under our debt instruments and to make future principal and interest payments in respect of our debt depends on, among other factors, our operating performance, competitive developments and financial market conditions, all of which are significantly affected by financial, business, economic and other factors. We are not able to control many of these factors. Given current industry and economic conditions, our cash flow may not be sufficient to allow us to pay principal and interest on our debt and meet our other obligations.

To the extent our relationship with lenders is negatively affected by disputes that may arise from time to time, it may be more difficult to seek covenant relief, if needed, or to raise additional funds in the future.

### ***We may incur future impairment charges to goodwill or long-lived assets and future theatre and other closure charges.***

We have a significant amount of goodwill on our balance sheet as a result of acquisitions. As of December 31, 2022, goodwill recorded on our consolidated balance sheet totaled \$2,342.0 million. If the market price of our Common Stock or AMC Preferred Equity Units declines, if the fair value of our debt declines, or if other events or circumstances change that would more likely than not reduce the fair value of our reporting units below their respective carrying value, all or a portion of our goodwill may be impaired in future periods.

We review long-lived assets, including goodwill, indefinite-lived intangible assets and other intangible assets and theatre assets (including operating lease right-of-use lease assets) whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The review for goodwill compares the fair value for each of our reporting units to their associated carrying value. Factors that could lead to impairment of goodwill and intangible assets include adverse industry or economic trends, reduced estimates of future cash flows, and declines

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in the market price of our Common Stock or AMC Preferred Equity Units or declines in the fair value of our debt. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance, including estimating the fair value of our corporate borrowings and finance lease obligations. We may be required to record future charges to earnings during the period in which an impairment of goodwill or intangible assets is determined to exist. During the years ended December 31, 2022, December 31, 2021, and December 31, 2020, we recorded impairment of long-lived asset charges of \$133.1 million, \$77.2 million, \$177.9 million, respectively. The assets impaired during year 2022 included 68 theatres in the U.S. markets with 817 screens and 53 theatres in the International markets with 456 screens. No goodwill non-cash impairment charges were recorded for the years ended December 31, 2022 and December 31, 2021 as we determined it was not more likely than not that the fair value of our reporting units was below their respective carrying values. During the year ended December 31, 2020, we recorded goodwill non-cash impairment charges of \$1,276.1 million and \$1,030.3 million related to the enterprise fair values of the Domestic Theatres and International Theatres reporting units, respectively. We recorded non-cash impairment charges related to indefinite-lived intangible assets of \$12.5 million and \$2.7 million related to the Odeon and Nordic trade names, respectively, in the International Theatres reporting unit during the year ended December 31, 2020. We recorded non-cash impairment charges of \$14.4 million related to our definite-lived intangible assets in the Domestic Theatres reporting unit during the year ended December 31, 2020. We also recorded impairment of other assets recorded in investment expense (income) of \$15.9 million during the year ended December 31, 2020 and impairment of equity method investments recorded in equity in (earnings) loss of non-consolidated entities of \$8.6 million during the year ended December 31, 2020.

### ***Limitations on the availability of capital and reductions to capital expenditures may delay or prevent deployment of strategic initiatives.***

Implementation of our key strategic initiatives, including recliner seating, enhanced food and beverage and premium sight and sound, require significant capital expenditures. Our gross capital expenditures were approximately \$202.0 million, \$92.4 million, and \$173.8 million for the years ended December 31, 2022, December 31, 2021 and, December 31, 2020, respectively. We estimate that our cash outflows for capital expenditures, net of landlord contributions, will be approximately \$150 million to \$200 million for the year ending December 31, 2023 to maintain and enhance operations. A lack of available capital resources due to business performance or other financial commitments could prevent or delay the deployment of innovations in our theatres. We may reduce capital expenditures significantly or seek additional financing or issue additional securities, which may affect the timing and scope of growth strategy. We cannot be certain that we will be able to obtain new financing on favorable terms, or at all. In addition, covenants under our existing indebtedness limit our ability to incur additional indebtedness, and the performance of any additional or improved theatres may not be sufficient to service the related indebtedness that we are permitted to incur.

### ***We are currently not paying dividends and in the future may not generate sufficient cash flows or have sufficient restricted payment capacity under our Credit Agreement or the indentures governing our debt securities to pay dividends on our Common Stock and AMC Preferred Equity Units.***

We currently are not paying a cash dividend. We are only able to pay dividends from our available cash on hand and funds received from our subsidiaries. Our subsidiaries' ability to make distributions to us will depend on their ability to generate substantial operating cash flow. Our ability to pay dividends to our stockholders in the future is subject to the terms of our Credit Agreement and the indentures governing our outstanding notes. Our operating cash flow and ability to comply with restricted payment covenants in our debt instruments will depend on our future performance, which will be subject to prevailing economic conditions and to financial, business and other factors beyond our control. In addition, dividend payments are not mandatory or guaranteed, and our board of directors may determine not to resume the payment of dividends. We may not pay dividends as a result of the following additional factors, among others:

- we are not legally or contractually required to pay dividends;
- even if we determine to resume paying cash dividends, the actual amount of dividends distributed and the decision to make any distribution is entirely at the discretion of our board of directors and future dividends, if any, will depend on, among other things, our results of operations, cash requirements, financial condition, business opportunities, provisions of applicable law and other factors that our board of directors may deem relevant;
- the amount of dividends distributed is and will be subject to contractual restrictions under the restrictive payment covenants contained in the indentures governing our debt securities, the terms of our Credit



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Agreement, and the terms of any other outstanding or future indebtedness incurred by us or any of our subsidiaries; and

- the amount of dividends distributed is subject to state law restrictions.

***A significant portion of our net operating loss carryforwards have been reduced, which limits our ability to reduce our future tax liability, which may adversely affect our cash flows and therefore our ability to service our indebtedness.***

In connection with the exchange offers and related financing transactions that closed on July 31, 2020, we realized approximately \$1.2 billion of CODI. As a result of such CODI, we eliminated \$1.2 billion of our net operating loss carryforwards through tax attribute reduction. The Tax Cuts and Jobs Act legislation (the “2017 Tax Act”) together with the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) included a number of significant tax provisions including (1) limiting business interest deductions to 30%, 50%, 50% and 30% of taxable EBITDA for years 2018, 2019, 2020 and 2021, respectively, (2) limiting interest deductions for 2022 and thereafter to 30% of taxable EBIT, (3) limiting the utilization of net operating losses generated in calendar year 2018 and thereafter to 80% of taxable income for years after 2020, (4) providing an indefinite carryover period for interest expense carryforwards and net operating losses generated in calendar year 2018 and thereafter, and (5) adding disallowed business interest carryforwards to the list of items subject to the annual limitation rules for corporations that undergo an “ownership change” within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”).

Utilization of our net operating loss carryforwards, disallowed business interest carryforward and other tax attributes became subject to the Section 382 ownership change limitation due to changes in our stock ownership on January 29, 2021. We do not believe, however, that our remaining tax attributes generated prior to this event are significantly limited by Section 382.

The loss of tax attributes as a result of CODI and related attribute reduction may adversely affect our cash flows and therefore our ability to service our indebtedness. For information regarding the remaining significant amount of net operating loss carryforwards, see Note 10-Income Taxes in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof.

***The value of our deferred tax assets may not be realizable to the extent our future profits are less than we have projected and we may be required to record valuation allowances against previously-recorded deferred tax assets, which may have a material adverse effect on our results of operations and our financial condition.***

Our income tax expense includes deferred income taxes arising from changes in temporary differences between the financial reporting and the tax bases of assets and liabilities, credit carryforwards, interest expense carryforwards and net operating losses. We evaluate the realizability of our deferred income tax assets and assess the need for a valuation allowance jurisdiction by jurisdiction on an ongoing basis. In evaluating our deferred income tax assets, we consider whether it is more likely than not that the deferred income tax asset will be realized. The ultimate realization of our deferred income tax assets depends upon generating sufficient future taxable income during the periods in which our temporary differences become deductible and before our tax credit and net operating loss carryforwards expire. Our assessment of the realizability of our deferred income tax assets requires significant judgement. If we fail to achieve our projections or if we need to lower our projections, we may not have sufficient evidence of our ability to realize our deferred tax assets and we may need to increase our valuation allowance.

Our U.S. cumulative pretax losses have raised uncertainty about the likelihood of realizing our deferred tax assets, and as a result, we maintain a valuation allowance against all of the U.S. deferred tax assets and liabilities, except those deemed indefinite-lived. For the year ended December 31, 2022, our domestic cumulative pre-tax losses continue to raise uncertainty about the likelihood of realizing our deferred tax assets. For our U.S. jurisdiction, we recorded a net increase in valuation allowance of \$350.0 million and total tax expense of \$1.0 million for 2022. During the first quarter of 2020, the severe impact of the COVID-19 pandemic on operations in Germany and Spain caused us to conclude the realizability of deferred tax assets held in those jurisdictions does not meet the more likely than not standard. As such, a charge of \$33.1 million and \$40.1 million was recorded for Germany and Spain, respectively. At December 31, 2020 year-end, we determined that it was appropriate to record a valuation allowance on the disallowed interest carryforward in Sweden as the realizability of this deferred tax asset in this jurisdiction does not meet the more likely than not standard. As such, the overall net tax benefit recorded on Sweden was reduced by a charge of \$3.7 million. During 2021, we recorded a valuation allowance on all other deferred tax assets in Sweden, resulting in a charge of less than \$1 million. With the exception of Finland, all other international jurisdictions carried valuation allowances against their deferred tax assets at the end of 2022.



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There are no assurances that we will not increase the valuation allowances in future periods against deferred tax expense; likewise, any decrease would result in additional deferred tax benefit.

### ***The elimination of the calculation of USD LIBOR rates may impact our contracts that are indexed to USD LIBOR.***

In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021 and the transition period has been subsequently extended through June 2023. The Alternative Reference Rates Committee (“ARRC”) has proposed that the Secured Overnight Financing Rate (“SOFR”) is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. We have material contracts that are indexed to USD-LIBOR and we are monitoring this activity and evaluating the related risks.

### **Operational Risks**

#### ***Our business depends on motion picture production and performance and is subject to intense competition, including increases in alternative film delivery methods or other forms of entertainment.***

Our ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, our ability to license motion pictures and the performance of such motion pictures in our markets. The most attended films are usually released during the summer and the calendar year-end holidays, making our business seasonal. We license first-run motion pictures, the success of which has increasingly depended on the marketing efforts of the major motion picture studios and the duration of the exclusive theatrical release windows. Poor performance of, or any disruption in the production of these motion pictures (including by reason of a strike or lack of adequate financing), a reduction in the marketing efforts of the major motion picture studios, the choice by distributors to release fewer feature-length movies theatrically, or the choice to release feature-length movies directly to video streaming or PVID platforms, either in lieu of or on the same date as a theatrical release, could hurt our business and results of operations. Conversely, the successful performance of these motion pictures, particularly the sustained success of any one motion picture, or an increase in effective marketing efforts of the major motion picture studios and extension of the exclusive theatrical release windows, may generate positive results for our business and operations in a specific fiscal quarter or year that may not necessarily be indicative of, or comparable to, future results of operations. As movie studios rely on a smaller number of higher grossing “tent pole” films there may be increased pressure for higher film licensing fees. Our loyalty program and certain promotional pricing also may affect performance and increase the cost to license motion pictures relative to revenue for admission. In addition, a change in the type and breadth of movies offered by motion picture studios and the theatrical exclusive release window may adversely affect the demographic base of movie-goers.

Our theatres are subject to varying degrees of competition in the geographic areas in which we operate. Competitors may be multi-national circuits, national circuits, regional circuits or smaller independent exhibitors. Competition among theatre exhibition companies is often intense with respect to attracting patrons, terms for licensing of motion pictures and availability and securing and maintaining desirable locations.

We also compete with other film delivery methods, including video streaming, network, syndicated cable and satellite television, as well as video-on-demand, pay-per-view services, and subscription streaming services. We also compete for the public’s leisure time and disposable income with other forms of entertainment, including sporting events, amusement parks, live music concerts, live theatre, and restaurants. An increase in the popularity of these alternative film delivery methods and other forms of entertainment could reduce attendance at our theatres, limit the prices we can charge for admission and materially adversely affect our business and results of operations.

#### ***We rely on distributors of motion pictures, over whom we have no control, for the films that we exhibit, and our business may be adversely affected if our access to motion pictures is limited or delayed.***

Our business depends on maintaining good relations with these distributors, as this affects our ability to negotiate commercially favorable licensing terms for first-run films or to obtain licenses at all. With only seven movie studio distributors representing approximately 88% of our U.S. markets’ box office revenues in 2022 and 4 movie studio distributors representing approximately 73% of our International markets’ box office revenues in 2022, there is a high level of concentration and continued consolidation in the industry. Our business may be adversely affected if our access to motion pictures is limited or delayed because of deterioration in our relationships with one or more distributors or for

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some other reason. To the extent that we are unable to license a popular film for exhibition in our theatres, our operating results may be adversely affected.

***Our results of operations will be impacted by shrinking theatrical exclusive release windows and other practices adopted by movie studios.***

Over the last decade, the average theatrical exclusive release window, which represents the time that elapses from the date of a film's theatrical release to the date a film is available to consumers in-home, has decreased from approximately four months to approximately one-and-one half months. Additionally, during the COVID-19 pandemic, certain movie studios adopted strategies that have eliminated the theatrical exclusive release window. While this trend has diminished in 2022 as the COVID-19 pandemic has diminished, studios may adopt similar strategies in the future that shorten or eliminate the theatrical release window. These practices have significantly impacted our revenues and are expected to continue to have an adverse impact on our business and results of operations going forward.

***We rely on our information systems to conduct our business, and any failure to protect these systems against security breaches or failure of these systems themselves could adversely affect our business, results of operations and liquidity and could result in litigation and penalties. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.***

Potential cyber security incidents could interfere with our business and operations. Computer hacking, installation of malware, installation of ransomware, phishing, and spamming attacks against online networking platforms have become more prevalent and more sophisticated. Though it is difficult to determine what, if any, harm may directly result from any specific attack or interruption, such events could also be expensive to remedy, harm our reputation or brands, lead users to lose trust and confidence in our business, and/or result in costly fines, penalties, and costly remediation requirements. We, and others on our behalf, also store "personally identifiable information" ("PII") with respect to employees, vendors, customers, and others. While we have implemented safeguards to protect the privacy of this information, there is still a risk that hackers or others might obtain this information, which would result in potentially costly remedial action, as well as potential fines, penalties, lawsuits, and reputational damage.

Furthermore, we rely on our information systems and those of third parties for storing proprietary company information about our products and intellectual property, as well as for processing patron purchases, loyalty program activity, supporting accounting functions and financial statement preparation, paying our employees, and otherwise running our business. In addition, we may need to enhance our information systems to provide additional capabilities and functionality. The implementation of new information systems and enhancements is frequently disruptive to the underlying business of an enterprise. Any disruptions affecting our ability to accurately report our financial performance on a timely basis could adversely affect our business in a number of respects. If we are unable to successfully implement potential future system enhancements, our financial position, results of operations, and cash flows could be negatively impacted.

***We depend on key personnel for our current and future performance.***

Our current and future performance depends to a significant degree upon the retention of our senior management team and other key personnel. The loss or unavailability of any member of our senior management team or a key employee could have a material adverse effect on our business, financial condition, and results of operations. We cannot give assurance that we would be able to locate or employ qualified replacements for senior management or key employees on acceptable terms.

***Supply chain disruptions, labor shortages, 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

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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.

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, including the availability and/or cost of energy in Europe, 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.

***Optimizing our theatre circuit through new construction and the transformation of our existing theatres may be subject to delay and unanticipated costs.***

The availability of attractive site locations for new construction is subject to various factors that are beyond our control. These factors include:

- local conditions, such as scarcity of space or increase in demand for real estate, demographic changes and changes in zoning and tax laws; and
- competition for site locations from both theatre companies and other businesses.

We typically require 18 to 24 months in the United States from the time we reach an agreement with a landlord to when a theatre opens. This timeframe may vary in international markets.

In addition, the improvement of our existing theatres through our enhanced food and beverage and recliner seating and premium sight and sound initiatives is subject to substantial risks, such as difficulty in obtaining permits, landlord approvals and operating licenses (e.g. liquor licenses). We may also experience cost overruns from delays or other unanticipated costs in both new construction and facility improvements. Furthermore, our new sites and transformed locations may not perform to our expectations.

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***Climate change, adverse weather conditions and natural disasters could adversely affect our theatre operations, sales or financial results.***

Climate change and natural disasters may adversely affect our ability to keep movie theatres open and operational in affected regions and consumer ability to travel to our theatres if they are open. Relative to normal weather conditions, extended severe weather as a result of climate change can close theatres for days due to pervasive power outages, flooding, or wildfires. These severe weather events can also result in delays in the construction of new theatres, interruptions to the availability or increases in the cost of utilities, and shortages in the supply, or increases in the costs of concessions and other supplies required for operations. Additionally, the seasonal timing of severe weather patterns tends to mimic the fluctuation of our sales. With our busy season being around the winter holidays and in the summer, the risk is even greater for extended severe winter storms and increased hurricanes and tornadoes in the summer months.

**Regulatory Risks**

***General political, social and economic conditions can reduce our operating revenues and attendance.***

Our success depends on general political, social, and economic conditions and the willingness of consumers to spend money at movie theatres. If going to motion pictures becomes less popular or consumers spend less on food and beverage, our operations could be adversely affected. In addition, our operations could be adversely affected if consumers' discretionary income falls as a result of an economic downturn. Geopolitical events, including the threat of regional war, terrorism or cyber-attacks, or widespread health emergencies, such as COVID-19 or other pandemics or epidemics, could cause people to avoid our theatres or other public places where large crowds are in attendance. In addition, due to our concentration in certain markets, natural disasters such as hurricanes or earthquakes in those markets could adversely affect our overall results of operations.

***We are subject to substantial government regulation, which could entail significant cost.***

We are subject to various federal, state and local laws, regulations and administrative practices both domestically and internationally affecting our business, and we must comply with provisions regulating antitrust, customary health and sanitation standards and those imposed as a result of the COVID-19 pandemic, equal employment, environmental, licensing for the sale of food and, in some theatres, alcoholic beverages, and data protection and privacy laws, including GDPR, and all other current and pending privacy and data regulations in the jurisdictions where we have operations. Our new theatre openings could be delayed or prevented or our existing theatres could be impacted by difficulties or failures in our ability to obtain or maintain required approvals or licenses. Changes in existing laws or implementation of new laws, regulations and practices could have a significant impact on our business. A significant portion of our theatre level employees are part-time workers who are paid at or near the applicable minimum wage in the theatre's jurisdiction. Increases in the minimum wage and implementation of reforms requiring the provision of additional benefits will increase our labor costs.

We own and operate facilities throughout the United States and various international markets throughout Europe and are subject to the environmental laws and regulations of those jurisdictions, particularly laws governing the cleanup of hazardous materials and the management of properties. We might in the future be required to participate in the cleanup of a property that we own or lease, or at which we have been alleged to have disposed of hazardous materials from one of our facilities. In certain circumstances, we might be solely responsible for any such liability under environmental laws, and such claims could be material.

In the United States, our theatres must comply with Title III of the Americans with Disabilities Act of 1990 ("ADA"). Compliance with the ADA requires that public accommodations, including websites and mobile apps for such public accommodations, "reasonably accommodate" individuals with disabilities and that new construction or alterations made to "commercial facilities" conform to accessibility guidelines unless "structurally impracticable" for new construction or technically infeasible for alterations. Non-compliance with the ADA could result in the imposition of injunctive relief, fines, and an award of damages to private litigants or additional capital expenditures to remedy such non-compliance, any of which could have a material adverse effect on our operations and financial condition. In Europe, all territories have similar national regulations relating to disabilities that our theatres operate in accordance with. Non-compliance with these regulations could carry financial, operational and reputation risks.

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***We are subject to complex taxation, changes in tax rates, adoption of new United States, European Union or international tax legislation and disagreements with tax authorities that could adversely affect our business, financial condition or results of operations.***

We are subject to many different forms of taxation in both the United States and in foreign jurisdictions where we operate. Current economic and political conditions, including Brexit and Organization for Economic Co-operation and Development's ("OECD"), proposed recommendations around taxation in the Digital Economy, make tax rates, transfer pricing compliance and tax regulations, including in the United States, United Kingdom, and European Union subject to significant change. Recent examples include the Court of Justice of the European Union narrowing the EU Interest & Royalty withholding directive, OECD recommendations on Base Erosion and Profit Shifting ("BEPS") including new rules for the allocation of multinational organization profits between countries and a global minimum tax rate, the European Commission's Anti-Tax Avoidance Package, the U.S. Tax Cuts and Jobs Act signed into law in December 2017, and the CARES Act.

The cost of compliance with these laws and regulations is high and is likely to increase in the future. Any failure on our part to comply with these laws and regulations can result in negative publicity and diversion of management time and effort and may subject us to significant liabilities and other penalties.

***The legal regimes governing our international business operations could require our international subsidiaries or their directors to pursue insolvency proceedings.***

The legal regimes governing certain of our international subsidiaries (including Germany, Spain, Portugal, Norway and Sweden) impose on directors an obligation to pursue insolvency proceedings in certain circumstances. There are various potential triggers including illiquidity, over-indebtedness and inadequate capitalization. If our international subsidiaries were required to (and did) pursue insolvency proceedings, that could in turn trigger events of default under our international senior secured notes and/or have other material adverse effects on our business and financial position, including additional insolvency proceedings.

***We may be reviewed by antitrust authorities.***

Given our size and market share, pursuit of acquisition opportunities that would increase the number of our theatres in markets where we have a leading market share would likely result in significant review by antitrust regulators in the applicable jurisdictions, and we may be required to dispose of theatres in order to complete such acquisition opportunities. As a result, we may not be able to succeed in acquiring other exhibition companies or we may have to dispose of a significant number of theatres in key markets in order to complete such acquisitions.

We operate in a consolidating industry that is scrutinized from time to time for compliance with antitrust and competition laws, including currently dormant investigations into film clearances and joint ventures among competing exhibitors. If we were found to have violated antitrust laws, it could have a material adverse effect on our operations and financial condition.

***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, 24.3% of our revenues were derived from countries outside the United States for the year ended December 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) and their potential accession to NATO, 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;

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- 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.

**Risk Related to our Share Issuances**

***There has been significant recent dilution and there may continue to be additional future dilution of our Common Stock and AMC Preferred Equity Units, which could adversely affect the market price of shares of our Common Stock and AMC Preferred Equity Units. The risks of future dilution must also be weighed against the risks of failing to increase our authorized shares of Common Stock, each of which could adversely affect the market price of shares of our Common Stock and AMC Preferred Equity Units.***

From January 1, 2020 through February 22, 2023, the outstanding shares of our Common Stock have increased by 459,834,339 shares in a combination of at-the-market sales, conversion of Class B common stock, conversion of notes, exchanges of notes, transaction fee payments, and equity grant vesting. On August 19, 2022, the Company issued a dividend of one AMC Preferred Equity Unit for each share of Common Stock outstanding at the close of business on August 15, 2022, which resulted in the issuance of 516,820,595 AMC Preferred Equity Units. From August 19, 2022 through February 22, 2023, we issued 413,029,017 AMC Preferred Equity Units in combination of at-the-market sales, exchanges of debt, private placement transactions, and equity grant vesting. As of February 22, 2023, there were

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517,580,416 shares of Common Stock and 929,849,612 AMC Preferred Equity Units issued and outstanding. Pursuant to our strategy to enhance our liquidity, we intend to issue preferred equity securities or securities convertible into, or exchangeable for, or that represent the right to receive, shares of Common Stock. If, in the future, we obtain shareholder approval to amend our certificate of incorporation to increase our authorized shares, including if the Charter Amendment Proposals are approved by our stockholders at the Special Meeting, we may issue additional shares of Common Stock to raise cash to bolster our liquidity, to refinance indebtedness, for working capital, to finance strategic initiatives and future acquisitions or for other purposes. We may also acquire interests in other companies, or other assets by using a combination of cash and shares of Common Stock or AMC Preferred Equity Units, or just shares of Common Stock. Additionally, vesting under our equity compensation programs results in the issuance of new shares of Common Stock and AMC Preferred Equity Units and shares withheld to cover tax withholding obligations upon vesting remain available for future grants. Any of these events may dilute the ownership interests of current stockholders, reduce our earnings per share or have an adverse effect on the price of our shares of Common Stock and AMC Preferred Equity Units.

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which the Series A Convertible Participating Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company has called a special meeting to be held on March 14, 2023 (the “Special Meeting”) to obtain the requisite stockholder approval of the Charter Amendment Proposals. If the Charter Amendment Proposals are approved by our stockholders, we will have additional authorized but unissued Common Stock that may be used in the future for at-the-market sales, exchanges of notes, private placement transactions, equity grant vesting and other dilutive issuances. These future issuances may be dilutive and result in a decline in the market price of our Common Stock.

If we are unable to obtain shareholder approval to increase our authorized shares, including pursuant to the Charter Amendment Proposals, this will create substantial risks, which could have an adverse effect on the price of our shares of Common Stock and AMC Preferred Equity Units, including:

- we will be limited in our ability to issue equity to bolster our liquidity and respond to future challenges, including if operating revenues and attendance levels do not return to the levels assumed;
- for future financing, we may be required to issue additional debt, which may be unavailable on favorable terms or at all, which would exacerbate the challenges created by our high leverage;
- we may be unable to issue equity in deleveraging transactions, including exchanges, redemptions or buy-backs of debt, which will limit our flexibility to deliver; and
- we may be unable to issue equity as currency in strategic transactions, including acquisitions, joint ventures or in connection with landlord negotiations, which may prevent us from entering into transactions that could increase shareholder value.

***The Special Meeting and the Charter Amendment Proposals could cause extreme volatility in our Common Stock and AMC Preferred Equity Units and may adversely affect the market price of our Common Stock and/or AMC Preferred Equity Units.***

At the Special Meeting, all holders of our shares of Common Stock and holders of shares of Series A Convertible Participating Preferred Stock (which are represented by AMC Preferred Equity Units) on the books of Computershare Trust Company, N.A. as of the record date for the Special Meeting will be entitled to vote on the Charter Amendment Proposals. If stockholders approve the Charter Amendment Proposals, upon the effectiveness of the Charter Amendment Proposals, the AMC Preferred Equity Units will be automatically converted into shares of our Common Stock and the AMC Preferred Equity Units will cease trading and be delisted from the NYSE. The effect of the Charter Amendment Proposals, including the Reverse Split Proposal (as defined in Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof), upon the market price of our Common Stock cannot be predicted with certainty. Given the current disparity in the trading prices of the AMC Preferred Equity Units and the Common Stock, the conversion of AMC Preferred Equity Units into Common Stock could adversely affect the market price of the Common Stock. Conversely, if the Charter Amendment Proposals are not approved, the AMC Preferred Equity Units will not convert into shares of Common Stock, which could also adversely affect the market price of the AMC Preferred Equity Units, cause extreme volatility, make it difficult to raise additional equity without causing significant economic dilution to the Common Stock, which could also adversely affect the market price of the Common Stock. If the Charter Amendment Proposals are not approved, the Company may not make another proposal with respect to the common stock amendment, or it may be some time before any such proposal is made, although such determination will be made by the Company’s Board at its sole discretion.



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In addition, the results of reverse stock splits by companies in the past have been varied. There can be no assurance that the total market capitalization of our Common Stock after the Reverse Split Proposal (if approved) (the “Reverse Stock Split”) will be equal to or greater than the total market capitalization before the Reverse Stock Split or that the per share market price of our Common Stock following the Reverse Stock Split will increase in proportion to the reduction in the number of shares of Common Stock outstanding before the Reverse Stock Split. Further, the market price and trading volume of our shares of Common Stock has been subject to extreme volatility and approval of the Charter Amendment Proposals, including the Reverse Stock Split, may increase such volatility, with a decline in the market price of our Common Stock after the Reverse Stock Split resulting in a greater percentage decline than would occur in the absence of a Reverse Stock Split.

On February 20, 2023, two putative stockholder class actions were filed in the Delaware Court of Chancery, captioned Allegheny County Employees’ Retirement System v. AMC Entertainment Holdings, Inc., et al., C.A. No. 2023-0215-MTZ (Del. Ch.) (the “Allegheny Action”), and Munoz v. Adam M. Aron, et al., C.A. No. 2023-0216-MTZ (Del. Ch.) (the “Munoz Action” and together with the Allegheny Action, the “Shareholder Lawsuits”). See Note 11-Commitments and Contingencies for additional information about the Shareholder Lawsuits. While we will vigorously contest the Shareholder Lawsuits, the outcome of the Shareholder Lawsuits, or any similar future lawsuits, is uncertain. In addition, while we anticipate that the Special Meeting will still be held on March 14, 2023, we will not be able to implement the Charter Amendment Proposals pending a ruling by the court on the plaintiff’s to-be-filed preliminary injunction motion, which may substantially delay or prevent the conversion of AMC Preferred Equity Units into Common Stock. If the plaintiffs are successful in obtaining injunctive or other relief restraining, delaying, enjoining or otherwise prohibiting the Charter Amendment Proposals from going into effect, this would likely adversely affect the market price of the AMC Preferred Equity Units, cause extreme volatility, make it difficult to raise additional equity without causing significant economic dilution to both the AMC Preferred Equity Units and the Common Stock, which could also adversely affect the market price of the Common Stock. If the plaintiffs are successful in their claim for breach of 8 Del. C. § 242(b), we may be prohibited from issuing additional AMC Preferred Equity Units which would substantially harm our ability to generate additional liquidity, reduce our debt or engage in strategic transactions.

***The market prices and trading volumes of our shares of Common Stock and AMC Preferred Equity Units have experienced, and may continue to experience, extreme volatility, which could cause purchasers of our Common Stock and AMC Preferred Equity Units to incur substantial losses.***

The market prices and trading volume of our shares of Common Stock and AMC Preferred Equity Units have been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. Because each AMC Preferred Equity Unit initially represents the right to receive one share of our Common Stock upon effectiveness of the common stock amendment, and is otherwise designed to bear equivalent economic and voting rights as described herein, the market price of the AMC Preferred Equity Units may be correlated with the market price of our Common Stock. The market prices and trading volume of our shares of Common Stock have experienced, and may continue to experience extreme volatility, which could cause purchasers of our Common Stock and AMC Preferred Equity Units to incur substantial losses. For example, during 2022, the market price of our Common Stock has fluctuated from an intra-day low of \$3.81 per share on December 28, 2022 to an intra-day high on the NYSE of \$17.17 on March 29, 2022. The market price of our AMC Preferred Equity Units has fluctuated from an intra-day low of \$0.65 on December 19, 2022 to an intra-day high of \$10.50 on August 22, 2022. The reported sale price of our Common Stock and AMC Preferred Equity Units on the NYSE on February 23, 2023, was \$6.23 per share and \$2.22 per share. During 2022, daily trading volume ranged from approximately 8,287,600 to 226,704,100 shares and the AMC Preferred Equity Units ranged from approximately 5,921,800 to 180,271,200.

We believe that the recent volatility and our current market prices reflect market and trading dynamics unrelated to our underlying business, or macro or industry fundamentals, and we do not know how long these dynamics will last. Under the circumstances, we caution you against investing in our Common Stock and AMC Preferred Equity Units, unless you are prepared to incur the risk of losing all or a substantial portion of your investment.

Extreme fluctuations in the market price of our Common Stock and AMC Preferred Equity Units have been accompanied by reports of strong and atypical retail investor interest, including on social media and online forums. The market volatility and trading patterns we have experienced create several risks for investors, including the following:

- the market prices of our Common Stock and AMC Preferred Equity Units have experienced and may continue to experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals, and substantial increases may be significantly inconsistent with the risks and uncertainties that we continue to face;



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- factors in the public trading market for our Common Stock and AMC Preferred Equity Units may include the sentiment of retail investors (including as may be expressed on financial trading and other social media sites and online forums), the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our Common Stock and AMC Preferred Equity Units and any related hedging and other trading factors;
- our market capitalization, as implied by various trading prices, currently reflects valuations that diverge significantly from those seen prior to recent volatility and that are significantly higher than our market capitalization immediately prior to the COVID-19 pandemic, and to the extent, these valuations reflect trading dynamics unrelated to our financial performance or prospects, purchasers of our Common Stock and AMC Preferred Equity Units could incur substantial losses if there are declines in market prices driven by a return to earlier valuations;
- to the extent volatility in our Common Stock and AMC Preferred Equity Units is caused, or may from time to time be caused, as has widely been reported, by a “short squeeze” in which coordinated trading activity causes a spike in the market price of our Common Stock and AMC Preferred Equity Units as traders with a short position make market purchases to avoid or to mitigate potential losses, investors purchase at inflated prices unrelated to our financial performance or prospects, and may thereafter suffer substantial losses as prices decline once the level of short-covering purchases has abated;
- if the market price of our Common Stock and/or AMC Preferred Equity Units declines, you may be unable to resell your shares of Common Stock or AMC Preferred Equity Units at or above the price at which you acquired them. We cannot assure you that the equity issuance of our Common Stock and AMC Preferred Equity Units will not fluctuate or decline significantly in the future, in which case you could incur substantial losses; and
- the Company will pay cash tax liabilities of an estimated \$14.0 million to cover withholding obligations upon vesting of awards under our Equity Incentive Plan in January and February of 2023. The Company will withhold shares based on historical elections by participants under the terms of the plan, equivalent to the cash tax requirements for federal, state and local withholdings, pay the required tax obligation and return the withheld shares to the Equity Incentive Plan.

We may continue to incur rapid and substantial increases or decreases in the market prices of our Common Stock and AMC Preferred Equity Units in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market price of our shares of Common Stock and AMC Preferred Equity Units may fluctuate dramatically and may decline rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market price of our Common Stock and AMC Preferred Equity Units or result in fluctuations in the price or trading volume of our Common Stock and AMC Preferred Equity Units, including:

- the ongoing impacts relating to the COVID-19 pandemic;
- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our earnings;
- our current inability to pay dividends or other distributions;
- publication of research reports by analysts or others about us or the motion picture exhibition industry, which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;
- changes in market interest rates that may cause purchasers of our shares to demand a different yield;
- changes in market valuations of similar companies;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;
- additions or departures of key personnel;
- actions by institutional or significant stockholders;
- short interest in our securities and the market response to such short interest;

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- dramatic increase or decrease in the number of individual holders of our Common Stock and AMC Preferred Equity Units and their participation in social media platforms targeted at speculative investing;
- speculation in the press or investment community about our company or industry;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business, our industry, including positions taken by the Internal Revenue Service (“IRS”);
- investigations, proceedings, or litigation that involve or affect us;
- the Charter Amendment Proposals to be voted on by our stockholders at the Special Meeting;
- the occurrence of any of the other risk factors included or incorporated by reference in this Annual Report on Form 10-K; and
- general market and economic conditions.

***A “short squeeze” due to a sudden increase in demand for shares of our Common Stock that largely exceeds supply and/or focused investor trading in anticipation of a potential short squeeze have led to, may be currently leading to, and could again lead to, extreme price volatility in shares of our Common Stock and the price of the AMC Preferred Equity Units may also be subject to similar dynamics and volatility.***

Investors may purchase shares of our Common Stock and our AMC Preferred Equity Units to hedge existing exposure or to speculate on the price of our Common Stock and our AMC Preferred Equity Units. Speculation on the price of our Common Stock and our AMC Preferred Equity Units may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our Common Stock and/or AMC Preferred Equity Units available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our Common Stock and/or AMC Preferred Equity Units for delivery to lenders of our Common Stock and/or AMC Preferred Equity Units. Those repurchases may, in turn, dramatically increase the price of shares of our Common Stock and/or AMC Preferred Equity Units until additional shares of our Common Stock and/or AMC Preferred Equity Units are available for trading or borrowing. This is often referred to as a “short squeeze.” A large proportion of our Common Stock has been in the past and may be traded in the future by short sellers, which may increase the likelihood that our Common Stock or AMC Preferred Equity Units will be the target of a short squeeze, and there is widespread speculation that the trading price of our Common Stock is or has been from time to time the result of a short squeeze. A short squeeze and/or focused investor trading in anticipation of a short squeeze have led to, may be currently leading to, and could again lead to volatile price movements in shares of our Common Stock and may have a similar impact on the price of the AMC Preferred Equity Units that may be unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our Common Stock and/or AMC Preferred Equity Units necessary to cover their short positions. Or if investors no longer believe a short squeeze is viable, the price of our Common Stock and AMC Preferred Equity Units may rapidly decline. Investors that purchase shares of our Common Stock or AMC Preferred Equity Units during a short squeeze may lose a significant portion of their investment.

Under the circumstances, we caution you against investing in our Common Stock and AMC Preferred Equity Units, unless you are prepared to incur the risk of losing all or a substantial portion of your investment.

***The AMC Preferred Equity Units are listed under the ticker symbol “APE”. APEs is also the name by which some of our retail stockholders refer to themselves. There is no guarantee that these stockholders will continue to support AMC in the future, and negative sentiment among AMC’s retail stockholder base in the future could have a material adverse impact on the market prices of the Common Stock and AMC Preferred Equity Units and your investment therein.***

Some of our retail investors have referred to themselves as “Apes” on social media and in other forums. Our “APE” ticker symbol, although an acronym for AMC Preferred Equity Unit, is also a reference to this stockholder base who has in the past been perceived as having supported AMC. Self-proclaimed “Apes” are widely viewed as playing a significant role in the market dynamics that have resulted in substantial increases and volatility in the market prices of AMC’s Common Stock and other so-called “meme” stocks. See “- The market prices and trading volume of our shares of Common Stock and AMC Preferred Equity Units have experienced, and may continue to experience, extreme volatility, which could cause purchasers of our Common Stock and AMC Preferred Equity Units to incur substantial losses.” While AMC and its management have actively sought to foster positive relationships with its significant retail stockholder base

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as the owners of AMC, and while AMC's retail stockholder base has been credited favorably with assisting AMC in raising significant capital in the past, there is no guarantee that AMC will be able to continue to benefit from support from its retail stockholder base in the future. If investor sentiment turns negative, including as a result of this at-the-market offering or this prospectus supplement, this could have a material adverse impact on the market price of our Common Stock and AMC Preferred Equity Units.

***Information available in public media that is published by third parties, including blogs, articles, online forums, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate.***

We have received, and may continue to receive, a high degree of media coverage that is published or otherwise disseminated by third parties, including blogs, articles, online forums, message boards and social and other media. This includes coverage that is not attributable to statements made by our directors, officers or employees. You should read carefully, evaluate and rely only on the information contained in this Annual Report on Form 10-K, the definitive Proxy Statement on Schedule 14A filed on February 14, 2023, the prospectus supplement filed September 26, 2022, the accompanying prospectus or any applicable free writing prospectus or incorporated documents filed with the SEC in determining whether to purchase our shares of Common Stock or AMC Preferred Equity Units. Information provided by third parties may not be reliable or accurate and could materially impact the trading price of our Common Stock and our AMC Preferred Equity Units which could cause losses to your investments.

***Future offerings of debt, which would be senior to our Common Stock and AMC Preferred Equity Units upon liquidation, and/or other preferred equity securities, which may be senior to our Common Stock and AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our Common Stock and AMC Preferred Equity Units.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including convertible or non-convertible senior or subordinated notes, convertible or non-convertible preferred stock, medium-term notes and trust preferred securities, to raise cash or bolster our liquidity, to refinance indebtedness, for working capital, to finance strategic initiatives and future acquisitions or for other purposes. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our Common Stock and AMC Preferred Equity Units, including the Preferred Stock underlying our AMC Preferred Equity Units. In addition, any additional preferred stock we may issue could have a preference on liquidating distributions or a preference on distribution payments that could limit our ability to make a distribution to the holders of our Common Stock and AMC Preferred Equity Units. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings potentially reducing the market price of our Common Stock and AMC Preferred Equity Units.

***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.***

Provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as amended, as well as provisions of the Delaware General Corporation Law delay or make it more difficult to remove incumbent directors or for a third-party to acquire us, even if a takeover would benefit our stockholders. These provisions include:

- a classified board of directors;
- the sole power of a majority of the board of directors to fix the number of directors;
- limitations on the removal of directors;
- the sole power of the board of directors to fill any vacancy on the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- the ability of our board of directors to designate one or more series of preferred stock and issue shares of preferred stock without stockholder approval; and
- the inability of stockholders to call special meetings.

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Our issuance of shares of preferred stock could delay or prevent a change of control of our company. Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to 50,000,000 shares of preferred stock, par value \$0.01 per share, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares. As of December 31, 2022 there were 10,000,000 Series A Convertible Participating Preferred Stock shares authorized and 7,245,872 Series A Convertible Participating Preferred Stock shares issued and outstanding, 40,000,000 preferred stock shares remain available for issuance and 2,754,129 Series A Convertible Participating Preferred Stock shares remain available for issuance. As a condition of the Forward Purchase Agreement (as defined in Note 9-Stockholders' Equity in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof) we were restricted from issuing additional Series A Convertible Preferred Stock Shares and AMC Preferred Equity Units in an amount that would exceed \$40 million. On February 9, 2023 the Forward Purchase Agreement was amended to increase the \$40 million restriction to \$140 million. The restrictions remain in place until the earlier of the Special Meeting or April 6, 2023.

Our incorporation under Delaware law, the ability of our board of directors to create and issue a new series of preferred stock or a stockholder rights plan and certain other provisions of our amended and restated certificate of incorporation and amended and restated bylaws, as amended, could impede a merger, takeover or other business combination involving our company or the replacement of our management or discourage a potential investor from making a tender offer for our Common Stock and AMC Preferred Equity Units, which, under certain circumstances, could reduce the market value of our Common Stock and AMC Preferred Equity Units.

***An issuance of preferred stock, including the Series A Convertible Participating Preferred Stock and the AMC Preferred Equity Units, could dilute the voting power of the Common Stockholders and adversely affect the market value of our Common Stock and AMC Preferred Equity Units.***

The issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock.

In addition, the issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our Common Stock and AMC Preferred Equity Units by making an investment in the Common Stock or AMC Preferred Equity Units less attractive. For example, investors may not wish to purchase Common Stock or AMC Preferred Equity Units at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase Common Stock or AMC Preferred Equity Units at the lower conversion price causing economic dilution to the holders of Common Stock and AMC Preferred Equity Units.

***Increases in market interest rates may cause potential investors to seek higher returns and therefore reduce demand for our Common Stock and our AMC Preferred Equity Units, which could result in a decline in the market price of our Common Stock and our AMC Preferred Equity Units.***

One of the factors that may influence the price of our Common Stock and our AMC Preferred Equity Units is the return on our Common Stock and our AMC Preferred Equity Units (i.e., the amount of distributions or price appreciation as a percentage of the price of our Common Stock and AMC Preferred Equity Units) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our Common Stock and our AMC Preferred Equity Units to expect a return, which we may be unable or choose not to provide. Further, higher interest rates would likely increase our borrowing costs and potentially decrease available cash. Thus, higher market interest rates could cause the market prices of our Common Stock and our AMC Preferred Equity Units to decline.

### **Item 1B. Unresolved Staff Comments.**

None.

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**Item 2. Properties.**

The following table sets forth the general character and ownership classification of our theatre circuit, excluding non-consolidated joint ventures and managed theatres, as of December 31, 2022:

<u>Property Holding Classification</u>	<u>Theatres</u>	<u>Screens</u>
Owned	41	388
Leased	824	9,686
Total	<u>865</u>	<u>10,074</u>

We lease our corporate headquarters in Leawood, Kansas. We believe our facilities are currently adequate for our operations.

Please refer to Narrative Description of Business under Part I, Item 1 of this Annual Report on Form 10-K for the geographic locations of our Theatrical Exhibition circuit as of December 31, 2022. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof.

**Item 3. Legal Proceedings.**

The information required to be furnished by us under this Part I, Item 3 (Legal Proceedings) is incorporated by reference to the information contained in Note 11-Commitments and Contingencies to the Consolidated Financial Statements included in Part II, Item 8 on this Annual Report on Form 10-K.

**Item 4. Mine Safety Disclosures.**

Not applicable

## PART II

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

#### **Market Information**

Our common equity consists of Class A common stock. Our Class A common stock has traded on the New York Stock Exchange (the “NYSE”) since December 18, 2013 under the symbol “AMC.” There was no established public trading market for our Class B common stock and on February 1, 2021, all outstanding Class B common stock was converted to Class A common stock, which resulted in the retirement of Class B common stock.

Additionally, we also have depositary shares of Preferred Stock in the form of AMC Preferred Equity Units that trade on the NYSE under the symbol “APE” since August 22, 2022.

#### **Holders of Shares**

On February 22, 2023, approximately 6.5 million shares of our Class A common stock and approximately 204.7 million shares of our AMC Preferred Equity Units were directly registered with our transfer agent by 16,672 and 14,798 shareholders, respectively.

#### **Dividend Policy**

Since April 24, 2020, we have been prohibited from making dividend payments in accordance with the covenant suspension conditions in our Credit Agreement (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities to the Consolidated Financial Statements included in Part II, Item 8 thereof). The payment of future dividends after expiration of our covenant suspension conditions (for further information see Notes 8-Corporate Borrowings and Finance Lease Liabilities to the Consolidated Financial Statements included in Part II, Item 8 on this Annual Report on Form 10-K) is subject to our Board of Directors’ discretion and dependent on many considerations, including limitations imposed by covenants in the agreements governing our indebtedness, operating results, capital requirements, strategic considerations and other factors.

We will only be able to pay dividends from our available cash on hand and funds received from our subsidiaries. Their ability to make any payments to us will depend upon many factors, including our operating results, cash flows and the terms of the Credit Agreement and the indentures governing our debt securities. The declaration and payment of any future dividends will be at the sole discretion of our Board of Directors after taking into account various factors, including legal requirements, our subsidiaries’ ability to make payments to us, our financial condition, operating results, cash flow from operating activities, available cash and current and anticipated cash needs. See the Liquidity and Capital Resources section of Item 7 of Part II thereof for further information regarding the dividend restrictions.

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

See Item 12. of Part III of this Annual Report on Form 10-K.

#### **Unregistered Sales of Equity Securities and Use of Proceeds**

##### ***Sale of Unregistered Securities***

None.

##### **Issuer Purchase of Equity Securities**

None.

#### **Performance Graph**

The following stock price performance graph should not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Exchange Act or the

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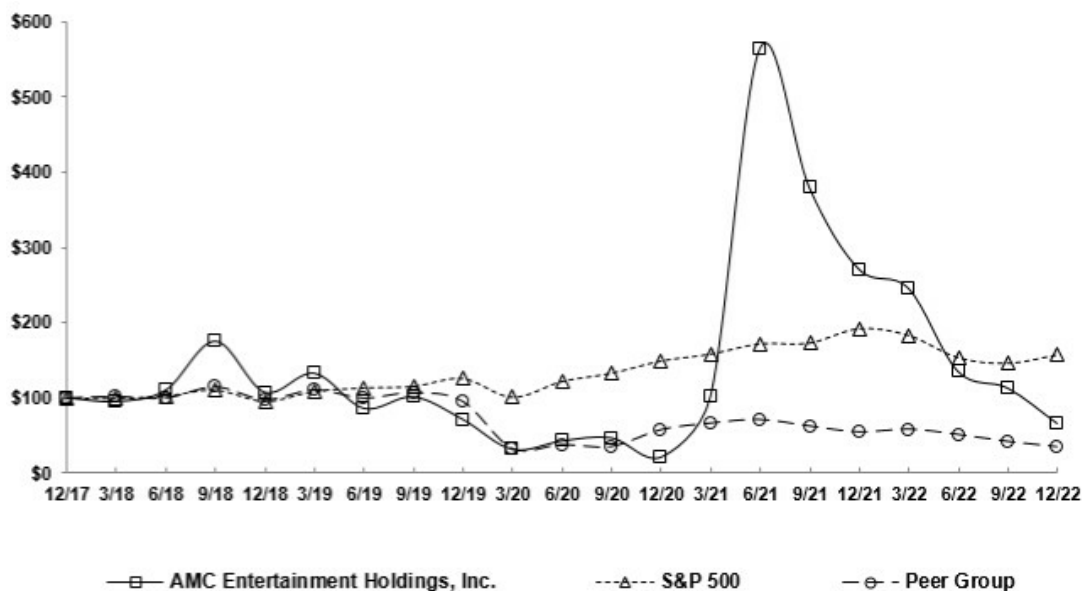
Securities Act of 1933, as amended, except to the extent that we specifically incorporate this information by reference and shall not otherwise be deemed filed under such acts.

The following stock performance graph compares, for the period December 31, 2017 through December 31, 2022, the cumulative total stockholder returns for AMC's Common Stock, the Standard & Poor's Corporation Composite 500 Index and a self-determined peer group consisting of Cinemark Holdings, Inc. (CNK) and IMAX Corporation (IMAX). Measurement points are the last trading day for each month ended December 31, 2017 through December 31, 2022. The graph assumes that \$100.00 was invested on December 31, 2017 in our Common Stock and in our peer group and in the Standard & Poor's Corporation Composite 500 Index and assumes reinvestment of any dividends.

The stock price performance below is not necessarily indicative of future stock price performance.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among AMC Entertainment Holdings, Inc., the S&P 500 Index, and a Peer Group



\*\$100 invested on December 31, 2017 in stock or in index, including reinvestment of dividends.  
 Historical AMC share prices were adjusted by Refinitiv to reflect the impact of the Special Dividend paid on August 19, 2022  
 Fiscal year ended December 31.

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	12/17	3/18	6/18	9/18	12/18
AMC Entertainment Holdings, Inc.	100.00	95.13	110.27	175.30	107.40
S&P 500	100.00	99.24	102.65	110.56	95.62
Peer Group	100.00	101.98	99.97	115.05	97.71

	3/19	6/19	9/19	12/19
AMC Entertainment Holdings, Inc.	132.75	85.93	101.34	71.30
S&P 500	108.67	113.34	115.27	125.72
Peer Group	111.05	99.94	107.34	95.38

	3/20	6/20	9/20	12/20
AMC Entertainment Holdings, Inc.	31.45	42.70	46.88	21.10
S&P 500	101.08	121.85	132.73	148.85
Peer Group	31.96	37.29	34.73	57.43



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	<u>3/21</u>	<u>6/21</u>	<u>9/21</u>	<u>12/21</u>
AMC Entertainment Holdings, Inc.	101.63	564.18	378.84	270.74
S&P 500	158.04	171.56	172.55	191.58
Peer Group	66.21	71.08	62.38	54.41
	<u>3/22</u>	<u>6/22</u>	<u>9/22</u>	<u>12/22</u>
AMC Entertainment Holdings, Inc.	245.26	134.87	112.93	65.95
S&P 500	182.77	153.34	145.86	156.89
Peer Group	58.12	50.98	41.62	34.49

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**Item 6. [Reserved].**

Not applicable

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion relates to the consolidated audited financial statements of AMC Entertainment Holdings, Inc. (“AMC”) included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements. Please see “Forward-Looking Statements” and “Risk Factors” for a discussion of the risks, uncertainties and assumptions relating to these statements.

**Overview**

AMC is the world’s largest theatrical exhibition company and an industry leader in innovation and operational excellence. As of December 31, 2022 we operated in 12 countries, throughout the United States, Europe, and the Middle East.

Our theatrical exhibition revenues are generated primarily from box office admissions and theatre food and beverage sales. The balance of our revenues are 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 December 31, 2022, we owned, operated or had interests in 940 theatres and 10,474 screens.

**Temporarily Suspended or Limited Operations**

During the first quarter of 2020, we temporarily suspended theatre operations in our U.S. markets and International markets in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of our guests and theatre staff. As of March 17, 2020, all of our United States and International theatre operations were temporarily suspended. We resumed limited operations in the International markets in early June 2020 and limited operations in the U.S. markets in late August 2020. A COVID-19 resurgence during the fourth quarter of 2020 resulted in additional local, state, and federal governmental restrictions and many previously reopened theatres in International markets temporarily suspended operations again. The following table summarizes theatre operations for the Company in 2021:

	As of January 1, 2021	As of March 31, 2021	As of June 30, 2021	As of September 30, 2021
<b>Theatre Operations:</b>				
Percentage of theatres operated - Domestic	66.8 %	99.2 %	99.8 %	99.8 %
Percentage of theatres operated - International	30.3 %	27.3 %	94.9 %	99.2 %
Percentage of theatres operated - Consolidated	52.9 %	72.2 %	98.0 %	99.6 %

During the year ended December 31, 2022, the Company operated essentially 100% of all its U.S. and International theatres. As of December 31, 2022 and 2021, there were no restrictions on operations in any of the U.S. or International theatres.

**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

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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 office 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”) and reduced the number of theatrically released motion pictures. Theatrical releases may continue to be postponed and windows shortened while the box office suffers from COVID-19 impacts. As a result of the reduction in theatrical film releases, we have licensed and exhibited a larger number of previously released films that have lower film rental terms. We have made adjustments to theatre operating hours to align screen availability and associated theatre operating costs with attendance levels for each theatre.

During the year ended December 31, 2022, films licensed from our seven largest movie studio distributors based on revenues accounted for approximately 88% of our U.S. admissions revenues, which consisted of Universal, Disney, Paramount, Warner Bros., Sony, 20th Century Studios, and Lionsgate. In Europe, approximately 73% of our box office revenue came from films attributed to our four largest distributor groups; which consisted of Disney, Universal, Warner Bros, and Paramount. 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.

### 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:

Format	U.S. Markets		International Markets	
	Number of Screens As of December 31, 2022	Number of Screens As of December 31, 2021	Number of Screens As of December 31, 2022	Number of Screens As of December 31, 2021
IMAX®	186	186	35	38
Dolby Cinema™	156	154	9	8
Other Premium Large Format (“PLF”)	57	56	83	77
Dine-in theatres	684	729	13	13
Premium seating	3,503	3,395	621	572

As of December 31, 2022, AMC was the largest IMAX® exhibitor in the U.S. with a 55% market share. Each one of our IMAX® local installations is protected by geographic exclusivity, and as of December 31, 2022, our IMAX® screen count was 96% greater than our closest competitor. Additionally, as of December 31, 2022, our per screen grosses were 22% higher than our closest competition. We also operate 35 IMAX® screens in International markets. As part of our long-term growth strategy, we expect to continue to expand our IMAX® relationship across the U.S. and Europe, further strengthening our position as the largest IMAX® exhibitor in the U.S. and a leading IMAX® exhibitor in the United Kingdom and Europe. During the year ended December 31, 2022, we closed three IMAX screens in Europe.

As of December 31, 2022, we operated 156 Dolby Cinema™ at AMC auditoriums in the U.S. and nine Dolby Cinema™ Auditoriums in the International markets. We expect to expand the deployment of our innovative Dolby Cinema™ auditoriums in both our U.S. and International markets as part of our long-term growth strategy.

We also offer our private label PLF experience at many of our locations, with superior sight and sound technology and enhanced seating as contrasted with our traditional auditoriums. These proprietary PLF auditoriums offer an enhanced theatrical experience for movie-goers beyond our current core theatres, at a lower price premium than IMAX® and/or Dolby Cinema™. Therefore, it may be especially relevant in smaller or more price-sensitive markets. As of December 31, 2022, we operated 57 screens under proprietary PLF brand names in the U.S. markets and 83 in the International markets.

### 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.

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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 11 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. Upon reopening a remodeled theatre, we typically increase the ticket price to reflect the enhanced consumer experience.

As of December 31, 2022, in our U.S. markets we featured recliner seating in approximately 361 U.S. theatres, including Dine-In Theatres, totaling approximately 3,503 screens and representing 45.8% of total U.S. screens. In our International markets, as of December 31, 2022, we had recliner seating in approximately 96 International theatres, totaling approximately 621 screens and representing 22.0% of total International screens.

**Open-source internet ticketing** makes our AMC seats (approximately 1.0 million as of December 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 our mobile apps and other third-party ticketing vendors. For the year ended December 31, 2022, approximately 66% of our tickets were purchased online in the U.S., with approximately 81% of total online tickets being purchased through AMC's website or mobile app.

**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.

We currently operate 49 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 December 31, 2022, we offer alcohol in approximately 357 AMC theatres in the U.S. markets and 236 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

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visits to already seen movies from \$19.95 to \$24.95 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 December 31, 2022, we had approximately 28,200,000 member households enrolled in AMC Stubs® A-List, AMC Stubs Premiere™ and AMC Stubs Insider™ programs, combined. Our AMC Stubs® members represented approximately 43% of AMC U.S. markets attendance during the year ended December 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 14,400,000 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.

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.

### **Significant Transactions**

**Equity Distribution Agreement.** On September 26, 2022, we entered into an equity agreement (the "Equity Distribution Agreement") with Citigroup Global Markets Inc., as a sales agent ("Sales Agent"), to sell up to 425.0 million shares of our AMC Preferred Equity Units, from time to time, through an "at-the-market" offering program (the "Offering"). Subject to terms and conditions of the Equity Distribution Agreement, the Sales Agent will use reasonable efforts consistent with their normal trading and sales practices, applicable law and regulations, and the rules of the NYSE to sell the AMC Preferred Equity Units from time to time based upon our instructions for the sales, including any price, time or size limits specified by us. We intend to use the net proceeds, if any, from the sale of AMC Preferred Equity Units pursuant to the Equity Distribution Agreement to repay, refinance, redeem or repurchase our existing indebtedness (including expenses, accrued interest and premium, if any) and otherwise for general corporate purposes.

We raised gross proceeds of approximately \$228.8 million during the year ended December 31, 2022, through its at-the-market offering of approximately 207.7 million shares of its AMC Preferred Equity Units and paid fees to the sales agent and incurred other third-party issuance costs of approximately \$5.7 million and \$5.5 million, respectively. See Note 16-Subsequent Events for information about additional AMC Preferred Equity Unit issuances.

**AMC Preferred Equity Units.** On August 4, 2022, we announced that the Board of Directors declared a special dividend of one AMC Preferred Unit for each share of Class A common stock outstanding at the close of business on August 15, 2022, the record date. The dividend was paid at the close of business on August 19, 2022 to investors who held Class A common stock as of August 22, 2022, the ex-dividend date.

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100<sup>th</sup>) of a share of Series A Convertible Participating Preferred Stock evidenced by a depositary receipt pursuant to a deposit agreement. We have 50,000,000 Preferred Stock shares authorized, 10,000,000 of which have currently been allocated and 7,245,872 have been issued under the depositary agreement as Series A Convertible Participating Preferred Stock, leaving 40,000,000 unallocated Preferred Stock shares. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Class A common stock. Trading of the AMC Preferred Equity Units on the NYSE began on August 22, 2022 under the ticker symbol "APE". Due to the characteristics of the AMC Preferred Equity Units, the special dividend had the effect of a stock split pursuant to ASC 505-20-25-4. Accordingly, all references to made to share, per share, or common share amounts in the accompanying consolidated financial statements

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and applicable disclosures include Class A common stock and AMC Preferred Equity Units and have been retroactively adjusted to reflect the effects of the special dividend as a stock split. See Note 9-Stockholders' Equity and Note 15-Loss Per Share in the Notes to the Consolidated Financial Statements under Part II, Item 8 of this Form 10-K for further information.

**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 year ended December 31, 2022, the Company recorded unrealized losses related to the investment in Hycroft of \$6.3 million in investment expense (income), respectively. See Note 12-Fair Value Measurements in the Notes to the Consolidated Financial Statements under Part II, Item 8 of this Form 10-K for further information.

**First Lien Senior Secured 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"). We used the net proceeds from the sale of the notes, and cash on hand, to fund 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 \$73.5 million aggregate principal amount of the 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 in 2022.

**Debt Repurchases.** During the year ended December 31, 2022, we repurchased \$118.3 million aggregate principal of the Second Lien Notes due 2026 for \$68.3 million and recorded a gain on extinguishment of \$75.0 million in other expense (income). Additionally, we repurchased \$5.3 million aggregate principal of the Senior Subordinated Notes due 2027 for \$1.6 million and recorded a gain on extinguishment of \$3.7 million in other expense (income). Accrued interest of \$4.5 million was paid in connection with the repurchases. These repurchases included a purchase of \$15.0 million aggregate principal of the Second Lien Notes due 2026 from Antara, which subsequently became a related party on February 7, 2023, for \$5.9 million and a gain on extinguishment of \$12.0 million.

**Odeon debt refinancing.** The Odeon Term Loan Facility was set to mature on August 19, 2023. On October 20, 2022, Odeon Finco PLC, a direct subsidiary of Odeon Cinemas Group Limited ("OCGL") and an indirect subsidiary of the Company issued \$400.0 million aggregate principal amount of its 12.75% Odeon Senior Secured Notes due 2027 ("Odeon Notes due 2027"), at an issue price of 92.00%. The Odeon Notes due 2027 bear a cash interest rate of 12.75% per annum and will be payable semi-annually in arrears on May 1 and November 1, beginning on May 1, 2023. The Odeon Notes due 2027 are guaranteed on a senior secured basis by certain subsidiaries of Odeon and by Holdings on a standalone and unsecured basis. The Odeon Notes due 2027 contain covenants that limit Odeon and certain subsidiaries' ability to, among other things: (i) incur additional indebtedness or guarantee indebtedness; (ii) create liens; (iii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iv) make investments; (v) enter into transaction with affiliates; (vi) consolidate, merge, sell or otherwise dispose of all or substantially all of their respective assets; and (vii) impair the security interest in the collateral. These covenants are subject to a number of important limitations and exceptions. We used the \$363.0 million net proceeds from the Odeon Notes due 2027 and \$146.7 million of existing cash to fund the payment in full of the £147.6 million (\$167.7) million and €312.2 million (\$308.9) million aggregate principal amounts of the Odeon Term Loan Facility and to pay related accrued interest, fees, costs, premiums and expenses. We recorded a loss on debt extinguishment related to this transaction of \$36.5 million in other expense in 2022.

**Share issuances.** During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, we entered into various equity distribution agreements with sales agents to sell shares of our Class A common stock ("Common Stock") and AMC Preferred Equity Units, from time to time, through "at-the-market" offering programs. Subject to the terms and conditions of the equity distribution agreements, the sales agents will use reasonable efforts consistent with their normal trading and sales practices, applicable law and regulations, and the rules of the NYSE to sell the Common Stock and AMC Preferred Equity Units from time to time based upon the Company's instructions for the sales, including any price, time or size limits specified by the Company. The Company intends to use the net proceeds, from the sale of Common Stock and AMC Preferred Equity Units pursuant to the equity distribution agreements to

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repay, refinance, redeem or repurchase the Company's existing indebtedness (including expenses, accrued interest and premium, if any), capital expenditures and otherwise for general corporate purposes.

During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, we paid fees to the sales agents of approximately \$5.7 million, \$40.3 million and \$8.1 million, respectively. During the year ended December 31, 2021, we paid other fees of \$0.8 million.

The gross proceeds raised from the "at-the-market" sale of Common Stock and AMC Preferred Equity Units during the years ended December 31, 2022, December 31, 2021 and December 31, 2020, are summarized in the table below:

"At-the-market" Equity Distribution Agreement Dates	Sales Agents	Number of Class A common stock shares sold (in millions)	Number of AMC Preferred Equity Units sold (in millions)	Gross Proceeds (in millions)
September 24, 2020	Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC	15.0	15.0	\$ 56.1
October 20, 2020	Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC	15.0	15.0	41.6
November 10, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc.	20.0	20.0	61.4
December 11, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc. (1)	40.93	40.93	113.7
	Total year ended December 31, 2020	<u>90.93</u>	<u>90.93</u>	\$ <u>272.8</u>
December 11, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc. (1)	137.07	137.07	352.6
January 25, 2021	Goldman Sachs & Co. LLC and B. Riley Securities, Inc.	50.0	50.0	244.3
April 27, 2021	Goldman Sachs & Co. LLC, B. Riley Securities, Inc. and Citigroup Global Markets Inc. (2)	43.0	43.0	427.5
June 3, 2021	B. Riley Securities, Inc. and Citigroup Global Markets Inc.	11.55	11.55	587.4
	Total year ended December 31, 2021	<u>241.62</u>	<u>241.62</u>	\$ <u>1,611.8</u>
September 26, 2022	Citigroup Global Markets Inc.	-	207.75	228.8
	Total year ended December 31, 2022	<u>-</u>	<u>207.75</u>	\$ <u>228.8</u>

(1) On December 11, 2020, the Company entered into an equity distribution agreement with Goldman Sachs & Co. LLC and B. Riley Securities, Inc., as sales agents to sell up to 178.0 million shares of the Company's Common Stock and 178.0 million AMC Preferred Equity Units, of which approximately 40.93 million shares of Common Stock and 40.93 shares of AMC Preferred Equity Units were sold and settled during December 2020 and approximately 137.07 million shares of Common Stock and 137.07 million shares of AMC Preferred Equity Units were sold and settled during the year ended December 31, 2021.

(2) Included in the Common Stock shares and AMC Preferred Equity Unit shares sold of 43.0 million each was the reissuance of treasury stock shares of approximately 3.7 million shares. Upon the sales of treasury stock, the Company reclassified amounts recorded in treasury stock to additional paid-in capital of \$37.1 million and loss of \$19.3 million to retained earnings during the year ended December 31, 2021.

**Common Stock issuance to Mudrick.** On June 1, 2021, we issued to Mudrick 8.5 million shares of our Common Stock and 8.5 million shares of our AMC Preferred Equity Units and raised gross proceeds of \$230.5 million and paid fees of approximately \$0.1 million related to this transaction. We issued the shares in reliance on an exemption from registration provided by section 4(a)(2) of the Securities Act of 1933. We intend to use the proceeds from the share sale primarily for the pursuit of value creating acquisitions of theatre assets and leases, as well as investments to enhance the consumer appeal of our theatres. In addition, with these funds, we intend to continue exploring deleveraging opportunities.

**Baltics theatre sale agreement.** On August 28, 2020, we entered into an agreement to sell our equity interest in Forum Cinemas OU, which consists of nine theatres located in the Baltics region (Latvia, Lithuania and Estonia) and is



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included in our International markets reportable segment, for total consideration of approximately €77.25 million, including cash of approximately €64.35 million or \$76.6 million prior to any transaction costs. This transaction was undertaken by us to further increase our liquidity and strengthen our balance sheet at a transaction multiple that demonstrates that market participants ascribe positive value to the business. The completion of the sale took place in several steps, as noted below, and was contingent upon clearance from each regulatory competition council in each country.

We received \$37.5 million (€31.53 million) cash consideration upon entering into the sale agreement on August 28, 2020 and paid \$0.5 million in transaction costs during the year ended December 31, 2020. We transferred an equity interest of 49% in Forum Cinemas OU to the purchaser and recorded an initial noncontrolling interest of \$34.9 million in total equity (deficit). Transaction costs of \$1.4 million and net gain of \$1.2 million related to the sale of 49% equity interest of Lithuania and Estonia and the 100% disposal of Latvia were recorded in additional paid-in capital during the year ended December 31, 2020 and were recorded in earnings during the year ended December 31, 2021 when the remaining 51% interests in Lithuania and Estonia were disposed. Also, during the year ended December 31, 2020, we received cash consideration of \$6.2 million (€5.3 million), net of cash of \$0.2 million for the remaining 51% equity interest in Latvia. At December 31, 2020, our noncontrolling interest of 49% in Lithuania and Estonia was \$26.9 million.

During the year ended December 31, 2021, we received cash consideration of \$34.2 million (€29.4 million), net of cash disposed of \$0.4 million and transaction costs of \$1.3 million, for the remaining 51% equity interest in Estonia, 51% equity interest in Lithuania and eliminated our noncontrolling interest in Forum Cinemas OU. We recorded the net gain from the sale of our equity interest in Forum Cinemas OU of \$5.5 million (net of transaction costs of \$2.6 million) in investment expense (income), during the year ended December 31, 2021.

**Exchange Offers.** On July 31, 2020, we closed our previously announced Exchange Offer for our Existing Senior Subordinated Notes for new Second Lien Notes due 2026 and reduced the principal amount of the Company's total debt by approximately \$555 million, which represented approximately 23.9% of the previously outstanding amount of the Company's subordinated notes. We raised \$300 million in additional cash from the issuance of First Lien Notes due 2026, prior to deducting discounts of \$30.0 million and deferred financing costs paid to lenders of \$6.0 million. Additionally, certain holders of the Company's Existing Senior Subordinated Notes that agreed to backstop the offering of \$200 million of the Company's First Lien Notes due 2026 received five million common shares, or 4.6% of AMC's outstanding shares on July 31, 2020, worth \$20.2 million at the market closing price on July 31, 2020 and five million shares of AMC Preferred Equity Units. The closing of the Exchange Offer also allowed us to extend maturities on approximately \$1.7 billion of debt to 2026, most of which was maturing in 2024 and 2025 previously. Interest due for the coming 12 to 18 months on the Second Lien Notes due 2026 is expected to be paid all or in part on an in-kind basis, thereby generating a further near-term cash savings for us of between approximately \$120 million and \$180 million. See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof for further information.

We performed an assessment on a lender by lender basis to identify certain lenders that met the criteria for troubled debt restructuring ("TDR") under ASC 470-60, Troubled Debt Restructurings by Debtors ("ASC 470-60") as we were experiencing financial difficulties and the lenders granted us a concession. The portion of the loans that did not meet the assessment of TDR under ASC 470-60 were treated as modifications. We accounted for the exchange of approximately \$1,782.5 million principal amount of our Existing Senior Subordinated Notes for approximately \$1,289.1 million principal amount of the Second Lien Notes due 2026 as TDR. We accounted for the exchange of the remaining approximately \$235.0 million principal amount of our Existing Senior Subordinated Notes for approximately \$173.2 million principal amount of the Second Lien Notes due 2026 as a modification of debt as the lenders did not grant a concession and the difference between the present value of the old and new cash flows was less than 10%. The TDR and modification did not result in a gain recognition and we established new effective interest rates based on the carrying value of the Existing Subordinated Notes and recorded the new fees paid to third parties of approximately \$39.3 million in other expense, during the year ended December 31, 2020.

We realized \$1.2 billion of cancellation of debt income ("CODI") in connection with our 2020 debt restructuring. As a result, \$1.2 billion of our federal net operating losses were eliminated due to tax attribute reduction to offset the CODI. The loss of these attributes may adversely affect our cash flows and therefore our ability to service our indebtedness.



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**Selected Financial Data**

(In millions, except operating data)	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Statement of Operations Data:</b>					
Revenues:					
Admissions	\$ 2,201.4	\$ 1,394.2	\$ 712.1	\$ 3,301.3	\$ 3,385.0
Food and beverage	1,313.7	857.3	362.4	1,719.6	1,671.5
Other revenue	396.3	276.4	167.9	450.1	404.3
Total revenues	<u>3,911.4</u>	<u>2,527.9</u>	<u>1,242.4</u>	<u>5,471.0</u>	<u>5,460.8</u>
Operating Costs and Expenses:					
Film exhibition costs	1,051.7	607.7	322.7	1,699.1	1,710.2
Food and beverage costs	228.6	137.9	88.8	278.7	270.9
Operating expense, excluding depreciation and amortization below	1,528.4	1,141.8	856.0	1,686.6	1,654.7
Rent	886.2	828.0	884.1	967.8	797.8
General and administrative:					
Merger, acquisition and other costs(1)	2.1	13.7	24.6	15.5	31.3
Other, excluding depreciation and amortization below	207.6	226.6	156.7	153.0	179.3
Depreciation and amortization	396.0	425.0	498.3	450.0	537.8
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill(2)	133.1	77.2	2,513.9	84.3	13.8
Operating costs and expenses	<u>4,433.7</u>	<u>3,457.9</u>	<u>5,345.1</u>	<u>5,335.0</u>	<u>5,195.8</u>
Operating income (loss)	(522.3)	(930.0)	(4,102.7)	136.0	265.0
Other expense (income)(3)	53.6	(87.9)	28.9	13.4	(108.1)
Interest expense:					
Corporate borrowings	336.4	414.9	311.0	292.8	262.3
Capital and financing lease obligations	4.1	5.2	5.9	7.6	38.5
Non-cash NCM exhibitor services agreement(4)	38.2	38.0	40.0	40.4	41.5
Equity in (earnings) losses of non-consolidated entities(5)	1.6	(11.0)	30.9	(30.6)	(86.7)
Investment expense (income)(6)	14.9	(9.2)	10.1	(16.0)	(6.2)
Earnings (loss) before income taxes	(971.1)	(1,280.0)	(4,529.5)	(171.6)	123.7
Income tax provision (benefit)(7)	2.5	(10.2)	59.9	(22.5)	13.6
Net earnings (loss)	(973.6)	(1,269.8)	(4,589.4)	(149.1)	110.1
Less: Net loss attributable to noncontrolling interests	-	(0.7)	(0.3)	-	-
Net earnings (loss) attributable to AMC Entertainment Holdings, Inc.	<u>\$ (973.6)</u>	<u>\$ (1,269.1)</u>	<u>\$ (4,589.1)</u>	<u>\$ (149.1)</u>	<u>\$ 110.1</u>
Earnings (loss) per share attributable to AMC Entertainment Holdings, Inc.'s common stockholders:					
Basic	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>	<u>\$ (0.72)</u>	<u>\$ 0.46</u>
Diluted	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>	<u>\$ (0.72)</u>	<u>\$ 0.21</u>
Average shares outstanding					
Basic (in thousands)	1,047,689	954,820	234,424	207,664	241,242
Diluted (in thousands)	1,047,689	954,820	234,424	207,664	260,210
Dividends declared per basic and diluted common share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>	<u>\$ 0.40</u>	<u>\$ 1.18</u>

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(In millions, except operating data)	Year Ended				
	December 31,				
	2022	2021	2020	2019	2018
<b>Balance Sheet Data (at period end):</b>					
Cash and cash equivalents	\$ 631.5	\$ 1,592.5	\$ 308.3	\$ 265.0	\$ 313.3
Corporate borrowings	5,140.8	5,428.0	5,715.8	4,753.4	4,723.0
Other long-term liabilities(8)	105.1	165.0	241.3	195.9	963.1
Capital and financing lease obligations	58.8	72.7	96.0	99.9	560.2
AMC Entertainment Holdings, Inc.'s stockholder's equity (deficit)	(2,624.5)	(1,789.5)	(2,885.1)	1,214.2	1,397.6
Total assets	9,135.6	10,821.5	10,276.4	13,675.8	9,495.8
<b>Other Data:</b>					
Net cash provided by (used in) operating activities	\$ (628.5)	\$ (614.1)	\$ (1,129.5)	\$ 579.0	\$ 523.2
Capital expenditures	(202.0)	(92.4)	(173.8)	(518.1)	(576.3)
Screen additions	51	82	63	85	89
Screen acquisitions	157	140	14	70	39
Screen dispositions	323	166	593	210	211
Construction openings (closures), net	27	(37)	18	5	5
Average screens-continuing operations(9)	10,118	8,998	5,049	10,669	10,696
Number of screens operated	10,474	10,448	6,048	11,041	11,091
Number of theatres operated	940	930	503	1,004	1,006
Total number of circuit screens	10,474	10,562	10,543	11,041	11,091
Total number of circuit theatres	940	946	950	1,004	1,006
Screens per theatre	11.1	11.2	11.1	11.0	11.0
Attendance (in thousands)-continuing operations(9)	200,965	128,547	75,190	356,443	358,901

- (1) During the year ended December 31, 2022, expenses were primarily related to legal and professional costs related to strategic contingent planning. During the year ended December 31, 2021, expenses were primarily due to bonus expense and stock-based compensation expense. During the year ended December 31, 2020, expenses were primarily due to legal and professional costs related to strategic contingent planning. During the year ended December 31, 2019, expenses were primarily due to organizational design including one-time severance and outplacement costs of \$9.8 million and acquisitions and divestitures including entity simplification costs of \$4.0 million. The year ended December 31, 2018 includes the write-off of \$8.0 million of deferred costs related to an Odeon proposed public offering and \$6.3 million of expense related to an arbitration ruling on a pre-acquisition date rent dispute for Odeon.
- (2) During the year ended December 31, 2022, we recorded non-cash impairment charges related to our long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net, and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the International markets with 456 screens which were related to property, net and operating lease right-of-use assets, net. During the year ended December 31, 2021, we recorded non-cash impairment charges related to our long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the International markets with 118 screens which were related to property, net and operating lease right-of-use assets, net. During the year ended December 31, 2020, we recorded goodwill non-cash impairment of \$1,276.1 million and \$1,030.3 million related to the enterprise fair values of the Domestic Theatres and International Theatres reporting units, respectively. During the year ended December 31, 2020, we recorded non-cash impairment charges related to our long-lived assets of \$152.5 million on 101 theatres in the U.S. markets with 1,139 screens and \$25.4 million on 37 theatres in the International markets with 340 screens and recorded impairment charges related to indefinite-lived intangible assets of \$12.5 million and \$2.7 million related to the Odeon and Nordic trade names, respectively, in the International markets. We also recorded non-cash impairment charges of \$14.4 million for our definite-lived intangible assets in the Domestic Theatres reporting unit during the year ended December 31, 2020. During the year ended December 31, 2019, we recorded non-cash impairment of long-lived assets of \$84.3 million on 40 theatres in the U.S. markets with 512 screens, 14 theatres in the International markets with 148 screens, and a U.S. property held and not used. During the fourth quarter of 2018, we recorded non-cash impairment losses of \$13.8 million on 13 theatres in the U.S. markets with 150 screens and on 15 theatres in the International markets with 118 screens.
- (3) Other expense for the year ended December 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

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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 and a loss on extinguishment of debt of \$36.5 million related to the full redemption of the £147.6 million and €312.2 million (\$476.6 million) aggregate principal amount of the Odeon Term Loan due 2023, partially offset by a gain on extinguishment of debt of \$(75.0) million related to the redemption of \$118.3 million of aggregate principal amount of the Second Lien Notes due 2026, a gain on extinguishment of debt of \$(3.7) million related to the redemption of \$5.3 million aggregate principal amount of Senior Subordinated Notes due 2027, \$(25.8) million in government assistance related to COVID-19 and \$(12.3) million in foreign currency transaction gains. Other income for the year ended December 31, 2021 was primarily due to \$87.1 million in government assistance related to COVID-19. Other expense (income) for the year ended December 31, 2020 included a loss of \$109.0 million related to the fair value adjustments of the derivative liability and derivative asset for our Convertible Notes, financing fees related to the Exchange Offer of \$39.3 million, and credit losses related to contingent lease guarantees of \$15.0 million, partially offset by a gain on extinguishment of the Second Lien Notes due 2026 of \$93.6 million and financing related foreign currency transaction losses. Other expense of \$13.4 million during the year ended December 31, 2019 was primarily due to \$16.6 million of expense related to the repayment of indebtedness, foreign currency transaction losses of \$1.5 million, non-operating net periodic benefit cost of \$1.2 million, and the decrease in fair value of our derivative asset for the contingent call option related to the Class B common stock purchase and cancellation agreement of \$17.7 million, partially offset by decrease in fair value of our derivative liability for the embedded conversion feature in our Convertible Notes of \$23.5 million. During the year ended December 31, 2018, other income of \$108.1 million is primarily due to \$66.4 million of income for the decrease in the fair value of the derivative liability related to the embedded conversion feature for the Convertible Notes and \$45.0 million of income for the increase in fair value of the derivative asset related to the contingent call option for the cancellation of additional shares of Class B common stock in the Stock Purchase and Cancellation Agreement with Wanda. See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to Consolidated Financial Statements under Part II, Item 8 thereof, for further information regarding the derivative liability related to the embedded conversion feature, the call option for the cancellation of additional shares of Class B common stock.

- (4) Non-cash NCM exhibitor services agreement includes a significant financing component due to the significant length of time between receiving the non-cash consideration and fulfilling the performance obligation. We received the non-cash consideration in the form of common membership units from NCM, in exchange for rights to exclusive access to our theatre screens and attendees through February 2037. Upon adoption of ASC 606 in year 2018, our advertising revenues have significantly increased with a similar offsetting increase in non-cash interest expense.
- (5) Equity in (earnings) loss of non-consolidated entities was primarily due to equity in loss from Saudi Cinema Company, LLC, partially offset by equity in earnings from DCIP and AC JV for the year ended December 31, 2022. Equity in (earnings) loss of non-consolidated entities was primarily due to equity in earnings from DCIP for the year ended December 31, 2021. Equity in (earnings) loss of non-consolidated entities includes impairment losses in the International markets related to equity method investments of \$8.6 million during the year ended December 31, 2020. Equity in earnings for the year ended December 31, 2018 includes a \$28.9 million gain on the sale of all of our remaining interest in NCM and a \$30.1 million gain related to the Screenvision merger.
- (6) Investment expense during the year ended December 31, 2022 includes a decline in estimated fair value of investment in common shares of Hycroft Mining Holding Corporation of \$12.5 million partially offset by \$(6.2) million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation, a \$13.5 million loss on sale of our investment in NCM common units offset by interest income of \$(5.9) million. Investment income during the year ended December 31, 2021 includes a gain on sale of the Baltics theatres of \$5.5 million. Investment expense (income) during the year ended December 31, 2020 includes impairment losses of \$15.9 million related to equity interest investments without a readily determinable fair value accounted for under the cost method in the U.S. markets. Investment expense (income) during the year ended December 31, 2019 includes a gain on the sale of our Austria theatres of \$12.9 million and a loss on impairment of an investment of \$3.6 million.

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- (7) During the year ended December 31, 2022, income tax expense was primarily related to changes in domestic indefinite-lived deferred liabilities and taxes in Finland. During the year ended December 31, 2020, income tax expense was primarily due to the recording of international valuation allowances against deferred tax assets held in Spain of \$40.1 million and Germany of \$33.1 million, partially offset by income tax benefit from net losses incurred in International markets. During the year ended December 31, 2019, an international valuation allowance previously established against deferred tax assets held in Spain was released in the fourth quarter of 2019 resulting in a \$41.5 million benefit to income tax expense. We estimate that we will have no liability for deemed repatriation of foreign earnings.
- (8) Other long-term liabilities exclude operating lease liabilities, which were recorded to operating lease liabilities in the consolidated balance sheets effective in year 2019 upon adoption of ASC 842, Leases.
- (9) Includes consolidated theatres only.

### Critical Accounting Estimates

Our Consolidated Financial Statements are prepared in accordance with U.S. GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates, and judgments to ensure that our financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. We have identified several policies as being critical because they require management to make particularly difficult, subjective and complex judgments about matters that are inherently uncertain, and there is a likelihood that materially different amounts would be reported under different conditions or using different assumptions.

All of our significant accounting policies are discussed in Note 1-The Company and Significant Accounting Policies in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof.

**Long-lived Assets Impairments.** We review long-lived assets, indefinite-lived intangible assets and other intangible assets and theatre assets (including operating lease right-of-use lease assets) whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable.

*Critical estimates.* There are a number of estimates and significant judgments that are made by management in performing impairment evaluations of long-lived assets. Such judgments and estimates include estimates of future attendance, revenues, rent relief, cost savings, cash flows, capital expenditures, and the cost of capital, among others. These estimates determine whether impairments have been incurred and quantify the amount of any related impairment charge.

*Assumptions and judgment.* Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and projections of future operating performance. Our projections assume that attendance will continue to gradually improve from 2022 levels to the point of approaching historical levels. Our projections have considered the risks of a shortened theatrical window and direct to consumer releases although on a more limited basis. These assumptions, among others, inform the considerable amount of management judgment with respect to cash flow estimates and appropriate discount rates to be used in determining the fair value of long-lived assets.

To estimate fair value of our indefinite-lived trade names, we employed a derivation of the Income Approach known as the Royalty Savings Method. The Royalty Savings Method values an intangible asset by estimating the royalties saved through ownership of the asset.

*Impact if actual results differ from assumptions.* Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates, many of which fall under Level 3 within the fair value measurement hierarchy. Factors that could lead to impairment of long-lived assets include adverse industry or economic trends that would result in declines in the operating performance of our Domestic and International Theatres. Examples of adverse events or circumstances that could change include (i) limited availability of new theatrical releases; (ii) an adverse change in macroeconomic conditions; (iii) increased cost factors that have a negative effect on our earnings and

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cash flows and higher interest rates; and (iv) negative or overall declining financial performance compared with our actual and projected results of relevant prior periods.

If we are required to record an impairment charge it may substantially reduce the carrying value of our assets and reduce our income in the year in which it is recorded. Given the nature of our business and our recent history, future impairments are possible and they may be material, based upon business conditions that are constantly changing and the competitive business environment in which we operate.

*Our Current Long-lived Asset Impairment related Estimates and Changes in those Estimates.* During the year ended December 31, 2022, we recorded non-cash impairment charges related to our long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the International markets with 456 screens which were related to property, net and operating lease right-of-use assets, net. During the year ended December 31, 2021, we recorded non-cash impairment charges related to our long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the International markets with 118 screens which were related to property, net and operating lease right-of-use assets, net. At December 31, 2022, related cash flows were discounted at 10.0% for the Domestic Theatres and 12.5% for the International Theatres, at December 31, 2021, related cash flows were discounted at 10.0% for Domestic Theatres and 11.5% for International Theatres.

There were no intangible asset impairment charges incurred during the years ended December 31, 2022 and December 31, 2021.

At December 31, 2020, September 30, 2020 and March 31, 2020, we performed quantitative impairment evaluations of our indefinite-lived intangible assets related to the AMC, Odeon and Nordic trade names and recorded impairment charges of \$12.5 million related to Odeon trade name and \$2.7 million related to Nordic for the year ended December 31, 2020. No impairment charges were recorded related to the AMC trade name for the year ended December 31, 2020. At December 31, 2020, September 30, 2020 and March 31, 2020, we applied royalty rates of 0.5% for AMC and Odeon trade names and 1.0% for Nordic trade names to the related theatre revenues on an after-tax basis using effective tax rates. At December 31, 2020, related cash flows were discounted at 12.0% for AMC and 13.5% for Odeon and Nordic, at September 30, 2020, related cash flows were discounted at 13.0% for AMC and 14.0% for Odeon and Nordic, and at March 31, 2020, related cash flows were discounted at 12.5% for AMC and 14.0% for Odeon and Nordic.

**Goodwill.** We evaluate the goodwill recorded at our two reporting units (Domestic Theatres and International Theatres) for impairment annually as of the beginning of the fourth fiscal quarter or more frequently as specific events or circumstances dictate. The impairment test for goodwill involves estimating the fair value of the reporting unit and comparing that value to our carrying value. If the estimated fair value of the reporting unit is less than its carrying value, the difference is recorded as a goodwill impairment charge, not to exceed the total amount of goodwill allocated to that reporting unit.

*Critical estimates.* Calculating the fair value of our Domestic Theatres and International Theatres reporting units by use of the income approach for enterprise valuation methodology which utilizes estimated future discounted cash flows. The income approach provides an estimate of fair value by measuring estimated annual cash flows over a discrete projection period and applying a present value discount rate to the cash flows. The present value of the cash flows is then added to the present value equivalent of the residual value of the business to arrive at an estimated fair value of the reporting unit. The residual value represents the present value of the projected cash flows beyond the discrete projection period. The discount rates are determined using weighted average cost of capital for the risk of achieving the projected cash flows.

We did not weigh any of the enterprise valuation methodology on the market approach in 2020. We believe that using 100% income approach provided a more reasonable measurement of the enterprise value basis at December 31, 2020. Due to the volatility and unreliability in the market multiples, the lack of standalone Domestic and International public theatre companies, and the temporary suspension of operations due to the COVID-19 pandemic and the current impact on Adjusted EBITDA, we did not believe that placing any weight on the market approach was appropriate for this valuation.

*Assumptions and judgment.* Our projections assume that attendance will continue to gradually improve from 2022 levels to the point of approaching historical levels. Our projections have considered the risks of a shortened

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theatrical window and direct to consumer releases, although on a more limited basis. These assumptions, among others, inform the considerable amount of management judgment with respect to cash flow estimates and appropriate discount rates to be used in determining the fair value of our reporting units. Other factors that could lead to impairment of our goodwill include adverse industry or economic trends, declines in the market price of our Common Stock and AMC Preferred Equity Units and our debt instruments, all of which we utilize in establishing the estimates underlying these values. There is considerable management judgment with respect to cash flow estimates and discount rates to be used in estimating fair value, many of which are classified as Level 3 in fair value hierarchy.

Declines in the operating performance of our Domestic and International Theatres, the fair value of our debt, and the trading price of our Common Stock and AMC Preferred Equity Units, together with small changes in other key input assumptions, and/or other events or circumstances could occur and could have a significant impact on the estimated fair values of our reporting units. Examples of adverse events or circumstances that could change include (i) the potential for political, social, or economic unrest, terrorism, hostilities, cyber-attacks or war, including the conflict between Russia and Ukraine; (ii) an adverse change in macroeconomic conditions; (iii) increased cost factors that have a negative effect on our earnings and cash flows and higher interest rates; (iv) negative or overall declining financial performance compared with our actual and projected results of relevant prior periods; (v) further declines in the fair value of our debt, and (vi) a further sustained decrease in the price of our common shares and/or our preferred equity units.

*Impact if actual results differ from assumptions.* Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates many of which fall under Level 3 within the fair value measurement hierarchy. If we are required to record an impairment charge to our goodwill it may substantially reduce the carrying value of goodwill on our balance sheet and reduce our income in the year in which it is recorded. Given the nature of our business and our recent history, future impairments are possible and they may be material, based upon business conditions that are constantly changing and the competitive business environment in which we operate.

*Our Current Goodwill Estimates and Changes in those Estimates.* As further described below, we recorded impairment charges as of March 31, 2020, September 30, 2020, and December 31, 2020 due to significant decreases in our market enterprise value. Our enterprise market capitalization increased and there were no other triggering events during 2022. At our goodwill impairment annual assessment date, October 1, 2022, we performed a qualitative impairment test to evaluate whether it is more likely than not that the fair value of its two reporting units was less than their respective carrying amounts as of its annual assessment date. We concluded that it was not more likely than not that the fair value of either of our two reporting units had been reduced below their respective carrying amounts.

For calendar year 2020, we performed an assessment in accordance with ASC 350-20-35-30 to determine whether there were any events or changes in circumstances that would warrant an interim ASC 350 impairment analysis as of December 31, 2020, September 30, 2020, June 30, 2020, and March 31, 2020.

Based on the suspension of operations at all of our theatres on or before March 17, 2020 due to the COVID-19 pandemic during the first quarter of 2020, the suspension of operations during the second and third quarters of 2020, the temporary suspension of operations of certain of our International Theatres during the fourth quarter of 2020 again after operations had previously been resumed, and the further delay or cancellation of film releases than originally estimated, we performed the Step 1 quantitative goodwill impairment test as of March 31, 2020, September 30, 2020, and December 31, 2020. In performing those Step 1 quantitative goodwill impairment tests, we used an enterprise value approach to measure fair value of the reporting units. The enterprise fair value of the Domestic Theatres and International Theatres reporting units was less than their carrying values as of March 31, 2020 and September 30, 2020, and the fair value of the International Theatres reporting unit was less than its fair value as of December 31, 2020 and goodwill impairment charges of \$1,276.1 million and \$1,030.3 million, were recorded during the year ended December 31, 2020 for our Domestic Theatres and International Theatres reporting units, respectively.

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Key rates used in the income approach were as follows:

<b>Description</b>	<b>Measurement Date</b>	<b>Domestic Theatres</b>	<b>International Theatres</b>
Income approach:			
Weighted average cost of capital/discount rate	December 31, 2020	11.0%	12.5%
Long-term growth rate	December 31, 2020	1.0%	1.0%
Weighted average cost of capital/discount rate	September 30, 2020	12.0%	13.0%
Long-term growth rate	September 30, 2020	1.0%	1.0%
Weighted average cost of capital/discount rate	March 31, 2020	11.5%	13.0%
Long-term growth rate	March 31, 2020	2.0%	2.0%

**Income and operating taxes.** Income and operating taxes are inherently difficult to estimate and record. This is due to the complex nature of the U.S. and International tax codes and also because our returns are routinely subject to examination by government tax authorities, including federal, state and local officials. Most of these examinations take place a few years after we have filed our tax returns. Our tax audits in many instances raise questions regarding our tax filing positions, the timing and amount of deductions claimed and the allocation of income among various tax jurisdictions.

*Critical estimates.* In calculating our effective income tax rate and other taxes applicable to our operations, we make judgments regarding certain tax positions, including the timing and amount of deductions and allocations of income among various tax jurisdictions with disparate tax laws.

*Assumptions and judgment.* We have various tax filing positions with regard to the timing and amount of deductions and credits and the allocation of income among various tax jurisdictions, based on our interpretation of local tax laws. We also inventory, evaluate and measure all uncertain tax positions taken or expected to be taken on tax returns and record liabilities for the amount of such positions that may not be sustained, or may only be partially sustained, upon examination by the relevant taxing authorities.

*Impact if actual results differ from assumptions.* Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates. Some or all of these judgments are subject to review by the taxing authorities. If one or more of the taxing authorities were to successfully challenge our right to realize some or all of the tax benefit we have recorded, and we were unable to realize this benefit, it could have a material adverse effect on our financial results and cash flows.

*Our Current Tax Estimates and Changes in those Estimates.* At December 31, 2022, our federal income tax loss carryforwards were approximately \$1,712.5 million, our state income tax loss carryforwards were approximately \$2,293.2 million, and our foreign income tax loss carryforwards were approximately \$878.5 million. Since these losses have varying degrees of carryforward periods, it requires us to estimate the amount of carryforward losses that we can reasonably be expected to realize. Future changes in conditions and in the tax code may change these strategies and thus change the amount of carry forward losses that we expect to realize and the amount of valuation allowances we have recorded. As of December 31, 2022, we had a total valuation allowance of \$1,513.0 million related to the above loss carryforward and other future tax benefits for which realization is not likely to occur. Accordingly, future reported results could be materially impacted by changes in tax matters, positions, rules and estimates and these changes could be material. See Note 10-Income Taxes in the Notes to Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

During the first quarter of 2020, the severe impact of the COVID-19 pandemic on operations in Germany and Spain caused us to conclude the realizability of deferred tax assets held in those jurisdictions does not meet the more likely than not standard. As such, a charge of \$33.1 million and \$40.1 million was recorded for Germany and Spain, respectively. At December 31, 2020, we determined that it was appropriate to record a valuation allowance on the disallowed interest carryforward in Sweden as the realizability of this deferred tax asset in this jurisdiction does not meet the more likely than not standard. As such, the overall net tax benefit on Sweden was reduced by a charge of \$3.7 million. During 2021, we recorded a valuation allowance on all other deferred tax assets in Sweden, resulting in a charge of less than \$1 million. With the exception of Finland, all other international jurisdictions carried valuation allowances against their deferred tax assets at the end of 2022.



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On July 31, 2020, we completed our private offers to exchange our Existing Subordinated Notes for newly issued Second Lien Notes due 2026. Due to the terms of that exchange, we were required to recognize CODI for US tax purposes on the difference between the face value of debt exchanged and the fair market value of the new debt issued. We determined that we should recognize \$1.2 billion of CODI for tax purposes. Further, we concluded that the level of our insolvency at July 31, 2020 exceeded the indicated amount of CODI resulting from the debt exchange, which allowed us to reduce our tax attributes rather than recognize current taxable income. As a result, \$1.2 billion of our net operating losses have been eliminated due to tax attribute reduction. See Note 8-Corporate Borrowings and Finance Lease Liabilities and Note 10-Income Taxes in the Notes to Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

**Leases.** Under ASC Topic 842, lessees are required to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability is equal to the present value of lease payments. The asset is based on the liability, subject to certain adjustments, such as for lease incentives. For financial presentation purposes, a dual model was retained, requiring leases to be classified as either operating or finance leases. Operating leases result in straight-line expense (similar to operating leases under the prior accounting standard) while finance leases result in a front-loaded expense pattern (similar to capital leases under the prior accounting standard).

*Critical estimates.* We used our incremental borrowing rate to calculate the present value of our future operating lease payments, which was determined using a portfolio approach based on the rate of interest that we would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term since the leases do not provide a determinable implicit rate.

*Assumptions and judgment.* Estimating the incremental borrowing rate for operating leases is subjective when reviewing the reasonableness of the inputs and rates applied to each lease.

*Impact if actual results differ from assumptions.* A 100-basis point increase in the incremental borrowing rate would have decreased total operating lease liabilities by approximately \$187.7 million and a 100-basis point decrease in weighted average discount rate would have increased total operating lease liabilities by approximately \$200.5 million.



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**Operating Results**

The following table sets forth our consolidated revenues, operating costs and expenses attributable to our theatrical exhibition operations and segment operating results. Reference is made to Note 13-Operating Segments in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for additional information therein:

(In millions)	U.S. Markets			International Markets			Consolidated		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change
<b>Revenues</b>									
Admissions	\$1,642.2	\$ 1,016.5	61.6 %	\$ 559.2	\$ 377.7	48.1 %	\$2,201.4	\$ 1,394.2	57.9 %
Food and beverage	1,055.7	677.1	55.9 %	258.0	180.2	43.2 %	1,313.7	857.3	53.2 %
Other theatre	263.8	182.2	44.8 %	132.5	94.2	40.7 %	396.3	276.4	43.4 %
Total revenues	<u>2,961.7</u>	<u>1,875.8</u>	<u>57.9 %</u>	<u>949.7</u>	<u>652.1</u>	<u>45.6 %</u>	<u>3,911.4</u>	<u>2,527.9</u>	<u>54.7 %</u>
<b>Operating Costs and Expenses</b>									
Film exhibition costs	831.4	460.6	80.5 %	220.3	147.1	49.8 %	1,051.7	607.7	73.1 %
Food and beverage costs	165.1	95.9	72.2 %	63.5	42.0	51.2 %	228.6	137.9	65.8 %
Operating expense, excluding depreciation and amortization below	1,110.5	833.9	33.2 %	417.9	307.9	35.7 %	1,528.4	1,141.8	33.9 %
Rent	666.5	614.2	8.5 %	219.7	213.8	2.8 %	886.2	828.0	7.0 %
General and administrative expense:									
Merger, acquisition and other costs	2.7	9.0	(70.0)%	(0.6)	4.7	* %	2.1	13.7	(84.7)%
Other, excluding depreciation and amortization below	142.4	158.4	(10.1)%	65.2	68.2	(4.4)%	207.6	226.6	(8.4)%
Depreciation and amortization	312.2	321.2	(2.8)%	83.8	103.8	(19.3)%	396.0	425.0	(6.8)%
Impairment of long-lived assets	<u>73.4</u>	<u>61.3</u>	<u>19.7 %</u>	<u>59.7</u>	<u>15.9</u>	<u>* %</u>	<u>133.1</u>	<u>77.2</u>	<u>72.4 %</u>
Operating costs and expenses	<u>3,304.2</u>	<u>2,554.5</u>	<u>29.3 %</u>	<u>1,129.5</u>	<u>903.4</u>	<u>25.0 %</u>	<u>4,433.7</u>	<u>3,457.9</u>	<u>28.2 %</u>
Operating loss	<u>(342.5)</u>	<u>(678.7)</u>	<u>(49.5)%</u>	<u>(179.8)</u>	<u>(251.3)</u>	<u>(28.5)%</u>	<u>(522.3)</u>	<u>(930.0)</u>	<u>(43.8)%</u>
Other expense (income):									
Other expense (income)	52.0	9.2	* %	1.6	(97.1)	* %	53.6	(87.9)	* %
Interest expense:									
Corporate borrowings	267.3	349.2	(23.5)%	69.1	65.7	5.2 %	336.4	414.9	(18.9)%
Finance lease obligations	0.4	0.7	(42.9)%	3.7	4.5	(17.8)%	4.1	5.2	(21.2)%
Non-cash NCM exhibitor service agreement	38.2	38.0	0.5 %	-	-	- %	38.2	38.0	0.5 %
Equity in (earnings) loss of non-consolidated entities	(4.3)	(13.7)	(68.6)%	5.9	2.7	* %	1.6	(11.0)	* %
Investment expense (income)	<u>15.0</u>	<u>(3.7)</u>	<u>* %</u>	<u>(0.1)</u>	<u>(5.5)</u>	<u>(98.2)%</u>	<u>14.9</u>	<u>(9.2)</u>	<u>* %</u>
Total other expense (income), net	<u>368.6</u>	<u>379.7</u>	<u>(2.9)%</u>	<u>80.2</u>	<u>(29.7)</u>	<u>* %</u>	<u>448.8</u>	<u>350.0</u>	<u>28.2 %</u>
Net loss before income taxes	<u>(711.1)</u>	<u>(1,058.4)</u>	<u>(32.8)%</u>	<u>(260.0)</u>	<u>(221.6)</u>	<u>17.3 %</u>	<u>(971.1)</u>	<u>(1,280.0)</u>	<u>(24.1)%</u>
Income tax provision (benefit)	<u>0.9</u>	<u>(9.4)</u>	<u>* %</u>	<u>1.6</u>	<u>(0.8)</u>	<u>* %</u>	<u>2.5</u>	<u>(10.2)</u>	<u>* %</u>
Net loss	<u>(712.0)</u>	<u>(1,049.0)</u>	<u>(32.1)%</u>	<u>(261.6)</u>	<u>(220.8)</u>	<u>18.5 %</u>	<u>(973.6)</u>	<u>(1,269.8)</u>	<u>(23.3)%</u>
Less: Net loss attributable to noncontrolling interests	-	-	- %	-	(0.7)	* %	-	(0.7)	* %
Net loss attributable to AMC Entertainment Holdings, Inc.	<u>\$ (712.0)</u>	<u>\$ (1,049.0)</u>	<u>(32.1)%</u>	<u>\$ (261.6)</u>	<u>\$ (220.1)</u>	<u>18.9 %</u>	<u>\$ (973.6)</u>	<u>\$ (1,269.1)</u>	<u>(23.3)%</u>

\* Percentage change in excess of 100%.

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	U.S. Markets		International Markets		Consolidated	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021	2022	2021
<b>Operating Data:</b>						
Screen additions	12	34	39	48	51	82
Screen acquisitions	132	134	25	6	157	140
Screen dispositions	256	66	67	100	323	166
Construction openings (closures), net	5	(15)	22	(22)	27	(37)
Average screens(1)	7,635	7,341	2,483	1,657	10,118	8,998
Number of screens operated	7,648	7,755	2,826	2,693	10,474	10,448
Number of theatres operated	586	593	354	337	940	930
Total number of circuit screens	7,648	7,755	2,826	2,807	10,474	10,562
Total number of circuit theatres	586	593	354	353	940	946
Screens per theatre	13.1	13.1	8.0	8.0	11.1	11.2
Attendance (in thousands)(1)	141,376	91,102	59,589	37,445	200,965	128,547

(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. The preceding definition of and adjustments made to GAAP measures to determine Adjusted EBITDA are broadly consistent with Adjusted EBITDA as defined in the Company's debt indentures.

During the year ended December 31, 2022, Adjusted EBITDA in the U.S. markets was \$59.6 million compared to \$(250.6) million during the year ended December 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 or limited 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, increases in package ticket and gift card breakage, partially offset by increases in operating costs due to the increase in attendance, increases in rent expense, decreases in cash distributions from equity method investees, decreases in government assistance and increases in general and administrative expenses excluding stock-based compensation. During the year ended December 31, 2022, Adjusted EBITDA in the International markets was \$(13.0) million compared to \$(41.1) million during the year ended December 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, partially offset by increases in operating costs due to the increase in attendance and utilities costs, decreases in government assistance, decreases in attributable EBITDA from equity investments in theatre operations and increases in rent expense. During the year ended December 31, 2022, Adjusted EBITDA in the U.S. markets and International markets was \$46.6 million compared to \$(291.7) million during the year ended December 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:

Adjusted EBITDA (In millions)	Year Ended	
	December 31, 2022	December 31, 2021
U.S. markets	\$ 59.6	\$ (250.6)
International markets	(13.0)	(41.1)
Total Adjusted EBITDA (1)	\$ 46.6	\$ (291.7)

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(In millions)	Year Ended	
	December 31, 2022	December 31, 2021
Net loss	\$ (973.6)	\$ (1,269.8)
Plus:		
Income tax provision (benefit) (1)	2.5	(10.2)
Interest expense	378.7	458.1
Depreciation and amortization	396.0	425.0
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill (2)	133.1	77.2
Certain operating expense (income) (3)	8.0	0.2
Equity in (earnings) loss of non-consolidated entities (4)	1.6	(11.0)
Cash distributions from non-consolidated entities (5)	6.6	12.5
Attributable EBITDA (6)	0.4	3.7
Investment expense (income)	14.9	(9.2)
Other expense (income) (7)	80.4	(0.1)
Other non-cash rent benefit (8)	(26.6)	(24.9)
General and administrative - unallocated:		
Merger, acquisition and other costs (9)	2.1	13.7
Stock-based compensation expense (10)	22.5	43.1
Adjusted EBITDA	\$ 46.6	\$ (291.7)

- (1) For information regarding the income tax provision (benefit), see Note 10-Income Taxes to the Consolidated Financial Statements under Part II, Item 8 thereof.
- (2) During the year ended December 31, 2022, we recorded non-cash impairment charges related to our long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the International markets with 456 screens which were related to property, net and operating lease right-of-use assets, net.  
  
During the year ended December 31, 2021, we recorded non-cash impairment charges related to our long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the International markets with 118 screens which were related to property, net and operating lease right-of-use assets, net.
- (3) 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, non-cash deferred digital equipment rent expense, and 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.
- (4) Equity in (earnings) loss of non-consolidated entities primarily consisted of equity in loss from Saudi Cinema Company, LLC of \$7.6 million, partially offset by equity in (earnings) in DCIP of \$3.4 million during the year ended December 31, 2022. During the year ended December 31, 2021, equity in (earnings) loss of non-consolidated entities was primarily due to equity in (earnings) from DCIP of \$12.2 million.
- (5) 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.
- (6) 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.

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<b>(In millions)</b>	<b>Year Ended</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Equity in (earnings) loss of non-consolidated entities	\$ 1.6	\$ (11.0)
Less:		
Equity in earnings of non-consolidated entities excluding International theatre joint ventures	(5.4)	(13.5)
Equity in loss of International theatre joint ventures	(7.0)	(2.5)
Income tax provision	0.1	0.3
Investment expense (income)	0.2	(0.1)
Interest expense	0.1	0.2
Impairment of long-lived assets	4.2	-
Depreciation and amortization	2.8	5.6
Other expense	-	0.2
<b>Attributable EBITDA</b>	<b>\$ 0.4</b>	<b>\$ 3.7</b>

- (7) Other expense (income) during the year ended December 31, 2022, primarily consisted of a loss on debt extinguishment of \$92.8 million, partially offset by income related to the foreign currency transaction gains of \$(12.3) million and contingent lease guarantees of \$(0.2) million.

Other expense (income) for the year ended December 31, 2021, primarily consisted of a loss on debt extinguishment of \$14.4 million and financing fees of \$1.0 million, partially offset by income related to the foreign currency transaction gains of \$(9.8) million and contingent lease guarantees of \$(5.7) million.

- (8) Reflects amortization of 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.
- (9) Merger, acquisition and other costs are excluded as they are non-operating in nature.
- (10) 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. Our definition of Adjusted EBITDA definition is broadly consistent with how it is defined in our debt indentures.

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 years ended December 31, 2022 and December 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 Year Ended December 31, 2022, Compared to the Year Ended December 31, 2021

### Consolidated Results of Operations

**Revenues.** Total revenues increased \$1,383.5 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021. Admissions revenues increased \$807.2 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to an increase in attendance from 128.5 million patrons to 201.0 million patrons and a 0.9% 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 or limited 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 3D, IMAX and Premium content, partially offset by a decrease in foreign currency translation rates.

Food and beverage revenues increased \$456.4 million, during the year ended December 31, 2022, compared to the year ended December 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 1.9% from \$6.67 to \$6.54 due primarily to the decline in foreign currency translation rates.

Total other theatre revenues increased \$119.9 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other 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 \$975.8 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021. Film exhibition costs increased \$444.0 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 47.8% for the year ended December 31, 2022, compared to 43.6% for the year ended December 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, 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 \$90.7 million, during the year ended December 31, 2022, compared to the year ended December 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 17.4% for the year ended December 31, 2022, compared to 16.1% for the year ended December 31, 2021.

As a percentage of revenues, operating expense was 39.1% for the year ended December 31, 2022, compared to 45.2% for the year ended December 31, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 7.0%, or \$58.2 million, during the year ended December 31, 2022, compared to the year ended December 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 3-Leases in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information on the impact of COVID-19 on leases and rent obligations of approximately \$157.2 million that have been deferred to future years as of December 31, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$2.1 million during the year ended December 31, 2022, compared to \$13.7 million during the year ended December 31, 2021, primarily due to higher legal and professional costs related to strategic contingent planning in the prior year.

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**Other.** Other general and administrative expense decreased 8.4% or \$19.0 million during the year ended December 31, 2022, compared to the year ended December 31, 2021, due primarily to a \$20.6 million decrease in expense for stock-based compensation expense due primarily to lower expectations for performance based vesting and lower expense for SPSU's that fully vested in 2021 and the decrease in foreign currency translation rates.

**Depreciation and amortization.** Depreciation and amortization decreased 6.8% or \$29.0 million during the year ended December 31, 2022, compared to the year ended December 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.

**Impairment of long-lived assets, definite and indefinite-lived intangible assets, and goodwill.** During the year ended December 31, 2022, we recognized non-cash impairment losses of \$73.4 million on 68 theatres in the U.S. markets with 817 screens (in Alabama, Arkansas, Arizona, California, Connecticut, District of Columbia, Florida, Georgia, Iowa, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, North Dakota, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, West Virginia, and Wisconsin) which were related to property, net and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the International markets with 456 screens (in Germany, Italy, Spain, Sweden, and the UK), which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2021, we recognized non-cash impairment losses of \$61.3 million on 77 theatres in the U.S. markets with 805 screens (in Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wisconsin) which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the International markets with 118 screens (in Italy, Norway, Spain, and the UK), which were related to property, net and operating lease right-of-use assets, net.

**Other expense (income).** Other expense of \$53.6 million during the year ended December 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 and a loss on extinguishment of debt of \$36.5 million related to the full redemption of the \$476.6 million aggregate amount of the Odeon Term Loan due 2023, partially offset by a gain on extinguishment of debt of \$(75.0) million related to the redemption of \$118.2 million of aggregate principal amount of the Second Lien Notes due 2026, a gain on extinguishment of debt of \$(3.7) million related to the redemption of \$5.3 million aggregate principal amount of Senior Subordinated Notes due 2027, \$(25.8) million in government assistance related to COVID-19 and \$(12.3) million in foreign currency transaction gains. Other income of \$(87.9) million during the year ended December 31, 2021 was primarily due to \$(87.1) million in government assistance related to COVID-19, foreign currency transaction gains of \$(9.8) million and estimated credit income of \$(5.7) million related to contingent lease guarantees, partially offset by a loss on extinguishment of \$14.4 million related to the redemption of \$35.0 million principal amount of 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026 and \$1.0 million of financing fees related to the write-off of unamortized deferred charges. See Note 1-The Company and Significant Accounting Policies in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about the components of other expense (income).

**Interest expense.** Interest expense decreased \$79.4 million to \$378.7 million for the year ended December 31, 2022 compared to \$458.1 million during the year ended December 31, 2021 primarily due to:

- the extinguishment of \$72.5 million of 10%/12% Cash/PIK/Toggle Second Lien Notes due 2026 in May of 2022;
- the conversion of \$600.0 million 2.95% Convertible Notes due 2026 to 44,422,860 Common Shares and 44,422,860 AMC Preferred Equity Units 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;

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- the extinguishment of \$73.5 million of 15%/17% Cash/PIK/Toggle Second Lien Notes due 2026 on February 14, 2022;
- the extinguishment of \$476.6 million 10.75%/11.25% Cash/PIK Term Loans due 2023 on October 20, 2022;
- the extinguishment of \$45.7 million of 10%/12% Cash/PIK/Toggle Second Lien Notes due 2026 in November and December of 2022;
- the extinguishment of \$5.25 million of 6.125% Senior Subordinated Notes due 2027 in November 2022; and
- the decline in foreign currency translation rates,

partially offset by:

- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026;
- the issuance of \$950.0 million of 7.5% First Lien Senior Secured Notes due 2029 on February 14, 2022;
- the issuance of £140.0 million and €296.0 million 10.75%/11.25% Cash/PIK Term Loans due 2023 on February 19, 2021; and
- the issuance of \$400.0 million 12.75% Odeon Senior Secured Notes due 2027 on October 20, 2022.

See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about our indebtedness.

**Equity in loss (earnings) of non-consolidated entities.** Equity in loss of non-consolidated entities was \$1.6 million for the year ended December 31, 2022, compared to \$(11.0) million for the year ended December 31, 2021. The increase in equity in loss was primarily due to a decrease in equity in earnings from Digital Cinema Implementation Partners (“DCIP”) of \$8.9 million.

**Investment expense (income).** Investment expense was \$14.9 million for the year ended December 31, 2022, compared to investment income of \$(9.2) million for the year ended December 31, 2021. Investment expense in the current year includes \$12.5 million of decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation partially offset by \$(6.2) million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation, a \$13.5 million decline in estimated fair value of our investment in NCM common units offset by interest income of \$(5.9) million. Investment income includes a gain on sale of the Baltics of \$(5.5) million during the year ended December 31, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$2.5 million and \$(10.2) million for the year ended December 31, 2022 and December 31, 2021, respectively. See Note 10-Income Taxes in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information.

**Net loss.** Net loss was \$973.6 million and \$1,269.8 million during the year ended December 31, 2022, and December 31, 2021, respectively. Net loss during the year ended December 31, 2022 compared to net loss for the year ended December 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 or limited operationally due to the COVID-19 pandemic and lifting of seating restrictions, decreases in depreciation and amortization expense, decreases in interest expense, decreases in general and administrative expenses and decreases in foreign currency translation rates, partially offset by increases in rent expense, decreases in other income, decreases in investment income and a decrease in income tax benefit.

### **Theatrical Exhibition-U.S. Markets**

**Revenues.** Total revenues increased \$1,085.9 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021. Admissions revenues increased \$625.7 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to an increase in attendance from 91.1 million patrons to 141.4 million patrons and an 4.1% 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 or limited 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



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primarily due to strategic pricing initiatives put in place over the prior year and increases in 3D, IMAX and Premium content.

Food and beverage revenues increased \$378.6 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the increase in attendance and an increase in food and beverage per patron. Food and beverage per patron increased 0.5% from \$7.43 to \$7.47.

Total other theatre revenues increased \$81.6 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other advertising due to the increase in attendance.

**Operating costs and expenses.** Operating costs and expenses increased \$749.7 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021. Film exhibition costs increased \$370.8 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 50.6% for the year ended December 31, 2022 and 45.3% for the year ended December 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, 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 \$69.2 million, during the year ended December 31, 2022, compared to the year ended December 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 15.6% for the year ended December 31, 2022, compared to 14.2% for the year ended December 31, 2021.

As a percentage of revenues, operating expense was 37.5% for the year ended December 31, 2022 and 44.5% for the year ended December 31, 2021 due to the low levels of attendance in the prior year. Rent expense increased 8.5%, or \$52.3 million, during the year ended December 31, 2022, compared to the year ended December 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 3-Leases in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information on the impact of COVID-19 on leases and rent obligations of approximately \$130.5 million that have been deferred to future years as of December 31, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$2.7 million during the year ended December 31, 2022, compared to \$9.0 million during the year ended December 31, 2021, primarily due to higher legal and professional costs in the prior year.

**Other.** Other general and administrative expense decreased 10.1%, or \$16.0 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021 due primarily to an \$18.8 million decrease in expense for stock-based compensation expense due primarily to lower expectations for performance based vesting and lower expense for SPSU's that fully vested in 2021. See Note 9-Stockholders' Equity in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about stock-based compensation expense.

**Depreciation and amortization.** Depreciation and amortization decreased 2.8%, or \$9.0 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to lower depreciation expense on theatres impaired during years ended December 31, 2020 and December 31, 2021.

**Impairment of long-lived assets, definite and indefinite-lived intangible assets, and goodwill.** During the year ended December 31, 2022, we recognized non-cash impairment losses of \$73.4 million on 68 theatres in the U.S. markets with 817 screens (in Alabama, Arkansas, Arizona, California, Connecticut, District of Columbia, Florida, Georgia, Iowa, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, North Dakota, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, West Virginia, and Wisconsin) which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2021, we recognized non-cash impairment losses of \$61.3 million on 77 theatres in the U.S. markets with 805 screens (in Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina,



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Tennessee, Texas, Utah, West Virginia, and Wisconsin) which were related to property, net, operating lease right-of-use assets, net and other long-term assets.

**Other expense.** Other expense of \$52.0 million during the year ended December 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, partially offset by a gain on extinguishment of debt of \$75.0 million related to the redemption of \$118.2 million of aggregate principal amount of the Second Lien Notes due 2026, a gain on extinguishment of debt of \$3.7 million related to the redemption of \$5.25 million aggregate principal amount of Senior Subordinated Notes due 2027, \$2.8 million in government assistance related to COVID-19 and \$0.5 million in foreign currency transaction gains. Other expense of \$9.2 million during the year ended December 31, 2021, was primarily due to a loss on extinguishment of \$14.4 million related to the redemption of \$35.0 million principal amount of 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026, partially offset by \$5.6 million in government assistance related to COVID-19. See Note 1-The Company and Significant Accounting Policies in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about the components of other expense.

**Interest expense.** Interest expense decreased \$82.0 million to \$305.9 million for the year ended December 31, 2022, compared to \$387.9 million during the year ended December 31, 2021, primarily due to:

- the extinguishment of \$72.5 million of 10%/12% Cash/PIK/Toggle Second Lien Notes due 2026 in May of 2022;
- the conversion of \$600.0 million 2.95% Convertible Notes due 2026 to 44,422,860 Common Stock and 44,422,860 AMC Preferred Equity Units 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 on February 14, 2022,
- the extinguishment of \$45.7 million of 10%/12% Cash/PIK/Toggle Second Lien Notes due 2026 in November and December of 2022; and
- the extinguishment of \$5.25 million of 6.125% Senior Subordinated Notes due 2027 in November 2022

partially offset by:

- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026; and
- the issuance of \$950.0 million of 7.5% First Lien Senior Secured Notes due 2029 on February 14, 2022.

See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about our indebtedness.

**Equity in earnings of non-consolidated entities.** Equity in earnings of non-consolidated entities was \$4.3 million for the year ended December 31, 2022, compared to \$13.7 million for the year ended December 31, 2021. The decrease in equity in earnings was primarily due to a decrease in equity in earnings from DCIP of \$8.9 million.

**Investment expense (income).** Investment expense was \$15.0 million for the year ended December 31, 2022, compared to investment income of \$(3.7) million for the year ended December 31, 2021. Investment expense in the current year includes \$12.5 million of deterioration in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation and \$(6.2) million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and a \$13.5 million decline in estimated fair value of our investment in NCM common units offset by interest income of \$(5.8) million.

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**Income tax provision (benefit).** The income tax provision (benefit) was \$0.9 million and \$(9.4) million for the year ended December 31, 2022, and December 31, 2021, respectively. See Note 10-Income Taxes in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information.

**Net loss.** Net loss was \$712.0 million and \$1,049.0 million during the year ended December 31, 2022 and December 31, 2021, respectively. Net loss during the year ended December 31, 2022 compared to net loss for the year ended December 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 depreciation and amortization expense, decreases in general and administrative expenses and decreases in interest expense, 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 \$297.6 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021. Admissions revenues increased \$181.5 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to an increase in attendance from 37.4 million patrons to 59.6 million patrons partially offset by a 7.0% decrease 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 or limited 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 decrease in average ticket price was primarily due a decrease in foreign currency translation rates, partially offset by strategic pricing initiatives put in place over the prior year.

Food and beverage revenues increased \$77.8 million, during the year ended December 31, 2022, compared to the year ended December 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 10.0% from \$4.81 to \$4.33 due primarily to decreases in foreign currency translation rates.

Total other theatre revenues increased \$38.3 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to increases in ticket fees, income from gift cards 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 \$226.1 million, during the year ended December 31, 2022 compared to the year ended December 31, 2021 primarily due to an increase in attendance, increases in property taxes, and increase in utilities costs due to energy supply shortages and inflationary pressures, partially offset by the decrease in currency translation rates. The increases in property taxes was due to the expiration of property tax holidays related to the COVID-19 pandemic during the second half of 2021.

Film exhibition costs increased \$73.2 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 39.4% for the year ended December 31, 2022, compared to 38.9% for the year ended December 31, 2021.

Food and beverage costs increased \$21.5 million, during the year ended December 31, 2022, compared to the year ended December 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 24.6% for the year ended December 31, 2022, compared to 23.3% for the year ended December 31, 2021.

As a percentage of revenues, operating expense was 44.0% for the year ended December 31, 2022, and 47.2% for the year ended December 31, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 2.8%, or \$5.9 million, during the year ended December 31, 2022, compared to the year ended December 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 3-Leases in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information on the impact of COVID-19 on leases and rent obligations of approximately \$26.7 million that have been deferred to future years as of December 31, 2022.

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**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$(0.6) million during the year ended December 31, 2022, compared to \$4.7 million during the year ended December 31, 2021, primarily due to legal and professional costs related to strategic contingency planning in the prior year.

**Other.** Other general and administrative expense decreased 4.4%, or \$3.0 million, during the year ended December 31, 2022, compared to the year ended December 31, 2021 due primarily to a \$1.8 million decrease in expense for stock-based compensation expense due primarily to lower expectations for performance based vesting and lower expense for SPSU's that fully vested in 2021 and the decrease in foreign currency translation rates. See Note 9-Stockholders' Equity in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about stock-based compensation expense.

**Depreciation and amortization.** Depreciation and amortization decreased 19.3%, or \$20.0 million, during the year ended December 31, 2022, compared to the year ended December 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.

**Impairment of long-lived assets, definite and indefinite-lived intangible assets, and goodwill.** During the year ended December 31, 2022, we recognized non-cash impairment losses of \$59.7 million on 53 theatres in the International markets with 456 screens (in Germany, Italy, Spain, Sweden, and UK), which were related to property, net, and operating lease right-of-use assets, net.

During the year ended December 31, 2021, we recognized non-cash impairment losses of \$15.9 million on 14 theatres in the International markets with 118 screens (in Italy, Norway, Spain, and UK), which were related to property, net, and operating lease right-of-use assets, net.

**Other expense (income).** Other expense of \$1.6 million during the year ended December 31, 2022 was primarily due to a loss on extinguishment of debt of \$36.5 million related to the full redemption of the \$476.6 million aggregate amount of the Odeon Term Loan due 2023 and partially offset by \$(23.0) million in government assistance related to COVID-19 and \$(12.3) million of foreign currency transaction gains. Other income of (\$97.1) million during the year ended December 31, 2021, was primarily due to \$(81.5) million in government assistance related to COVID-19, \$(9.8) million of foreign currency transaction gains and estimated credit income of \$(6.0) million related to contingent lease guarantees. See Note 1-The Company and Significant Accounting Policies in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about the components of other expense (income).

**Interest expense.** Interest expense increased \$2.6 million to \$72.8 million for the year ended December 31, 2022 compared to \$70.2 million during the year ended December 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; and
- the issuance of \$400.0 million 12.75% Odeon Senior Secured Notes due 2027 on October 20, 2022, partially offset by:
  - the extinguishment of £147.6 million and €312.2 million (\$476.6 million) 10.75%/11.25% Cash/PIK Term Loans due 2023 on October 20, 2022.

See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for additional information about our indebtedness.

**Equity in loss of non-consolidated entities.** Equity in loss of non-consolidated entities was \$5.9 million for the year ended December 31, 2022, compared to \$2.7 million for the year ended December 31, 2021.

**Investment income.** Investment income was \$0.1 million for the year ended December 31, 2022, compared to investment income of \$(5.5) million for the year ended December 31, 2021. Investment income includes a gain on sale of the Baltics of \$5.5 million during the year ended December 31, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$1.6 million and \$(0.8) million for the year ended December 31, 2022, and December 31, 2021, respectively. See Note 10-Income Taxes in the Notes to the Consolidated Financial Statements under Part II Item 8 thereof for further information.

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**Net loss.** Net loss was \$261.6 million and \$220.8 million during the year ended December 31, 2022 and December 31, 2021, respectively. Net loss during the year ended December 31, 2022 compared to net loss for the year ended December 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 depreciation and amortization expense, decreases in general and administrative expenses, and decreases in foreign currency translation rates, partially offset by increases in rent expense, decreases in other income, increases in interest expense, decreases in investment income and a decrease in income tax benefit.

**Results of Operations-For the Year Ended December 31, 2021, Compared to the Year Ended December 31, 2020**

For a comparison of our results of operations for the year ended December 31, 2021, compared to the year ended December 31, 2020, see [“Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our annual report on Form 10-K for the year ended December 31, 2021](#), filed with the Securities and Exchange Commission on March 1, 2022, which is incorporated herein by reference.

**Liquidity and Capital Resources-For the Year Ended December 31, 2022, Compared to the Year Ended December 31, 2021**

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 operations are beginning to approach pre-pandemic levels, 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 (deficits) (excluding restricted cash) as of December 31, 2022 and December 31, 2021 of \$(811.1) million and \$54.6 million, respectively. As of December 31, 2022 and December 31, 2021, working capital included \$567.3 million and \$605.2 million, respectively, of operating lease liabilities and \$402.7 million and \$408.6 million, respectively, of deferred revenues. At December 31, 2022, we had \$211.2 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 borrowed \$209.1 million (the full availability net of standby letters of credit) under our \$225.0 million Senior Secured Revolving Credit Facility. Reference is made to Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Statements under Part II, Item 8 thereof, for further discussion of our Financial Covenants.

As of December 31, 2022, we had cash and cash equivalents of approximately \$631.5 million. 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 significant measures to further strengthen our financial position and enhance our operations, by eliminating 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 liquidity through debt refinancing that extended maturities, purchases of debt below par value, and equity sales. See Note 8-Corporate Borrowings and Finance Lease Liabilities, Note 9-Stockholders’ Equity, and Note 16-Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

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The table below summarizes net decreases in cash and cash equivalents and restricted cash by quarter for the year ended December 31, 2022:

(In millions)	Three Months Ended				Year Ended
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31 2022
<b>Cash flows from operating activities:</b>					
Net cash used in operating activities	\$ (295.0)	\$ (76.6)	\$ (223.6)	\$ (33.3)	\$ (628.5)
<b>Cash flows from investing activities:</b>					
Net cash used in investing activities	(54.9)	(48.0)	(50.8)	(70.3)	(224.0)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	(76.3)	(59.7)	0.5	44.2	(91.3)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.5)	(16.4)	(8.2)	8.0	(22.1)
Net decrease in cash and cash equivalents and restricted cash	(431.7)	(200.7)	(282.1)	(51.4)	(965.9)
Cash and cash equivalents and restricted cash at beginning of period	1,620.3	1,188.6	987.9	705.8	1,620.3
Cash and cash equivalents and restricted cash at end of period	\$ 1,188.6	\$ 987.9	\$ 705.8	\$ 654.4	\$ 654.4

Our net cash provided by (used in) operating activities improved by \$341.5 million during the three months ended March 31, 2022 compared to the three months ended December 31, 2021, \$218.4 million during the three months ended June 30, 2022 compared to the three months ended March 31, 2022, deteriorated by \$(147.0) million during the three months ended September 30, 2022 compared to the three months ended June 30, 2022, and improved by \$190.3 million during the three months ended December 31, 2022 compared to September 30, 2022. The improvement is primarily attributable to working capital changes, partially offset by an increased net loss during the three months ended December 31, 2022. We also continue to repay rent amounts that were deferred during the pandemic, which increases its cash outflows from operating activities. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 in this Form 10-K for a summary of estimated future repayment terms for the remaining \$157.2 million of rentals that were deferred during the COVID-19 pandemic.

Our net cash provided by (used in) investing activities included:

- \$34.8 million of capital expenditures and \$27.9 million of investments in non-consolidated entities, partially offset from the disposition of long-term assets of \$7.2 million during the three months ended March 31, 2022;
- \$40.4 million of capital expenditures, \$17.8 million for the acquisition of theatres, partially offset by proceeds of \$11.4 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan during the three months ended June 30, 2022;
- \$54.5 million of capital expenditures, partially offset by of proceeds from disposition of long-term assets of \$3.6 million during the three months ended September 30, 2022; and
- \$72.3 million of capital expenditures, partially offset by \$0.5 million of proceeds from disposition of long-term assets and \$1.5 million of proceeds from the sale of NCM shares during the three months ended December 31, 2022.

Our net cash provided by (used in) financing activities included:

- \$955.7 million of principal and premium payments, \$52.2 million of taxes paid for restricted unit withholdings, and \$17.7 million of cash used to pay for deferred financing costs, partially offset by proceeds from the Company's debt issuance of \$950.0 million, during the three months ended March 31, 2022;
- \$57.9 million of principal and premium payments, \$1.8 million of cash used to pay for deferred financing costs, and \$0.7 million of AMC Preferred Equity Unit issuance costs during the three months ended June 30, 2022;

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- \$7.4 million of principal payments and \$0.5 million of cash used to pay deferred financing costs, partially offset by \$8.5 million of net proceeds from AMC Preferred Equity Units issuance during the three months ended September 30, 2022; and
- \$529.5 million of principal and premium payments and \$6.9 million of cash used to pay for deferred financing costs, partially offset by proceeds from the Company's debt issuance of \$368.0 million and \$212.6 million of net proceeds from AMC Preferred Equity Units issuances during the three months ended December 31, 2022;

The table below summarizes net increase (decrease) in cash and cash equivalents and restricted cash by quarter for the year ended December 31, 2021:

(In millions)	Three Months Ended				Year Ended
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2021
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	\$ (312.9)	\$ (233.8)	\$ (113.9)	\$ 46.5	\$ (614.1)
<b>Cash flows from investing activities:</b>					
Net cash provided by (used in) investing activities	(16.0)	13.5	(28.8)	(36.9)	(68.2)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	854.7	1,212.2	(48.3)	(27.9)	1,990.7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.1)	5.6	(8.4)	(1.6)	(9.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	520.7	997.5	(199.4)	(19.9)	1,298.9
Cash and cash equivalents and restricted cash at beginning of period	321.4	842.1	1,839.6	1,640.2	321.4
Cash and cash equivalents and restricted cash at end of period	\$ 842.1	\$ 1,839.6	\$ 1,640.2	\$ 1,620.3	\$ 1,620.3

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. This is primarily attributable to continued increases in attendance and industry box office revenues during the year ended December 31, 2021.

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 to repay rent amounts that were deferred during the COVID-19 pandemic 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 for at least the next twelve months. In order to achieve net positive operating cash flows and long-term profitability, we believe that operating revenues will need to increase significantly from 2021 and 2022 levels to levels in line with pre-COVID-19 operating revenues. We believe the anticipated volume of titles available for theatrical release, and the anticipated broad appeal of many of those titles will support increased operating revenues and attendance levels. We believe that recent operating revenues and attendance levels are positive signs of continued demand for the moviegoing experience. Total revenues for the years ended December 31, 2022, 2021, and 2020 were \$3.9 billion, \$2.5 billion, and \$1.2 billion respectively, compared to \$5.5 billion for the year ended December 31, 2019. For the years ended December 31, 2022, 2021, and 2020 attendance was 201.0 million patrons, 128.5 million patrons, and 75.2 million patrons, respectively, compared to 356.4 million patrons for the year ended December 31, 2019. Moreover, it is difficult to predict future operating revenues and attendance levels and there remain significant risks that may negatively impact operating revenues and attendance, including movie studios release schedules, the production and theatrical release of fewer films compared to levels before the onset of the COVID-19 pandemic, and direct to streaming or other changing movie studio practices.

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We currently estimate that our existing cash and cash equivalents will be sufficient to comply with minimum liquidity and financial covenant requirements under our debt covenants related to borrowings pursuant to the Senior Secured Revolving Credit Facility, currently and through the next twelve months. Pursuant to the Twelfth Amendment, the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Senior Secured Revolving Credit Facility under the Credit Agreement through March 31, 2024. The current maturity date of the Senior Secured Revolving Credit Facility is April 22, 2024; since the financial covenant applicable to the Senior Secured Revolving Credit Facility is tested as of the last day of any fiscal quarter for which financial statements have been (or were required to have been) delivered, the financial covenant has been effectively suspended through maturity of the Senior Secured Revolving Credit Facility. As of December 31, 2022 we were subject to a minimum liquidity requirement of \$100 million as a condition to the financial covenant suspension period under the Credit Agreement.

The 11.25% Odeon Term Loan due 2023 (“Odeon Term Loan Facility”) was to mature on August 19, 2023 during the third fiscal quarter of the Company’s next calendar year. On October 20, 2022 we completely repaid the Odeon Term Loan Facility using existing cash and \$363.0 million net proceeds from the issuance of Odeon Notes due 2027.

We or our affiliates actively seek and expect, at any time and from time to time, to continue to seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity (including AMC Preferred Equity Units) or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material and to the extent equity is used, dilutive. During the year ended December 31, 2022, we repurchased \$118.3 million aggregate principal of the Second Lien Notes due 2026 for \$68.3 million and recorded a gain on extinguishment of \$75.0 million in other expense (income). These 2022 repurchases included a purchase of \$15.0 million aggregate principal of the Second Lien Notes due 2026 from Antara, which subsequently became a related party on February 7, 2023, for \$5.9 million and a gain on extinguishment of \$12.0 million. Additionally, we repurchased \$5.3 million aggregate principal of the Senior Subordinated Notes due 2027 for \$1.6 million and recorded a gain on extinguishment of \$3.7 million in other expense (income). Accrued interest of \$4.5 million was paid in connection with the repurchases. See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for more information.

We received rent concessions provide 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. As a result, deferred lease amounts were approximately \$157.2 million as of December 31, 2022. Including repayments of deferred lease amounts, our cash expenditures for rent increased significantly during the year ended December 31, 2022 compared to December 31, 2021. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 in this Form 10-K 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, future operating revenues and 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 that operating revenues will need to increase significantly to levels in line with pre-COVID-19 operating revenues. Our current cash burn rates 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 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 operating revenues, 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 limited ability to predict studio film release dates and success of individual titles. 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***

Net cash used in operating activities, as reflected in the consolidated statements of cash flows, were \$628.5 million and \$614.1 million during the years ended December 31, 2022 and December 31, 2021, respectively. The increase in cash used in operating activities was primarily due to increased deferred rent payments and increases in working capital used, partially offset by an increase in attendance, which resulted in improved operating results during the year ended December 31, 2022. See Note 3-Leases in the Notes to the Consolidated Financial Statements in Item 8 of Part II in this Form 10-K for a summary of the estimated future repayment terms for the remaining \$157.2 million of rentals that were deferred during the COVID-19 pandemic.

### ***Cash Flows from Investing Activities***

Net cash used in investing activities, as reflected in the consolidated statements of cash flows, were \$224.0 million and \$68.2 million during the years ended December 31, 2022 and December 31, 2021, respectively. Cash outflows from investing activities for capital expenditures during the years ended December 31, 2022 and December 31, 2021 were \$202.0 million and \$92.4 million, respectively.

During the year ended December 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, acquisition of theatre assets for \$17.8 million, partially offset by proceeds from the disposition of long-term assets of \$11.3 million and proceeds of \$13.0 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan.

During the year ended December 31, 2021, cash flows used in investing activities included proceeds from the disposition of Baltics of \$34.2 million, primarily related to the sale of our remaining equity interest in Estonia of \$3.7 million and Lithuania of \$30.5 million and proceeds received from the disposition of long-term assets of \$7.9 million primarily related to four properties. During the year ended December 31, 2021, we made an additional investment of \$9.3 million in Saudi Cinema Company LLC and acquired theatre assets of \$8.2 million related to two theatres.

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 cash outflows for capital expenditures, net of landlord contributions, will be approximately \$150 million to \$200 million for the year ending December 31, 2023 to maintain and enhance operations.

### ***Cash Flows from Financing Activities***

Net cash (used in) provided by financing activities, as reflected in the consolidated statements of cash flows, were \$(91.3) million and \$1,990.7 million, during the years ended December 31, 2022 and December 31, 2021, respectively. The increase in cash flows used in financing activities during the year ended December 31, 2022 compared to December 31, 2021 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 for restricted unit withholdings of \$52.3 million, repurchase of Second Lien Notes due 2026 of \$68.3 million, and cash used to pay for deferred financing costs of \$26.1 million, partially offset by the issuance of the First Lien Notes due 2029 of \$950.0 million, issuance of the Odeon Senior Secured Notes due 2027 of \$368.0 million, and net proceeds from AMC Preferred Equity Unit share issuances of \$220.4 million. See Note 8-Corporate Borrowings and Finance Lease Liabilities and Note 9-Stockholders' Equity in the Notes to the Consolidated Financial Statements in Item 8 of Part II of this Form 10-K for further information, including a summary of principal payments required and maturities of corporate borrowings as of December 31, 2022.

During the year ended December 31, 2021, borrowings under the Odeon Term Loan Facility of \$534.3 million, borrowings under the issuance of First Lien Toggle Notes due 2026 of \$100.0 million, net proceeds from the sale of Common Stock of \$1,570.7 million, and net proceeds from Common Stock issuance to Mudrick of \$230.4 million, partially offset by the repayments under the revolving credit facilities of \$335.0 million, principal and redemption premium under the First Lien Toggle Notes due 2026 of \$40.3 million, payment for deferred financing costs of \$19.9



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million, payment of \$19.1 million of taxes for restricted unit withholdings, and principal payments under the Term Loan due 2026 of \$20.0 million.

**Dividends.** The following is a summary of dividends and dividend equivalents declared to stockholders:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Date Paid</u>	<u>Amount per Share of Common Stock</u>	<u>Amount per Share of AMC Preferred Equity Units</u>	<u>Total Amount Declared (In millions)</u>
February 26, 2020	March 9, 2020	March 23, 2020	\$ 0.015	\$ 0.015	\$ 3.2

During the year ended December 31, 2020, we paid dividends and dividend equivalents of \$6.5 million. As of December 31, 2022 and December 31, 2021, we accrued \$0.0 million and \$0.7 million, respectively, for the remaining unpaid dividends.

**Future Contractual Obligations**

Our estimated future obligations as of December 31, 2022 include both current and long term obligations. Our expected material contractual cash requirements over the next twelve months, primarily consist of capital related betterments of \$45.6 million, minimum operating lease obligations of \$973.2 million, finance lease obligations of \$9.1 million, contractual cash rent amounts that were due and not paid of \$24.9 million recorded in accounts payable, and corporate borrowings principal and interest payments of \$20.0 million and \$417.6 million, respectively.

**Capital related betterments.** At December 31, 2022, we have short-term committed capital expenditures, investments, and betterments to our circuit, which do not include planned, but non-committed capital expenditures of \$45.6 million.

**Pension funding.** Our U.S., U.K., and Sweden defined benefit plans are frozen. We fund our U.S. pension plans such that the plans are in compliance with Employee Retirement Income Security Act (“ERISA”) and the plans are not considered “at risk” as defined by ERISA guidelines. We do not expect to make a material contribution to the defined pension plans during the year ended December 31, 2023.

**Obligation for unrecognized tax benefits.** As of December 31, 2022, our recorded obligation for unrecognized tax benefits is \$7.4 million. There are currently no unrecognized tax benefits which we anticipate will be resolved in the next twelve months. See Note 10-Income Taxes in the Notes to Consolidated Financial Statements under Part II, Item 8 thereof for further information.

**Minimum operating lease and finance lease payments.** We have current and long-term minimum cash requirements for operating lease payments of \$973.2 million and \$6,426.3 million, respectively. We have current and long-term minimum cash requirements for finance lease payments of \$9.1 million and \$81.5 million, respectively. The total amounts do not equal the carrying amount due to imputed interest. We 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 and were included in the amounts above, except for contractual cash rent amounts recorded in accounts payable that were due and not paid of \$24.9 million. Our cash expenditures for rent increased significantly in the second, third, and fourth quarters of 2021 and all of 2022 as previously deferred rent payments and landlord concessions started to become current obligations. See Note 3-Leases in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for a summary of the estimated future repayment terms for the minimum operating lease and finance lease amounts, including the deferred lease amounts due to COVID-19.

**Corporate borrowings principal and interest payments.** We have current and long-term cash requirements for the payment of principal related to corporate borrowings of \$20.0 million and \$4,929.0 million, respectively. The total amount does not equal the carrying amount due to unamortized discounts, premiums and deferred charges. We have current and long-term cash interest payment requirements related to our corporate borrowings of \$417.6 million and \$1,262.8 million, respectively. The cash interest payment requirements for our Senior Secured Term Loans due 2026 was estimated at 7.3% based on the interest rate in effect as of December 31, 2022. See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information, including a summary of principal payments required and maturities of corporate borrowings as of December 31, 2022.

**Senior Secured Credit Facilities (Senior Secured Revolving Credit Facility and Senior Secured Term Loan due 2026).** On March 8, 2021, we entered into the Ninth Amendment, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Senior Secured Revolving Credit Facility under our Credit Agreement from a period ending on March 31, 2021 to a period ending on March 31, 2022, which was further extended by the Eleventh Amendment and the Twelfth Amendment from March 31, 2022 to March 31, 2023, and then from March 31, 2023 to March 31, 2024, respectively, in each case, as described, and on the terms and conditions specified, therein. On March 8, 2021, we entered into the Tenth Amendment (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof), pursuant to which we agreed that certain modifications to the Credit Agreement described in the Tenth Amendment require the consent of the majority of the revolving lenders party to the Tenth Amendment.

The Senior Secured Term Loan bears interest at a rate per annum equal to, at our option, either (1) an applicable margin plus a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate, (b) the prime rate announced by the Administrative Agent and (c) LIBOR determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (2) an applicable margin plus LIBOR determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. As of December 31, 2022, the Senior Secured Term Loan had an outstanding principal balance of \$1,925.0 million. As of December 31, 2022, we had \$211.2 million of unused borrowing capacity, net of letters of credit, under our \$225.0 million Senior Secured Revolving Credit Facility.

**Odeon Senior Secured Notes due 2027.** On October 20, 2022, Odeon Finco PLC, a direct subsidiary of Odeon Cinemas Group Limited (“OCGL”) and an indirect subsidiary of the Company issued \$400.0 million aggregate principal amount of its 12.75% Odeon Senior Secured Notes due 2027 (“Odeon Notes due 2027”), at an issue price of 92.00%. The Odeon Notes due 2027 bear a cash interest rate of 12.75% per annum and will be payable semi-annually in arrears on May 1 and November 1, beginning on May 1, 2023. The Odeon Notes due 2027 are guaranteed on a senior secured basis by certain subsidiaries of Odeon and by Holdings on a standalone and unsecured basis. The Odeon Notes due 2027 contain covenants that limit Odeon and certain subsidiaries’ ability to, among other things: (i) incur additional indebtedness or guarantee indebtedness; (ii) create liens; (iii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iv) make investments; (v) enter into transactions with affiliates; (vi) consolidate, merge, sell or otherwise dispose of all or substantially all of their respective assets; and (vii) impair the security interest in the collateral. These covenants are subject to a number of important limitations and exceptions. We used the \$363.0 million net proceeds from the Odeon Notes due 2027 and \$146.7 million of existing cash to fund the payment in full of the £147.6 million and €312.2 million (\$167.7 million and \$308.9 million, respectively using October 20, 2022 exchange rates) aggregate principal amounts of the Odeon Term Loan Facility and to pay related accrued interest, fees, costs, premiums and expenses. We recorded a loss on debt extinguishment related to this transaction of \$36.5 million in other expense during the year ended December 31, 2022.

Prior to November 1, 2024, up to 35% of the original aggregate principal amount of the Odeon Notes due 2027 may be redeemed at a price of 112.75% of the principal thereof with the net proceeds of one or more certain equity offerings provided that the redemption occurs with 120 days after the closing of such equity offerings. On or after November 1, 2024, the Odeon Notes due 2027 will be redeemable, in whole or in part, at redemption prices equal to (i) 106.375% for the twelve-month period beginning on November 1, 2024; (ii) 103.188% for the twelve-month period beginning on November 1, 2025 and (iii) 100.000% at any time thereafter, plus accrued and unpaid interest, if any. If we or our restricted subsidiaries sell assets under certain circumstances, we will be required to use the net proceeds to repay the Odeon Notes due 2027, or any additional First Lien Obligations at a price no less than 100% of the issue price of the Odeon Notes due 2027, plus accrued and unpaid interest, if any. Upon a Change of Control (as defined in the indenture governing the Odeon Notes due 2027), we must offer to purchase the Odeon Notes due 2027 at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any. On December 14, 2022, the Odeon Notes due 2027 were admitted to the official list of The International Stock Exchange (“TISE”). The Odeon Notes due 2027 will automatically delist from TISE on the business day following the maturity date of November 1, 2027, unless adequate notice is given together with supporting documents setting out any changes to the date of maturity or confirmation that the Odeon Notes due 2027 have not been fully repaid.

**First Lien Toggle Notes due 2026.** On January 15, 2021, we issued \$100.0 million aggregate principal amount of our First Lien Toggle Notes due 2026 as contemplated by the previously disclosed commitment letter with Mudrick Capital Management, LP (“Mudrick”), dated as of December 10, 2020. The First Lien Toggle Notes due 2026 were issued pursuant to an indenture dated as of January 15, 2021 among us, the guarantors named therein and the U.S. Bank National Association, as trustee and collateral agent. On September 30, 2021, we exercised an option to repurchase

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\$35.0 million of our First Lien Toggle Notes due 2026. The total cost to exercise this repurchase option was \$40.3 million, including principal, redemption premium and accrued and unpaid interest. During the year ended December 31, 2021, we recorded loss on debt extinguishment of \$14.4 million in other expense. As a result of this debt reduction, our annual interest cost has been reduced by \$5.25 million. The First Lien Toggle Notes due 2026 bear cash interest at a rate of 15% per annum payable semi-annually in arrears on January 15 and July 15, beginning on July 15, 2021. Interest for the first three interest periods after the issue date may, at our option, be paid in PIK interest at a rate of 17% per annum, and thereafter interest shall be payable solely in cash. The First Lien Toggle Notes due 2026 will mature on April 24, 2026. The indenture provides that the First Lien Toggle Notes due 2026 are general senior secured obligations of the Company and are secured on a pari passu basis with the Senior Secured Credit Facilities, the First Lien Notes due 2026, the First Lien Notes due 2025, and the Convertible Notes due 2026.

On December 14, 2020, Mudrick received a total of 21,978,022 AMC Preferred Equity Units and 21,978,022 shares of our Common Stock; of which 8,241,758 shares (“Commitment Shares”) relates to consideration received for a commitment fee and 13,736,264 shares (“Exchange shares”) as consideration received for the second lien exchange. Mudrick exchange \$100 million aggregate principal amount of the Second Lien Notes due 2026 that were held by Mudrick for the Exchange Shares (the “Second Lien Exchange”) and waived its claim to PIK interest of \$4.5 million principal amount. During the year ended December 31, 2021, we reclassified the prepaid commitment fee and deferred charges of \$28.6 million to corporate borrowings from other long-term assets for the Commitment Shares and deferred charges. The prepaid commitment fee was recorded as a discount and, together with deferred charges, will be amortized to interest expense over the term of the First Lien Toggle Notes due 2026 using the effective interest method. During the year ended December 31, 2020, we recorded a gain on extinguishment of the Second Lien Notes due 2026 of \$93.6 million based on the fair value of the Exchange Shares of \$43.8 million and the carrying value of the \$104.5 million principal amount of the Second Lien Notes exchanged of \$137.4 million.

**Convertible Notes.** On January 27, 2021, affiliates of Silver Lake and certain co-investors (collectively, the “Noteholders”) elected to convert (the “Conversion”) all \$600.0 million principal amount of our Convertible Notes due 2026 into shares of our Common Stock at a conversion price of \$6.76 per share. The Conversion settled on January 29, 2021 and resulted in the issuance of 44,422,860 shares of our Common Stock and 44,422,860 AMC Preferred Equity Units to the Noteholders. The Conversion reduced our first-lien indebtedness by \$600.0 million. Pursuant to the Stock Repurchase and cancellation agreement with Dalian Wanda Group Co., Ltd. (“Wanda”) dated as of September 14, 2018, 5,666,000 shares of our Class B common stock and 5,666,000 AMC Preferred Equity Units held by Wanda were forfeited and cancelled in connection with the Conversion.

**Convertible Notes.** On April 24, 2020, we entered into a supplemental indenture (the “Supplemental Indenture”) to the Convertible Notes due 2024 indenture, dated as of September 14, 2018. The Supplemental Indenture amended the debt covenant under the Convertible Notes due 2024 Indenture to permit us to issue the First Lien Notes due 2025, among other changes.

Concurrently with the Exchange Offers, to obtain the consent of the holders of the Convertible Notes due 2024, we restructured \$600 million of Convertible Notes due 2024 issued in 2018 to Silver Lake and others pursuant to which the maturity of the Convertible Notes due 2024 were extended to May 1, 2026 (the “Convertible Notes due 2026”) and a first-priority lien on the collateral securing our Senior Secured Credit Facilities was granted to secure indebtedness thereunder. We accounted for this transaction as a modification of debt as the lenders did not grant a concession and the difference between the present value of the old and new cash flows was less than 10%. The modification did not result in the recognition of any gain or loss and we established new effective interest rates based on the carrying value of the Convertible Notes due 2024. Third party costs related to the transaction were expensed as incurred and amounts paid to lenders were capitalized and amortized through maturity of the debt.

As noted above, on January 27, 2021, affiliates of Silver Lake and certain co-investors elected to convert all \$600.0 million principal amount of our Convertible Notes due 2026 into shares of our Common Stock at a conversion price of \$6.76 per share.

**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 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 \$500.0 million aggregate principal amount of our 10.5% First Lien Notes due 2025, the then outstanding \$300.0 million aggregate principal amount of our 10.5% First Lien Notes due 2026 and to pay

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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 year ended December 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 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.

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. We 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, we may redeem up to 107.5% of the aggregate principal amount and accrued and unpaid interest to, but not including the date of redemption. We 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 the 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), we 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 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. 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.

See Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information regarding the above.

**Equity Distribution Agreement.** On September 26, 2022, we entered into an equity distribution agreement with Citigroup Global Markets Inc., as a sales agent, to sell up to 425.0 million shares of the Company's AMC Preferred Equity Units, from time to time, through an "at-the-market" offering program. Subject to the terms and conditions of the equity distribution agreement, the sales agent will use reasonable efforts consistent with their normal trading and sales practices, applicable law and regulations, and the rules of the NYSE to sell the AMC Preferred Equity Units from time to time based upon our instructions for the sales, including any price, time or size limits specified by us. We intend to use the net proceeds, from the sale of AMC Preferred Equity Units pursuant to the equity distribution agreement to repay, refinance, redeem or repurchase the Company's existing indebtedness (including expenses, accrued interest and premium, if any) and otherwise for general corporate purposes.

During the year ended December 31, 2022, we raised gross proceeds of approximately \$228.8 million and paid fees to the Sales Agent and incurred other third-party issuance costs of approximately \$5.7 million and \$5.5 million, respectively through the at-the-market offering of approximately 207.7 million shares of AMC Preferred Equity Units. See Note 16-Subsequent Events for further information regarding at-the-market offerings.

### **Liquidity and Capital Resources-For the Year Ended December 31, 2021, Compared to the Year Ended December 31, 2020**

For a comparison of our liquidity and capital resources for the year ended December 31, 2021, compared to the year ended December 31, 2020, see "[Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)" of our annual report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on March 1, 2022, which is incorporated herein by reference.

### **New Accounting Pronouncements**

See Note 1-The Company and Significant Accounting Policies in Notes to the Consolidated Financial Statements under Part II, Item 8 thereof for information regarding recently issued accounting standards.

**Item 7A. 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 years ended December 31, 2022 and December 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. For the years ended December 31, 2022 and December 31, 2021, our analysis utilized 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 consolidated statements of operations as presented below.

**Market risk on variable-rate financial instruments.** At December 31, 2022 and December 31, 2021, we maintained Senior Secured Credit Facilities comprised of a \$225.0 million revolving credit facility and \$2,000.0 million of term loans. 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 7.274% per annum at December 31, 2022 and 3.103% per annum at December 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 December 31, 2022, we had no variable-rate borrowings outstanding under our Senior Secured Revolving Credit Facilities and had an aggregate principal balance of \$1,925.0 million outstanding under the Senior Secured 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 \$19.3 million during the year ended December 31, 2022.

At December 31, 2021, we had no variable-rate borrowings outstanding under our Senior Secured Revolving Credit Facilities and had an aggregate principal balance of \$1,945.0 million outstanding under the Senior Secured 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 \$19.5 million during the year ended December 31, 2021.

**Market risk on fixed-rate financial instruments.** Included in long-term corporate borrowings at December 31, 2022 were principal amounts of \$950.0 million of our First Lien Notes due 2029, \$1,389.8 million of our Second Lien Notes due 2026, \$400.0 million of our Odeon Notes due 2027, \$98.3 million of our Notes due 2025, \$55.6 million of our Notes due 2026, \$125.5 million of our Notes due 2027, and £4.0 million (\$4.8 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 \$47.5 million and \$(45.4) million, respectively, during the year ended December 31, 2022.

Included in long-term corporate borrowings at December 31, 2021 were principal amounts of \$500.0 million of our First Lien Notes due 2025, \$1,508.0 million of our Second Lien Notes due 2026, \$300.0 million of our First Lien Notes due 2026, \$73.5 million of our First Lien Toggle Notes due 2026, \$552.6 million of our Odeon Term Loan Facility 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 (\$5.4 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 \$99.1 million and \$(95.2) million, respectively, during the year ended December 31, 2021.

**Foreign Currency Exchange Rate Risk.** We are also exposed to market risk arising from changes in foreign currency exchange rates arising from our International markets operations. International markets revenues and operating

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expenses are transacted in British Pounds, Euros, Swedish Krona and Norwegian Krone. U.S. GAAP requires that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If any international subsidiary operates in a highly inflationary economy, U.S. GAAP requires that the U.S. dollar be used as the functional currency. Currency fluctuations in the countries in which we operate result in us reporting exchange gains (losses) or foreign currency translation adjustments. Based upon the functional currencies in the International markets as of December 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 decrease the aggregate net loss of our International theatres for the year ended December 31, 2022 by approximately \$26.2 million. Based upon the functional currencies in the International markets as of December 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 year ended December 31, 2021 by approximately \$22.0 million.

Our foreign currency translation rates decreased by approximately 11.0% for the year ended December 31, 2022 compared to the year ended December 31, 2021.

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**Item 8. Financial Statements and Supplementary Data.**

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

**AMC Entertainment Holdings, Inc.**

**TO THE STOCKHOLDERS OF AMC ENTERTAINMENT HOLDINGS, INC.**

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) of the Exchange Act. With management's participation, an evaluation of the effectiveness of internal control over financial reporting was conducted as of December 31, 2022, based on the framework and criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2022. The effectiveness of our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report that follows this report.

/s/ ADAM M. ARON

*Chairman of the Board, Chief Executive Officer and  
President*

/s/ SEAN D. GOODMAN

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



## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of AMC Entertainment Holdings, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AMC Entertainment Holdings, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2023 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### Impairment of long-lived assets

*Description of the Matter*

At December 31, 2022, the Company recorded impairment charges related to long-lived assets of \$73.4 million and \$59.7 million on theatres in the US and International markets, respectively. As discussed in Note 1 to the consolidated financial statements, the Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be fully recoverable. Asset groups are evaluated for impairment on an individual theatre basis, which management believes is the lowest level for which there are identifiable cash flows. The Company estimates the future



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undiscounted cash flows to be generated by the asset groups and compares those estimates to the carrying value of the related asset groups. If the carrying value exceeds the future undiscounted cash flows, the asset group may be impaired. If the asset group is determined to be impaired, the carrying value of the asset group is reduced to fair value as estimated by a discounted cash flow model, with the difference recorded as an impairment charge. Auditing management's long-lived asset impairment analysis was highly judgmental due to the estimation required in determining the undiscounted cash flows and related fair values of an impaired asset group. In particular, the cash flows were sensitive to significant assumptions such as admissions revenue expectations, long term growth rates, and discount rates.

*How We  
Addressed the  
Matter in Our  
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's assessment of the projected undiscounted cash flows to be generated by asset groups, and cash flows used to determine fair value for certain asset groups. This included internal controls over management's review of the significant assumptions underlying the undiscounted cash flow and fair value determination. We also tested management's controls to validate that the data used in the analysis was complete and accurate.

To test the significant assumptions described above, we performed audit procedures that included testing the significant assumptions discussed above and the underlying data used by the Company in the analysis. We compared the significant assumptions used by the Company to current industry and economic trends. We performed a sensitivity analysis of the impact of certain assumptions on the estimates and recalculated management's estimates. We also involved our valuation specialists to assist in our evaluation of the discount rate used in the fair value estimates.

/s/ Ernst & Young LLP  
We have served as the Company's auditor since 2020  
Kansas City, Missouri  
February 28, 2023

## **Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of AMC Entertainment Holdings, Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited AMC Entertainment Holdings, Inc. internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, AMC Entertainment Holdings, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2022 and our report dated February 28, 2023 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP  
Kansas City, Missouri  
February 28, 2023

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

<u>(In millions, except share and per share amounts)</u>	<u>Year Ended</u>		
	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Revenues</b>			
Admissions	\$ 2,201.4	\$ 1,394.2	\$ 712.1
Food and beverage	1,313.7	857.3	362.4
Other theatre	396.3	276.4	167.9
Total revenues	<u>3,911.4</u>	<u>2,527.9</u>	<u>1,242.4</u>
<b>Operating costs and expenses</b>			
Film exhibition costs	1,051.7	607.7	322.7
Food and beverage costs	228.6	137.9	88.8
Operating expense, excluding depreciation and amortization below	1,528.4	1,141.8	856.0
Rent	886.2	828.0	884.1
<b>General and administrative:</b>			
Merger, acquisition and other costs	2.1	13.7	24.6
Other, excluding depreciation and amortization below	207.6	226.6	156.7
Depreciation and amortization	396.0	425.0	498.3
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill	133.1	77.2	2,513.9
Operating costs and expenses	<u>4,433.7</u>	<u>3,457.9</u>	<u>5,345.1</u>
Operating loss	(522.3)	(930.0)	(4,102.7)
<b>Other expense, net:</b>			
Other expense (income)	53.6	(87.9)	28.9
<b>Interest expense:</b>			
Corporate borrowings	336.4	414.9	311.0
Finance lease obligations	4.1	5.2	5.9
Non-cash NCM exhibitor services agreement	38.2	38.0	40.0
Equity in loss (earnings) of non-consolidated entities	1.6	(11.0)	30.9
Investment expense (income)	14.9	(9.2)	10.1
Total other expense, net	<u>448.8</u>	<u>350.0</u>	<u>426.8</u>
Net loss before income taxes	(971.1)	(1,280.0)	(4,529.5)
Income tax provision (benefit)	2.5	(10.2)	59.9
Net loss	(973.6)	(1,269.8)	(4,589.4)
Less: Net loss attributable to noncontrolling interests	-	(0.7)	(0.3)
Net loss attributable to AMC Entertainment Holdings, Inc.	<u>\$ (973.6)</u>	<u>\$ (1,269.1)</u>	<u>\$ (4,589.1)</u>
<b>Net loss per share attributable to AMC Entertainment Holdings, Inc.'s common stockholders:</b>			
Basic	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>
Diluted	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>
<b>Average shares outstanding:</b>			
Basic (in thousands)	1,047,689	954,820	234,424
Diluted (in thousands)	1,047,689	954,820	234,424

See Notes to Consolidated Financial Statements.

## AMC ENTERTAINMENT HOLDINGS, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net loss	\$ (973.6)	\$ (1,269.8)	\$ (4,589.4)
Other comprehensive income (loss):			
Unrealized foreign currency translation adjustments	(59.8)	(78.9)	67.0
Realized loss on foreign currency transactions reclassified into investment expense (income), net of tax	-	(0.4)	1.9
Pension adjustments:			
Net gain (loss) arising during the period	10.6	12.3	(4.1)
Other comprehensive income (loss):	(49.2)	(67.0)	64.8
Total comprehensive loss	(1,022.8)	(1,336.8)	(4,524.6)
Comprehensive loss attributable to noncontrolling interests	-	(0.9)	(0.1)
Comprehensive loss attributable to AMC Entertainment Holdings, Inc.	<u>\$ (1,022.8)</u>	<u>\$ (1,335.9)</u>	<u>\$ (4,524.5)</u>

See Notes to Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except share data)	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 631.5	\$ 1,592.5
Restricted cash	22.9	27.8
Receivables, net	166.6	168.5
Other current assets	81.1	81.5
Total current assets	902.1	1,870.3
Property, net	1,719.2	1,962.5
Operating lease right-of-use assets, net	3,802.9	4,155.9
Intangible assets, net	147.3	153.4
Goodwill	2,342.0	2,429.8
Deferred tax asset, net	-	0.6
Other long-term assets	222.1	249.0
Total assets	<u>\$ 9,135.6</u>	<u>\$ 10,821.5</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 330.5	\$ 377.1
Accrued expenses and other liabilities	364.3	367.5
Deferred revenues and income	402.7	408.6
Current maturities of corporate borrowings	20.0	20.0
Current maturities of finance lease liabilities	5.5	9.5
Current maturities of operating lease liabilities	567.3	605.2
Total current liabilities	1,690.3	1,787.9
Corporate borrowings	5,120.8	5,408.0
Finance lease liabilities	53.3	63.2
Operating lease liabilities	4,252.7	4,645.2
Exhibitor services agreement	505.8	510.4
Deferred tax liability, net	32.1	31.3
Other long-term liabilities	105.1	165.0
Total liabilities	<u>11,760.1</u>	<u>12,611.0</u>
Commitments and contingencies		
Stockholders' deficit:		
AMC Entertainment Holdings, Inc.'s stockholders' deficit:		
Preferred stock, \$0.01 par value per share, 50,000,000 shares authorized; including Series A Convertible Participating Preferred Stock, 10,000,000 authorized, 7,245,872 issued and outstanding as of December 31, 2022; 5,139,791 issued and outstanding December 31, 2021, represented by AMC Preferred Equity Units, each representing a 1/100th interest in a share of Series A Convertible Participating Preferred Stock, of which 1,000,000,000 is authorized; 724,587,058 issued and outstanding as of December 31, 2022; 513,979,100 issued and outstanding as of December 31, 2021	0.1	0.1
Class A common stock \$0.01 par value, 524,173,073 shares authorized; 516,838,912 shares issued and outstanding as of December 31, 2022; 513,979,100 shares issued and outstanding as of December 31, 2021)	5.2	5.1
Additional paid-in capital	5,045.1	4,857.4
Accumulated other comprehensive loss	(77.3)	(28.1)
Accumulated deficit	(7,597.6)	(6,624.0)
Total stockholders' deficit	<u>(2,624.5)</u>	<u>(1,789.5)</u>
Total liabilities and stockholders' deficit	<u>\$ 9,135.6</u>	<u>\$ 10,821.5</u>

See Notes to Consolidated Financial Statements.

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
<b>Cash flows from operating activities:</b>			
Net loss	\$ (973.6)	\$ (1,269.8)	\$ (4,589.4)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	396.0	425.0	498.3
(Gain) loss on extinguishment of debt	92.8	14.1	(93.6)
Deferred income taxes	1.7	(7.6)	64.0
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill	133.1	77.2	2,513.9
Gain on dispositions of Baltics	-	(5.5)	-
Unrealized loss on investments Hycroft	6.3	-	-
(Gain) loss on sale of NCM investments	13.5	(1.2)	-
Amortization of net premium on corporate borrowings to interest expense	(65.4)	(3.9)	(22.0)
Amortization of deferred financing costs to interest expense	12.6	23.3	14.2
PIK interest expense	-	116.2	73.4
Non-cash portion of stock-based compensation	22.5	43.1	25.4
Gain on disposition of assets	1.1	0.3	(17.4)
Loss on derivative asset and derivative liability	-	-	109.0
Equity in loss from non-consolidated entities, net of distributions	7.6	1.3	45.4
Landlord contributions	19.9	22.0	43.6
Other non-cash rent benefit	(26.6)	(24.9)	(4.9)
Deferred rent	(170.1)	(133.7)	3.4
Net periodic benefit cost (income)	(0.6)	(0.9)	1.8
Change in assets and liabilities:			
Receivables	4.0	(82.7)	159.3
Other assets	2.3	(5.8)	76.8
Accounts payable	(40.4)	63.8	(176.4)
Accrued expenses and other liabilities	(39.2)	164.3	102.5
Other, net	(26.0)	(28.7)	43.2
Net cash used in operating activities	<u>(628.5)</u>	<u>(614.1)</u>	<u>(1,129.5)</u>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(202.0)	(92.4)	(173.8)
Proceeds from disposition of Baltics, net of cash and transaction costs	-	34.2	6.2
Acquisition of theatre assets	(17.8)	(8.2)	-
Proceeds from disposition of long-term assets	11.3	7.9	19.8
Proceeds from sale of securities	13.0	-	-
Investments in non-consolidated entities, net	(27.9)	(9.3)	(9.3)
Other, net	(0.6)	(0.4)	2.5
Net cash used in investing activities	<u>(224.0)</u>	<u>(68.2)</u>	<u>(154.6)</u>
<b>Cash flows from financing activities:</b>			
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 Toggle Notes due 2026	(73.5)	(35.0)	-
Premium paid to extinguish First Lien Toggle Notes due 2026	(14.6)	(5.3)	-
Principal payments under Second Lien Notes due 2026	-	(1.0)	-
Proceeds from issuance of First Lien Notes due 2025	-	-	490.0
Proceeds from issuance of First Lien Notes due 2026	-	-	270.0
Principal payments under First Lien Notes due 2025	(500.0)	-	-
Premium paid to extinguish First Lien Notes due 2025	(34.5)	-	-
Principal payments under First Lien Notes due 2026	(300.0)	-	-
Premium paid to extinguish First Lien Notes due 2026	(25.6)	-	-

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Repurchase of Second Lien Subordinated Debt 2026	(68.3)	-	-
Principal payments under Odeon Term Loan due 2023	(476.6)	-	-
Premium paid to extinguish Odeon Term Loan due 2023	(26.5)	-	-
Proceeds from issuance of Odeon Senior Secured Notes due 2027	368.0	-	-
Repurchase of Senior Subordinated Notes Due 2027	(1.6)	-	-
Repayments under revolving credit facilities	-	(335.0)	321.8
Scheduled principal payments under Term Loan due 2026	(20.0)	(20.0)	(20.0)
Net proceeds from Class A common stock issuance	-	1,570.7	264.7
Net proceeds from Class A common stock issuance to Mudrick	-	230.4	-
Net proceeds from AMC Preferred Equity Units issuance	220.4	-	-
Payments related to sale of noncontrolling interest	-	(0.4)	37.0
Principal payments under finance lease obligations	(9.4)	(9.0)	(6.2)
Cash used to pay for deferred financing costs	(26.1)	(19.9)	(15.4)
Cash used to pay dividends	(0.7)	-	(6.5)
Taxes paid for restricted unit withholdings	(52.3)	(19.1)	(5.1)
Net cash provided by (used in) financing activities	(91.3)	1,990.7	1,330.3
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(22.1)	(9.5)	(0.3)
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>(965.9)</b>	<b>1,298.9</b>	<b>45.9</b>
<b>Cash and cash equivalents and restricted cash at beginning of period</b>	<b>1,620.3</b>	<b>321.4</b>	<b>275.5</b>
<b>Cash and cash equivalents and restricted cash at end of period</b>	<b>\$ 654.4</b>	<b>\$ 1,620.3</b>	<b>\$ 321.4</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
<b>Cash paid during the period for:</b>			
Interest (including amounts capitalized of \$0.1 million, \$0.2 and \$1.1 million, respectively)	\$ 379.0	\$ 274.7	\$ 237.5
Income taxes paid (received), net	\$ 0.8	\$ (7.4)	(10.5)
<b>Schedule of non-cash activities:</b>			
Investment in NCM	\$ 15.0	\$ -	\$ 5.2
Construction payables at period end	\$ 36.3	\$ 40.4	\$ 18.2
AMC Preferred Equity Units issuance costs payable at year end	\$ 2.8	\$ -	\$ -
Convertible Notes due 2026 conversion, see Note 8-Corporate Borrowings and Finance Lease Liabilities	\$ -	\$ 600.0	\$ -
Mudrick transaction, see Note 8-Corporate Borrowings and Finance Lease Liabilities	\$ -	\$ -	\$ 70.2
DCIP digital projectors transaction, see Note 6-Investments	\$ -	\$ -	\$ 125.2

See Notes to Consolidated Financial Statements.

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**

(In millions, except share and per share data)	Class A Voting Class A and Class B Common Stock		Preferred Stock			Additional		Accumulated Other		Accumulated	Total AMC	Noncontrolling	Total
	Shares (1)	Amount	Series A Participating Preferred Stock	Depository Shares of AMC Preferred Equity	Additional Paid-in Capital	Treasury Stock		Comprehensive Income (Loss)	Earnings (Deficit)	Stockholders' Equity (Deficit)	Interests	Equity (Deficit)	
						Shares (1)	Amount						
Balance December 31, 2019	103,849,861	\$ 1.0	1,038,499	103,849,861	\$ 0.1	\$ 2,001.8	7,465,250	\$ (56.4)	\$ (26.1)	\$ (706.2)	\$ 1,214.2	\$ -	\$ 1,214.2
Cumulative effect adjustments for the adoption of new accounting principle (ASC 842)	-	-	-	-	-	-	-	-	-	(16.9)	(16.9)	-	(16.9)
Net loss	-	-	-	-	-	-	-	-	-	(4,589.1)	(4,589.1)	(0.3)	(4,589.4)
Other comprehensive income	-	-	-	-	-	-	-	-	64.6	-	64.6	0.2	64.8
Baltics noncontrolling capital contribution	-	-	-	-	-	(0.2)	-	-	0.2	-	-	27.0	27.0
Dividends declared:													
Class A common stock, \$0.015/share, net of forfeitures and reversal of dividend accrual for nonvested PSUs	-	-	-	-	-	-	-	-	-	(1.6)	(1.6)	-	(1.6)
Class B common stock, \$0.015/share	-	-	-	-	-	-	-	-	-	(1.6)	(1.6)	-	(1.6)
AMC preferred equity units, \$0.015/share	-	-	-	-	-	-	-	-	-	(1.6)	(1.6)	-	(1.6)
Class A common stock issuance	90,955,685	0.9	909,557	90,955,685	-	263.8	-	-	-	-	264.7	-	264.7
Exchange Offer Class A common stock issuance	5,000,000	0.1	50,000	5,000,000	-	20.1	-	-	-	-	20.2	-	20.2
Class A common stock issuance commitment and exchange shares	21,978,022	0.3	219,780	21,978,022	-	69.8	-	-	-	-	70.1	-	70.1
Derivative asset valuation allowance adjustment	-	-	-	-	-	-	-	-	-	(2.4)	(2.4)	-	(2.4)
Reclassification of derivative liability and derivative asset for Conversion Price Reset of Convertible Notes due 2026	-	-	-	-	-	89.9	-	-	-	(15.9)	74.0	-	74.0
Taxes paid for restricted unit withholdings	-	-	-	-	-	(5.1)	-	-	-	-	(5.1)	-	(5.1)
Stock-based compensation	2,549,465	-	25,494	2,549,465	-	25.4	-	-	-	-	25.4	-	25.4
Balance December 31, 2020	224,333,033	\$ 2.3	2,243,330	224,333,033	\$ 0.1	\$ 2,465.5	7,465,250	\$ (56.4)	\$ 38.7	\$ (5,335.3)	\$ (2,885.1)	\$ 26.9	\$ (2,858.2)
Net loss	-	-	-	-	-	-	-	-	-	(1,269.1)	(1,269.1)	(0.7)	(1,269.8)
Other comprehensive loss	-	-	-	-	-	-	-	-	(65.9)	-	(65.9)	(0.2)	(66.1)
Baltics noncontrolling capital contribution	-	-	-	-	-	0.2	-	-	-	-	0.2	(4.0)	(3.8)
100% liquidation of Baltics	-	-	-	-	-	-	-	-	(0.9)	-	(0.9)	(22.0)	(22.9)
Class A common stock, accrued dividend equivalent adjustment	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)
Class A common stock issuance	241,616,293	2.3	2,416,163	241,616,293	-	1,531.3	(7,465,250)	56.4	-	(19.3)	1,570.7	-	1,570.7
Class A common stock issuance to Mudrick	8,500,000	0.1	85,000	8,500,000	-	230.3	-	-	-	-	230.4	-	230.4
Convertible Notes due 2026 stock conversion	44,422,860	0.4	444,229	44,422,860	-	606.1	-	-	-	-	606.5	-	606.5
Wanda forfeit and cancellation of Class B shares	(5,666,000)	-	(56,660)	(5,666,000)	-	-	-	-	-	-	-	-	-
Taxes paid for restricted unit withholdings	-	-	-	-	-	(19.1)	-	-	-	-	(19.1)	-	(19.1)
Stock-based compensation	772,914	-	7,729	772,914	-	43.1	-	-	-	-	43.1	-	43.1
Balance December 31, 2021	513,979,100	\$ 5.1	5,139,791	513,979,100	\$ 0.1	\$ 4,857.4	-	\$ -	\$ (28.1)	\$ (6,624.0)	\$ (1,789.5)	\$ -	\$ (1,789.5)
Net loss	-	-	-	-	-	-	-	-	-	(973.6)	(973.6)	-	(973.6)
Other comprehensive loss	-	-	-	-	-	-	-	-	(49.2)	-	(49.2)	-	(49.2)
AMC Preferred Equity Units issuance	-	-	2,077,482	207,748,146	-	217.6	-	-	-	-	217.6	-	217.6
Taxes paid for restricted unit withholdings	-	-	-	-	-	(52.3)	-	-	-	-	(52.3)	-	(52.3)
Stock-based compensation	2,859,812	0.1	28,599	2,859,812	-	22.4	-	-	-	-	22.5	-	22.5
Balance December 31, 2022	516,838,912	\$ 5.2	7,245,872	724,587,058	\$ 0.1	\$ 5,045.1	-	\$ -	\$ (77.3)	\$ (7,597.6)	\$ (2,624.5)	\$ -	\$ (2,624.5)

(1) Share counts have been retroactively adjusted to reflect the effect of the stock split.

See Notes to Consolidated Financial Statements



AMC ENTERTAINMENT HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2022, 2021, 2020

NOTE 1-THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

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.** During the first quarter of 2020, the Company temporarily suspended theatre operations in its U.S. markets and International markets in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of the Company’s guests and theatre staff. As of March 17, 2020, all of the Company’s U.S. and International theatre operations were temporarily suspended. The Company resumed limited operations in the International markets in early June 2020 and limited operations in the U.S. markets in late August 2020. A COVID-19 resurgence during the fourth quarter of 2020 resulted in additional local, state, and federal governmental restrictions and many previously reopened theatres in International markets temporarily suspended operations again. The following table summarizes theatre operations for the Company in 2021:

	As of January 1, 2021	As of March 31, 2021	As of June 30, 2021	As of September 30, 2021
<b>Theatre Operations:</b>				
Percentage of theatres operated - Domestic	66.8 %	99.2 %	99.8 %	99.8 %
Percentage of theatres operated - International	30.3 %	27.3 %	94.9 %	99.2 %
Percentage of theatres operated - Consolidated	52.9 %	72.2 %	98.0 %	99.6 %

During the year ended December 31, 2022, the Company operated essentially 100% of all its U.S. and International theatres. As of December 31, 2022 and 2021, there were no restrictions on operations in any of the U.S. or International theatres.

**Liquidity.** As of December 31, 2022, the Company has cash and cash equivalents of approximately \$631.5 million and \$211.2 million unused borrowing capacity, net of letters of credit, under the \$225.0 million Senior Secured Revolving Credit Facility. 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 significant measures to further strengthen its financial position and enhance its operations, by eliminating 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 liquidity through debt refinancing that extended maturities, purchases of debt below par value, and equity sales. See Note 8-Corporate Borrowings and Finance Lease Liabilities, Note 9-Stockholders’ Equity, and Note 16-Subsequent Events for further information.

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The table below summarizes net decrease in cash and cash equivalents and restricted cash by quarter for the year ended December 31, 2022:

(In millions)	Three Months Ended				Year Ended
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	December 31 2022
<b>Cash flows from operating activities:</b>					
Net cash used in operating activities	\$ (295.0)	\$ (76.6)	\$ (223.6)	\$ (33.3)	\$ (628.5)
<b>Cash flows from investing activities:</b>					
Net cash used in investing activities	(54.9)	(48.0)	(50.8)	(70.3)	(224.0)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	(76.3)	(59.7)	0.5	44.2	(91.3)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.5)	(16.4)	(8.2)	8.0	(22.1)
Net decrease in cash and cash equivalents and restricted cash	(431.7)	(200.7)	(282.1)	(51.4)	(965.9)
Cash and cash equivalents and restricted cash at beginning of period	1,620.3	1,188.6	987.9	705.8	1,620.3
Cash and cash equivalents and restricted cash at end of period	\$ 1,188.6	\$ 987.9	\$ 705.8	\$ 654.4	\$ 654.4

The Company's net cash provided by (used in) operating activities improved by \$341.5 million during the three months ended March 31, 2022 compared to the three months ended December 31, 2021, \$218.4 million during the three months ended June 30, 2022 compared to the three months ended March 31, 2022, deteriorated by \$(147.0) million during the three months ended September 30, 2022 compared to the three months ended June 30, 2022, and improved by \$190.3 million during the three months ended December 31, 2022 compared to September 30, 2022. The improvement is primarily attributable to working capital changes, partially offset by an increased net loss during the three months ended December 31, 2022. The Company has also continued to repay rent amounts that were deferred during the pandemic, which increases its cash outflows from operating activities. See Note 3-Leases for a summary of the estimated future repayment terms for the remaining \$157.2 million of rentals that were deferred during the COVID-19 pandemic.

The Company's net cash provided by (used in) investing activities 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;
- \$40.4 million of capital expenditures, \$17.8 million for the acquisition of theatres, partially offset by proceeds of \$11.4 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan during the three months ended June 30, 2022;
- \$54.5 million of capital expenditures, partially offset by proceeds from disposition of long-term assets \$3.6 million during the three months ended September 30, 2022; and
- \$72.3 million of capital expenditures, partially offset by \$0.5 million of proceeds from disposition of long-term assets and \$1.5 million of proceeds from the sale of NCM shares during the three months ended December 31, 2022.

The Company's net cash provided by (used in) financing activities included:

- \$955.7 million of principal and premium payments, \$52.2 million of taxes paid for restricted unit withholdings, and \$17.7 million of cash used to pay for deferred financing costs, partially offset by proceeds from the Company's debt issuances of \$950.0 million during the three months ended March 31, 2022;
- \$57.9 million of principal and premium payments, \$1.8 million of cash used to pay for deferred financing costs and \$0.7 million of AMC Preferred Equity Unit issuance during the three months ended June 30, 2022;

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- \$7.4 million principal payments and \$0.5 million of cash used to pay deferred financing costs, partially offset by \$8.5 million of net proceeds from AMC Preferred Equity Units issuance during the three months ended September 30, 2022; and
- \$529.5 million of principal and premium payments and \$6.9 million of cash used to pay for deferred financing costs, partially offset by proceeds from the Company’s debt issuance of \$368.0 million and \$212.6 million of net proceeds from AMC Preferred Equity Units issuance during the three months ended December 31, 2022.

The table below summarizes net increase (decrease) in cash equivalents and restricted cash by quarter for the year ended December 31, 2021:

(In millions)	Three Months Ended				Year Ended
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2021
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	\$ (312.9)	\$ (233.8)	\$ (113.9)	\$ 46.5	\$ (614.1)
<b>Cash flows from investing activities:</b>					
Net cash provided by (used in) investing activities	(16.0)	13.5	(28.8)	(36.9)	(68.2)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	854.7	1,212.2	(48.3)	(27.9)	1,990.7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.1)	5.6	(8.4)	(1.6)	(9.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	520.7	997.5	(199.4)	(19.9)	1,298.9
Cash and cash equivalents and restricted cash at beginning of period	321.4	842.1	1,839.6	1,640.2	321.4
Cash and cash equivalents and restricted cash at end of period	<u>\$ 842.1</u>	<u>\$ 1,839.6</u>	<u>\$ 1,640.2</u>	<u>\$ 1,620.3</u>	<u>\$ 1,620.3</u>

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. This is primarily attributable to continued increases in attendance and industry box office revenues during the year ended December 31, 2021.

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 to repay rent amounts that were deferred during the COVID-19 pandemic 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 for at least the next twelve months. In order to achieve net positive operating cash flows and long-term profitability, the Company believes that operating revenues and attendance levels will need to increase significantly from 2021 and 2022 levels to levels in line with pre-COVID-19 operating revenues. 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 operating revenues and attendance levels. The Company believes that recent operating revenues attendance levels are positive signs of continued demand for the moviegoing experience. Total revenues for the years ended December 31, 2022, 2021, and 2020 were \$3.9 billion, \$2.5 billion, and \$1.2 billion, respectively, compared to \$5.5 billion for the year ended December 31, 2019. For the years ended December 31, 2022, 2021, and 2020 attendance was 201.0 million patrons, 128.5 million patrons, and 75.2 million patrons, respectively, compared to 356.4 million patrons for the year ended December 31, 2019. Moreover, it is difficult to predict future operating revenues and attendance levels and there remain significant risks that may negatively impact operating revenues and attendance, including movie studios release schedules, the production and theatrical release of fewer films compared to levels before the onset of the COVID-19 pandemic, and direct to streaming or other changing movie studio practices.

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The Company entered the Ninth Amendment pursuant to which the requisite revolving lenders party thereto agreed to extend the fixed date for the termination of 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 by the Eleventh Amendment and the Twelfth Amendment from March 31, 2022 to March 31, 2023, and then from March 31, 2023 to March 31, 2024, respectively, in each case, as described, and on the terms and conditions specified, therein. As of December 31, 2022, the Company was subject to a minimum liquidity requirement of \$100 million as a condition to the Extended Covenant Suspension Period (as defined in Note 8-Corporate Borrowings and Finance Lease Liabilities in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof). The current maturity date of the Senior Secured Revolving Credit Facility is April 22, 2024; since the financial covenant applicable to the Senior Secured Revolving Credit Facility is tested as of the last day of any fiscal quarter for which financial statements have been (or were required to have been) delivered, the financial covenant has been effectively suspended through maturity of the Senior Secured Revolving Credit Facility.

The 11.25% Odeon Term Loan Facility due 2023 (“Odeon Term Loan Facility”) was to mature on August 19, 2023, during the third fiscal quarter of the Company’s next calendar year. On October 20, 2022, the Company completely repaid the Odeon Term Loan Facility using existing cash and \$363.0 million net proceeds from the issuance of Odeon Notes due 2027.

The Company may, at any time and from time to time, seek to retire or purchase debt through cash purchases and/or exchanges for equity (including AMC Preferred Equity Units) or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as it may determine, and will depend on prevailing market conditions, its liquidity requirements, contractual restrictions and other factors. The amounts involved may be material and to the extent equity is used, dilutive. During the year ended December 31, 2022, the Company repurchased \$118.3 million aggregate principal of the Second Lien Notes due 2026 for \$68.3 million and recorded a gain on extinguishment of \$75.0 million in other expense (income). Additionally, during the year ended December 31, 2022, the Company repurchased \$5.3 million aggregate principal of the Senior Subordinated Notes due 2027 for \$1.6 million and recorded a gain on extinguishment of \$3.7 million in other expense (income). Accrued interest of \$4.5 million was paid in connection with the repurchases. See Note 8-Corporate Borrowings and Finance Lease Liabilities for more information.

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. As a result, deferred lease amounts were approximately \$157.2 million as of December 31, 2022. Including repayments of deferred lease amounts, the Company’s cash expenditures for rent increased significantly during the year ended December 31, 2022 compared to the year ended December 31, 2021. See Note 3-Leases 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 the Company’s liquidity requirements, future cash burn rates, future operating revenues, and attendance levels. Depending on the Company’s 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, the Company believes that operating revenues will need to increase significantly to levels in line with pre-COVID-19 operating revenues. The Company’s current cash burn rates are not sustainable. Further, the Company 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 the Company know with certainty the impact on consumer movie-going behavior of studios who 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 operating revenues, 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 limited ability to predict studio film release dates and success of individual titles. Further, there can be no assurances that the Company will be successful in generating the additional liquidity necessary to meet the Company’s obligations beyond twelve months from the issuance of these financial statements on terms acceptable to the Company or at all. If the Company is unable to maintain or renegotiate our minimum liquidity covenant requirements, it could have a significant adverse effect on the Company’s business, financial condition and operating results.

**AMC Preferred Equity Units.** On August 4, 2022, the Company announced that its Board of Directors declared a special dividend of one AMC Preferred Equity Unit (an “AMC Preferred Equity Unit”) for each share of Class A common stock outstanding at the close of business August 15, 2022, the record date. The dividend was paid at the close of business August 19, 2022 to investors who held Class A common shares as of August 22, 2022, the ex-dividend date.

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Series A Convertible Participating Preferred Stock evidenced by a depositary receipt pursuant to a deposit agreement. The Company has 50,000,000 Preferred Stock shares authorized, 10,000,000 of which have currently been allocated and 7,245,872 have been issued under the depositary agreement as Series A Convertible Participating Preferred Stock, leaving 40,000,000 unallocated Preferred Stock shares. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Class A common stock. Trading of the AMC Preferred Equity Units on the NYSE began on August 22, 2022 under the ticker symbol “APE”. Due to the characteristics of the AMC Preferred Equity Units, the special dividend had the effect of a stock split pursuant to ASC 505-20-25-4. Accordingly, all references made to share, per share or common share amounts in the accompanying consolidated financial statements and applicable disclosures have been retroactively adjusted to reflect the effects of the special stock dividend as a stock split. See Note 9-Stockholders’ Equity and Note 15-Loss Per Share.

**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 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 consolidated financial statements include the accounts of Holdings and all subsidiaries, as discussed above. All significant intercompany balances and transactions have been eliminated in consolidation. Majority-owned subsidiaries that the Company has control of are consolidated in the Company’s consolidated subsidiaries; consequently, a portion of its stockholders’ equity, net earnings (loss) and total comprehensive income (loss) for the periods presented are attributable to noncontrolling interests. The Company manages its business under two reportable segments for its theatrical exhibition operations, U.S. markets and International markets.

**Noncontrolling Interests and Baltic Theatre Sale.** Majority-owned subsidiaries that the Company has control of are consolidated in the Company’s consolidated financial statements; consequently, a portion of its stockholders’ equity, net earnings (loss) and total comprehensive income (loss) for the periods presented are attributable to noncontrolling interests. On August 28, 2020, the Company entered into an agreement to sell its equity interest in Forum Cinemas OU, which consists of nine theatres located in the Baltic region (Latvia, Lithuania and Estonia) and is included in the Company’s International markets reportable segment, for total consideration of approximately €77.25 million, including cash of approximately €64.35 million or \$76.6 million prior to any transaction costs. This transaction was undertaken by the Company to further increase its liquidity and strengthen its balance sheet at a transaction multiple that demonstrates that market participants ascribe positive value to the business. The completion of the sale took place in several steps, as noted below, and was contingent upon clearance from each regulatory competition council in each country.

The Company received \$37.5 million (€31.53 million) cash consideration upon entering into the sale agreement on August 28, 2020 and paid \$0.5 million in transaction costs during the year ended December 31, 2020. The Company transferred an equity interest of 49% in Forum Cinemas OU to the purchaser and recorded an initial noncontrolling interest of \$34.9 million in total equity (deficit). Transaction costs of \$1.4 million and net gain of \$1.2 million related to the sale of 49% equity interest of Lithuania and Estonia and the 100% disposal of Latvia were recorded in additional paid-in capital during the year ended December 31, 2020 and were recorded in earnings during the year ended December 31, 2021 when the remaining 51% interests in Lithuania and Estonia were disposed. Also, during the year ended December 31, 2020, the Company received cash consideration of \$6.2 million (€5.3 million), net of cash of \$0.2 million for the remaining 51% equity interest in Latvia. At December 31, 2020, the carrying amounts of the major classes of assets and liabilities included as part of the disposal group that were previously included in the International markets reportable segment were; goodwill of \$41.8 million, property, net, of \$13.0 million, operating lease right-of-use assets, net of \$15.7 million, and current and long-term operating lease liabilities of \$2.4 million and \$13.7 million, respectively. At December 31, 2020, the Company’s noncontrolling interest of 49% in Lithuania and Estonia was \$26.9 million.

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During the year ended December 31, 2021, the Company received cash consideration of \$34.2 million (€29.4 million), net of cash disposed of \$0.4 million and transaction costs of \$1.3 million, for the remaining 51% equity interest in Estonia, 51% equity interest in Lithuania and eliminated the Company's noncontrolling interest in Forum Cinemas OU. The Company recorded the net gain from the sale of its equity interest in Forum Cinemas OU of \$5.5 million (net of transaction costs of \$2.6 million) in investment expense (income), during the year ended December 31, 2021.

**Revenues.** The Company recognizes revenue, net of sales tax, when it satisfies a performance obligation by transferring control over a product or service to a customer. Admissions and food and beverage revenues are recorded at a point in time when a film is exhibited to a customer and when a customer takes possession of food and beverage offerings. The Company defers 100% of the revenue associated with the sales of gift cards and exchange tickets until such time as the items are redeemed or estimated income from non-redemption is recorded.

The Company recognizes income from non-redeemed or partially redeemed gift cards in proportion to the pattern of rights exercised by the customer ("proportional method") where it applies an estimated non-redemption rate for its gift card sales channels, which range from 13% to 19% of the current month sales of gift cards, and the Company recognizes in other theatre revenues the total amount of expected income for non-redemption for that current month's sales as income over the next 24 months in proportion to the pattern of actual redemptions. The Company has determined its non-redeemed rates and redemption patterns using more than 10 years of accumulated data. The Company also recognizes income from non-redeemed or partially redeemed exchange tickets using the proportional method. In the International markets, certain exchange tickets are subject to expiration dates, which triggers recognition of non-redemption in other revenues.

The Company recognizes ticket fee revenues based on a gross transaction price. The Company is a principal (as opposed to agent) in the arrangement with third-party internet ticketing companies in regard to the sale of online tickets because the Company controls the online tickets before they are transferred to the customer. The online ticket fee revenues and the third-party commission or service fees are recorded in the line items other theatre revenues and operating expense, respectively, in the consolidated statements of operations.

**Film Exhibition Costs.** Film exhibition costs are accrued based on the applicable box office receipts and estimates of the final settlement to the film licensors. Film exhibition costs include certain advertising costs. As of December 31, 2022 and December 31, 2021, the Company recorded film payables of \$123.8 million and \$150.3 million, respectively, which are included in accounts payable in the accompanying consolidated balance sheets.

**Food and Beverage Costs.** The Company records rebate payments from vendors as a reduction of food and beverage costs when earned.

**Exhibitor Services Agreement.** The Company recognizes advertising revenues, which are included in other theatre revenues in the consolidated statements of operations, when it satisfies a performance obligation by transferring a promised good or service to the customers. The advertising contracts with customers generally consist of a series of distinct periods of service, satisfied over time, to provide rights to advertising services. The Company's Exhibitor Services Agreement ("ESA") with National CineMedia, LLC ("NCM") includes a significant financing component due to the significant length of time between receiving the non-cash consideration and fulfilling the performance obligation. The Company receives the non-cash consideration in the form of common membership units from NCM, in exchange for rights to exclusive access to the Company's theatre screens and attendees through February 2037. Upon recognition, the Company records an increase to advertising revenues with a similar offsetting increase in non-cash interest expense, which is recorded to non-cash NCM exhibitor service agreement in the consolidated statements of operations. Pursuant to the calculation requirements for the time value of money, the amortization method reflects the front-end loading of the significant financing component where more interest expense is recognized earlier during the term of the agreement than the back-end recognition of the deferred revenue amortization where more revenue is recognized later in the term of the agreement. See Note 6-Investments for further information regarding the common unit adjustment ("CUA") and the fair value measurement of the non-cash consideration. The interest expense was calculated using discount rates that ranged from 6.5% to 18.25%, which are the rates at which the Company believes it could borrow in separate financing transactions.

**Customer Engagement Programs.** AMC Stubs® is a customer loyalty program in the U.S. markets which allows members to earn rewards, receive discounts and participate in exclusive members-only offerings and services. It features both a paid tier called AMC Stubs Premiere™ for a flat annual membership fee and a non-paid tier called AMC

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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 recognized as revenues along with associated cost of goods. The Company estimates 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 recognized 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 recognized as the rights are redeemed or expire.

AMC Stubs® A-List is the Company's monthly subscription-based tier of the 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 and \$24.95 per month depending upon geographic market. Revenue is recognized ratably over the enrollment period.

The Company suspended the recognition of deferred revenues related to certain loyalty programs, gift cards, and exchange tickets during the period in which its operations were temporarily suspended. As the Company reopened theatres, A-List members had the option to reactivate their subscription, which restarted the monthly charge for the program. Starting in July of 2021, all A-List monthly subscriptions were automatically reactivated and the Company has resumed a more normal recognition pattern for deferred revenues related to certain loyalty programs, gift cards and exchange tickets.

**Advertising Costs.** The Company expenses advertising costs as incurred and does not have any direct-response advertising recorded as assets. Advertising costs were \$28.0 million, \$28.4 million, and \$10.7 million for the years ended December 31, 2022, December 31, 2021, and December 31, 2020, respectively, and are recorded in operating expense in the accompanying consolidated statements of operations.

**Cash and Cash Equivalents.** All highly liquid debt instruments and investments purchased with an original maturity of three months or less are classified as cash equivalents. At December 31, 2022, cash and cash equivalents for the U.S. markets and International markets were \$508.0 million and \$123.5 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. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Consolidated Balance Sheet to the total of the amounts in the Consolidated Statements of Cash Flows.

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 631.5	\$ 1,592.5	\$ 308.3
Restricted cash	22.9	27.8	13.1
Total cash, cash equivalents and restricted cash in the statement of cash flows	\$ 654.4	\$ 1,620.3	\$ 321.4

**Derivative Asset and Liability.** Prior to September 14, 2020, the Company remeasured the derivative asset related to its contingent call option to acquire shares of its Class B common stock at no additional cost and the derivative liability related to the conversion feature in its Convertible Notes due 2026 at fair value each reporting period until the conversion price reset on September 14, 2020, with changes in fair value recorded in the consolidated statements of operations in other expense (income). The Company obtained independent third-party valuation studies to assist in determining fair value. The Company's valuation studies used a Monte Carlo simulation approach and were based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value measurement hierarchy. The Company's Common Stock price at the end of each reporting period as well as the remaining amount of time until expiration for the contingent call option and conversion feature were key inputs for the estimation of fair value that were expected to change each reporting period. The Company recorded other expense (income) related to derivative asset fair value adjustments of \$0 million, \$0 million and \$19.6 million, during the years



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ended December 31, 2022, December 31, 2021 and December 31, 2020, respectively, and other expense (income) related to derivative liability fair value adjustments of \$0 million, \$0 million, and \$89.4 million, during the years ended December 31, 2022, December 31, 2021 and December 31, 2020, respectively. See Note 8-Corporate Borrowings and Finance Lease Liabilities and Note 9-Stockholders' Equity for further discussions.

**Intangible Assets.** Intangible assets were recorded at fair value for intangible assets resulting from the acquisition of Holdings by Wanda on August 30, 2012 and other theatre acquisitions. Intangible assets are comprised of amounts assigned to management contracts, which are being amortized on a straight-line basis over the estimated remaining useful lives of the assets, and trademark and trade names. The Company evaluates definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be fully recoverable. Trademark and trade names are considered either definite or indefinite-lived intangible assets. Indefinite-lived intangible assets are not amortized but rather evaluated for impairment annually or more frequently as specific events or circumstances dictate.

The Company first assesses the qualitative factors to determine whether the existence of events and circumstances indicate that it is more likely than not the fair value of an indefinite-lived intangible asset is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative impairment test. During the year ended December 31, 2020, the Company recorded impairment losses related to definite-lived intangible assets of \$14.4 million in the U.S. markets and indefinite-lived intangible assets of \$15.2 million in the International markets. There were no intangible asset impairment charges incurred during the years ended December 31, 2022 and December 31, 2021.

**Investments.** The Company accounts for its investments in non-consolidated entities using either the cost or equity methods of accounting as appropriate, and has recorded the investments within other long-term assets in its consolidated balance sheets. Equity earnings and losses are recorded when the Company's ownership interest provides the Company with significant influence. The Company follows the guidance in ASC 323-30-35-3, investment in a limited liability company, which prescribes the use of the equity method for investments where the Company has significant influence. The Company classifies gains and losses on sales of investments or impairments accounted for using the cost method in investment expense (income). Gains and losses on cash sales are recorded using the weighted average cost of all interests in the investments. Gains and losses related to non-cash negative common unit adjustments are recorded using the weighted average cost of those units in NCM. See Note 6-Investments for further discussion of the Company's investments in NCM. As of December 31, 2022, the Company holds equity method investments comprised of a 18.3% interest in SV Holdco LLC ("SV Holdco"), a joint venture that markets and sells cinema advertising and promotions through Screenvision; a 50.0% interest in Digital Cinema Media Ltd. ("DCM"), a joint venture that provides advertising services in International markets; a 32.0% interest in AC JV, LLC ("AC JV"), a joint venture that owns Fathom Events offering alternative content for motion picture screens; a 14.6% interest in Digital Cinema Distribution Coalition, LLC ("DCDC"), a satellite distribution network for feature films and other digital cinema content; a 10.0% interest in Saudi Cinema Company, LLC ("SCC"); a 50% ownership interest in three U.S. motion picture theatres and approximately 50% ownership interest in 57 theatres in Europe. Indebtedness held by equity method investees is non-recourse to the Company. In 2020, the Company early adopted the amendments in S-X Rule 1-02(w) related to significant subsidiary tests of nonconsolidated entities.

**Goodwill.** The Company's recorded goodwill was \$2,342.0 million and \$2,429.8 million as of December 31, 2022 and December 31, 2021, respectively. Goodwill represents the excess of purchase price over fair value of net tangible and identifiable intangible assets related to the acquisition of Holdings by Wanda on August 30, 2012 and subsequent theatre business acquisitions. The Company evaluates goodwill recorded at the Company's two reporting units (Domestic Theatres and International Theatres). Also, the Company evaluates goodwill and its indefinite-lived trademark and trade names for impairment annually as of the beginning of the fourth quarter and any time an event occurs or circumstances change that would more likely than not reduce the fair value for a reporting unit below its carrying amount.

In accordance with ASC 350-20-35-30, goodwill of a reporting unit shall be tested for impairment between annual tests by assessing the qualitative factors to determine if an event occurs or changes in circumstances that would warrant an interim ASC 350 impairment analysis. If an impairment analysis is needed, the Company performs a quantitative impairment test for goodwill, which involves estimating the fair value of the reporting unit and comparing that value to its carrying value. If the estimated fair value of the reporting unit is less than its carrying value, the



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difference is recorded as goodwill impairment charge, not to exceed the total amount of goodwill allocated to that reporting unit.

*Qualitative impairment tests.* The Company performed a qualitative impairment test to evaluate whether it is more likely than not that the fair value of each reporting unit was less than their respective carrying amount as of its annual assessment date, October 1st. The Company concluded that it was not more likely than not that the fair value of either of the Company's two reporting units had been reduced below their respective carrying amounts at the annual assessment date for 2021 or 2022. The Company concluded that there were no triggering events that had occurred between the annual assessment date and December 31, 2022.

*Step 1 quantitative goodwill impairment tests performed during 2020.* In accordance with ASC 350-20-35-30, the Company performed an assessment to determine whether there were any events or changes in circumstances that would warrant an interim ASC 350 impairment analysis. A decline in the Common Stock price and prices of the Company's corporate borrowings and the resulting impact on market capitalization are two of several factors considered when making this evaluation. In performing the Step 1 quantitative goodwill impairment test, the Company used an enterprise value approach to measure fair value of the reporting units.

Based on sustained declines during the first quarter of 2020 in the Company's enterprise market capitalization and the temporary suspension of operations at all the Company's theatres on or before March 17, 2020 due to the COVID-19 pandemic, the Company performed a Step 1 quantitative goodwill impairment test of the Domestic and International reporting units as of March 31, 2020. The enterprise fair values of the Domestic Theatres and International Theatres reporting units were less than their carrying values and goodwill impairment charges of \$1,124.9 million and \$619.4 million, respectively, were recorded as of March 31, 2020 for the Company's Domestic Theatres and International Theatres reporting units.

Due to the suspension of operations during the second and third quarters of 2020 and the further delay or cancellation of film releases, the Company performed a Step 1 quantitative impairment test of the Domestic and International reporting units as of September 30, 2020. See Note 12-Fair Value Measurements for a discussion of the valuation methodology. The enterprise fair value of the Domestic Theatres and International Theatres reporting units was less than their carrying values and goodwill impairment charges of \$151.2 million and \$5.6 million, respectively, were recorded as of September 30, 2020 for the Company's Domestic Theatres and International Theatres reporting units.

Due to the further delay or cancellation of film releases and the further suspension of operations in the International markets, the Company performed a Step 1 quantitative impairment test of the Domestic and International reporting units as of December 31, 2020. See Note 12-Fair Value Measurements for a discussion of the valuation methodology. The enterprise fair value of the Domestic Theatres reporting unit was greater than its carrying value and the enterprise fair value of the International Theatre reporting unit was less than its carrying value. As a result, goodwill impairment charge of \$405.3 million was recorded as of December 31, 2020 for the Company's International Theatres reporting unit.

There is considerable management judgment with respect to cash flow estimates and discount rates to be used in determining fair value, which fall under Level 3 within the fair value measurement hierarchy. Given the nature of the Company's business and its recent history, future impairments are possible based upon business conditions, movie release dates, and attendance levels.

**Other Long-term Assets.** Other long-term assets are comprised principally of investments in partnerships and joint ventures and capitalized computer software, which is amortized over the estimated useful life of the software. See Note 7-Supplemental Balance Sheet Information.

**Accounts Payable.** Under the Company's cash management system, checks issued but not presented to banks frequently result in book overdraft balances for accounting purposes and are classified within accounts payable in the balance sheet. The change in book overdrafts are reported as a component of operating cash flows for accounts payable as they do not represent bank overdrafts. The amount of these checks included in accounts payable as of December 31, 2022 and December 31, 2021 was \$2.2 million and \$3.6 million, respectively.

**Leases.** The Company leases theatres and equipment under operating and finance leases. The majority of the Company's operations are conducted in premises occupied under lease agreements with initial base terms ranging generally from 12 to 15 years, with certain leases containing options to extend the leases for up to an additional 20 years.

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The Company typically does not believe that the exercise of the renewal options is reasonably assured at the inception of the lease agreements 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.

Operating lease right-of-use assets and lease liabilities were recorded at commencement date based on the present value of minimum lease payments over the remaining lease term. The minimum lease payments include base rent and other fixed payments, including fixed maintenance costs. The Company's leases have remaining lease terms of approximately 1 year to 25 years, which may include the option to extend the lease when it is reasonably certain the Company will exercise that option. The present value of the lease payments is calculated using the incremental borrowing rate for operating leases, which was determined using a portfolio approach based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. Operating lease expense is recorded on a straight-line basis over the lease term.

The Company elected the practical expedient to not separate lease and non-lease components and also elected the short-term practical expedient for all leases that qualify. As a result, the Company will not recognize right-of-use assets or liabilities for short-term leases that qualify for the short-term practical expedient, but instead will recognize the lease payments as lease cost on a straight-line basis over the lease term. The Company's lease agreements do not contain residual value guarantees. Short-term leases and sublease arrangements are immaterial. Equipment leases primarily consist of food and beverage and digital equipment.

**Impairment of Long-lived Assets.** The Company reviews long-lived assets, including definite-lived intangibles and theatre assets (including operating lease right-of-use assets) whenever events or changes in circumstances indicate that the carrying amount of the asset group may not be fully recoverable. The Company identifies impairments related to internal use software when management determines that the remaining carrying value of the software will not be realized through future use. The Company evaluates events or circumstances, including competition in the markets where it operates, that would indicate the carrying value of the asset groups may not be fully recoverable. If an event or circumstance is identified indicating carrying value may not be recoverable, the sum of future undiscounted cash flows is compared to the carrying value. If the carrying value exceeds the future undiscounted cash flows, the asset group may be impaired. If the asset group is determined to be impaired, the carrying value of the asset group is reduced to fair value as estimated by a discounted cash flow model, with the difference recorded as an impairment charge. Asset groups are evaluated for impairment on an individual theatre basis, which management believes is the lowest level for which there are identifiable cash flows. The Company evaluates theatres using historical and projected data of theatre level cash flow as its primary indicator of potential impairment and considers the seasonality of its business when making these evaluations. The fair value of assets is determined as either the expected selling price less selling costs (where appropriate) or the present value of the estimated future cash flows, adjusted as necessary for market participant factors.

There is considerable management judgment necessary to determine the estimated future cash flows and fair values of the Company's theatres and other long-lived assets, and, accordingly, actual results could vary significantly from such estimates, which fall under Level 3 within the fair value measurement hierarchy, see Note 12-Fair Value Measurements.

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The following table summarizes the Company's assets that were impaired:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Impairment of long-lived assets	\$ 133.1	\$ 77.2	\$ 177.9
Impairment of definite-lived intangible assets	-	-	14.4
Impairment of indefinite-lived intangible assets	-	-	15.2
Impairment of goodwill (1)	-	-	2,306.4
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill	133.1	77.2	2,513.9
Impairment of equity method investments recorded in equity in (earnings) loss of non-consolidated entities	-	-	8.6
Impairment of other assets recorded in investment expense (income)	-	-	15.9
Total impairment loss	\$ 133.1	\$ 77.2	\$ 2,538.4

(1) See Note 5-Goodwill and Intangible Assets for information regarding goodwill impairment.

During the year ended December 31, 2022, the Company recorded non-cash impairment of long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens (in Alabama, Arkansas, Arizona, California, Connecticut, District of Columbia, Florida, Georgia, Iowa, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, North Dakota, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, West Virginia, and Wisconsin) and \$59.7 million on 53 theatres in the International markets with 456 screens (in Germany, Italy, Spain, Sweden, and the UK), which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2021, the Company recorded non-cash impairment of long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens and \$15.9 million on 14 theatres in the International markets with 118 screens, which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2020, the Company recorded non-cash impairment of long-lived assets of \$152.2 million on 101 theatres in the U.S. markets with 1,139 screens and \$25.4 million on 37 theatres with 340 screens, which were related to property, net and operating lease right-of-use assets, net. During the year ended December 31, 2020, the Company recorded impairment losses related to definite-lived intangible assets of \$14.4 million in the U.S. markets. For indefinite-lived intangible asset, the Company recorded impairment charges related to the Odeon trade name of \$12.5 million and Nordic trade names of \$2.7 million during the year ended December 31, 2020. During the year ended December 31, 2020, the Company recorded impairment losses in the International markets related to equity method investments of \$8.6 million in equity in (earnings) loss of non-consolidated entities. In addition, during the year ended December 31, 2020, the Company recorded impairment losses of \$15.9 million within investment expense (income), related to equity interest investments without a readily determinable fair value accounted for under the cost method in the U.S. markets.

**Foreign Currency Translation.** Operations outside the United States are generally measured using the local currency as the functional currency. Assets and liabilities are translated at the rates of exchange at the balance sheet date. Income and expense items are translated at average rates of exchange. The resultant translation adjustments are included in foreign currency translation adjustment, a separate component of accumulated other comprehensive income (loss). Gains and losses from foreign currency transactions are included in net earnings (loss), except those intercompany transactions of a long-term investment nature. If the Company substantially liquidates its investment in a foreign entity, any gain or loss on currency translation or transaction balance recorded in accumulated other comprehensive loss is recorded as part of a gain or loss on disposition.

**Employee Benefit Plans.** The Company sponsors frozen non-contributory qualified and non-qualified defined benefit pension plans in the U.S. and frozen defined benefit pension plans in the U.K. and Sweden. The Company also sponsors a postretirement deferred compensation plan, which was terminated on May 3, 2021 and liquidated during 2022, and also various defined contribution plans.

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The following table sets forth the plans' benefit obligations and plan assets and the accrued liability for benefit costs included in the consolidated balance sheets:

(In millions)	U.S. Pension Benefits		International Pension Benefits	
	Year Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Aggregated projected benefit obligation at end of period (1)	\$ (79.7)	\$ (111.5)	\$ (66.8)	\$ (125.0)
Aggregated fair value of plan assets at end of period	59.2	84.3	73.1	126.0
Net (liability) asset for benefit cost - funded status	\$ (20.5)	\$ (27.2)	\$ 6.3	\$ 1.0

(1) At December 31, 2022 and December 31, 2021, U.S. aggregated accumulated benefit obligations were \$79.7 million and \$111.5 million, respectively, and International aggregated accumulated benefit obligations were \$66.8 million and \$125.0 million, respectively.

The Company does not expect to make a material contribution to the U.S. pension plans during the year ended December 31, 2022. The Company intends to make future cash contributions to the plans in an amount necessary to meet minimum funding requirements according to applicable benefit plan regulations.

The weighted-average assumptions used to determine benefit obligations are as follows:

	U.S. Pension Benefits		International Pension Benefits	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Discount rate	4.97%	2.66%	4.82%	1.79%
Rate of compensation increase	N/A	N/A	2.19%	2.28%

The weighted-average assumptions used to determine net periodic benefit cost are as follows:

	U.S. Pension Benefits			International Pension Benefits		
	Year Ended			Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2022	December 31, 2021	December 31, 2020
Discount rate	2.66%	2.26%	3.07%	1.79%	1.78%	1.97%
Weighted average expected long-term return on plan assets	6.56%	6.57%	6.70%	1.57%	1.28%	2.15%
Rate of compensation increase	N/A	N/A	N/A	2.28%	2.29%	2.27%

The offset to the pension liability is recorded in equity as a component of accumulated other comprehensive (income) loss. For further information, see Note 14-Accumulated Other Comprehensive Income (Loss) for pension amounts and activity recorded in accumulated other comprehensive income.

For the years ended December 31, 2022, December 31, 2021, and December 31, 2020, net periodic benefit costs (credits) were \$(0.6) million, \$(0.9) million, and \$1.8 million, respectively. The non-operating component of net periodic benefit costs is recorded in other expense (income) in the consolidated statements of operations. During the year ended December 31, 2020, before the Sweden pension benefit plan was frozen, the service cost component of net periodic benefit cost was recorded in general and administrative other.

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The following table provides the benefits expected to be paid in each of the next five years, and in the aggregate for the five years thereafter:

<b>(In millions)</b>	<b>U.S. Pension Benefits</b>	<b>International Pension Benefits</b>
2023	\$ 4.6	\$ 3.0
2024	4.5	3.1
2025	4.7	3.1
2026	4.9	3.2
2027	5.0	3.3
Years 2028 - 2031	26.9	17.8

The Company's investment objectives for its U.S. defined benefit pension plan investments are: (1) to preserve the value of its principal; (2) to maximize a real long-term return with respect to the plan assets consistent with minimizing risk; (3) to achieve and maintain adequate asset coverage for accrued benefits under the plan; and (4) to maintain sufficient liquidity for payment of the plan obligations and expenses. The Company uses a diversified allocation of equity, debt, commodity and real estate exposures that are customized to the plan's cash flow benefit needs. A weighted average targeted allocation percentage is assigned to each asset class as follows: equity securities of 37%, debt securities of 59%, and private real estate of 4%. The International pension benefit plans do not have an established asset target allocation.

Investments in the pension plan assets are measured at fair value on a recurring basis. As of December 31, 2022, for the U.S. investment portfolio, 90% were valued using the net asset value per share (or its equivalent) as a practical expedient and 10% of the investment included pooled separate accounts valued using market prices for the underlying instruments that were observable in the market or could be derived by observable market data from independent external valuation information (Level 2 of the fair value hierarchy). As of December 31, 2022, for the International investment portfolio 1% consisting of cash and equivalents was valued using quoted market prices from actively traded markets (Level 1 of the fair value hierarchy), 38% included mutual funds and collective trust funds valued using market prices for the underlying instruments that were observable in the market or could be derived by observable market data from independent external valuation information (Level 2 of the fair value hierarchy) and 61% were valued using the net asset value per share (or its equivalent) as a practical expedient.

Under the defined contribution plan, the Company sponsors a voluntary 401(k) savings plan covering certain U.S. employees age 21 or older and who are not covered by a collective bargaining agreement. Under the Company's 401(k) Savings Plan, except during the 2020 furlough period, the Company matched 100% of each eligible employee's elective contributions up to 3% and 50% of contributions up to 5% of the employee's eligible compensation.

**Income and Operating Taxes.** The Company accounts for income taxes in accordance with ASC 740-10. Under ASC 740-10, deferred income tax effects of transactions reported in different periods for financial reporting and income tax return purposes are recorded by the asset and liability method. This method gives consideration to the future tax consequences of deferred income or expense items and recognizes changes in income tax laws in the period of enactment.

Holdings and its domestic subsidiaries file a consolidated U.S. federal income tax return and combined income tax returns in certain state jurisdictions. Foreign subsidiaries file income tax returns in foreign jurisdictions. Income taxes are determined based on separate Company computations of income or loss. Tax sharing arrangements are in place and utilized when tax benefits from affiliates in the consolidated group are used to offset what would otherwise be taxable income generated by Holdings or another affiliate.

**Casualty Insurance.** The Company is self-insured for general liability up to \$1.0 million per occurrence and carries a \$0.5 million deductible limit per occurrence for workers' compensation claims. The Company utilizes actuarial projections of its ultimate losses to calculate its reserves and expense. The actuarial method includes an allowance for adverse developments on known claims and an allowance for claims which have been incurred but which have not yet been reported. As of December 31, 2022 and December 31, 2021, the Company recorded casualty insurance reserves of \$30.7 million and \$34.6 million, respectively. The Company recorded expenses related to general liability and workers' compensation claims of \$49.8 million, \$37.1 million, and \$32.8 million for the years ended December 31, 2022, December 31, 2021, and December 31, 2020, respectively. Casualty insurance expense is recorded in operating expense.

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**Government Assistance.** The Company recognizes government assistance when the conditions of the grant have been met and there is reasonable assurance that the assistance will be received. Grants relating to specific costs are treated as a reduction of that cost in the consolidated statement of operations. General grants are recorded within other expense (income). Grants related to the construction of long-lived assets are treated as reductions to the cost of the associated assets. During the year ended December 31, 2022 the Company recognized government assistance in other income of \$25.8 million, primarily related to grants in Italy and Germany. The general requirements of the grants were that the grantees must have lost income due to the COVID-19 pandemic. In Germany, the grants can potentially be subject to a final audit, however the Company believes the risk of claw-back is remote and therefore have recognized the entire award received. Additionally, the Company recognized \$1.9 million of government assistance as reduction to property, net during the twelve months ended December 31, 2022. The assistance relates to the construction of capital assets related to the innovation, modernization, and digitalization of the theatrical exhibition industry.

**Other Expense (Income):** The following table sets forth the components of other expense (income):

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Derivative liability fair value adjustment for embedded conversion feature in the Convertible Notes	\$ -	\$ -	\$ 89.4
Derivative asset fair value adjustment for contingent call option related to the Class B common stock purchase and cancellation agreement	-	-	19.6
Credit losses (income) related to contingent lease guarantees	(0.2)	(5.7)	15.0
Governmental assistance due to COVID-19 - International markets	(23.0)	(81.5)	(38.6)
Governmental assistance due to COVID-19 - U.S. markets	(2.8)	(5.6)	-
Foreign currency transaction gains	(12.3)	(9.8)	(2.8)
Non-operating components of net periodic benefit cost (income)	(0.6)	(0.7)	1.1
Loss on extinguishment - First Lien Notes due 2025	47.7	-	-
Loss on extinguishment - First Lien Notes due 2026	54.4	-	-
Loss on extinguishment - First Lien Toggle Notes due 2026	32.9	14.4	-
Gain on extinguishment - Second Lien Notes due 2026	(75.0)	-	(93.6)
Gain on extinguishment - Senior Subordinated Notes due 2027	(3.7)	-	-
Loss on debt extinguishment - Odeon Term Loan Facility	36.5	-	-
Financing fees related to modification of debt	-	1.0	39.3
Business interruption insurance recoveries	(0.3)	-	(0.5)
Other expense (income)	<u>\$ 53.6</u>	<u>\$ (87.9)</u>	<u>\$ 28.9</u>

**Accounting Pronouncements Recently Adopted**

**Government Assistance.** In November 2021, the FASB issued Accounting Standards Update (“ASU”) No. 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. On January 1, 2022, the Company adopted ASU 2021-10. See Note 1 for further information regarding government assistance.

**Accounting Pronouncements Issued Not Yet Adopted**

None.

**NOTE 2-REVENUE RECOGNITION**

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

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Major revenue types</b>			
Admissions	\$ 2,201.4	\$ 1,394.2	\$ 712.1
Food and beverage	1,313.7	857.3	362.4
Other theatre:			
Advertising	122.7	95.3	80.5
Other theatre	273.6	181.1	87.4
Other theatre	396.3	276.4	167.9
Total revenues	<u>\$ 3,911.4</u>	<u>\$ 2,527.9</u>	<u>\$ 1,242.4</u>

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Timing of revenue recognition</b>			
Products and services transferred at a point in time	\$ 3,579.9	\$ 2,325.5	\$ 1,086.0
Products and services transferred over time (1)	331.5	202.4	156.4
Total revenues	<u>\$ 3,911.4</u>	<u>\$ 2,527.9</u>	<u>\$ 1,242.4</u>

(1) Amounts primarily include subscription and advertising revenues.

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

<b>(In millions)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Current assets</b>		
Receivables related to contracts with customers	\$ 92.3	\$ 85.4
Miscellaneous receivables	74.3	83.1
Receivables, net	<u>\$ 166.6</u>	<u>\$ 168.5</u>

<b>(In millions)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Current liabilities</b>		
Deferred revenue related to contracts with customers	\$ 398.8	\$ 405.1
Miscellaneous deferred income	3.9	3.5
Deferred revenue and income	<u>\$ 402.7</u>	<u>\$ 408.6</u>

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

<b>(In millions)</b>	<b>Deferred Revenues Related to Contracts with Customers</b>
Balance December 31, 2020	\$ 400.6
Cash received in advance (1)	186.1
Customer loyalty rewards accumulated, net of expirations:	
Admission revenues (2)	11.0
Food and beverage revenues (2)	20.3
Other theatre revenues (2)	(0.2)
Reclassification to revenue as the result of performance obligations satisfied:	
Admission revenues (3)	(127.4)
Food and beverage revenues (3)	(39.3)
Other theatre revenues (4)	(42.1)
Foreign currency translation adjustment	(3.9)
Balance December 31, 2021	\$ 405.1
Cash received in advance (1)	292.0
Customer loyalty rewards accumulated, net of expirations:	
Admission revenues (2)	14.9
Food and beverage revenues (2)	22.7
Other theatre revenues (2)	(0.4)
Reclassification to revenue as the result of performance obligations satisfied:	
Admission revenues (3)	(205.2)
Food and beverage revenues (3)	(57.5)
Other theatre revenues (4)	(66.7)
Foreign currency translation adjustment	(6.1)
Balance December 31, 2022	\$ 398.8

- (1) Includes movie tickets, food and beverage, gift cards, exchange tickets, and AMC Stubs® and other 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 ESA in the consolidated balance sheets, are as follows:

<b>(In millions)</b>	<b>Exhibitor Services Agreement (1)</b>
Balance December 31, 2020	\$ 537.6
Negative Common Unit Adjustment-reduction of common units (1)	(9.2)
Reclassification of the beginning balance to other theatre revenue, as the result of performance obligations satisfied	(18.0)
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	(19.6)
Balance December 31, 2022	\$ 505.8

- (1) Represents the carrying amount of the NCM common units that were previously received under the annual Common Unit Adjustment. The deferred revenues are being amortized to other theatre revenues over the



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remainder of the 30-year term of the ESA ending in February 2037.

**Transaction Price Allocated to the Remaining Performance Obligations.** The following table includes the amount of NCM ESA, included in exhibitor services agreement in the Company's consolidated balance sheets, that is expected to be recognized as revenues in the future related to performance obligations that are unsatisfied as of December 31, 2022:

<b>(In millions)</b>	<b>Exhibitor Services Agreement</b>	
Year ended 2023	\$	21.1
Year ended 2024		22.6
Year ended 2025		24.4
Year ended 2026		26.2
Year ended 2027		28.2
Years ended 2028 through February 2037		383.3
Total	\$	<u>505.8</u>

**Gift Cards and Exchange Tickets.** The total amount of non-redeemed gift cards and exchange tickets included in deferred revenues and income as of December 31, 2022 was \$315.3 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 December 31, 2022, the amount of deferred revenues allocated to the loyalty programs included in deferred revenues and income was \$67.2 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 Premiere™ 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 3-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 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 consolidated balance sheets and in the 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 2023 and future years are provided below:

(In millions)	As of	Decrease in deferred amounts	As of
	December 31, 2021		December 31, 2022
Fixed operating lease deferred amounts (1)	\$ 299.3	\$ (149.0)	\$ 150.3
Finance lease deferred amounts	2.4	(1.5)	0.9
Variable lease deferred amounts	13.4	(7.4)	6.0
Total deferred lease amounts	<u>\$ 315.1</u>	<u>\$ (157.9)</u>	<u>\$ 157.2</u>

- (1) During the year ended December 31, 2022, the decrease in fixed operating lease deferred amounts includes \$144.6 million of decreases in the deferred balances as of December 31, 2021 related to payments and abatements.

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The following table reflects the lease costs for the years indicated below:

(In millions)	Consolidated Statements of Operations	Year Ended		
		December 31, 2022	December 31, 2021	December 31, 2020
<b>Operating lease cost</b>				
Theatre properties	Rent	\$ 812.0	\$ 775.4	\$ 813.7
Theatre properties	Operating expense	5.4	1.1	2.8
Equipment	Operating expense	8.6	10.7	14.6
Office and other	General and administrative: other	5.3	5.4	5.4
<b>Finance lease cost</b>				
Amortization of finance lease assets	Depreciation and amortization	2.6	4.6	6.7
Interest expense on lease liabilities	Finance lease obligations	4.1	5.2	5.9
<b>Variable lease cost</b>				
Theatre properties	Rent	74.2	52.6	70.4
Equipment	Operating expense	60.0	43.4	6.4
<b>Total lease cost</b>		<u>\$ 972.2</u>	<u>\$ 898.4</u>	<u>\$ 925.9</u>

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

Lease Term and Discount Rate	As of December 31, 2022	
	Weighted Average Remaining Lease Term (years)	Weighted Average Discount Rate
Operating leases	9.4	10.0%
Finance leases	13.6	6.4%

Cash flow and supplemental information is presented below:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows used in finance leases	\$ (3.8)	\$ (2.9)	\$ (3.2)
Operating cash flows used in operating leases	(1,032.4)	(883.2)	(446.5)
Financing cash flows used in finance leases	(9.4)	(9.0)	(6.2)
<b>Landlord contributions:</b>			
Operating cashflows provided by operating leases	19.9	22.0	43.6
<b>Supplemental disclosure of noncash leasing activities:</b>			
Right-of-use assets obtained in exchange for new operating lease liabilities (1)	277.3	196.6	201.5

(1) Includes lease extensions and option exercises.

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Minimum annual payments required under existing operating and finance leases and the net present value thereof as of December 31, 2022 are as follows:

<b>(In millions)</b>	<b>Operating Lease Payments (2)</b>	<b>Financing Lease Payments (2)</b>
2023 (1)	\$ 973.2	9.1
2024	862.1	8.2
2025	812.7	7.5
2026	748.0	7.3
2027	684.9	7.4
Thereafter	3,318.6	51.1
Total lease payments	7,399.5	90.6
Less imputed interest	(2,579.5)	(31.8)
Total operating and finance lease liabilities, respectively	<u>\$ 4,820.0</u>	<u>\$ 58.8</u>

- (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:

<b>(In millions)</b>	<b>Accounts Payable Lease Payments</b>
Twelve months ended December 31, 2023	\$ 24.9

- (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:

<b>(In millions)</b>	<b>Operating Lease Payments</b>	<b>Financing Lease Payments</b>
2023	\$ 81.7	\$ 0.6
2024	15.9	-
2025	5.7	-
2026	4.2	-
2027	3.4	-
Thereafter	20.8	-
Total deferred lease amounts	<u>\$ 131.7</u>	<u>\$ 0.6</u>

As of December 31, 2022, the Company had signed additional operating lease agreements for three theatres that have not yet commenced of approximately \$78.9 million, which are expected to commence between 2023 and 2024, and carry lease terms of approximately 10 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 4-PROPERTY**

A summary of property is as follows:

<b>(In millions)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Property owned:		
Land	\$ 73.7	\$ 83.2
Buildings and improvements	209.4	215.1
Leasehold improvements	1,880.8	1,852.4
Furniture, fixtures and equipment	2,354.3	2,334.8
	<u>4,518.2</u>	<u>4,485.5</u>
Less: accumulated depreciation	2,838.4	2,572.0
	<u>1,679.8</u>	<u>1,913.5</u>
Property leased under finance leases:		
Building and improvements	54.8	60.4
Less: accumulated depreciation and amortization	15.4	11.4
	<u>39.4</u>	<u>49.0</u>
	<u>\$ 1,719.2</u>	<u>\$ 1,962.5</u>

Property is recorded at cost or fair value, in the case of property resulting from acquisitions. The Company uses the straight-line method in computing depreciation and amortization for financial reporting purposes. The estimated useful lives for leasehold improvements and buildings subject to a ground lease reflect the shorter of the expected useful lives of the assets or the base terms of the corresponding lease agreements for these leases for assets placed in service subsequent to the lease inception. The estimated useful lives are as follows:

Buildings and improvements	1 to 40 years
Leasehold improvements	1 to 20 years
Furniture, fixtures and equipment	1 to 15 years

Expenditures for additions (including interest during construction) and betterments are capitalized, and expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation and amortization are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are included in operating expense in the accompanying consolidated statements of operations.

Depreciation expense was \$359.0 million, \$382.0 million, and \$453.2 million for the years ended December 31, 2022, December 31, 2021 and December 31, 2020, respectively.

**NOTE 5-GOODWILL AND INTANGIBLE ASSETS**

The following table summarizes the changes in goodwill by reporting unit:

(In millions)	U.S. Markets			International Markets			Consolidated Goodwill		
	Gross Carrying Amount	Accumulated Impairment Losses	Net Carrying Amount	Gross Carrying Amount	Accumulated Impairment Losses	Net Carrying Amount	Gross Carrying Amount	Accumulated Impairment Losses	Net Carrying Amount
Balance December 31, 2020	\$3,072.6	\$ (1,276.1)	\$ 1,796.5	\$ 1,850.1	\$ (1,099.3)	\$ 750.8	\$ 4,922.7	\$ (2,375.4)	\$ 2,547.3
Currency translation adjustment	-	-	-	(86.2)	10.0	(76.2)	(86.2)	10.0	(76.2)
Baltics disposition-Estonia (1)	-	-	-	(3.7)	-	(3.7)	(3.7)	-	(3.7)
Baltics disposition-Lithuania (1)	-	-	-	(37.6)	-	(37.6)	(37.6)	-	(37.6)
Balance December 31, 2021	3,072.6	(1,276.1)	1,796.5	1,722.6	(1,089.3)	633.3	4,795.2	(2,365.4)	2,429.8
Currency translation adjustment	-	-	-	(200.8)	113.0	(87.8)	(200.8)	113.0	(87.8)
Balance December 31, 2022	<u>\$3,072.6</u>	<u>\$ (1,276.1)</u>	<u>\$ 1,796.5</u>	<u>\$ 1,521.8</u>	<u>\$ (976.3)</u>	<u>\$ 545.5</u>	<u>\$ 4,594.4</u>	<u>\$ (2,252.4)</u>	<u>\$ 2,342.0</u>

(1) See Note 1-The Company and Significant Accounting Policies for further information regarding the Baltic theatre sale.

Detail of other intangible assets is presented below:

(In millions)	Remaining Useful Life	December 31, 2022		December 31, 2021	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Amortizable Intangible Assets:</b>					
	1 to 4 years				
Management contracts and franchise rights		\$ 9.3	\$ (9.2)	\$ 10.4	\$ (9.8)
Starplex trade name	4 years	7.9	(5.0)	7.9	(4.1)
Carmike trade name	1 year	9.3	(8.0)	9.3	(6.7)
Total, amortizable		<u>\$ 26.5</u>	<u>\$ (22.2)</u>	<u>\$ 27.6</u>	<u>\$ (20.6)</u>
<b>Non-amortizing Intangible Assets:</b>					
AMC trademark		\$ 104.4		\$ 104.4	
Odeon trade names		35.8		38.9	
Nordic trade names		2.8		3.1	
Total, unamortizable		<u>\$ 143.0</u>		<u>\$ 146.4</u>	

See the impairment table in Note 1-The Company and Significant Accounting Policies for information regarding indefinite and definite-lived intangible assets impairment amounts.

Amortization expense associated with the intangible assets noted above is as follows:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Recorded amortization	\$ 2.6	\$ 3.5	\$ 4.5

Estimated annual amortization for the next five calendar years for intangible assets is projected below:

(In millions)	2023	2024	2025	2026
Projected annual amortization	\$ 2.1	\$ 0.8	\$ 0.8	\$ 0.6

## **NOTE 6-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 consolidated balance sheets in other long-term assets. Investments in non-consolidated affiliates as of December 31, 2022, include interests in DCDC of 14.6%, AC JV, owner of Fathom Events, of 32.0%, SV Holdco, owner of Screenvision, of 18.3%, DCM of 50.0%, and SCC of 10.0%. The Company also has partnership interests in three U.S. motion picture theatres and approximately 50.0% interest in 57 theatres in Europe. Indebtedness held by equity method investees is non-recourse to the Company.

### **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 the sale under Securities Act on April 14, 2022 which became effective on June 2, 2022. The Company accounts for the common shares of Hycroft under the equity method and we have elected the fair value option in accordance with ASC 825-10. The Company 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 year ended December 31, 2022, the Company recorded unrealized losses related to the investment in Hycroft of \$6.3 million in investment expense (income), respectively.

### **NCM Transactions**

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 the event that a CUA is determined to be a negative number, the Founding Member shall cause, at its election, either (a) the transfer and surrender to NCM of a number of common units equal to all or part of such Founding Member’s CUA or (b) pay to NCM an amount equal to such Founding Member’s CUA calculated in accordance with the CUA Agreement.

In March 2020, the NCM CUA resulted in a positive adjustment of 1,390,566 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 \$4.8 million, based upon a price per share of National CineMedia, Inc. (“NCM, Inc.”) of \$3.46 on March 12, 2020. In March 2021, the NCM CUA resulted in a negative adjustment of 3,012,738 common units for the Company, and therefore, the Company paid NCM cash of \$9.2 million and recorded the amount as a reduction to deferred revenues for the ESA. During the year ended December 31, 2021, the Company sold its remaining approximately 1.4 million NCM shares and received net proceeds of \$5.7 million, which were recorded in investment expense (income). 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 a fair value of \$15.0 million, based upon a price per share of NCM, Inc. of \$2.52 on March 30, 2022. During the year ended December 31, 2022, the Company sold its shares of NCM, Inc. for \$1.5 million and recorded a realized loss in investment expense of \$13.5 million. See Note 1-The Company and Significant Accounting Policies and Note 2-Revenue Recognition for further information regarding CUA and ESA.

### **DCIP Transactions**

During the year ended December 31, 2021, the Company received cash distribution of \$12.2 million from DCIP, which the Company recorded as a reduction to its investment in DCIP. The distribution reduced the Company’s recorded investment below \$0 and therefore the Company recorded equity in earnings of \$4.0 million to increase its investment to \$0 as the Company has not guaranteed any of the liabilities of DCIP. During the year ended December 31, 2020, the Company received distributions from DCIP of digital projectors it had been leasing with an estimated fair value of \$125.2 million, which the Company recorded as a reduction to its investment in DCIP. DCIP ceased operations

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during the year ended December 31, 2022. The Company received a liquidation distribution of \$3.4 million from DCIP, which the Company recorded as equity in earnings. The Company will record any future liquidation distributions to equity in earnings.

#### AC JV Transactions

On December 26, 2013, the Company amended and restated its existing ESA with NCM in connection with the spin-off by NCM of its Fathom Events business to AC JV, a newly-formed company owned 32% by each of the Founding Members and 4% by NCM. AC JV distributes alternative content to theatre exhibitors. As of December 31, 2019, Cinemark and Regal also amended and restated their respective ESAs with NCM in connection with the spin-off. The ESAs were modified to remove those provisions addressing the rights and obligations related to digital programming services of the Fathom Events business. Those provisions are now contained in the Amended and Restated Digital Programming Exhibitor Services Agreements (the “Digital ESAs”) that were entered into on December 26, 2013 by NCM and each of the Founding Members. These Digital ESAs were then assigned by NCM to AC JV as part of the Fathom spin-off.

#### Summary Financial Information

Investments in non-consolidated affiliates accounted for under the equity method as of December 31, 2022, include interests in Hycroft, SV Holdco, DCM, AC JV, DCDC, SCC, 57 theatres in Europe, three U.S. motion picture theatres, and other immaterial investments.

Condensed financial information of the Company’s non-consolidated equity method investments is shown below with amounts presented under U.S. GAAP:

<b>(In millions)</b>	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
Current assets	\$	411.5	\$	265.6
Noncurrent assets		431.9		348.5
Total assets		843.4		614.1
Current liabilities		152.8		218.4
Noncurrent liabilities		452.9		208.7
Total liabilities		605.7		427.1
Stockholders’ equity		237.7		187.0
Liabilities and stockholders’ equity		843.4		614.1
The Company’s recorded investment		69.6		85.6

Condensed financial information of the Company’s non-consolidated equity method investments is shown below and amounts are presented under U.S. GAAP for the periods of ownership by the Company:

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Revenues	\$ 412.8	\$ 285.1	\$ 162.7
Operating costs and expenses	498.2	287.6	347.9
Net loss	\$ (85.4)	\$ (2.5)	\$ (185.2)

The components of the Company’s recorded equity in earnings (loss) of non-consolidated entities are as follows:

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
The Company’s recorded equity in earnings (loss)	\$ (1.6)	\$ 11.0	\$ (30.9)



**Related Party Transactions**

The Company recorded the following related party transactions with equity method investees:

<u>(In millions)</u>	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>
Due from DCM for on-screen advertising revenue	\$ 2.2	\$ 2.2
Loan receivable from DCM	0.6	0.7
Due to AC JV for Fathom Events programming	(2.0)	(3.7)
Due from Screenvision for on-screen advertising revenue	-	2.3
Due from Nordic JVs	1.3	0.9
Due to Nordic JVs for management services	(1.1)	(1.1)
Due from SCC related to the joint venture	1.4	1.3
Due to U.S. theatre partnerships	(0.7)	-

<u>(In millions)</u>	<u>Consolidated Statements of Operations</u>	<u>Year Ended</u>		
		<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
DCM screen advertising revenues	Other revenues	\$ 17.0	\$ 7.8	\$ 3.8
DCIP equipment rental expense	Operating expense	-	0.2	1.0
Gross exhibition cost on AC JV Fathom Events programming	Film exhibition costs	11.6	10.4	3.9
Screenvision screen advertising revenues	Other revenues	6.9	4.6	2.6

**NOTE 7-SUPPLEMENTAL BALANCE SHEET INFORMATION**

Other assets and liabilities consist of the following:

(In millions)	December 31, 2022	December 31, 2021
<b>Other current assets:</b>		
Income taxes receivable	\$ 1.0	\$ 1.9
Prepays	28.8	35.4
Merchandise inventory	36.4	31.3
Other	14.9	12.9
	<u>\$ 81.1</u>	<u>\$ 81.5</u>
<b>Other long-term assets:</b>		
Investments in real estate	\$ 6.5	\$ 9.7
Deferred financing costs revolving credit facility	3.1	5.5
Investments in equity method investees	69.6	85.6
Computer software	74.2	83.7
Investment in common stock	11.3	11.4
Pension asset	16.6	21.1
Investment in Hycroft common stock (1)	12.5	-
Investment in Hycroft warrants (1)	9.2	-
Other	19.1	32.0
	<u>\$ 222.1</u>	<u>\$ 249.0</u>
<b>Accrued expenses and other liabilities:</b>		
Taxes other than income	\$ 77.6	\$ 105.8
Interest	53.0	37.4
Payroll and vacation	45.8	44.4
Current portion of casualty claims and premiums	11.9	12.0
Accrued bonus	57.6	54.5
Accrued licensing and variable rent	23.7	23.5
Current portion of pension	0.7	0.8
Group insurance reserve	4.2	3.0
Accrued tax payable	4.9	4.7
Other	84.9	81.4
	<u>\$ 364.3</u>	<u>\$ 367.5</u>
<b>Other long-term liabilities:</b>		
Pension	\$ 30.1	\$ 46.5
Casualty claims and premiums	19.8	24.4
Contingent lease liabilities	-	0.3
Other	55.2	93.8
	<u>\$ 105.1</u>	<u>\$ 165.0</u>

(1) The equity method investment in Hycroft and related warrants are measured at fair value. See Note 6-Investments and Note 12-Fair Value Measurements for further information regarding the investment in Hycroft.

**NOTE 8-CORPORATE BORROWINGS AND FINANCE LEASE LIABILITIES**

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

<b>(In millions)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b><i>First Lien Secured Debt:</i></b>		
Senior Secured Credit Facility-Term Loan due 2026 (7.274% as of December 31, 2022)	\$ 1,925.0	\$ 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 December 31, 2021)	-	552.6
12.75% Odeon Senior Secured Notes due 2027	400.0	-
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
<b><i>Second Lien Secured Debt:</i></b>		
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	1,389.8	1,508.0
<b><i>Subordinated Debt:</i></b>		
6.375% Senior Subordinated Notes due 2024 (£4.0 million par value as of December 31, 2022)	4.8	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	125.5	130.7
Total principal amount of corporate borrowings	\$ 4,949.0	\$ 5,169.1
Finance lease liabilities	58.8	72.7
Deferred financing costs	(37.9)	(39.1)
Net premium (1)	229.7	298.0
Total carrying value of corporate borrowings and finance lease liabilities	\$ 5,199.6	\$ 5,500.7
Less:		
Current maturities corporate borrowings	(20.0)	(20.0)
Current maturities finance lease obligations	(5.5)	(9.5)
Total noncurrent carrying value of corporate borrowings and finance lease liabilities	\$ 5,174.1	\$ 5,471.2

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

<b>(In millions)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	\$ 265.5	\$ 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	(4.8)	(6.1)
10.75% in Year 1, 11.25% thereafter Cash/PIK Odeon Term Loan Facility due 2023	-	(12.1)
12.75% Odeon Senior Secured Notes due 2027	(31.1)	-
6.375% Senior Subordinated Notes due 2024	0.1	0.1
	<u>\$ 229.7</u>	<u>\$ 298.0</u>

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

<b>(In millions)</b>	<b>Principal Amount of Corporate Borrowings</b>
2023	\$ 20.0
2024	24.8
2025	118.3
2026	3,310.4
2027	525.5
Thereafter	950.0
Total	<u>\$ 4,949.0</u>

#### Odeon Secured Debt

**Odeon Senior Secured Notes due 2027.** On October 20, 2022, Odeon Finco PLC, a direct subsidiary of Odeon Cinemas Group Limited (“OCGL”) and an indirect subsidiary of the Company issued \$400.0 million aggregate principal amount of its 12.75% Odeon Senior Secured Notes due 2027 (“Odeon Notes due 2027”), at an issue price of 92.00%. The Odeon Notes due 2027 bear a cash interest rate of 12.75% per annum and will be payable semi-annually in arrears on May 1 and November 1, beginning on May 1, 2023. The Odeon Notes due 2027 are guaranteed on a senior secured basis by certain subsidiaries of Odeon and by Holdings on a standalone and unsecured basis. The Odeon Notes due 2027 contain covenants that limit Odeon and certain subsidiaries’ ability to, among other things: (i) incur additional indebtedness of guarantee indebtedness; (ii) create liens; (iii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iv) make investments; (v) enter into transactions with affiliates; (vi) consolidate, merge, sell or otherwise dispose of all or substantially all of their respective assets; and (vii) impair the security interest in the collateral. These covenants are subject to a number of important limitations and exceptions. The Company used the \$363.0 million net proceeds from the Odeon Notes due 2027 and \$146.7 million of existing cash to fund the repayment in full of the £147.6 million and €312.2 million (\$167.7 million and \$308.9 million, respectively using October 20, 2022 exchange rates) aggregate principal amounts of the Odeon Term Loan Facility and to pay related accrued interest, fees, costs, premiums and expenses. The Company recorded a loss on debt extinguishment related to this transaction of \$36.5 million in other expense during the year ended December 31, 2022.

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Prior to November 1, 2024, up to 35% of the original aggregate principal amount of the Odeon Notes due 2027 may be redeemed at a price of 112.75% of the principal thereof with the net proceeds of one or more certain equity offerings provided that the redemption occurs within the 120 days after the closing of such equity offerings. On or after November 1, 2024, the Odeon Notes due 2027 will be redeemable, in whole or in part, at redemption prices equal to (i) 106.375% for the twelve-month period beginning on November 1, 2024; (ii) 103.188% for the twelve-month period beginning on November 1, 2025 and (iii) 100.000% at any time thereafter, plus accrued and unpaid interest, if any. If the Company or its restricted subsidiaries sell assets under certain circumstances, the Company will be required to use the net proceeds to repay the Odeon Notes due 2027 or any additional First Lien Obligations at a price no less than 100% of the issue price of the Odeon Notes due 2027, plus accrued and unpaid interest, if any. Upon a Change of Control (as defined in the indenture governing the Odeon Notes due 2027), the Company must offer to purchase the Odeon Notes due 2027 at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any. On December 14, 2022, the Odeon Notes due 2027 were admitted to the official list of The International Stock Exchange (“TISE”). The Odeon Notes due 2027 will automatically delist from TISE on the business day following the maturity date of November 1, 2027, unless adequate notice is given together with supporting documents setting out any changes to the date of maturity or confirmation that the Odeon Notes due 2027 have not been fully repaid.

**Odeon Term Loan Facility.** On February 15, 2021, Odeon Cinemas Group Limited (“OCGL”), a wholly-owned subsidiary of the Company, entered into a new £140.0 million and €296.0 million term loan facility (the “Odeon Term Loan due 2023”) agreement (the “Odeon Term Loan Facility”), by and among Odeon, the subsidiaries of Odeon party thereto, the lenders and other loan parties thereto and Lucid Agency Services Limited as agent and Lucid Trustee Services Limited as security agent. Approximately £89.7 million and €12.8 million of the net proceeds from the Odeon Term Loan Facility were used to repay in full Odeon’s obligations (including principal, interest, fees and cash collateralized letters of credit) under its then-existing revolving credit facility and the remaining net proceeds will be used for general corporate purposes. The Company recorded deferred financing costs of \$1.0 million in other expense during the year ended December 31, 2021. Borrowings under the Odeon Term Loan Facility bear interest at a rate equal to 10.75% per annum during the first year and 11.25% thereafter and each interest period is 3 months, or such other period agreed between the Company and the Agent. The interest is capitalized on the last day of each interest period and added to the outstanding principal amount, however, Odeon has the option to elect to pay interest in cash. For the first interest period ending May 2021 and the second interest period ending August 2021, Odeon elected to pay in PIK interest. Odeon paid cash interest with respect to the third interest period ending November 2021. The principal amount of new funding is prior to deducting discounts of \$19.4 million and deferred financing costs of \$16.5 million related to the Odeon Term Loan Facility. The discount and deferred financing costs will be amortized to interest expense over the term using the effective interest method. On October 20, 2022, the Company completely repaid the Odeon Term Loan Facility using existing cash and \$363.0 million net proceeds from the issuance of the Odeon Notes due 2027.

### **First Lien Toggle Notes Due 2026**

On January 15, 2021, the Company issued \$100.0 million aggregate principal amount of its 15%/17% Cash/PIK Toggle First Lien Secured Notes due 2026 (the “First Lien Toggle Notes due 2026”) as contemplated by the previously disclosed commitment letter with Mudrick Capital Management, LP (“Mudrick”), dated as of December 10, 2020. The First Lien Toggle Notes due 2026 were issued pursuant to an indenture dated as of January 15, 2021 among the Company, the guarantors named therein and the U.S. bank National Association, as trustee and collateral agent. On September 30, 2021, the Company exercised an option to repurchase \$35.0 million of its First Lien Toggle Notes due 2026. The total cost to exercise this repurchase option was \$40.3 million, including principal, redemption price and accrued and unpaid interest. As a result of this debt reduction, the Company’s annual cash interest cost were reduced by \$5.25 million. During the year ended December 31, 2021, the Company recorded loss on debt extinguishment of \$14.4 million in other expense.

The First Lien Toggle Notes due 2026 bear cash interest at a rate of 15% per annum payable semi-annually in arrears on January 15 and July 15, beginning on July 15, 2021. Interest for the first three interest periods after the issue date may, at the Company’s option, be paid in PIK interest at a rate of 17% per annum, and thereafter interest shall be payable solely in cash. For the first interest period ended July 15, 2021, the Company elected to pay in PIK interest. The First Lien Toggle Notes due 2026 will mature on April 24, 2026. The indenture provides that the First Lien Toggle Notes due 2026 are general senior secured obligations of the Company and are secured on a pari passu basis with the Senior Secured Credit Facilities, the First Lien Notes due 2026, and the First Lien Notes due 2025.

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On December 14, 2020, Mudrick received a total of 21,978,022 shares of the Company's common stock ("Common Stock"); of which 8,241,758 shares ("Commitment Shares") relates to consideration received for a commitment fee and 13,736,264 shares ("Exchange Shares") as consideration received for the second lien exchange. Mudrick exchanged \$100 million aggregate principal amount of the Second Lien Notes due 2026 that were held by Mudrick for the Exchange Shares (the "Second Lien Exchange") and waived its claim to PIK interest of \$4.5 million principal amount. The fair value of 21,978,022 shares of the Company's Common Stock was \$70.1 million based on the market closing price of \$3.19 per share on December 14, 2020. On December 14, 2020, the common shares issued were recorded by the Company in stockholders' deficit. During the year ended December 31, 2021, the Company reclassified the prepaid commitment fee and deferred charges of \$28.6 million to corporate borrowings from other long-term assets for the Commitment Shares and deferred charges. The prepaid commitment fee was recorded as a discount and, together with deferred charges, will be amortized to interest expense over the term of the First Lien Toggle Notes due 2026 using the effective interest method. During the year ended December 31, 2020, the Company recorded a gain on extinguishment of the Second Lien Notes due 2026 of \$93.6 million based on the fair value of the Exchange Shares of \$43.8 million and the carrying value of the \$104.5 million principal amount of the Second Lien Notes exchanged of \$137.4 million. The Company filed a shelf registration statement in December 2020, which was declared effective providing for the resale of the Exchange Shares.

#### **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 \$135.0 million in other expense during the year ended December 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. 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.

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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.

### Senior Subordinated Debt Exchange Offers

On July 31, 2020, the Company consummated its previously announced private offers to exchange (the “Exchange Offers”) any and all of its outstanding 6.375% Senior Subordinated Notes due 2024, 5.75% Senior Subordinated Notes due 2025, 5.875% Senior Subordinated Notes due 2026 and 6.125% Senior Subordinated Notes due 2027 (together the “Existing Subordinated Notes”) for newly issued Second Lien Notes due 2026.

The aggregate principal amounts of the Existing Subordinated Notes set forth in the table below were validly tendered and subsequently accepted. Such accepted Existing Subordinated Notes were retired and cancelled.

<b>(In thousands)</b>	<b>Total Aggregate Principal Amount Validly Tendered</b>	<b>Percentage of Outstanding Existing Subordinated Notes Validly Tendered</b>
6.375% Senior Subordinated Notes due 2024 (£496,014 par value)	\$ 632,145	99.20 %
5.75% Senior Subordinated Notes due 2025	\$ 501,679	83.61 %
5.875% Senior Subordinated Notes due 2026	\$ 539,393	90.65 %
6.125% Senior Subordinated Notes due 2027	\$ 344,279	72.48 %

The Exchange Offers reduced the principal amounts of the Company’s debt by approximately \$555 million, which represented approximately 23.9% of the principal amount of the Existing Subordinated Notes. The Company raised \$300 million in additional cash from the issuance of the new First Lien Notes due 2026, prior to deducting \$36 million related to discounts and deferred financing costs paid to the lenders. Additionally, certain holders of the Existing Subordinated Notes that agreed to backstop the rights offering for \$200 million of the First Lien Notes due 2026 received five million common shares, or 4.6% of AMC’s outstanding shares as of July 31, 2020, worth \$20.2 million at the market closing price on July 31, 2020. The closing of the Exchange Offers also allowed the Company to extend maturities on approximately \$1.7 billion of debt to 2026, most of which was maturing in 2024 and 2025 previously. Interest due for 12 to 18 months after issuance on the Second Lien Notes due 2026 is expected to be paid all or in part on an in-kind basis, thereby generating a further near-term cash savings for the Company of between approximately \$120 million and \$180 million. The Company realized \$1.2 billion of cancellation of debt income (“CODI”) for tax purposes in connection with its debt restructuring. As a result of such CODI, \$1.2 billion of its net operating losses were eliminated as a result of tax attribute reductions, see Note 10-Income Taxes for further information.

In connection with the Exchange Offers, the Company also received consents from eligible holders of the Existing Subordinated Notes to amend the indentures governing the Existing Subordinated Notes to among other things, (i) release the existing subsidiary guarantees of the Existing Subordinated Notes, (ii) eliminate substantially all of the restrictive covenants, certain affirmative covenants and certain events of default contained in the indentures governing the Existing Subordinated Notes, and (iii) make other conforming changes to internally conform to certain proposed amendments.

The Company performed an assessment on a lender-by-lender basis to identify certain lenders that met the criteria for a troubled debt restructuring (“TDR”) under ASC 470-60, Troubled Debt Restructurings by Debtors (“ASC 470-60”) as the Company was experiencing financial difficulties and the lenders granted a concession. The portion of the loans that did not meet the assessment of TDR under ASC 470-60 were treated as modifications. The Company accounted for the exchange of approximately \$1,782.5 million principal amount of its Existing Senior Subordinated Notes for approximately \$1,289.1 million principal amount of the Second Lien Notes due 2026 as TDR. The Company accounted for the exchange of the remaining approximately \$235.0 million principal amount of its Existing Senior Subordinated Notes for approximately \$173.2 million principal amount of the Second Lien Notes due 2026 as a

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modification of debt as the lenders did not grant a concession and the difference between the present value of the old and new cash flows was less than 10%. The TDR and modification did not result in a gain recognition and the Company established new effective interest rates based on the carrying value of the Existing Subordinated Notes and recorded the new fees paid to third parties of approximately \$39.3 million in other expense, during the year ended December 31, 2020.

**Second Lien Notes due 2026.** In connection with the Second Lien Exchange on December 14, 2020, Mudrick exchanged \$104.5 million aggregate principal amount of the Company's Second Lien Notes due 2026 held by Mudrick for 13,736,264 shares of the Company's Common Stock, see "First Lien Toggle Notes Due 2026" above for further information.

In connection with the Exchange Offers on July 31, 2020, the Company issued \$1,462.3 million aggregate principal amount of the new Second Lien Notes due 2026 in exchange for the Existing Subordinated Notes. The Second Lien Notes due 2026 were issued pursuant to an indenture, dated as of July 31, 2020, among the Company, the guarantors named therein and GLAS Trust Company LLC, as trustee and collateral agent. The Company has reflected a premium of \$535.1 million on the Second Lien Notes due 2026 as the difference between the principal balance of the Second Lien Notes due 2026 and the \$1,997.4 million carrying value of the Existing Subordinated Notes exchanged. The premium will be amortized to interest expense over the term of the Second Lien Notes due 2026 using the effective interest method.

In connection with the Exchange Offers and the First Lien Notes due 2026, the Company issued five million shares of Common Stock to certain holders of subordinated notes as consideration for their commitment to backstop the issuance of \$200 million of the First Lien Notes due 2026. Pursuant to the Backstop Commitment Agreement dated July 10, 2020, certain of the actual or beneficial holders of Existing Subordinated Notes agreed to purchase 100% of the First Lien Notes due 2026 that were not subscribed for in connection with the \$200 million rights offering to holders of the Existing Subordinated Notes participating in the Exchange Offers. Those providing a backstop commitment pursuant to the Backstop Commitment Agreement received their pro-rata share of five million shares of the Common Stock, or 4.6% of AMC's outstanding shares as of July 31, 2020, worth \$20.2 million at the market closing price on July 31, 2020. The equity issuance was recorded by the Company in stockholders' deficit with an offset in corporate borrowings as a discount. The discount will be amortized to interest expense over the term of the Second Lien Notes due 2026 using the effective interest method. As part of the registration rights agreement related to the issuance of the Common Stock, the Company filed a shelf registration statement in August 2020 providing for the resale of the shares of Common Stock issued as consideration for the backstop commitment described above.

The Second Lien Notes due 2026 bear cash interest at a rate of 10% per annum payable semi-annually in arrears on June 15 and December 15, beginning on December 15, 2020. Subject to the limitation in the next succeeding sentence, interest for the first three interest periods after the issue date may, at the Company's option, be paid in PIK interest at a rate of 12% per annum. For the first interest period ending December 15, 2020 and the second interest period ending June 15, 2021, the Company elected to pay in PIK interest. For the third interest period ending December 15, 2021, the Company paid cash interest with respect to the third interest period. For all interest periods after the first three interest periods, interest will be payable solely in cash at a rate of 10% per annum.

The Second Lien Notes due 2026 are redeemable at the Company's option prior to June 15, 2023, at a redemption price equal to 100% of their aggregate principal amount and accrued and unpaid interest, plus an applicable make-whole premium. On or after June 15, 2023, the Second Lien Notes due 2026 will be redeemable, in whole or in part, at a redemption price equal to (i) 106.0% for the twelve-month period beginning on June 15, 2023; (ii) 103.0% for the twelve-month period beginning on June 15, 2024 and (iii) 100.0% at any time thereafter, plus accrued and unpaid interest. If the Company or its restricted subsidiaries sell assets, under certain circumstances, the Company will be required to apply the net proceeds to redeem the Second Lien Notes due 2026 at a price equal to 100% of the issue price of the Second Lien Notes due 2026, plus accrued and unpaid interest to, but excluding the redemption date. Upon a Change of Control (as defined in the indenture governing the Second Lien Notes due 2026), the Company must offer to purchase the Second Lien Notes due 2026 at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest. The Second Lien Notes due 2026 have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and will mature on June 15, 2026.

The Second Lien Notes due 2026 are fully and unconditionally guaranteed on a joint and several basis by each of the Company's subsidiaries that currently guarantee its obligations under the Company's Senior Secured Credit



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Facilities. The Second Lien Notes due 2026 are secured on a second-priority basis by substantially all of the tangible and intangible assets owned by the Company and the guarantor subsidiaries that secure obligations under the Senior Secured Credit Facilities (“Collateral”). The Second Lien Notes due 2026 are subordinated in right of payment to all indebtedness of the Company that is secured by a first-priority lien on the Collateral.

The indenture governing the Second Lien Notes due 2026 contains covenants that restrict the ability of the Company to: incur additional debt or issue certain preferred shares; pay dividends on or make other distributions in respect of its capital stock or make other restricted payments; make certain investments; or transfer certain assets; create liens on certain assets to secure debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into certain transactions with its affiliates; and allow to exist certain restrictions on the ability of its subsidiaries to pay dividends or make other payments to the Company. The Second Lien Notes due 2026 Indenture also contains certain affirmative covenants and events of default.

During the year ended December 31, 2022, the Company repurchased \$118.3 million aggregate principal amounts of the Second Lien Notes due 2026 for \$68.3 million and recorded a gain on extinguishment of \$75.0 million in other expense (income). Accrued interest of \$4.5 million was paid in connection with the repurchases.

**First Lien Notes due 2026.** In connection with the Exchange Offers, certain holders of the Existing Subordinated Notes purchased 10.5% First Lien Notes due 2026 in an aggregate principal amount of \$200 million. The 10.5% First Lien Notes due 2026 issued to certain holders of the Existing Subordinated Notes were issued pursuant to an indenture, dated as of July 31, 2020, among the Company, the guarantors named therein and GLAS Trust Company LLC, as trustee and collateral agent.

Separately, upon the closing of its private debt exchange, Silver Lake Alpine, L.P. and Silver Lake Alpine (Offshore Master), L.P., each affiliates of Silver Lake Group, L.L.C. (“Silver Lake”), purchased from the Company \$100 million principal amount of First Lien Notes due 2026. The 10.5% First Lien Notes due 2026 issued to affiliates of Silver Lake were issued pursuant to an indenture, dated as of July 31, 2020, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee and collateral agent. The terms of the 10.5% First Lien Notes due 2026 issued to the holders of the Existing Subordinated Notes and the 10.5% First Lien Notes due 2026 issued to Silver Lake are substantially identical. The \$300 million principal amount of new funding is prior to deducting discounts of \$30.0 million and deferred financing costs paid to lenders of \$6.0 million related to the First Lien Notes due 2026. The discount and deferred financing costs will be amortized to interest expense over the term using the effective interest method. Silver Lake has sold the previously held \$100 million aggregate principal amount of the First Lien Notes due 2026 previously held.

The First Lien Notes due 2026 bear interest at a rate of 10.5% per annum, payable semi-annually on June 15 and December 15, beginning on December 15, 2020. The First Lien Notes due 2026 are redeemable at the Company’s option prior to June 15, 2022, at a redemption price equal to 100% of their aggregate principal amount and accrued and unpaid interest, plus an applicable make-whole premium. On or after June 15, 2022, the First Lien Notes due 2026 will be redeemable, in whole or in part, at redemption prices equal to (i) 105.250% for the twelve-month period beginning on June 15, 2022; (ii) 102.625% for the twelve-month period beginning on June 15, 2023 and (iii) 100.000% at any time thereafter, plus accrued and unpaid interest, if any. In addition, at any time on or prior to June 15, 2022, the Company may, subject to certain limitations specified in the First Lien Notes due 2026 Indenture, on one or more occasions, redeem up to 35% of the aggregate principal amount of the First Lien Notes due 2026 at a redemption price equal to 110.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, with the net cash proceeds of certain equity offerings. If the Company or its restricted subsidiaries sell assets, under certain circumstances, the Company will be required to use the net proceeds to redeem the First Lien Notes due 2026 at a price equal to 100% of the issue price of the First Lien Notes due 2026, plus accrued and unpaid interest, if any. Upon a Change of Control (as defined in the indentures governing the First Lien Notes due 2026), the Company must offer to purchase the First Lien Notes due 2026 at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any. The First Lien Notes due 2026 have not been registered under the Securities Act and will mature on April 24, 2026.

The First Lien Notes due 2026 are fully and unconditionally guaranteed on a joint and several basis by each of the Company’s subsidiaries that currently guarantee its obligations under the Company’s Senior Secured Credit Facilities. The First Lien Notes due 2026 are secured by a first-priority lien on the Collateral.

The indentures governing the First Lien Notes due 2026 contain covenants that restrict the ability of the Company to: incur additional debt or issue certain preferred shares; pay dividends on or make other distributions in

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respect of its capital stock or make other restricted payments; make certain investments; or transfer certain assets; create liens on certain assets to secure debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into certain transactions with its affiliates; and allow to exist certain restrictions on the ability of its subsidiaries to pay dividends or make other payments to the Company. The indentures governing the First Lien Notes due 2026 also contain certain affirmative covenants and events of default.

**Senior Secured Credit Facilities.** The Company is party to that certain Credit Agreement, dated as of April 30, 2013 (as amended by that certain First Amendment to Credit Agreement, dated as of December 11, 2015, that certain Second Amendment to Credit Agreement, dated as of November 8, 2016, that certain Third Amendment to Credit Agreement, dated as of May 9, 2017, that certain Fourth Amendment to Credit Agreement, dated as of June 13, 2017, that certain Fifth Amendment to Credit Agreement, dated as of August 14, 2018, that certain Sixth Amendment to Credit Agreement, dated as of April 22, 2019, that certain Seventh Amendment to Credit Agreement, dated as of April 23, 2020, that certain Eighth Amendment to Credit Agreement, dated as of July 31, 2020, that certain Ninth Amendment to Credit Agreement, dated as of March 8, 2021, that certain Tenth Amendment to Credit Agreement, also dated as of March 8, 2021, that certain Eleventh Amendment to Credit Agreement, dated as of December 20, 2021 (the “Eleventh Amendment”), and that certain Twelfth Amendment to Credit Agreement, dated as of January 25, 2023 (the “Twelfth Amendment”), the “Credit Agreement”), with the issuing banks and lenders from time to time party thereto and Wilmington Savings Fund Society, FSB, as administrative agent (as successor to Citicorp North America, Inc., the “Administrative Agent”), pursuant to which the lenders have agreed to provide the Senior Secured Term Loan (as defined below) and the Senior Secured Revolving Credit Facility (as defined below). The Senior Secured Credit Facilities (as defined below) are provided by a syndicate of banks and other financial institutions.

On March 8, 2021, the Company entered into the Ninth Amendment to Credit Agreement (the “Ninth Amendment”), with the requisite revolving lenders party thereto and the Administrative Agent, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Senior Secured Revolving Credit Agreement under the Credit Agreement (the “Covenant Suspension Period”) from a period ending March 31, 2021, to a period ending on March 31, 2022, which was extended by the Eleventh Amendment to a period ending on March 31, 2023, which was further extended by the Twelfth Amendment to a period ending on March 31, 2024 (the Covenant Suspension Period as so extended, the “Extended Covenant Suspension Period”). During the Extended Covenant Suspension Period, the Company will not, and will not permit any of its restricted subsidiaries to, (i) make certain restricted payments, (ii) subject to certain exceptions, incur any indebtedness for borrowed money that is *pari passu* or senior in right of payment or security with the Revolving Loans (as defined in the Credit Agreement) or (iii) make any investment in or otherwise dispose of any assets to any subsidiary of the Company that is not a Loan Party (as defined in the Credit Agreement) to facilitate a new financing incurred by a subsidiary of the Company. In addition, as an ongoing condition to the suspension of the financial covenant, the Company also agreed to (i) a minimum liquidity test of \$100 million, (ii) an anti-cash hoarding test at any time Revolving Loans are outstanding and (iii) additional reporting obligations. In addition, on March 8, 2021 the Company entered into the Tenth Amendment to the Credit Agreement (the “Tenth Amendment”), pursuant to which the Company agreed not to consent to certain modifications to the Credit Agreement described in the Tenth Amendment without the consent of the majority of the revolving lenders party to the Tenth Amendment.

On July 31, 2020, the Company entered into the Eighth Amendment to Credit Agreement (the “Eighth Amendment”) with Citicorp North America, Inc., as the administrative agent, pursuant to which certain restrictive provisions, including modifications to the covenants limiting indebtedness, liens, investments, asset sales and restricted payments, were added to the Credit Agreement to ensure that the terms and conditions of the First Lien Notes due 2026, the Convertible Notes due 2026 and the Second Lien Notes due 2026 (subject to certain exceptions) are not materially more favorable (when taken as a whole) to the noteholders than the terms and conditions of the Credit Agreement (when taken as a whole) are to the lenders thereunder. The Company accounted for this transaction as a modification of debt.

On April 23, 2020, the Company entered into the Seventh Amendment to Credit Agreement (the “Seventh Amendment”) with the requisite revolving lenders party thereto and Citicorp North America, Inc., as administrative agent, pursuant to which the requisite revolving lenders party thereto agreed to suspend the financial covenant applicable to the Senior Secured Revolving Credit Facility for the period from and after the effective date of the Seventh Amendment to and including the earlier of (a) March 31, 2021 and (b) the day immediately preceding the last day of the Test Period (as defined in the Credit Agreement) during which the Company has delivered a Financial Covenant Election (as defined in the Credit Agreement) to the Administrative Agent (such period, the “Initial Covenant Suspension Period”). During the Initial Covenant Suspension Period, the Company will not, and will not permit any of its restricted

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subsidiaries to, make certain restricted payments, and such conditions were further amended by the Ninth Amendment. As an ongoing condition to the suspension of the financial covenant, the Company agreed to a minimum Liquidity (as defined in the Seventh Amendment) test, which was amended by the Ninth Amendment. In addition, the Seventh Amendment provides for certain changes to the covenants limiting indebtedness, liens and restricted payments that are intended to match corresponding restrictions under the 10.5% first lien notes due 2025 (the “First Lien Notes due 2025”) and to ensure that the terms and conditions of the First Lien Notes due 2025 (subject to certain exceptions) are not materially more favorable (when taken as a whole) to the noteholders than the terms and conditions of the Credit Agreement (when taken as a whole) are to the lenders thereunder. Pursuant to the terms of the Seventh Amendment, these more restrictive terms will be operative until the repayment, satisfaction, defeasance or other discharge of the obligations under the First Lien Notes due 2025 or an effective amendment of, other consent or waiver with respect to, or covenant defeasance pursuant to the Indenture as result of which the covenants limiting indebtedness, liens and restricted payments thereunder are of no further force or effect. Certain provisions of the Seventh Amendment are amended by the Ninth Amendment.

On April 22, 2019, the Company entered into the Sixth Amendment to Credit Agreement (the “Sixth Amendment”) with each lender party thereto and Citicorp North America, Inc., as administrative agent. Pursuant to the Sixth Amendment, the lenders agreed to provide senior secured financing of \$2,225.0 million in aggregate, consisting of (i) \$2,000.0 million in aggregate principal amount of senior secured tranche B loans maturing April 22, 2026 (the “Senior Secured Term Loans”) and (ii) a \$225.0 million senior secured revolving credit facility (which is also available for letters of credit and for swingline borrowings on same-day notice) maturing April 22, 2024 (the “Senior Secured Revolving Credit Facility” and, together with the Senior Secured Term Loan Loans, the “Senior Secured Credit Facilities”).

All obligations under the Credit Agreement are guaranteed by, subject to certain exceptions, each of the Company’s current and future wholly-owned material U.S. restricted subsidiaries. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured by substantially all of the assets of the Company and each guarantor, subject to customary exceptions, including:

- a pledge of 100% of the equity interests directly held by the Company and each guarantor in any wholly-owned material subsidiary of the Company or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such non-U.S. subsidiary), subject to certain exceptions; and
- a security interest in substantially all other tangible and intangible assets of the Company and each guarantor, subject to certain exceptions.

The Credit Agreement will require the Company to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 0% if the Company attains a certain secured net leverage ratio) of the Company’s annual excess cash flow;
- 100% of the net cash proceeds of certain non-ordinary course asset sales by the Company and its restricted subsidiaries (including casualty and condemnation events, subject to de minimis thresholds), and subject to the right to reinvest 100% of such proceeds, subject to certain qualifications; and
- 100% of the net proceeds of any issuance or incurrence of debt by the Company or any of its restricted subsidiaries, other than certain debt permitted under the Credit Agreement.

The foregoing mandatory prepayments will be used to reduce the installments of principal payments on the Senior Secured Term Loan. The Company may voluntarily repay outstanding loans under the Senior Secured Credit Facilities at any time without premium or penalty, except for customary “breakage” costs with respect to LIBOR loans under the Senior Secured Credit Facilities.

The Senior Secured Term Loans bear interest at a rate per annum equal to, at the Company’s option, either (1) an applicable margin plus a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate, (b) the prime rate announced by the Administrative Agent from time to time and (c) LIBOR determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (2) an applicable margin plus LIBOR determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. Borrowings

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under the Senior Secured Revolving Credit Facility bear interest at a rate per annum equal to an applicable margin based upon a leverage-based pricing grid, plus, at the Company's option, either (1) a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate, (b) the prime rate announced by the Administrative Agent from time to time and (c) LIBOR determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% or (2) LIBOR determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs. As of December 31, 2022, the applicable margins for borrowings under the Senior Secured Term Loan and the Senior Secured Revolving Credit Facility were 7.27% and 6.77%, respectively.

The Credit Agreement contains other customary terms, including (1) representations, warranties and affirmative covenants, (2) negative covenants, including limitations on indebtedness, liens, mergers and acquisitions, asset sales, investments, distributions, prepayments of subordinated debt and transactions with affiliates, in each case subject to baskets, thresholds and other exceptions, and (3) customary events of default.

The availability of certain baskets and the ability to enter into certain transactions will also be subject to compliance with certain financial ratios. In addition, the Senior Secured Revolving Credit Facility includes a financial covenant that requires, in certain circumstances, compliance with a certain secured leverage ratio. As of December 31, 2022, the Company was in a covenant suspension period under the Senior Secured Revolving Credit Facility as described above.

**Convertible Notes due 2026.** Concurrently with the Exchange Offers, to obtain the consent of the holders of the 2.95% Convertible Notes due 2024 (the "Convertible Notes due 2024") to the transactions contemplated by the Exchange Offers, the Company restructured \$600 million of Convertible Notes due 2024 issued in 2018 to Silver Lake and others pursuant to which the maturity of the Convertible Notes due 2024 was extended to May 1, 2026 (the "Convertible Notes due 2026") (the "Convertible Notes" means the Convertible Notes due 2024 before July 31, 2020 and the Convertible Notes due 2026 after July 31, 2020), a first-priority lien on the Collateral was granted to secure indebtedness thereunder and certain covenants were modified. The Convertible Notes due 2026 were issued pursuant to an amended and restated indenture, dated as of July 31, 2020, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee and collateral agent. The Company accounted for this transaction as a modification of debt as the lenders did not grant a concession and the difference between the present value of the old and new cash flows was less than 10%. The modification did not result in the recognition of any gain or loss and the Company established new effective interest rates based on the carrying value of the Convertible Notes due 2024. Third party costs related to the transaction were expensed as incurred and amounts paid to lenders were capitalized and amortized through maturity of the debt. The Convertible Notes due 2026 are convertible at the option of the holders thereof on the same terms as the Convertible Notes due 2024. Upon maturity, the \$600.0 million principal amount of the Convertible Notes due 2026 will be payable in cash. The Company will pay interest in cash on the Convertible Notes due 2026 at 2.95% per annum, semi-annually in arrears on September 15<sup>th</sup> and March 15<sup>th</sup>, commencing on September 15, 2020.

On January 27, 2021, affiliates of Silver Lake and certain co-investors (collectively, the "Noteholders") elected to convert (the "Conversion") all \$600.0 million principal amount of the Company's Convertible Notes due 2026 into shares of the Company's Common Stock at a conversion price of \$6.76 per share. The non-cash Conversion settled on January 29, 2021, and resulted in the issuance of 44,422,860 shares of the Company's Common Stock and 44,422,860 of the Company's AMC Preferred Equity Units to the Noteholders. The Company recorded approximately \$71.0 million of non-cash interest expense during the year ended December 31, 2021 for unamortized discount and deferred charges at the date of conversion following the guidance in ASC 815-15-40-1. The non-cash Conversion reduced the Company's first-lien indebtedness by \$600.0 million. Pursuant to the Stock Repurchase and Cancellation Agreement with Dalian Wanda Group Co., Ltd. ("Wanda") dated as of September 14, 2018, 5,666,000 shares of the Company's Class B common stock and 5,666,000 AMC Preferred Equity Units held by Wanda were forfeited and cancelled in connection with the Conversion.

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The carrying value of the Convertible Notes is as follows:

<b>(In millions)</b>	<b>Carrying Value as of December 31, 2019</b>	<b>Increase to Expense</b>	<b>Reclassification to Additional Paid-in Capital</b>	<b>Carrying Value as of December 31, 2020</b>	<b>Conversion on January 29, 2021</b>	<b>Carrying Value as of January 29, 2021</b>
Principal balance	\$ 600.0	\$ -	\$ -	\$ 600.0	\$ (600.0)	\$ -
Discount	(73.7)	12.2	-	(61.5)	61.5	-
Deferred financing costs	(11.2)	1.7	-	(9.5)	9.5	-
Derivative liability	0.5	89.4	(89.9)	-	-	-
Carrying value	<u>\$ 515.6</u>	<u>\$ 103.3</u>	<u>\$ (89.9)</u>	<u>\$ 529.0</u>	<u>\$ (529.0)</u>	<u>\$ -</u>

On April 24, 2020, the Company entered into a supplemental indenture (the “Supplemental Indenture”) to the Convertible Notes due 2024 indenture, dated as of September 14, 2018. The Supplemental Indenture amended the debt covenant under the Convertible Notes due 2024 Indenture to permit the Company to issue the First Lien Notes due 2025, among other changes.

On September 14, 2018, the Company issued \$600.0 million aggregate principal amount of its 2.95% Senior Unsecured Convertible Notes due 2024 to Silver Lake and others. The Convertible Notes due 2024 would have matured on September 15, 2024, subject to earlier conversion by the holders thereof, repurchase by the Company at the option of the holders or redemption by the Company upon the occurrence of certain contingencies, as discussed below.

On September 14, 2018, the Company bifurcated the conversion feature from the principal balance of the Convertible Notes due 2024 as a derivative liability because (1) a conversion feature was not clearly and closely related to the debt instrument and the reset of the conversion price caused the conversion feature to not be considered indexed to the Company’s equity, (2) the conversion feature standing alone met the definition of a derivative, and (3) the Convertible Notes due 2024 were not remeasured at fair value each reporting period with changes in fair value recorded in the consolidated statements of operations. The initial derivative liability of \$90.4 million is offset by a discount to the principal balance and was amortized to interest expense resulting in an effective rate of 5.98% over the extended term of the Convertible Notes due 2024. The Company also recorded deferred financing costs of approximately \$13.6 million related to the issuance of the Convertible Notes due 2024 and will amortize those costs to interest expense under the effective interest method over the extended term of the Convertible Notes due 2024. The Company recorded interest expense for the year ended December 31, 2020 \$31.8 million.

The derivative liability was remeasured at fair value each reporting period, a Level 3 fair value estimate, until the conversion price reset on September 14, 2020, with changes in fair value recorded in the consolidated statements of operations as other expense or income. On September 14, 2020, the conversion price reset from \$9.48 per share to \$6.76 per share pursuant to the terms of the Indenture for the Convertible Notes due 2024 and the derivative liability as of September 14, 2020 was reclassified to permanent equity as the conversion feature is indexed to the Company’s equity. For the years ended December 31, 2020 and December 31, 2019, the Company recorded in other expense (income) of \$89.4 million and \$(23.5) million, respectively, related to the derivative liability fair value adjustments for embedded conversion feature in the Convertible Notes due 2024.

Pursuant to the Stock Repurchase and Cancellation Agreement between the Company and Wanda, the conversion feature of the Convertible Notes due 2024 would result in 5,666,000 shares of the Company’s Class B common stock and 5,666,000 AMC Preferred Equity Units held by Wanda being subject to forfeiture and retirement by the Company at no additional cost. This cancellation agreement was a contingent call option for the forfeiture shares, which was a freestanding derivative measured at fair value on a recurring basis, which was a Level 3 estimate of fair value. The initial derivative asset of \$10.7 million was offset by a credit to stockholders’ equity related to the Class B common stock purchase and cancellation. The forfeiture shares feature was not clearly and closely related to the Convertible Notes due 2024 host and it was bifurcated and accounted for as a derivative asset measured at fair value through earnings each reporting period until the conversion feature reset on September 14, 2020, with changes in fair value recorded in the consolidated statements of operations as other expense or income. For the year ended December 31, 2020, this resulted in other expense (income) of \$19.6 million related to the derivative asset fair value adjustment for contingent call option related to the Class B common stock purchase and cancellation agreement. On September 14, 2020, the conversion price reset from \$9.48 per share to \$6.76 per share pursuant to the terms of the Indenture for the Convertible Notes due 2024 and the derivative asset as of September 14, 2020 was reclassified to permanent equity as the number of shares that will be cancelled on conversion of the Convertible Notes due 2024 were known. The Company recorded an immaterial non-cash correction of \$26.2 million recorded in other expense during the year ended December

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31, 2020. The adjustment related to the Company correcting the valuation methodology applied to the derivative asset related to the cancellation agreement entered into on September 14, 2018, a Level 3 estimate of fair value for a complex instrument developed in consultation with a third party specialist.

#### **First Lien Notes Due 2025**

On April 24, 2020, the Company issued \$500.0 million aggregate principal amount of its 10.5% First Lien Notes due 2025, in a private offering, pursuant to an indenture, dated as of April 24, 2020 (the "First Lien Notes Indenture"), among the Company, the guarantors named therein and U.S. Bank National Association, as trustee and collateral agent. The Company used the net proceeds from the First Lien Notes due 2025 private offering for general corporate purposes, including further increasing the Company's liquidity. The First Lien Notes due 2025 were issued with a discount of \$10.0 million and bear interest at a rate of 10.5% per annum, payable semi-annually on April 15 and October 15 each year, commencing October 15, 2020. The First Lien Notes due 2025 will mature on April 15, 2025. The Company recorded deferred financing costs of approximately \$8.9 million related to the issuance of the First Lien Notes due 2025 and will amortize those costs to interest expense under the effective interest method over the term of the First Lien Notes due 2025.

The First Lien Notes due 2025 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. The First Lien Notes due 2025 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 Company may redeem some or all of the First Lien Notes due 2025 at any time on or after April 15, 2022, at the redemption prices set forth in the First Lien Notes Indenture. In addition, the Company may redeem up to 35% of the aggregate principal amount of the First Lien Notes due 2025 using net proceeds from certain equity offerings on or prior to April 15, 2022 at a redemption price equal to 110.5% 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 2025 at any time prior to April 15, 2022 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.

The First Lien Notes Indenture contains covenants that limit the Company's ability 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 2025; (v) enter into certain transactions with its affiliates; and (vi) merge or consolidate with other companies or transfer all or substantially all of its assets. These covenants are subject to a number of important limitations and exceptions. The First Lien Notes Indenture also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding First Lien Notes due 2025 to be due and payable immediately.

#### **Sterling Notes Due 2024**

On November 8, 2016, the Company issued £250.0 million aggregate principal amount of its 6.375% Senior Subordinated Notes due 2024 (the "Sterling Notes due 2024") in a private offering. The Company recorded deferred financing costs of approximately \$14.1 million related to the issuance of the Sterling Notes due 2024. The Sterling Notes due 2024 mature on November 15, 2024. The Company will pay interest on the Sterling Notes due 2024 at 6.375% per annum, semi-annually in arrears on May 15th and November 15th, commencing on May 15, 2017. The Company may redeem some or all of the Sterling Notes due 2024 at any time on or after November 15, 2019 at 104.781% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2022, plus accrued and unpaid interest to the redemption date. On or prior to November 15, 2019, the Company may redeem the Sterling Notes due 2024 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the Sterling Notes due 2024 private offering to pay the consideration for the Odeon acquisition and the related refinancing of Odeon debt assumed in the acquisition.



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On March 17, 2017, the Company issued £250.0 million additional aggregate principal amount of its Sterling Notes due 2024 at 106% plus accrued interest from November 8, 2016 in a private offering. These additional Sterling Notes due 2024 were offered as additional notes under an indenture pursuant to which the Company had previously issued and has outstanding £250.0 million aggregate principal amount of its 6.375% Sterling Notes due 2024. The Company recorded deferred financing costs of approximately \$12.7 million related to the issuance of the additional Sterling Notes due 2024. The Sterling Notes due 2024 mature on November 15, 2024. The Company will pay interest on the Sterling Notes due 2024 at 6.375% per annum, semi-annually in arrears on May 15th and November 15th, commencing on May 15, 2017. Interest on the additional Sterling Notes will accrue from November 8, 2016. The Company may redeem some or all of the Sterling Notes due 2024 at any time on or after November 15, 2019, at 104.781% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2022, plus accrued and unpaid interest to the redemption date. In addition, the Company may redeem up to 35% of the aggregate principal amount of the Sterling Notes due 2024 using net proceeds from certain equity offerings completed on or prior to November 15, 2019. On or prior to November 15, 2019, the Company may redeem the Sterling Notes due 2024 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the additional Sterling Notes to pay a portion of the consideration for the acquisition of Nordic plus related refinancing of Nordic debt assumed in the acquisition.

On March 17, 2017, in connection with the issuance of the additional Sterling Notes due 2024, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file one or more registration statements with the SEC not later than 270 days from November 8, 2016 with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of November 8, 2016. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

On July 31, 2020, as part of the Exchange Offers, the Company reduced the aggregate principal amounts of Sterling Notes due 2024 by approximately \$632.1 million (£496,014 par value), or 99.2% of the then outstanding Sterling Notes due 2024.

### **Notes Due 2025**

On June 5, 2015, the Company issued \$600.0 million aggregate principal amount of its 5.75% Senior Subordinated Notes due 2025 (the “Notes due 2025”) in a private offering. The Company capitalized deferred financing costs of approximately \$11.4 million, related to the issuance of the Notes due 2025. The Notes due 2025 mature on June 15, 2025. The Company will pay interest on the Notes due 2025 at 5.75% per annum, semi-annually in arrears on June 15th and December 15th, commencing on December 15, 2015. The Company may redeem some or all of the Notes due 2025 at any time on or after June 15, 2020 at 102.875% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after June 15, 2023, plus accrued and unpaid interest to the redemption date. Prior to June 15, 2020, the Company may redeem the Notes due 2025 at par plus a make-whole premium. The Company used the net proceeds from the Notes due 2025 private offering and cash on hand, to pay the consideration for the tender offer for the Notes due 2020, plus any accrued and unpaid interest and related transaction fees and expenses.

On June 5, 2015, in connection with the issuance of the Notes due 2025, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company filed a registration statement on June 19, 2015 pursuant to the Securities Act of 1933, as amended, relating to an offer to exchange the original Notes due 2025 for exchange Notes due 2025 registered pursuant to an effective registration statement; the registration statement was declared effective on June 29, 2015, and the Company commenced the exchange offer. The exchange notes have terms substantially identical to the original notes except that the exchange notes do not contain terms with respect to transfer restrictions and registration rights and additional interest payable for the failure to consummate the exchange offer within 210 days after the issue date. After the exchange offer expired on July 27, 2015, all of the original Notes due 2025 were exchanged.

On July 31, 2020, as part of the Exchange Offers, the Company reduced the aggregate principal amounts of Notes due 2025 by approximately \$501.7 million, or 83.61% of the then outstanding Notes due 2025.

### **Notes Due 2026**

On November 8, 2016, the Company issued \$595.0 million aggregate principal amount of its 5.875% Senior Subordinated Notes due 2026 (the "Notes due 2026") in a private offering. The Company recorded deferred financing costs of approximately \$27.0 million related to the issuance of the Notes due 2026. The Notes due 2026 mature on November 15, 2026. The Company will pay interest on the Notes due 2026 at 5.875% per annum, semi-annually in arrears on May 15th and November 15th, commencing on May 15, 2017. The Company may redeem some or all of the Notes due 2026 at any time on or after November 15, 2021, at 102.938% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2024, plus accrued and unpaid interest to the redemption date. On or prior to November 15, 2021, the Company may redeem the Notes due 2026 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the Notes due 2026 private offering to pay the consideration for the Odeon acquisition and the related refinancing of Odeon debt assumed in the acquisition.

On November 8, 2016, in connection with the issuance of the Notes due 2026, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file a registration statement with the SEC not later than 270 days from the issuance date with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of the issuance date. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

On July 31, 2020, as part of the Exchange Offers, the Company reduced the aggregate principal amounts of Notes due 2026 by approximately \$539.4 million, or 90.65% of the then outstanding Notes due 2026.

### **Notes Due 2027**

On March 17, 2017, the Company issued \$475.0 million aggregate principal amount of its 6.125% Senior Subordinated Notes due 2027 (the "Notes due 2027"). The Company recorded deferred financing costs of approximately \$19.8 million related to the issuance of the Notes due 2027. The Notes due 2027 mature on May 15, 2027. The Company will pay interest on the Notes due 2027 at 6.125% per annum, semi-annually in arrears on May 15th and November 15th, commencing on November 15, 2017. The Company may redeem some or all of the Notes due 2027 at any time on or after May 15, 2022 at 103.063% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after May 15, 2025, plus accrued and unpaid interest to the redemption date. In addition, the Company may redeem up to 35% of the aggregate principal amount of the Notes due 2027 using net proceeds from certain equity offerings completed on or prior to May 15, 2020, at a redemption price as set forth in the indenture governing the Notes due 2027. The Company may redeem some or all of the Notes due 2027 at any time prior to May 15, 2022 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. The Company used the net proceeds from the Notes due 2027 private offering to pay a portion of the consideration for the acquisition of Nordic plus related refinancing of Nordic debt assumed in the acquisition.

On March 17, 2017, in connection with the issuance of the Notes due 2027, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file one or more registration statements with the SEC not later than 270 days from the issuance date with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of the issuance date. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

On July 31, 2020, as part of the Exchange Offers, the Company reduced the aggregate principal amounts of Notes due 2027 by approximately \$344.3 million, or 72.48% of the then outstanding Notes due 2027.

During the year ended December 31, 2022, the Company repurchased \$5.3 million aggregate principal payments of Senior Subordinated Notes due 2027 for \$1.6 million and recorded a gain on extinguishment of \$3.7 million in other expense (income).



## **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, currently and through the next twelve months. The Company entered the Ninth Amendment pursuant to which the requisite revolving lenders party thereto agreed to extend the fixed date for the termination of 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 by the Eleventh Amendment from March 31, 2022 to March 31, 2023 and further extended by the Twelfth Amendment from March 31, 2023 to March 31, 2024, in each case, as described, and on the terms and conditions specified, therein. The Company is currently subject to a minimum liquidity requirement of \$100 million as a condition to the Extended Covenant Suspension Period. The current maturity date of the Senior Secured Revolving Credit Facility is April 22, 2024; since the financial covenant applicable to the Senior Secured Revolving Credit Facility is tested as of the last day of any fiscal quarter for which financial statements have been (or were required to have been) delivered, the financial covenant has been effectively suspended through maturity of the Senior Secured Revolving Credit Facility.

As of December 31, 2022, the Company was in a covenant suspension period under the Senior Secured Revolving Credit Facility as described above.

## **NOTE 9-STOCKHOLDERS' EQUITY**

### **Share Rights and Privileges**

Holders of Holdings' Common Stock and AMC Preferred Equity Units are entitled to one vote per each share and holders of AMC Preferred Equity Units are entitled to one vote per unit. Holders of Common Stock and AMC Preferred Equity Units share ratably (based on the number of shares of Common Stock and/or AMC Preferred Equity Units held) in any dividend declared by its board of directors. AMC Preferred Equity Units are convertible into shares of Common Stock upon stockholder approval to authorize sufficient additional Common Stock to do so, otherwise the Common Stock and AMC Preferred Equity Units are not convertible into any other shares of Holdings' capital stock.

### **Share Issuances**

During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, the Company entered into various equity distribution agreement with sales agents to sell shares of the Company's Common Stock and AMC Preferred Equity Units, from time to time, through "at-the-market" offering programs. Subject to the terms and conditions of the equity distribution agreements, the sales agents will use reasonable efforts consistent with their normal trading and sales practices, applicable law and regulations, and the rules of the NYSE to sell the Common Stock and AMC Preferred Equity Units from time to time based upon the Company's instructions for the sales, including any price, time or size limits specified by the Company. The Company intends to use the net proceeds, from the sale of Common Stock and AMC Preferred Equity Units pursuant to the equity distribution agreements to repay, refinance, redeem or repurchase the Company's existing indebtedness (including expenses, accrued interest and premium, if any), capital expenditures and otherwise for general corporate purposes.

On December 22, 2022, the Company entered into a forward purchase agreement (the "Forward Purchase Agreement") with Antara pursuant to which the Company will (i) sell Antara 106,595,106 APEs for an aggregate purchase price of \$75.1 million and (ii) simultaneously purchase from Antara \$100 million aggregate principal amount of the Company's 10%/12% Cash/PIK Toggle Second Lien Notes due 2026 in exchange for 91,026,191 APEs. Immediately prior to entry into the Forward Purchase Agreement, Antara purchased 60,000,000 APEs (the "Initial APEs") under the Company's at-the-market program for \$34.9 million. The Forward Purchase Agreement and Initial APEs were determined to be equity investments and the related \$34.9 million is recorded into Additional Paid-in Capital at December 31, 2022.

During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, the Company paid fees to the sales agents of approximately \$5.7 million, \$40.3 million, \$8.1 million, respectively. During the year ended December 31, 2021, the Company paid other fees of \$0.8 million.

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The gross proceeds raised from the “at-the-market” sale of Common Stock and AMC Preferred Equity Units during the years ended December 31, 2022, December 31, 2021 and December 31, 2020, are summarized in the table below:

"At-the-market" Equity Distribution Agreement Dates	Sales Agents	Number of Class A common stock shares sold (in millions)	Number of AMC Preferred Equity Units sold (in millions)	Gross Proceeds (in millions)
September 24, 2020	Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC	15.0	15.0	\$ 56.1
October 20, 2020	Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC	15.0	15.0	41.6
November 10, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc.	20.0	20.0	61.4
December 11, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc. (1)	40.93	40.93	113.7
	Total year ended December 31, 2020	<u>90.93</u>	<u>90.93</u>	<u>\$ 272.8</u>
December 11, 2020	Goldman Sachs & Co. LLC and B. Riley Securities, Inc. (1)	137.07	137.07	352.6
January 25, 2021	Goldman Sachs & Co. LLC and B. Riley Securities, Inc.	50.0	50.0	244.3
April 27, 2021	Goldman Sachs & Co. LLC, B. Riley Securities, Inc. and Citigroup Global Markets Inc. (2)	43.0	43.0	427.5
June 3, 2021	B. Riley Securities, Inc. and Citigroup Global Markets Inc.	11.55	11.55	587.4
	Total year ended December 31, 2021	<u>241.62</u>	<u>241.62</u>	<u>\$ 1,611.8</u>
September 26, 2022	Citigroup Global Markets Inc.	-	207.75	228.8
	Total year ended December 31, 2022	<u>-</u>	<u>207.75</u>	<u>\$ 228.8</u>

- (1) On December 11, 2020, the Company entered into an equity distribution agreement with Goldman Sachs & Co. LLC and B. Riley Securities, Inc., as sales agents to sell up to 178.0 million shares of the Company’s Common Stock and 178.0 million AMC Preferred Equity Units, of which approximately 40.93 million shares of Common Stock and 40.93 million shares of AMC Preferred Equity Units were sold and settled during December 2020 and approximately 137.07 million shares of Common Stock and 137.0 million shares of AMC Preferred Equity Units were sold and settled during the year ended December 31, 2021.
- (2) Included in the Common Stock shares and AMC Preferred Equity Unit shares sold of 43.0 million each was the reissuance of treasury stock shares of approximately 3.7 million shares. Upon the sales of treasury stock, the Company reclassified amounts recorded in treasury stock to additional paid-in capital of \$37.1 million and loss of \$19.3 million to retained earnings during the year ended December 31, 2021.

**Transaction Related to Exchange Offers**

Certain backstop purchasers of the First Lien Notes due 2026 that participated in the Exchange Offer received five million common shares and five million AMC Preferred Equity Units. See Note 8-Corporate Borrowings and Finance Lease Liabilities for further information.

**Transactions with Mudrick**

On June 1, 2021, the Company issued to Mudrick 8.5 million shares of the Company’s Common Stock, 8.5 million of AMC Preferred Equity Units and raised gross proceeds of \$230.5 million and paid fees of approximately \$0.1 million related to this transaction. The Company issued the shares in reliance on an exemption from registration provided by section 4(a)(2) of the Securities Act of 1933. The Company intends to use the proceeds from the share sale primarily for the pursuit of value creating acquisitions of theatre assets and leases, as well as investments to enhance the consumer

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appeal of its theatres. In addition, with these funds, the Company intends to continue exploring deleveraging opportunities.

On December 14, 2020, Mudrick received a total of 21,978,022 shares of the Company's Common Stock and 21,978,022 of AMC Preferred Equity Units; of which 16,483,516 shares and units relates to consideration received for a commitment fee and 27,472,528 shares and units as consideration received for (i) the commitment provided with respect to the First Lien Toggle Notes due 2026 and (ii) the Second Lien Exchange. See Note 8-Corporate Borrowings and Finance Lease Liabilities for further information.

#### **Class B Common Stock**

On January 27, 2021, pursuant to the Stock Repurchase and Cancellation Agreement with Wanda dated as of September 14, 2018, and in connection with the Conversion of the Convertible Notes due 2026 into shares of the Company's Common Stock by Silver Lake and certain co-investors, 5,666,000 shares of the Company's Class B common stock and 5,666,000 AMC Preferred Equity Units held by Wanda were forfeited and cancelled.

On February 1, 2021, Wanda exercised their right to convert all outstanding Class B common stock of 46,103,784 and 46,103,784 of AMC Preferred Equity Units to Common Stock thereby reducing the number of outstanding Class B common stock to zero, which resulted in the retirement of Class B common stock. The Third Amended and Restated Certificate of Incorporation of the Corporation provides that Class B common stock may not be reissued by the Company.

#### **Dividends**

Since April 24, 2020, the Company has been prohibited from making dividend payments in accordance with the covenant suspension conditions in its Credit Agreement (for further information see Note 8-Corporate Borrowings and Finance Lease Liabilities to the Consolidated Financial Statements included in Part II, Item 8 on this Annual Report on Form 10-K). The following is a summary of dividends and dividend equivalents declared to stockholders during the year ended December 31, 2020:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Date Paid</u>	<u>Amount per Share of Common Stock</u>	<u>Amount per Share of AMC Preferred Equity Units</u>	<u>Total Amount Declared (In millions)</u>
February 26, 2020	March 9, 2020	March 23, 2020	\$ 0.015	\$ 0.015	\$ 3.2

During the year ended December 31, 2020, the Company paid dividends and dividend equivalents of \$6.5 million and accrued \$0.4 million for the remaining unpaid dividends at December 31, 2020. The aggregate dividends paid for Common Stock, AMC Preferred Equity Units, Class B common stock, and dividend equivalents were approximately \$0.8 million, \$0.8 million, \$1.6 million, and \$3.3 million, respectively.

#### **Related Party Transactions**

On September 14, 2018, the Company entered into the Investment Agreement with Silver Lake, relating to the issuance to Silver Lake (or its designated affiliates) of \$600.0 million principal amount of the Convertible Notes due 2024 and entered into an amended and restated investment agreement with Silver Lake, relating to the issuance of the Convertible Notes due 2026 on August 31, 2020. See Note 8-Corporate Borrowings and Finance Lease Liabilities for information regarding the conversion of the \$600.0 million principal amount of the Company's Convertible Notes due 2026 into shares of the Company's Common Stock in January 2021. As a result of the conversion, Silver Lake was no longer a related party of the Company.

During the year ended December 31, 2022, the Company repurchased \$15.0 million aggregate principal of the Second Lien Notes due 2026 from Antara, which subsequently became a related party on February 7, 2023, for \$5.9 million and recorded a gain on extinguishment of \$12.0 million. See Note 16-Subsequent Events for more information on transactions with Antara.

#### **Treasury Stock**

On February 27, 2020, the Company announced that its Board of Directors authorized a share repurchase program for an aggregate purchase of up to \$200.0 million shares of Common Stock and up to \$200.0 million shares of

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AMC Preferred Equity Units. As of April 24, 2020, the Company is prohibited from making purchases under its authorized stock repurchase program in accordance with the covenant suspension conditions in its Credit Agreement. As of December 31, 2022, \$200.0 million remained available for repurchase under this plan. A three-year time limit had been set for the completion of this program, expiring February 26, 2023.

### Special Dividend

On August 4, 2022 the Company announced that its Board of Directors declared a special dividend for one AMC Preferred Equity Unit for each share of Class A common stock outstanding at the close of business August 15, 2022, the record date. The dividend was paid at the close of business August 19, 2022 to investors who held Class A common shares as of August 22, 2022, the ex-dividend date.

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Series A Convertible Participating Preferred Stock evidenced by a depositary receipt pursuant to a deposit agreement. The Company has 50,000,000 Preferred Stock shares authorized, 10,000,000 of which have currently have been allocated and 7,245,872 have been issued under the depositary agreement as a Series A Convertible Participating Preferred Stock, leaving 40,000,000 unallocated Preferred Stock shares. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Class A common stock. Trading of the AMC Preferred Equity Units on the NYSE began on August 22, 2022 under the ticker symbol "APE". Due to the characteristics of the AMC Preferred Equity Units, the special dividend had the effect of a stock split pursuant to ASC 505-20-25-4. Accordingly, all references made to share, per share, or common share amounts in the accompanying consolidated financial statements and applicable disclosures include Class A common stock and AMC Preferred Equity Units and have been retroactively adjusted to reflect the effects of the special stock dividend as a stock split.

### Stock-Based Compensation

#### 2013 Equity Incentive Plan

The 2013 Equity Incentive Plan, as amended ("EIP"), provides for grants of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), performance stock units ("PSUs), stock awards, and cash performance awards. The maximum number of equity interests in Holdings available for delivery pursuant to awards granted under the EIP is 15 million shares of Common Stock and 7,306,354 AMC Preferred Equity Units. At December 31, 2022, the aggregate number of equity interests in Holdings available for grant was 4,293,562 shares and 4,293,562 units, respectively.

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

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Board of director stock award expense	\$ 0.8	\$ 0.9	\$ 0.5
Restricted stock unit expense	13.3	12.6	9.7
Performance stock unit expense	8.4	24.5	1.2
Special performance stock unit expense	-	5.1	14.0
Total stock-based compensation expense	\$ 22.5	\$ 43.1	\$ 25.4

As of December 31, 2022, the estimated remaining unrecognized compensation cost related to stock-based compensation arrangements was approximately \$15.1 million. The weighted average period over which this remaining compensation expense will be recognized is approximately 1.3 years. The Company accounts for forfeitures when they occur.

***Plan Amendment due to stock split***

The 2013 Plan contemplates equitable adjustments for certain transactions such as a stock split. On August 19, 2022, the Compensation Committee approved an adjustment to the 2013 Equity Incentive Plan to entitle each participant one AMC Preferred Equity Unit and one share of Common Stock for each RSU or PSU that vests. The Company determined that this modification was a Type 1 (probable-to-probable) modification that did not increase the fair value of the award and therefore did not require additional stock-based compensation expense to be recognized. References made to share, per share, or common share amounts have been retroactively adjusted to reflect the effects of the stock split.

***Awards Granted in 2022, 2021, and 2020 and Other Activity***

AMC's Board of Directors approved awards of stock, RSUs, and PSUs to certain of the Company's employees and directors under the 2013 Equity Incentive Plan. During years 2022, 2021, and 2020, the grant date fair value of these awards was based on the closing price of AMC's stock on the date of grant, which ranged from \$1.18 to \$9.84 per share.

A dividend equivalent for restricted stock units and performance stock units equal to the amount paid in respect of one share of Common Stock and one AMC Preferred Equity Unit underlying the unit began to accrue with respect to the unit on the date of grant. 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 and one AMC Preferred Equity Unit at a future date.

The award agreements generally had the following features:

- **Board of Director Stock Award Agreement:** The Company granted fully vested shares of Common Stock and AMC Preferred Equity Units to its independent members of AMC's Board of Directors during the years ended December 31, 2022, December 31, 2021, and December 31, 2020 as follows:

	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Common Stock	41,650	124,054	77,090
AMC Preferred Equity Units	41,650	124,054	77,090

- **Restricted Stock Unit Award Agreement:** The Company granted RSU awards of 1,394,270, 5,375,626, 3,022,594 to certain members of management during the years ended December 31, 2022, December 31, 2021, and December 31, 2020, respectively. The Company records stock-based compensation expense on a straight-line recognition method over the requisite vesting period. The RSUs granted during 2022, 2021, and 2020 vest over three years with 1/3 vesting in each year. These RSUs will be settled within 30 days of vesting.
- **Restricted Stock Unit Award Executive Agreement:** During the year ended December 31, 2019, the Company granted RSU awards of 400,000 to an executive officer ("2019 RSU executive") of the Company with one-half vesting on the first anniversary of employment on December 2, 2020 and the remaining one-half vesting ratably over a three year period ending on December 2, 2022. All unvested RSUs shall be forfeited upon termination of services. These RSUs will be settled within 30 days of vesting.
- **Performance Stock Unit Award Agreement: 2022 PSU Awards.** During 2022, 1,394,270 total PSUs 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 1,394,270 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. The 2022 PSU award grant date fair value for the 2022 Tranche Year award was approximately \$4.5 million and the 2021 PSU award grant date fair value for the 2022 Tranche Year award of 1,757,080 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 2020, and was subsequently modified on October 30, 2020 where the grant date fair value was not determined until February 16, 2022 when the performance targets were established. As a result, the 2020 PSU award grant date for the 2022 Tranche Year award of 859,366 units was approximately \$8.5 million, measured using performance targets at 100%. At December 31, 2022, the 2022 Tranche Year target performance conditions for both the annual Adjusted EBITDA and free cash flow were achieved at 0% and 79%, respectively.

*2021 PSU Awards.* On February 23, 2021, 5,375,626 total PSUs were awarded (“2021 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 2021 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% (or 30% to 200% for PSU awards granted prior to year 2020). If the performance targets are met at 100%, the 2021 PSU awards will vest at 5,375,626 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.

*November 3, 2021 modification.* On November 3, 2021, based upon the recommendation of the Compensation Committee, the Board of Directors of the Company approved a modification to the PSUs for the awards granted in 2021 and 2020. The service condition modification included separating the vesting period subject to the participant’s continued employment through the end of the three-year cumulative period into three separate year service periods applicable to each tranche year. The Company accounted for the modification in accordance with ASC 718-20, Compensation-Stock Compensation, as a Type I modification (probable-to-probable) with no change to the fair value measurement of the awards.

*2020 PSU Awards:* During the year ended December 31, 2020, PSU awards of 2,872,594 were granted to certain members of management and executive officers, with three-year cumulative Adjusted EBITDA and free cash flow target conditions and service conditions, covering a performance period beginning January 1, 2020 and ending on December 31, 2022, prior to the service condition and performance condition modifications on November 3, 2021 and October 30, 2020, respectively.

*2019 PSU Awards:* During the year ended December 31, 2019, PSU awards of 1,460,334 were granted to certain members of management and executive officers, with three-year cumulative Adjusted EBITDA and diluted earnings per share performance target conditions and service conditions, covering a performance period beginning January 1, 2019 and ending on December 31, 2021, prior to the service condition and performance condition modifications on November 3, 2021 and October 30, 2020, respectively.

*2018 PSU Awards:* During the year ended December 31, 2018, PSU awards of 1,307,338 were granted to certain members of management and executive officers with three-year cumulative net profit, Adjusted EBITDA, and diluted earnings per share performance target conditions and service conditions, covering a performance period beginning January 1, 2018 and ending on December 31, 2020, prior to the performance condition modification on October 30, 2020.

*October 30, 2020 modification.* On October 30, 2020, based upon the recommendation of the Compensation Committee, the Board of Directors of the Company approved a modification to the PSUs for the awards granted in 2018, 2019, and 2020. The modification included separating the three-year cumulative performance targets into three separate year performance targets applicable to each tranche year. Due to the dramatic impact of the COVID-19 pandemic on the Company’s business, the Board of Directors waived attainment of the 2020 tranche year performance targets and established a vesting level for such PSUs at 90%. In addition, the service conditions were modified, and vesting is now subject to the participant’s continued employment through the end of the three-year cumulative period. The Company accounted for the modification in accordance with ASC 718-20, Compensation-Stock Compensation, as an

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exchange of the original award, that was not expected to vest, for a new award. The Company measured the fair value of the new award on the modification date, October 30, 2020, because the Company determined that achieving performance thresholds were probable for certain tranche awards.

- **Special Performance Stock Unit Executive Award Agreement:** During the year ended December 31, 2019, a PSU market condition award of 600,000 was granted to an executive officer of the Company that would vest based upon achieving target prices for the Company's Common Stock. This award was subsequently cancelled and replaced with the PSU market condition award granted on February 26, 2020.

On February 26, 2020 and March 5, 2020, special performance stock unit awards ("SPSUs"), totaling 7,140,000 units were granted to certain executive officers that will vest based upon achieving target prices for the Company's Class Common Stock. The SPSUs are eligible to vest in tranches contingent upon (i) the attainment of certain 20 trading day volume weighted average closing prices and (ii) fulfillment of the three-year service requirement from the date of grant. The vested SPSUs will be settled within 30 days of vesting. Any unvested SPSUs remaining after 10 years will be forfeited. If service is terminated prior to the three year anniversary from the date of grant, unvested SPSUs shall be forfeited. The target prices and vesting tranches are set forth in the table below:

Tranche	Target Stock Price	SPSUs Vesting
1	\$12.00	1,190,006
2	\$16.00	1,190,006
3	\$20.00	1,190,006
4	\$24.00	1,190,006
5	\$28.00	1,189,988
6	\$32.00	1,189,988

The Company used the Monte Carlo simulation model to estimate the fair value of the SPSUs. This model utilizes multiple input variables to estimate the probability that the market conditions will be achieved. The Company used the following assumptions in determining the fair value of the SPSUs:

	Assumptions
Expected stock price volatility	45.0%
Expected dividend yield	2.02% and 2.44%
Risk-free interest rate	1.33% and 0.92%
Grant-date stock price	\$5.93 and \$4.92

The expected stock price volatility was based on the historical volatility of the Company's stock for a period equivalent to the derived service period. The expected dividend yield is based on annual expected dividend payments. The risk-free interest rate was based on the treasury yield rates as of the date of grant for a period equivalent to the performance measurement period. The fair value of each SPSU is amortized over the requisite or derived service period, which is up to 6.4 years. The SPSUs granted on February 26, 2020 and March 5, 2020 have a grant date fair value of approximately \$12.2 million.

On October 30, 2020, based upon the recommendation of the Compensation Committee, the Board of Directors of the Company approved a modification to the SPSUs for the awards. Each SPSU award agreement was amended as follows:

- The stock price thresholds (ranging from \$12 to \$24) and service requirement for tranches 1 through 4 of the SPSUs were eliminated and such SPSUs vested on October 30, 2020;
- Participants shall be prohibited from selling the shares of Common Stock issued upon the foregoing vesting until October 30, 2021;
- The stock price threshold for tranche 5 of the SPSUs was changed to \$4 from \$28 and the stock price threshold for tranche 6 of the SPSUs was changed to \$8 from \$32; and
- The service requirement for tranches 5 and 6 was shortened to end on October 30, 2021.

As a result of the SPSU modification of market conditions, the incremental fair value amount assigned to the grant date fair value was approximately \$7.3 million in accordance with ASC 718-20, Compensation-Stock Compensation. In January 2021, the market condition requirement for SPSUs was met as a result of



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exceeding the 20-day trailing volume weighted average stock price threshold target for tranche 5 and tranche 6 of \$4 and \$8, respectively. The stock-based compensation costs for SPSUs were recorded on a straight-line basis through October 30, 2021, which was the end of the service requirement period.

The following table represents the nonvested RSU and PSU activity for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

	Shares of RSU and PSU	Weighted Average Grant Date Fair Value
Beginning balance at January 1, 2020	6,540,186	\$ 7.94
Granted	13,035,188	2.33
Vested	(4,944,750)	4.31
Forfeited	(2,040,244)	8.49
Cancelled (1)	(4,271,858)	3.61
Beginning balance at January 1, 2021 (2)	8,318,522	\$ 2.76
Granted	10,178,468	3.85
Vested	(1,297,720)	1.41
Forfeited	(433,546)	5.37
Cancelled (1)	(1,082,258)	1.41
Nonvested at January 1, 2022	15,683,466	\$ 3.96
Granted (3)	1,674,802	9.75
Vested	(5,636,324)	3.59
Forfeited	(716,872)	5.86
Cancelled (1)	(4,746,590)	3.59
Nonvested at December 31, 2022 (4)	6,258,482	\$ 5.91
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	2,523,692	
Total Nonvested at December 31, 2022	8,782,174	

- (1) Represents vested RSUs, PSUs, and SPSUs surrendered in lieu of taxes and cancelled awards returned to the 2013 Equity Incentive Plan.
- (2) Includes awards modified during 2020 where grant date fair value was not determined until 2021.
- (3) The number of PSU shares granted under the Tranche Year 2022 is based on attainment of performance targets at 0% for the Adjusted EBITDA target and 79% for the free cash flow target.
- (4) See Note 16-Subsequent Events for information regarding vesting modifications to the 2022 PSUs.

**NOTE 10-INCOME TAXES**

Current income tax expense represents the amounts expected to be reported on the Company's income tax returns, and deferred tax expense or benefit represents the change in net deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates that will be in effect when these differences reverse. Valuation allowances are recorded as appropriate to reduce deferred tax assets to the amount considered likely to be realized.

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



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duration of statutory carryforward periods, and the outlooks for the U.S. motion picture and broader economy, among others. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2022 for each taxing jurisdiction. Such objective evidence limits the ability to consider other subjective evidence, such as the Company's projections of future taxable income. For the year ended December 31, 2022, the Company remained in a cumulative loss over the past three-year period for the U.S. and international jurisdictions except for Finland.

The Company maintains a valuation allowance against U.S. deferred tax assets as well as international jurisdictions in which it operates, with the exception of Finland. During the first quarter of 2020, the severe impact of COVID-19 on operations in Germany and Spain caused the Company to conclude the realizability of deferred tax assets held in those jurisdictions does not meet the more likely than not standard. As such, a charge of \$33.1 million and \$40.1 million was recorded for Germany and Spain, respectively.

On July 31, 2020, the Company consummated previously announced private offers to exchange its Existing Subordinated Notes for newly issued Second Lien Notes due 2026. See Note 8-Corporate Borrowings and Finance Lease Liabilities for further information. For US tax purposes the Company was required to recognize CODI on the difference between the face value of debt exchanged and the fair market value of the new debt issued. The Company recognized \$1.2 billion of CODI for tax purposes for the year ended December 31, 2020.

IRS §108 provides relief from recognizing CODI as current taxable income to the extent that the tax paying legal entity is insolvent as defined by the US Tax Code. The Company determined that the level of its insolvency at July 31, 2020 exceeded the indicated amount of CODI resulting from the debt exchange. To the extent that an entity is insolvent, rather than recognize current taxable income, the entity may reduce its tax attributes including net operating losses, capital losses, tax credits, depreciable assets, investment in subsidiaries and other investments in the amount of the excluded CODI. The Company determined that \$1.2 billion of its federal net operating losses would be eliminated as a result of the tax attribute reduction.

The actual effective rate for the year ended December 31, 2022 was (0.3)%. The Company's consolidated tax rate for the year ended December 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, and federal and state tax credits, partially offset by permanent differences related to interest, compensation, and other discrete items. Additionally, the Company recorded an immaterial error correction resulting in a \$152.5 million net increase in deferred tax assets which were fully reserved with a valuation allowance during the year ended December 31, 2022. The adjustment related to deferred tax assets associated with the cancellation of debt transactions which occurred during the period ended December 31, 2020. No tax impact was recorded on the \$2,306.4 million goodwill impairment charge incurred during the year ended December 31, 2020, as the portion impaired was permanently non-deductible. At December 31, 2022 and December 31, 2021, the Company has recorded net deferred tax liabilities of \$32.1 million and of \$30.7 million, respectively.

The income tax provision (benefit) reflected in the consolidated statements of operations consists of the following components:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Current:			
Federal	\$ -	\$ -	\$ 0.1
Foreign	0.9	1.3	(0.1)
State	(0.1)	(3.9)	(4.1)
Total current	0.8	(2.6)	(4.1)
Deferred:			
Federal	0.3	(3.8)	2.7
Foreign	0.7	(2.1)	57.6
State	0.7	(1.7)	3.7
Total deferred	1.7	(7.6)	64.0
Total provision (benefit)	\$ 2.5	\$ (10.2)	\$ 59.9

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Pre-tax losses consisted of the following:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Domestic	\$ (685.8)	\$ (1,029.5)	\$ (3,036.4)
Foreign	(285.3)	(250.5)	(1,493.1)
Total	\$ (971.1)	\$ (1,280.0)	\$ (4,529.5)

The difference between the effective tax rate on net loss from continuing operations before income taxes and the U.S. federal income tax statutory rate is as follows:

(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Income tax expense (benefit) at the federal statutory rate	\$ (203.9)	\$ (268.8)	\$ (951.2)
Effect of:			
State income taxes	(30.9)	(46.9)	(89.5)
Increase in reserve for uncertain tax positions	-	(3.3)	(1.9)
Federal and state credits	(2.5)	(2.3)	(3.6)
Permanent items - goodwill impairment	-	-	456.3
Permanent items - other	5.2	(3.1)	13.2
Foreign rate differential	(11.0)	4.3	19.7
Original issue discount	(152.5)	-	-
Other	(14.2)	(5.0)	1.7
Impact of UK tax rate change	-	(34.3)	-
Valuation allowance	412.3	349.2	615.2
Income tax expense (benefit)	\$ 2.5	\$ (10.2)	\$ 59.9
Effective income tax rate	(0.3)%	0.8 %	(1.3)%

The significant components of deferred income tax assets and liabilities as of December 31, 2022 and December 31, 2021 are as follows:

(In millions)	December 31, 2022		December 31, 2021	
	Deferred Income Tax		Deferred Income Tax	
	Assets	Liabilities	Assets	Liabilities
Tangible assets	\$ -	\$ (111.7)	\$ -	\$ (131.7)
Right-of-use assets	-	(935.3)	-	(1,023.4)
Accrued liabilities	13.6	-	17.1	-
Intangible assets	-	(113.9)	-	(111.9)
Receivables	18.2	-	7.8	-
Investments	45.9	-	51.8	-
Capital loss carryforwards	2.0	-	1.6	-
Pension and deferred compensation	18.3	-	23.3	-
Corporate borrowings	121.9	-	35.2	-
Disallowed interest	337.1	-	170.6	-
Deferred revenue	172.6	-	180.6	-
Lease liabilities	1,208.0	-	1,304.9	-
Finance lease obligations	0.4	-	1.2	-
Other credit carryovers	27.7	-	25.4	-
Net operating loss carryforwards	676.1	-	530.9	-
Total	\$ 2,641.8	\$ (1,160.9)	\$ 2,350.4	\$ (1,267.0)
Less: Valuation allowance	(1,513.0)	-	(1,114.1)	-
Net deferred income taxes	\$ 1,128.8	\$ (1,160.9)	\$ 1,236.3	\$ (1,267.0)

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A rollforward of the Company's valuation allowance for deferred tax assets is as follows:

<b>(In millions)</b>	<b>Balance at Beginning of Period</b>	<b>Additions Charged to Expenses(1)</b>	<b>Charged (Credited) to Other Accounts(2)</b>	<b>Balance at End of Period</b>
<b>Calendar Year 2022</b>				
Valuation allowance-deferred income tax assets	\$ 1,114.1	412.3	(13.4)	\$ 1,513.0
<b>Calendar Year 2021</b>				
Valuation allowance-deferred income tax assets	\$ 764.9	349.2	-	\$ 1,114.1
<b>Calendar Year 2020</b>				
Valuation allowance-deferred income tax assets	\$ 312.8	615.2	(163.1)	\$ 764.9

- (1) The 2022 valuation allowance primarily relates to the Company's increase in the current year's federal, state, international net operating losses and the \$152.5 million immaterial error correction, for which no benefit has been recognized.
- (2) Primarily relates to amounts resulting from the Company's changes in deferred tax assets and associated valuation allowance that are not related to income statement activity as well as amounts charged to other comprehensive income.

The Company has federal income tax net operating loss carryforwards of \$1,712.5 million. Approximately \$320.6 million will expire between 2023 and 2036 and will be limited annually due to certain change in ownership provisions of the Internal Revenue Code. Approximately \$1,391.9 million can be used indefinitely. The Company's foreign net operating losses of \$878.5 million can be used indefinitely except for approximately \$10.6 million, which will expire in various amounts between years 2023 and 2033. The Company also has state income tax loss carryforwards of \$2,293.2 million. Approximately \$1,651.7 million may be used over various periods ranging from 1 to 20 years. Approximately \$641.5 million can be used indefinitely.

A reconciliation of the change in the amount of unrecognized tax benefits was as follows:

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Balance at beginning of period	\$ 8.3	\$ 33.5	\$ 31.0
Gross increases-current period tax positions	-	-	4.8
Gross decreases-prior period tax positions	-	(22.5)	(1.3)
Gross decreases-settlements with authorities	-	(2.2)	-
Gross decreases-expiration of statute of limitations	(0.9)	(0.5)	(1.0)
Balance at end of period	<u>\$ 7.4</u>	<u>\$ 8.3</u>	<u>\$ 33.5</u>

The Company recognizes income tax-related interest expense and penalties as income tax expense and general and administrative expense, respectively. No interest expense or penalties related to federal uncertain tax positions have been recognized for the years ended December 31, 2022, December 31, 2021, and December 31, 2020.

The Company analyzed and reviewed state uncertain tax positions to determine the necessity of accruing interest and penalties. For the year ended December 31, 2022, the Company recognized no interest expense or penalties. For the year ended December 31, 2021, the Company recognized \$0.6 million of interest expense and \$0.4 million of penalties. The Company has no accrued interest and penalties for state uncertain tax positions at December 31, 2022 and December 31, 2021.

The total amount of net unrecognized tax benefits at December 31, 2022 and December 31, 2021 that would impact the effective tax rate, if recognized, would be \$0.2 million and \$0.3 million, respectively. The Company believes that it is reasonably possible that none of its unrecognized tax positions related to state taxes will be recognized by the end of 2023 as a result of settlements or the expiration of statute of limitations.

The Company, or one of its subsidiaries, files income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. An IRS examination of the tax year March 29, 2012 was settled in 2021 resulting in additional federal and state net operating losses ("NOLs"). Generally, tax years beginning after December 31, 2002 are still open to examination by various taxing authorities. Additionally, as discussed above, the Company has NOL

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carryforwards for tax years ended December 31, 2003 through December 31, 2022, in the U.S. and various state jurisdictions which have carryforwards of varying lengths of time. These NOLs are subject to adjustment based on the statute of limitations applicable to the return in which they are utilized, not the year in which they are generated. Various state, local and foreign income tax returns are also under examination by taxing authorities. The Company does not believe that the outcome of any examination will have a material impact on its consolidated financial statements.

Utilization of the Company's net operating loss carryforwards, disallowed business interest carryforward and other tax attributes became subject to the Section 382 ownership change limitation due to changes in our stock ownership on January 29, 2021. Management believes the Company's ability to utilize these tax attributes has not been significantly limited by this event.

#### **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 named 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, asserted 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-

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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. On June 6, 2022, the parties signed a stipulation of settlement to resolve the Lao Action for \$17,375,000 (the “Settlement Amount”). Defendants agreed to the settlement and the payment of the Settlement Amount solely to eliminate the burden, expense, and uncertainty of further litigation, and continue to expressly deny any liability or wrongdoing with respect to the matters alleged in the Lao Action. On September 28, 2022, the court held a hearing to consider whether to approve the proposed settlement. At the hearing, the court requested a supplemental notice to stockholders prior to approval. A second hearing regarding approval of the settlement was held on November 30, 2022. Following the hearing, also on November 30, 2022, the court issued an order and final judgment approving the settlement and dismissing the action. The order and final judgment included a fee and expense award to Plaintiff’s counsel in the amount of \$3,450,000 to be paid out of the

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Settlement Amount. The remainder of the Settlement Amount was paid to the Company on January 6, 2023. See Note 16-Subsequent Events for further information.

On December 27, 2022, the Company received a letter from a purported stockholder, demanding to inspect certain of the Company's books and records pursuant to 8 *Del. C.* § 220 in order to investigate allegations concerning: (i) the proposal that was approved by the Board on January 27, 2021 to amend the Company's Certificate of Incorporation to increase the total number of shares of the Company's Common Stock; (ii) the Company's creation, distribution, and/or sale of AMC Preferred Equity Units ("APEs"); (iii) the transactions between the Company and Antara Capital, LP that the Company announced on December 22, 2022 (the "Antara Transactions"); (iv) the special meeting of the holders of the Company's Common Stock and APEs to be held on March 14, 2023 for the purpose of voting on amendments to the Company's Certificate of Incorporation that, together and if approved, will enable the APEs to convert into shares of the Company's Common Stock; and (v) the independence of the members of the Board (the "December 27, 2022 Demand"). On January 4, 2023, the Company rejected the December 27, 2022 Demand. On February 7, 2023, without conceding the propriety of the December 27, 2022 Demand in any respect and while reserving all rights, the Company, in an effort to avoid unnecessary litigation, allowed the stockholder who made the December 27, 2022 Demand to inspect certain of the Company's books and records concerning the subject matter of December 27, 2022 Demand.

On February 6, 2023, the Company received a letter from another purported stockholder, demanding to inspect certain of the Company's books and records pursuant to 8 *Del. C.* § 220 in order to investigate allegations similar to those made in the December 27, 2022 Demand (the "February 6, 2023 Demand" and, together with the December 27, 2022 Demand, the "Books and Records Demands"). On February 13, 2023, the Company rejected the February 6, 2023 Demand. Also, on February 13, 2023, without conceding the propriety of the February 6, 2023 Demand in any respect and while reserving all rights, the Company, in an effort to avoid unnecessary litigation, allowed the stockholder who made the February 6, 2023 Demand to inspect the same books and records that it allowed the stockholder who made the December 27, 2022 Demand to inspect.

On February 20, 2023, two putative stockholder class actions were filed in the Delaware Court of Chancery, captioned *Allegheny County Employees' Retirement System v. AMC Entertainment Holdings, Inc., et al.*, C.A. No. 2023-0215-MTZ (Del. Ch.) (the "*Allegheny Action*"), and *Munoz v. Adam M. Aron, et al.*, C.A. No. 2023-0216-MTZ (Del. Ch.) (the "*Munoz Action*"). The *Allegheny Action* asserts a claim for breach of fiduciary duty against certain of the Company's directors and a claim for breach of 8 *Del. C.* § 242(b) against those directors and the Company, arising out of the Company's creation of the APEs, the Antara Transactions, and the Charter Amendment Proposals. The *Munoz Action*, which was filed by the stockholders who made the Books and Records Demands, asserts a claim for breach of fiduciary duty against the Company's current directors and former director Lee Wittlinger, arising out of the same conduct challenged in the *Allegheny Action*. The *Allegheny Action* seeks a declaration that the issuance of the APEs violated 8 *Del. C.* § 242(b), an order that holders of the Company's Common Stock be provided with a separate vote from the holders of the APEs on the Charter Amendment Proposals or that the APEs be enjoined from voting on the Charter Amendment Proposals, and an award of money damages. The *Munoz Action* seeks to enjoin the APEs from being voted on the Charter Amendment Proposals.

On February 27, 2023, the Delaware Court of Chancery entered a status quo order that (i) will allow the March 14, 2023 vote on the Charter Amendment Proposals to proceed, but precludes the Company from implementing the Charter Amendment Proposals pending a ruling by the court on the plaintiffs' to-be-filed preliminary injunction motion, and (ii) scheduled a hearing on the plaintiffs' to-be-filed preliminary injunction motion for April 27, 2023.

#### **NOTE 12-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

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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 inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

**Recurring Fair Value Measurements.** The following tables summarize the fair value hierarchy of the Company's financial assets carried at fair value on a recurring basis:

(In millions)	Total Carrying Value at December 31, 2022	Fair Value Measurements at December 31, 2022 Using		
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Other long-term assets:</b>				
Investment in Hycroft Mining Holding Corporation warrants	\$ 9.2	\$ -	\$ -	\$ 9.2
<b>Marketable equity securities:</b>				
Investment in Hycroft Mining Holding Corporation	12.5	12.5	-	-
<b>Total assets at fair value</b>	<b>\$ 21.7</b>	<b>\$ 12.5</b>	<b>\$ -</b>	<b>\$ 9.2</b>

(In millions)	Total Carrying Value at December 31, 2021	Fair Value Measurements at December 31, 2021 Using		
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Other long-term assets:</b>				
Money market mutual funds	\$ 0.5	\$ 0.5	\$ -	\$ -
Investments measured at net asset value(1)	12.4	-	-	-
<b>Total assets at fair value</b>	<b>\$ 12.9</b>	<b>\$ 0.5</b>	<b>\$ -</b>	<b>\$ -</b>

- (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 liquidated in 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.

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 123.3% and discount rate of 4.1%. The discount rate is based on the treasury yield that matches the term as of the measurement date. Other inputs included the term of 4.2 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, accordingly, actual results could vary significantly from such estimates, which fall under Level 3 within the fair value measurement hierarchy. See Note 6-Investments for further information regarding the investments in Hycroft.

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**Nonrecurring Fair Value Measurements.** The following fair value hierarchy tables summarize the Company's assets that were written down to their fair value on a nonrecurring basis as part of our impairment evaluation:

(In millions)	Total Carrying Value at December 31, 2022	Fair Value Measurements at December 31, 2022 Using			Total Impairment Losses
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Property, net:</b>					
Property net	\$ 57.3	\$ -	\$ -	\$ 57.3	\$ 27.8
<b>Operating lease right-of-use assets</b>					
Operating lease right-of-use assets	138.4	-	-	138.4	105.3
<b>Total</b>	<b>\$ 195.7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195.7</b>	<b>\$ 133.1</b>

(In millions)	Total Carrying Value at December 31, 2021	Fair Value Measurements at December 31, 2021 Using			Total Impairment Losses
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Property, net:</b>					
Property net	\$ 22.8	\$ -	\$ -	\$ 22.8	\$ 21.8
<b>Operating lease right-of-use assets, net</b>					
Operating lease right-of-use assets, et	99.2	-	-	99.2	53.4
<b>Other long-term assets</b>					
Property owned, net	2.0	-	-	2.0	2.0
<b>Total</b>	<b>\$ 124.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124.0</b>	<b>\$ 77.2</b>

*Valuation Techniques.* There is considerable management judgment with respect to cash flow estimates and appropriate discount rates to be used in determining fair value, and, accordingly, actual results could vary significantly from such estimates, which fall under Level 3 within the fair value measurement hierarchy. Such judgments and estimates include estimates of future attendance, revenues, cash flows, rent relief, cost savings, capital expenditures, and the cost of capital, among others. At December 31, 2022, related cash flows were discounted at 10.0% for the Domestic Theatres and 12.5% for the International Theatres, at December 31, 2021, related cash flows were discounted at 10.0% for Domestic Theatres and 11.5% for International Theatres.

**Other Fair Value Measurement Disclosures.** The following tables summarize 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 December 31, 2022	Fair Value Measurements at December 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	\$ -	\$ 10.8	\$ -
Corporate borrowings	5,120.8	-	2,516.2	-

(In millions)	Total Carrying Value at	Fair Value Measurements at December 31, 2021 Using		
		Quoted prices in active market	Significant other observable inputs	Significant unobservable inputs



<u>(In millions)</u>	<u>December 31,</u> <u>2021</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Current maturities of corporate borrowings	\$ 20.0	\$ -	\$ 18.1	\$ -
Corporate borrowings	5,408.0	-	4,263.5	681.4

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*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 8-Corporate Borrowings and Finance Lease Liabilities 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 13-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. The Company divested of its interest in Estonia, Latvia, and Lithuania operations, see Note 1-The Company and Significant Accounting Policies for further information on the Baltics theatre sale. On January 24, 2023 the Company sold its interest in Saudi Arabia, see Note 16-Subsequent events for additional information. 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)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
U.S. markets	\$ 2,961.7	\$ 1,875.8	\$ 826.7
International markets	949.7	652.1	415.7
Total revenues	<u>\$ 3,911.4</u>	<u>\$ 2,527.9</u>	<u>\$ 1,242.4</u>

Adjusted EBITDA (In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
U.S. markets	\$ 59.6	\$ (250.6)	\$ (768.2)
International markets	(13.0)	(41.1)	(231.0)
Total Adjusted EBITDA	<u>\$ 46.6</u>	<u>\$ (291.7)</u>	<u>\$ (999.2)</u>

- (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 broadly consistent with how Adjusted EBITDA is defined in the Company's debt indentures.

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<b>Capital Expenditures (In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
U.S. markets	\$ 138.4	\$ 63.9	\$ 109.9
International markets	63.6	28.5	63.9
<b>Total capital expenditures</b>	<b>\$ 202.0</b>	<b>\$ 92.4</b>	<b>\$ 173.8</b>

Financial information about geographic area is as follows:

<b>Revenues (In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
United States	\$ 2,961.7	\$ 1,875.8	\$ 826.7
United Kingdom	379.3	283.6	127.9
Spain	114.6	81.8	52.1
Sweden	125.0	82.3	63.2
Italy	90.4	57.5	47.5
Germany	96.2	54.4	38.2
Finland	73.9	49.1	43.4
Ireland	27.3	16.9	9.3
Other foreign countries	43.0	26.5	34.1
<b>Total</b>	<b>\$ 3,911.4</b>	<b>\$ 2,527.9</b>	<b>\$ 1,242.4</b>

<b>Long-term assets, net (In millions)</b>	<b>As of</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
U.S. markets	\$ 6,135.9	\$ 6,434.5
International markets	2,097.6	2,516.7
<b>Total long-term assets (1)</b>	<b>\$ 8,233.5</b>	<b>\$ 8,951.2</b>

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

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

<b>(In millions)</b>	<b>Year Ended</b>		
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Net loss	\$ (973.6)	\$ (1,269.8)	\$ (4,589.4)
Plus:			
Income tax provision (benefit) (1)	2.5	(10.2)	59.9
Interest expense	378.7	458.1	356.9
Depreciation and amortization	396.0	425.0	498.3
Impairment of long-lived assets, definite and indefinite-lived intangible assets and goodwill (2)	133.1	77.2	2,513.9
Certain operating expense (income) (3)	8.0	0.2	(9.4)
Equity in (earnings) loss of non-consolidated entities (4)	1.6	(11.0)	30.9
Cash distributions from non-consolidated entities (5)	6.6	12.5	17.4
Attributable EBITDA (6)	0.4	3.7	0.2
Investment expense (income)	14.9	(9.2)	10.1
Other expense (income) (7)	80.4	(0.1)	66.9
Other non-cash rent benefit (8)	(26.6)	(24.9)	(4.9)
General and administrative - unallocated:			
Merger, acquisition and other costs (9)	2.1	13.7	24.6
Stock-based compensation expense (10)	22.5	43.1	25.4
<b>Adjusted EBITDA</b>	<b>\$ 46.6</b>	<b>\$ (291.7)</b>	<b>\$ (999.2)</b>

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- (1) For information regarding the income tax provision (benefit), see Note 10-Income Taxes.
- (2) During the year ended December 31, 2022, the Company recorded non-cash impairment charges related to its long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the International markets with 456 screens which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2021, the Company recorded non-cash impairment charges related to its long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the International markets with 118 screens which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2020, the Company recorded goodwill non-cash impairment charges of \$1,276.1 million and \$1,030.3 million related to the enterprise fair values of the Domestic Theatres and International Theatres reporting units, respectively. During the year ended December 31, 2020, the Company recorded non-cash impairment of long-lived assets of \$152.5 million on 101 theatres in the U.S. markets with 1,139 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$25.4 million on 37 theatres in the International markets with 340 screens which were related to property, net and operating lease right-of-use assets, net. The Company recorded non-cash impairment charges related to indefinite-lived intangible assets of \$12.5 million and \$2.7 million related to the Odeon and Nordic trade names, respectively, in the International Theatres reporting unit during the year ended December 31, 2020. The Company also recorded non-cash impairment charges of \$14.4 million related to its definite-lived intangible assets in the Domestic Theatres reporting unit during the year ended December 31, 2020.

- (3) 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, non-cash deferred digital equipment rent expense, and 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.
- (4) Equity in (earnings) loss of non-consolidated entities primarily consisted of equity in loss from Saudi Cinema Company, LLC of \$7.6 million, partially offset by equity in (earnings) from DCIP of \$3.4 million during the year ended December 31, 2022. Equity in (earnings) loss of non-consolidated entities primarily consisted of equity in earnings (loss) from DCIP of \$12.2 million and \$(14.5) million, during the year ended December 31, 2021, and December 31, 2020, respectively. In addition, the Company recorded impairment losses in the International markets during the year ended December 31, 2020 related to equity method investments of \$8.6 million in equity in (earnings) loss of non-consolidated entities.
- (5) 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.
- (6) 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.

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(In millions)	Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Equity in (earnings) loss of non-consolidated entities	\$ 1.6	\$ (11.0)	\$ 30.9
Less:			
Equity in (earnings) loss of non-consolidated entities excluding International theatre joint ventures	(5.4)	(13.5)	27.4
Equity in loss of International theatre joint ventures	(7.0)	(2.5)	(3.5)
Income tax provision	0.1	0.3	0.1
Investment expense (income)	0.2	(0.1)	(0.4)
Interest expense	0.1	0.2	0.1
Impairment of long-lived assets	4.2	-	-
Depreciation and amortization	2.8	5.6	3.2
Other expense	-	0.2	0.7
Attributable EBITDA	\$ 0.4	\$ 3.7	\$ 0.2

- (7) Other expense (income) during the year ended December 31, 2022, primarily consisted of a loss on debt extinguishment of \$92.8 million, partially offset by income related to the foreign currency transaction gains of \$(12.3) million and contingent lease guarantees of \$(0.2) million.

Other expense (income) for the year ended December 31, 2021, primarily consisted of a loss on debt extinguishment of \$14.4 million and financing fees of \$1.0 million, partially offset by income related to the foreign currency transaction gains of \$(9.8) million and contingent lease guarantees of \$(5.7) million.

During the year ended December 31, 2020 included a loss of \$109.0 million related to the fair value adjustments of the Company's derivative liability and derivative asset for the Convertible Notes, financing fees related to the Exchange Offer of \$39.3 million, and credit losses related to contingent lease guarantees of \$15.0 million, partially offset due to a gain on extinguishment of the Second Lien Notes due 2026 of \$(93.6) million.

- (8) Reflects amortization of 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.
- (9) Merger, acquisition and other costs are excluded as they are non-operating in nature.
- (10) Non-cash or non-recurring expense included in general and administrative: other.

**NOTE 14-ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

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

(In millions)	Foreign		Total
	Currency	Pension Benefits	
Balance December 31, 2020	\$ 60.1	\$ (21.4)	\$ 38.7
Other comprehensive income (loss)	(78.7)	12.3	(66.4)
Realized loss on foreign currency transactions reclassified into investment expense (income)	(0.4)	-	(0.4)
Balance December 31, 2021	\$ (19.0)	\$ (9.1)	\$ (28.1)
Other comprehensive income (loss)	(59.8)	10.6	(49.2)
Balance December 31, 2022	\$ (78.8)	\$ 1.5	\$ (77.3)

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The tax effects allocated to each component of other comprehensive income (loss) is as follows:

(In millions)	Year Ended								
	December 31, 2022			December 31, 2021			December 31, 2020		
	Tax		Net-of-	Tax		Net-of-	Tax		Net-of-
	Pre-Tax	(Expense)	Tax	Pre-Tax	(Expense)	Tax	Pre-Tax	(Expense)	Tax
	Amount	Benefit	Amount	Amount	Benefit	Amount	Amount	Benefit	Amount
Unrealized foreign currency translation adjustment	\$ (59.8)	\$ -	\$ (59.8)	\$ (78.9)	\$ -	\$ (78.9)	\$ 66.8	\$ 0.2	\$ 67.0
Realized gain (loss) on foreign currency transactions, net of tax	-	-	-	(0.9)	0.5	(0.4)	1.9	-	1.9
Pension and other benefit adjustments:									
Net gain (loss) arising during the period, net of tax	10.6	-	10.6	13.0	(0.7)	12.3	(4.1)	-	(4.1)
Other comprehensive income (loss)	\$ (49.2)	\$ -	\$ (49.2)	\$ (66.8)	\$ (0.2)	\$ (67.0)	\$ 64.6	\$ 0.2	\$ 64.8

**NOTE 15-LOSS PER SHARE**

On August 4, 2022, the Company announced that its Board of Directors declared a special dividend of one AMC Preferred Equity Unit for each share of Common Stock outstanding at the close of business on August 15, 2022, the record date. The dividend was paid at the close of business on August 19, 2022 to investors who held shares of Common Stock as of August 22, 2022, the ex-dividend date.

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Series A Convertible Participating Preferred Stock evidenced by a depositary receipt pursuant to a deposit agreement. The Company has 50,000,000 Preferred Stock shares authorized, 10,000,000 of which have currently been allocated and 7,245,872 have been issued under depositary agreement as Series A Convertible Participating Preferred Stock, leaving 40,000,000 unallocated Preferred Stock shares. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Class A common stock. Trading of the AMC Preferred Equity Units on the NYSE began on August 22, 2022 under the ticker symbol "APE". Due to the characteristics of the AMC Preferred Equity Units, the special dividend is similar to a stock split pursuant to ASC 505-20-25-4. Accordingly, all references made to share, per share, or common share amounts in the accompanying consolidated financial statements and applicable disclosures have been retroactively adjusted to reflect the effects of the special dividend as a stock split.

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. Diluted loss per share for the year ended December 31, 2020 also includes potential dilutive shares from the conversion feature of the Convertible Notes due 2026, if dilutive.

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

<b>(In millions)</b>	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
<b>Numerator:</b>			
Net loss for basic loss per share attributable to AMC Entertainment Holdings, Inc.	\$ (973.6)	\$ (1,269.1)	\$ (4,589.1)
Net loss for diluted loss per share attributable to AMC Entertainment Holdings, Inc.	\$ (973.6)	\$ (1,269.1)	\$ (4,589.1)
<b>Denominator (shares in thousands):</b>			
Weighted average shares for basic loss per common share	1,047,689	954,820	234,424
Weighted average shares for diluted loss per common share	1,047,689	954,820	234,424
Basic loss per common share:	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>
Diluted loss per common share:	<u>\$ (0.93)</u>	<u>\$ (1.33)</u>	<u>\$ (19.58)</u>

Vested RSUs, PSUs, and SPSUs have dividend rights identical to the Company's Common Stock and AMC Preferred Equity Units and are treated as outstanding shares for purposes of computing basic and diluted earnings per share. For the year ended December 31, 2022, December 31, 2021, and December 31, 2020, unvested RSUs of 2,523,364, 4,495,250, and 2,262,666, respectively, were not included in the computation of diluted earnings (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 0, 0 and 1,298,418 for the years ended December 31, 2022, December 31, 2021, and December 31, 2020, respectively, and unvested SPSUs of 1,156,656 at the minimum market condition for the year ended December 31, 2020, 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.

On January 29, 2021, the \$600.0 million principal amount of the Company's Convertible Notes due 2026 were converted into the Company's Common Stock at a conversion price of \$6.76 per share and resulted in the issuance of 44,422,860 shares and 44,422,860 AMC Preferred Equity Units. For the year ended December 31, 2020, the Company used the if-converted method for calculating any potential dilutive effect of the Convertible Notes that were issued on September 14, 2018. The Company has not adjusted net loss for the year ended December 31, 2020 to eliminate the interest expense of \$31.8 million and the loss for the derivative liability related to the Convertible Notes of \$89.4 million in the computation of diluted loss per share because the effects would be anti-dilutive. The Company has not included in diluted weighted average shares approximately 71.0 million shares issuable upon conversion for the year ended December 31, 2020 as the effects would be anti-dilutive.

#### NOTE 16-SUBSEQUENT EVENTS

**Equity Distribution Agreement.** As part of the Equity Distribution Agreement described in Note 9-Stockholders' Equity, the Company raised gross proceeds of approximately \$9.6 million through the date of this filing through its at-the-market offering of approximately 6.6 million shares of its AMC Preferred Equity Units and paid fees to the sales agent of approximately \$0.2 million. The Company is prohibited from selling more than \$140.0 million worth of AMC Preferred Equity units until the earlier of the special stockholders meeting described below or April 6, 2023. Antara is prohibited from purchasing more than 26 million AMC Preferred Equity Units until the earlier of the special stockholders meeting or April 6, 2023.

**Stock-Based Compensation.** On February 23, 2023, AMC's Board of Directors approved a modification to the 2022 PSU awards which lowered the Adjusted EBITDA and free cash flow performance targets such that 200% vesting was achieved for both tranches. This modification resulted in the immediate additional vesting of 2,389,589 Common Stock 2022 PSUs and 2,389,589 AMC Preferred Equity Unit 2022 PSUs. This was treated as a Type 3 modification

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(improbable-to-probable) which requires the Company to recognize additional stock compensation expense based on the modification date fair values of the Common Stock PSUs and AMC Preferred Equity Unit PSUs of \$6.23 and \$2.22, respectively. The Company will recognize \$20.2 million of additional stock compensation expense in its financial statements during the three months ended March 31, 2023. See Item 9B. Other Information of this form 10-K for further information.

**Additional Share Issuances Antara.** On February 7, 2023, the Company issued 197,621,297 AMC Preferred Equity Units to Antara in exchange for \$75.1 million in cash and \$100.0 million aggregate principal of the Company’s 10%/12% Cash/PIK Toggle Second Lien Notes due 2026. The cash proceeds of \$75.1 million and the carrying value of the notes of \$118.6 million were recorded in Total stockholders’ deficit. The Company paid \$1.4 million of accrued interest in cash upon exchange of the notes. On February 9, 2023, the Company and Antara agreed to a mutual waiver of the lock-up restrictions in the Forward Purchase Agreement restricting the sale, transfer, or other disposition of the AMC Preferred Equity Units. In accordance with the mutual waiver, the lock-up restrictions will not apply to (i) sales of AMC Preferred Equity Units by Antara in an amount not to exceed an aggregate of 26 million AMC Preferred Equity Units, and (ii) allow additional sales of AMC Preferred Equity Units by the Company in an amount not to exceed \$140 million. The Company also agreed that prior to March 31, 2023, it will not issue or exchange, without Antara’s prior written consent, any Common Stock in return for cancellation of the Company’s outstanding indebtedness.

**Senior Secured Credit Facility.** On January 25, 2023, the Company entered into the Twelfth Amendment, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant under its Credit Agreement from a period ending March 31, 2023 to a period ending on March 31, 2024.

**Derivative Stockholder Complaint.** On January 6, 2023, the Company received approximately \$14.0 million in settlement of the Lao Action as described in Note 11-Commitments and Contingencies. The Company expects to record the settlement as a credit to other income during the three months ended March 31, 2023.

**Saudi Cinema Company.** On December 30, 2022, the Company entered into an agreement to sell its 10.0% investment in Saudi Cinema Company, LLC for SAR 112.5 million (\$30.0) million, subject to certain closing conditions. On January 24, 2023, the Saudi Ministry of Commerce recorded the sale of equity and the Company received the proceeds on January 25, 2023. The Company expects to record a gain on the sale of approximately \$15.5 million in investment income during the three months ended March 31, 2023.

**Debt Repurchases.** The below table summarizes the cash debt repurchase transactions during January and February 2023, including related party transactions with Antara, which became a related party on February 7, 2023:

(In millions)	Aggregate Principal Repurchased	Reacquisition Cost	Gain on Extinguishment	Accrued Interest Paid
Related party transactions:				
Second Lien Notes due 2026	\$ 41.9	\$ 24.4	\$ 25.3	\$ 0.7
5.875% Senior Subordinated Notes due 2026	4.1	1.7	2.3	0.1
Total related party transactions	46.0	26.1	27.6	0.8
Non-related party transactions:				
Second Lien Notes due 2026	24.2	12.0	16.7	0.2
Total non-related party transactions	24.2	12.0	16.7	0.2
Total debt repurchases	\$ 70.2	\$ 38.1	\$ 44.3	\$ 1.0

**Special Meeting of Stockholders.** Subsequent to the fiscal year ended December 31, 2022, the Board called a special meeting of the Company’s stockholders for March 14, 2023 (the “Special Meeting”). At the Special Meeting, the Company’s stockholders will consider the following proposals:

1. Proposal No. 1: To approve an amendment to our Third Amended and Restated Certificate of Incorporation (our “Certificate of Incorporation”) to increase the total number of authorized shares of Common Stock from 524,173,073 shares of Common Stock to 550,000,000 shares of Common Stock (the “Share Increase Proposal”);
2. Proposal No. 2: To approve an amendment to our Certificate of Incorporation to effectuate a reverse stock split at a ratio of one share of Common Stock for every ten shares of Common Stock, which together with the Share



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Increase Proposal, shall permit the full conversion of all outstanding shares of Series A Preferred Stock into shares of Common Stock (the “Reverse Split Proposal” and collectively with the Authorized Share Increase Proposal, the “Charter Amendment Proposals”). See Note 11-Commitments and Contingencies for further information; and

3. Proposal No. 3: To approve one or more adjournments of the Special Meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to approve and adopt the Charter Amendment Proposals (the “Adjournment Proposal”).

Each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

If the Charter Amendment Proposals are approved, the number of our outstanding shares of Common Stock as of February 8, 2023, the record date for the Special Meeting, would decrease from 517,580,416 to approximately 51,758,042 shares of Common Stock. Further, 9,298,497 shares of Series A Preferred Stock (represented by 929,849,612 APEs), as of the record date, will convert into 92,984,970 shares of Common Stock and the Series A Preferred Stock (and APEs) will cease to exist. Ultimately, based upon the outstanding equity interests as of the record date, approval of the Charter Amendment Proposals will result in a total of approximately 144,743,012 shares of Common Stock outstanding out of 550,000,000 authorized shares. The amount of Preferred Stock authorized in the Certificate of Incorporation will be unaffected by the Charter Amendment Proposals.

For additional information on the Special Meeting and the proposals under consideration, see the Company’s definitive proxy statement on Schedule 14A filed on February 14, 2023.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

Not applicable

**Item 9A. 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 Annual Report on Form 10-K and have determined that such disclosure controls and procedures were effective.

(b) Management's annual report on internal control over financial reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) of the Exchange Act. With management's participation, an evaluation of the effectiveness of internal control over financial reporting was conducted as of December 31, 2022, based on the framework and criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2022. The effectiveness of our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report in Item 8 of Part II of this Annual Report on Form 10-K.

(c) Changes in internal control over financial reporting.

There were no changes in its internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) during the quarter ended December 31, 2022, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information.**

**Compensatory Arrangements of Certain Officers**

In order to recognize the ongoing extraordinary efforts of the Company's management team as the theatrical exhibition industry continues to lag its pre-pandemic performance, encourage continued engagement, and incentivize executives during continued difficult business conditions, on February 23, 2023, the Compensation Committee of the Company's Board of Directors (the "Committee"), in consultation with the Company's independent compensation consultant, approved immediately vested awards of the Company's Common Stock and AMC Preferred Equity Units under the 2013 Equity Incentive Plan ("EIP"), to certain officers, including the named executive officers ("NEOs") as described below:

NEO	Common Stock	AMC Preferred Equity Units
Adam Aron	933,213	933,213
Sean Goodman	196,400	196,400
Dan Ellis	84,572	84,572
Elizabeth Frank	104,039	104,039
Kevin Connor	81,217	81,217

As described in the Company's definitive proxy statement on Schedule 14A in connection with its 2022 Annual Meeting of Stockholders, filed on April 29, 2022, each year the Committee approves annual grants under the EIP, half of which are designated as performance stock units ("PSUs"). The PSUs are divided into three equal tranches with each tranche allocated to a fiscal year during the three-year period covered by the grant (each a "Tranche Year"). Each tranche

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is eligible to vest based upon attainment of certain financial performance goals during its applicable Tranche Year. The performance goals are established at the beginning of the applicable Tranche Year based upon the Company's financial plan, which in turn is highly dependent upon forecasts of overall industry box office. For the 2022 Tranche Year, primarily due to changes to studio movie release schedules which is outside the control of the Company, industry box office was significantly lower than the forecasts upon which the performance goals were predicated. As a result, PSUs allocated to the 2022 Tranche Year with Adjusted EBITDA performance goals vested at 0% and those with Free Cash Flow performance goals vested at only 79%. The awards reflected in the table were calculated based upon the difference between the vesting level of the PSUs allocated to the 2022 Tranche Year and the maximum vesting level of such PSUs, which the Committee believes would have been achieved had the performance goals been set based upon the ultimate industry box office level. Given the management team's continued focus on maximizing results despite industry factors outside its control, the Committee felt that the awards were justified and consistent with the goals of the Company's executive compensation programs, namely to attract, retain, motivate and reward talented executives.

As a result of the awards to the NEOs and other officers, in the first quarter of 2023 the Company estimates it will issue approximately 1.3 million shares of Common Stock and 1.3 million AMC Preferred Equity Units each net of tax withholding, incur approximately \$20.2 of stock compensation expense, and make estimated cash payments of approximately \$9.1 million to cover tax withholding.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable

### **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance.**

For information with respect to the executive officers of the Company, see “Information about our Executive Officers” included as a separate item at the end of Part I, Item 1 of this Report.

All other information called for by this item is hereby incorporated herein by reference to the relevant information under the headings “Proposal 2 - Election of Directors”, “Delinquent Section 16(A) Reports”, and “Corporate Governance” in our definitive proxy statement on Schedule 14A in connection with our 2023 Annual Meeting of Stockholders, to be filed within 120 days after December 31, 2022 (the “Annual Meeting Proxy Statement”).

#### **Item 11. Executive Compensation.**

The information called for by this item is set forth under the headings “Executive Compensation”, “Compensation Committee Report on Executive Compensation”, “Compensation Committee Interlocks and Insider Participation”, “Compensation Policies and Practices as They Relate to Risk Management”, “Director Compensation” and “Compensation Discussion and Analysis” in the Company’s 2023 Proxy Statement to be filed with the SEC within 120 days after December 31, 2022 and is incorporated herein by reference.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information called for by this item is set forth under the headings “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” and “Equity Compensation Plan Information” in the Company’s 2023 Proxy Statement to be filed with the SEC within 120 days after December 31, 2022 and is incorporated herein by reference.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information called for by this item is set forth under the headings “Certain Relationships and Related Transactions” and “Director Independence” in the Company’s 2023 Proxy Statement to be filed with the SEC within 120 days after December 31, 2022 and is incorporated herein by reference.

#### **Item 14. Principal Accountant Fees and Services.**

The information called for by this item is set forth under the headings “Principal Accountant Fees and Services” and “Audit Committee Pre-Approval Policy” in the Company’s 2023 Proxy Statement to be filed with the SEC within 120 days after December 31, 2022 and is incorporated herein by reference.

**Part IV**

**Item 15. Exhibits and Financial Statement Schedules.**

(a)(1) The following financial statements are included in Part II, Item 8.

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firm (PCAOB ID 42)</a>	82
<a href="#">Consolidated Statements of Operations-Years ended December 31, 2022, December 31, 2021, and December 31, 2020</a>	85
<a href="#">Consolidated Statements of Comprehensive Loss-Years ended December 31, 2022, December 31, 2021, and December 31, 2020</a>	86
<a href="#">Consolidated Balance Sheets-December 31, 2022 and December 31, 2021</a>	87
<a href="#">Consolidated Statements of Cash Flows-Years ended December 31, 2022, December 31, 2021, and December 31, 2020</a>	88
<a href="#">Consolidated Statements of Stockholders' Equity (Deficit)-Years ended December 31, 2022, December 31, 2021, and December 31, 2020</a>	90
<a href="#">Notes to Consolidated Financial Statements-Years ended December 31, 2022, December 31, 2021, and December 31, 2020</a>	91

(a)(2) Financial Statement Schedules-All schedules have been omitted because the necessary information is included in the Notes to the Consolidated Financial Statements.

(b) Exhibits

The Company has attached or incorporated by reference herein certain exhibits as specified below.

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">1.1</a>	<a href="#">Equity Distribution Agreement, dated as of September 26, 2022 by and between AMC Entertainment Holdings, Inc. and Citigroup Global Markets Inc. (incorporated by reference from Exhibit 1.1. to AMC's Current Report on Form 8-K (File No. 1-33892) filed on September 26, 2022).</a>
<a href="#">3.1</a>	<a href="#">Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on December 23, 2013).</a>
<a href="#">3.1(a)</a>	<a href="#">Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc., dated as of July 29, 2020 (incorporated by reference from Exhibit 3.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">3.1(b)</a>	<a href="#">Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc. dated as of January 25, 2021 (incorporated by reference from Exhibit 3.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on January 25, 2021).</a>
<a href="#">3.1(c)</a>	<a href="#">Certificate of Retirement of 24,057,143 Shares of Class B Common Stock of AMC Entertainment Holdings, Inc., dated as of November 1, 2018 (incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 8, 2018).</a>
<a href="#">3.1(d)</a>	<a href="#">Certificate of Retirement of 51,769,784 Shares of Class B Common Stock of AMC Entertainment Holdings, Inc., dated as of February 24, 2021 (incorporated by reference from Exhibit 4.32 to AMC's Annual Report on Form 10-K (File No. 1-33892) filed on March 12, 2021).</a>
<a href="#">3.2</a>	<a href="#">Third Amended and Restated Bylaws of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 22, 2013, as amended).</a>
<a href="#">3.2(a)</a>	<a href="#">Amendment to the Third Amended and Restated Bylaws of AMC Entertainment Holdings, Inc., effective as of July 29, 2020 (incorporated by reference from Exhibit 3.2 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">3.2(b)</a>	<a href="#">Second Amendment to the Third Amended and Restated Bylaws of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.2 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on January 25, 2021).</a>
<a href="#">3.2(c)</a>	<a href="#">Third Amendment to the Third Amended and Restated Bylaws of AMC Entertainment Holdings, Inc. effective as of May 4, 2021 (incorporated by reference from Exhibit 3.1(d) to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 6, 2021).</a>
<a href="#">3.3</a>	<a href="#">Certificate of Designations for the Series A Convertible Participating Preferred Stock (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on August 4, 2022).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">3.4</a>	<a href="#">Deposit Agreement among AMC Entertainment Holdings, Inc., Computershare Inc. and Computer Share Trust Company, N.A., dated as of August 4, 2022 (Previously filed as an exhibit to our Current Report on Form 8-K filed on August 4, 2022).</a>
<a href="#">3.5</a>	<a href="#">Form of Depository Receipt (incorporated by reference from Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 8, 2022).</a>
<a href="#">4.1(a)</a>	<a href="#">Credit Agreement, dated April 30, 2013, by and among AMC Entertainment Inc., the lenders and the issuers party thereto, Citicorp North America, Inc., as agent, and the other agents and arrangers party thereto (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).</a>
<a href="#">4.1(b)</a>	<a href="#">Guaranty, dated as of April 30, 2013, by AMC Entertainment Inc. and each of the other Guarantors party thereto in favor of the Guaranteed Parties named therein (incorporated by reference from Exhibit 10.2 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).</a>
<a href="#">4.1(c)</a>	<a href="#">Pledge and Security Agreement, dated as of April 30, 2013, by AMC Entertainment Inc. and each of the other Grantors party thereto in favor of Citicorp North America, Inc., as agent for the Secured Parties (incorporated by reference from Exhibit 10.3 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).</a>
<a href="#">4.1(d)</a>	<a href="#">First Amendment to Credit Agreement, dated as of December 11, 2015, by and among AMC Entertainment Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 4.1(d) to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2016).</a>
<a href="#">4.1(e)</a>	<a href="#">Second Amendment to Credit Agreement, dated as of November 8, 2016, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent. (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on November 8, 2016).</a>
<a href="#">4.1(f)</a>	<a href="#">Third Amendment to Credit Agreement, dated as of May 9, 2017, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on May 11, 2017).</a>
<a href="#">4.1(g)</a>	<a href="#">Fourth Amendment to Credit Agreement, dated as of June 13, 2017, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on June 13, 2017).</a>
<a href="#">4.1(h)</a>	<a href="#">Fifth Amendment to Credit Agreement, dated as of August 14, 2018, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on August 7, 2018).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">4.1(i)</a>	<a href="#">Sixth Amendment to Credit Agreement, dated as of April 22, 2019, by and among AMC Entertainment Holdings, Inc., as borrower, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on April 25, 2019).</a>
<a href="#">4.1(j)</a>	<a href="#">Seventh Amendment to Credit Agreement, dated as of April 23, 2020, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on April 24, 2020).</a>
<a href="#">4.1(k)</a>	<a href="#">Eighth Amendment to the Credit Agreement, dated as of July 31, 2020, by and among AMC Entertainment Holdings, Inc., as borrower, and Citigroup North America, Inc. as administrative agent (incorporated by reference from Exhibit 10.3 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.1(l)</a>	<a href="#">Ninth Amendment to the Credit Agreement, dated as of March 8, 2021, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Wilmington Savings Fund Society, FSB, as administrative agent (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on March 9, 2021).</a>
<a href="#">4.1(m)</a>	<a href="#">Tenth Amendment to Credit Agreement, dated as of March 8, 2021, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto and the lenders party thereto (incorporated by reference from Exhibit 10.2 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on March 9, 2021).</a>
<a href="#">4.1(n)</a>	<a href="#">Eleventh Amendment to Credit Agreement, dated as of December 20, 2021, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Wilmington Savings Fund Society, FSB, as administrative agent (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on December 21, 2021).</a>
<a href="#">4.1(o)</a>	<a href="#">Twelfth Amendment to Credit Agreement, dated as of January 25, 2023, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Wilmington Savings Fund Society, FSB, as administrative agent (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on January 25, 2023).</a>
<a href="#">4.2</a>	<a href="#">Indenture, dated as of June 5, 2015, respecting AMC Entertainment Inc.'s 5.75% Senior Subordinated Notes due 2025, among AMC Entertainment Inc., the Guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on June 5, 2015).</a>
<a href="#">4.2(a)</a>	<a href="#">Second Supplemental Indenture, dated as of March 31, 2016, with respect to \$600 million aggregate principal amount of 5.75% Senior Subordinated Notes due 2025, by and between AMC Entertainment Holdings, Inc., AMC Entertainment Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on March 31, 2016).</a>



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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">4.2(b)</a>	<a href="#">Fourth Supplemental Indenture respecting AMC Entertainment Holdings, Inc.'s 5.75% Senior Subordinated Notes due 2025, by and among AMC Entertainment Holdings, Inc. and U.S. Bank National Association, as trustee, dated as of July 27, 2020 (incorporated by reference from Exhibit 4.9 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.3</a>	<a href="#">Indenture, dated as of November 8, 2016, respecting AMC Entertainment Holdings, Inc.'s 5.875% Senior Subordinated Notes due 2026 and 6.375% Senior Subordinated Notes due 2024, among AMC Entertainment Holdings, Inc., the guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on November 8, 2016).</a>
<a href="#">4.3(a)</a>	<a href="#">Second Supplemental Indenture respecting AMC Entertainment Holdings, Inc.'s 5.875% Senior Subordinated Notes due 2026 and 6.375% Senior Subordinated Notes due 2024, by and among AMC Entertainment Holdings, Inc. and U.S. Bank National Association, as trustee, dated as of July 27, 2020 (incorporated by reference from Exhibit 4.11 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.4</a>	<a href="#">Indenture, dated as of March 17, 2017, respecting AMC Entertainment Holdings, Inc.'s 6.125% Senior Subordinated Notes due 2027, among AMC Entertainment Holdings, Inc., the guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on March 17, 2017).</a>
<a href="#">4.4(a)</a>	<a href="#">Second Supplemental Indenture respecting AMC Entertainment Holdings, Inc.'s 6.125% Senior Subordinated Notes due 2027, by and among AMC Entertainment Holdings, Inc. and U.S. Bank National Association, as trustee, dated as of July 27, 2020 (incorporated by reference from Exhibit 4.10 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">*4.5</a>	<a href="#">Description of the registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.</a>
<a href="#">4.6</a>	<a href="#">Indenture respecting AMC Entertainment Holdings, Inc.'s 10%/12% Cash/PIK Toggle Second Lien Subordinated Secured Notes due 2026 by and among AMC Entertainment Holdings, Inc., the guarantors party thereto and GLAS Trust Company LLC, as trustee and collateral agent, dated as of July 31, 2020 (incorporated by reference from Exhibit 4.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.6(a)</a>	<a href="#">Form of 10%/12% Cash/PIK Toggle Second Lien Subordinated Secured Notes due 2026 (incorporated by reference from Exhibit 4.2 (and is included in Exhibit 4.1) to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.7</a>	<a href="#">First Lien/Second Lien Intercreditor Agreement, by and among AMC Entertainment Holdings, Inc., the guarantors party thereto and the Collateral Agents, dated as of July 31, 2020 (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed to July 31, 2020).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">4.8</a>	<a href="#">Joinder No. 1 to First Lien Intercreditor Agreement, by and among AMC Entertainment Holdings, Inc., the guarantors party thereto, the First Lien Credit Facilities Collateral Agent, the Additional Silver Lake First Lien Notes Collateral Agent, the New First Lien Notes Collateral Agent and the Convertible First Lien Notes Collateral Agent, dated as of July 31, 2020 (incorporated by reference from Exhibit 10.2 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">4.9</a>	<a href="#">Term Loan Facility Agreement, dated as of February 15, 2021, by and among Odeon Cinemas Group Limited, the subsidiaries of Odeon Cinemas Group Limited party thereto, the lenders and other loan parties thereto and Lucid Agency Services Limited, as agent and security agent (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on February 17, 2021).</a>
<a href="#">4.10</a>	<a href="#">Indenture, dated as of February 14, 2022, among AMC Entertainment Holdings, Inc., the guarantors 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 the Company's Current Report on Form 8-K (File No. 1-33892) filed on February 14, 2022).</a>
<a href="#">4.11</a>	<a href="#">Indenture, dated as of October 20, 2022, among Odeon Finco PLC, the guarantors named therein and U.S. Bank Trust Company, National Association, as trustee and security agent (including the form of the 12.75% Senior Secured Note due 2027) (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on October 20, 2022).</a>
<a href="#">4.12</a>	<a href="#">Guarantee Agreement, dated as of October 20, 2022, among AMC Entertainment Holdings, Inc. and U.S. Bank Trust Company, National Association (incorporated by reference from Exhibit 4.2 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on October, 20, 2022).</a>
<a href="#">***10.1</a>	<a href="#">Defined Benefit Retirement Income Plan for Certain Employees of American Multi-Cinema, Inc., as Amended and Restated, effective December 31, 2006, and as Frozen, effective December 31, 2006 (incorporated by reference from Exhibit 10.15(a) to AMC's Annual Report on Form 10-K (File No. 1-8747) filed June 18, 2007).</a>
<a href="#">***10.2</a>	<a href="#">American Multi-Cinema, Inc. Supplemental Executive Retirement Plan, as Amended and Restated, generally effective January 1, 2006, and as Frozen, effective December 31, 2006 (incorporated by reference from Exhibit 10.15(b) to AMC's Annual Report on Form 10-K (File No. 1-8747) filed June 18, 2007).</a>
<a href="#">***10.3</a>	<a href="#">Employment Agreement between AMC Entertainment Inc., American Multi-Cinema, Inc. and John D. McDonald which commenced July 1, 2001 (incorporated by reference from Exhibit 10.29 to Amendment No. 1 to the AMC's Annual Report on Form 10-K (File No. 1-8747) filed on July 27, 2001).</a>
<a href="#">10.4</a>	<a href="#">Amended and Restated Exhibitor Services Agreement dated as of February 13, 2007 and Amended and Restated as of December 26, 2013, by and between National CineMedia, LLC and American Multi-Cinema, Inc. (Portions omitted pursuant to request for confidential treatment and filed separately with the Commission.) (incorporated by reference from Exhibit 10.2.4 to National CineMedia, Inc.'s Annual Report on Form 10-K (File No. 1-33296) filed February 21, 2014).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">***10.5</a>	<a href="#">Employment Agreement, dated as of November 6, 2002, by and among Kevin M. Connor, AMC Entertainment Inc. and American Multi-Cinema, Inc. (incorporated by reference from Exhibit 10.49 to AMC's Annual Report on Form 10-K (File No. 1-8747) filed on June 18, 2007).</a>
<a href="#">***10.6</a>	<a href="#">Employment Agreement, dated as of August 18, 2010, by and between Elizabeth Frank and AMC Entertainment Inc. (incorporated by reference from Exhibit 10.65 to AMC's Form 10-KT (File No. 1-8747) filed on March 13, 2013).</a>
<a href="#">***10.6(a)</a>	<a href="#">First Amendment dated October 19, 2017, to the Employment Agreement between AMC Entertainment Holdings, Inc. as successor in interest to AMC Entertainment, Inc. and Elizabeth Frank and amends the Employment Agreement between Company and Executive which commenced August 18, 2010 (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2017).</a>
<a href="#">10.7</a>	<a href="#">Form of Indemnification Agreement by and between AMC Entertainment Holdings, Inc. and its Directors and Executive Officers (incorporated by reference from Exhibit 10.26 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 22, 2013, as amended).</a>
<a href="#">***10.8</a>	<a href="#">Employment Agreement, dated as of December 14, 2015, by and among AMC Entertainment Holdings, Inc. and Adam M. Aron (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on December 15, 2015).</a>
<a href="#">***10.9</a>	<a href="#">AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 7, 2014).</a>
<a href="#">***10.9(a)</a>	<a href="#">AMC Entertainment Holdings, Inc. Clarifying Amendment to 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.27(a) to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2015).</a>
<a href="#">***10.9(b)</a>	<a href="#">Second Amendment to AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, approved as of July 29, 2020 (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</a>
<a href="#">***10.9(c)</a>	<a href="#">Third Amendment to the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, approved as of October 30, 2020 (incorporated by reference from Exhibit 10.10 to AMC's Current Report on Form 10-Q (File No. 1-33892) filed on November 4, 2020).</a>
<a href="#">***10.9(d)</a>	<a href="#">Fourth Amendment to the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, effective as of August 15, 2022 (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on August 4, 2022).</a>
<a href="#">***10.9(e)</a>	<a href="#">Form of Stock Award Agreement (incorporated by reference from Exhibit 10.29 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 27, 2013, as amended).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">***10.9(f)</a>	<a href="#">Form of Director Stock Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.3 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on June 9, 2020).</a>
<a href="#">***10.9(g)</a>	<a href="#">Form of Restricted and/or Performance Stock Unit Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.4 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on June 9, 2020).</a>
<a href="#">***10.9(h)</a>	<a href="#">Form of First Modification to the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan Special Performance Stock Unit Award Notice &amp; Agreement Dated February 26, 2020, First Modification Effective October 30, 2020 (incorporated by reference from Exhibit 10.11 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 4, 2020).</a>
<a href="#">***10.10</a>	<a href="#">Restated American Multi-Cinema, Inc. Non-Qualified Deferred Compensation Plan dated September 29, 2016, by American Multi-Cinema, Inc. effective January 1, 2016. (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2016).</a>
<a href="#">***10.10(a)</a>	<a href="#">Amendment No. 1 to the American Multi-Cinema, Inc. Non-Qualified Deferred Compensation Plan effective May 1, 2018 (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on August 7, 2018).</a>
<a href="#">10.10(b)</a>	<a href="#">Termination Amendment to the American Multi-Cinema, Inc. Non-Qualified Deferred Compensation Plan, effective May 3, 2021 (incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 6, 2021).</a>
<a href="#">***10.11</a>	<a href="#">Employment Agreement between AMC Entertainment Holdings, Inc. and Sean D. Goodman executed on October 6, 2020 (incorporated by reference from Exhibit 10.9 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 4, 2020).</a>
<a href="#">***10.11(a)</a>	<a href="#">Amendment executed March 19, 2021, to the Employment Agreement between AMC Entertainment Holdings, Inc. and Sean D. Goodman executed on October 6, 2020 (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on March 19, 2021).</a>
<a href="#">10.12</a>	<a href="#">AMC Entertainment Holdings, Inc. Annual Incentive Compensation Program Continuing Structure, as amended and restated by the Compensation Committee February 23, 2021 (incorporated by reference from Exhibit 10.34 to AMC's Annual Report on Form 10-K (File No. 1-33892) filed on March 12, 2021).</a>
<a href="#">***10.13</a>	<a href="#">AMC Entertainment Holdings, Inc. Non-Employee Director Compensation Program - Amended and Restated July 29, 2021 (incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on August 9, 2021).</a>
<a href="#">10.14</a>	<a href="#">AMC Entertainment Holdings, Inc. Annual Incentive Compensation Program Continuing Structure, as amended and restated by the Compensation Committee February 16, 2022 (incorporated by reference from Exhibit 10.15 to AMC's Annual Report on Form 10-K (File No. 1-33892) filed on March 1, 2022).</a>

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<b>Exhibit Number</b>	<b>Description</b>
<a href="#">***10.15</a>	<a href="#">Employment Agreement, dated as of December 20, 2016, by and between Daniel E. Ellis and AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 10.1 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 9, 2022).</a>
<a href="#">***10.16</a>	<a href="#">Employment Agreement, dated as of March 7, 2022, by and between Eliot Hamlisch and AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 10.2 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 9, 2022).</a>
<a href="#">***10.17</a>	<a href="#">AMC Entertainment Holding's, Inc. Non-Employee Director Compensation Plan - Amended and Restated October 27, 2022, Effective January 1, 2023 (incorporated by reference from Exhibit 10.3 to AMC's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 8, 2022).</a>
<a href="#">10.18</a>	<a href="#">Forward Purchase Agreement, dated as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. and Antara Capital LP (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on December 22, 2022).</a>
<a href="#">*21</a>	<a href="#">Subsidiaries of AMC Entertainment Holdings, Inc.</a>
<a href="#">*23.1</a>	<a href="#">Consent of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm.</a>
<a href="#">*31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</a>
<a href="#">*31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</a>
<a href="#">*32.1</a>	<a href="#">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.</a>
<a href="#">**101.INS</a>	Inline XBRL Instance Document
<a href="#">**101.SCH</a>	Inline XBRL Taxonomy Extension Schema Document
<a href="#">**101.CAL</a>	Inline XBRL Taxonomy Extension Calculation Linkbase Document
<a href="#">**101.DEF</a>	Inline XBRL Taxonomy Extension Definition Linkbase Document
<a href="#">**101.LAB</a>	Inline XBRL Taxonomy Extension Label Linkbase Document
<a href="#">**101.PRE</a>	Inline XBRL Taxonomy Extension Presentation Linkbase Document
<a href="#">**104</a>	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Submitted electronically with this Report.

\*\*\* Management contract, compensatory plan or arrangement.

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**Item 16. Form 10-K Summary.**

None



# **EXHIBIT D**



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

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**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 June 30, 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**  
(State or other jurisdiction of  
incorporation or organization)  
**One AMC Way**  
**11500 Ash Street, Leawood, KS**  
(Address of principal executive offices)

**26-0303916**  
(I.R.S. Employer  
Identification No.)  
**66211**  
(Zip Code)

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

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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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
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.

<u>Title of each class of common stock</u>	<u>Number of shares outstanding as of August 4, 2022</u>
Class A common stock	516,820,595

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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**

(In millions, except share and per share amounts)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(unaudited)		(unaudited)	
<b>Revenues</b>				
Admissions	\$ 651.0	\$ 233.0	\$ 1,094.8	\$ 302.5
Food and beverage	396.7	161.5	649.2	211.6
Other theatre	118.7	50.2	208.1	78.9
Total revenues	1,166.4	444.7	1,952.1	593.0
<b>Operating costs and expenses</b>				
Film exhibition costs	328.7	98.9	518.5	120.9
Food and beverage costs	64.6	26.3	107.2	36.0
Operating expense, excluding depreciation and amortization below	402.2	246.2	747.0	425.9
Rent	222.4	205.5	445.6	397.6
<b>General and administrative:</b>				
Merger, acquisition and other costs	(0.3)	4.3	0.1	11.0
Other, excluding depreciation and amortization below	67.5	54.4	120.6	106.2
Depreciation and amortization	97.4	105.7	196.1	219.8
Operating costs and expenses	1,182.5	741.3	2,135.1	1,317.4
Operating loss	(16.1)	(296.6)	(183.0)	(724.4)
<b>Other expense, net:</b>				
Other expense (income)	(43.7)	(42.7)	92.6	(60.1)
<b>Interest expense:</b>				
Corporate borrowings	79.5	88.1	161.5	239.6
Finance lease obligations	1.0	1.4	2.2	2.8
Non-cash NCM exhibitor services agreement	9.8	9.4	19.0	19.3
Equity in loss of non-consolidated entities	1.0	2.7	6.1	5.5
Investment expense (income)	57.3	(6.3)	(6.1)	(8.3)
Total other expense, net	104.9	52.6	275.3	198.8
Net loss before income taxes	(121.0)	(349.2)	(458.3)	(923.2)
Income tax provision (benefit)	0.6	(5.2)	0.7	(12.0)
Net loss	(121.6)	(344.0)	(459.0)	(911.2)
Less: Net loss attributable to noncontrolling interests	-	(0.4)	-	(0.7)
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (121.6)	\$ (343.6)	\$ (459.0)	\$ (910.5)
<b>Net loss per share attributable to AMC Entertainment Holdings, Inc.'s common stockholders:</b>				
Basic	\$ (0.24)	\$ (0.71)	\$ (0.89)	\$ (2.07)
Diluted	\$ (0.24)	\$ (0.71)	\$ (0.89)	\$ (2.07)
<b>Average shares outstanding:</b>				
Basic (in thousands)	516,821	480,731	516,368	440,644
Diluted (in thousands)	516,821	480,731	516,368	440,644

See Notes to Condensed Consolidated Financial Statements.

## AMC ENTERTAINMENT HOLDINGS, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(unaudited)		(unaudited)	
Net loss	\$ (121.6)	\$ (344.0)	\$ (459.0)	\$ (911.2)
Other comprehensive income (loss):				
Unrealized foreign currency translation adjustments	(46.3)	21.1	(52.3)	(33.6)
Realized loss on foreign currency transactions reclassified into investment expense (income), net of tax	-	(0.9)	-	(0.9)
Pension adjustments:				
Net gain arising during the period	-	0.3	0.2	3.8
Other comprehensive income (loss):	(46.3)	20.5	(52.1)	(30.7)
Total comprehensive loss	(167.9)	(323.5)	(511.1)	(941.9)
Comprehensive loss attributable to noncontrolling interests	-	(0.4)	-	(0.9)
Comprehensive loss attributable to AMC Entertainment Holdings, Inc.	<u>\$ (167.9)</u>	<u>\$ (323.1)</u>	<u>\$ (511.1)</u>	<u>\$ (941.0)</u>

See Notes to Condensed Consolidated Financial Statements.

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

(In millions, except share data)	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 965.2	\$ 1,592.5
Restricted cash	22.7	27.8
Receivables, net	120.7	168.5
Other current assets	102.8	81.5
Total current assets	1,211.4	1,870.3
Property, net	1,815.3	1,962.5
Operating lease right-of-use assets, net	4,027.9	4,155.9
Intangible assets, net	148.1	153.4
Goodwill	2,354.6	2,429.8
Deferred tax asset, net	0.4	0.6
Other long-term assets	260.6	249.0
Total assets	\$ 9,818.3	\$ 10,821.5
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 308.9	\$ 377.1
Accrued expenses and other liabilities	325.9	367.5
Deferred revenues and income	373.1	408.6
Current maturities of corporate borrowings	20.0	20.0
Current maturities of finance lease liabilities	6.6	9.5
Current maturities of operating lease liabilities	582.2	605.2
Total current liabilities	1,616.7	1,787.9
Corporate borrowings	5,358.2	5,408.0
Finance lease liabilities	55.3	63.2
Operating lease liabilities	4,433.7	4,645.2
Exhibitor services agreement	515.8	510.4
Deferred tax liability, net	31.2	31.3
Other long-term liabilities	134.2	165.0
Total liabilities	12,145.1	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 June 30, 2022; 513,979,100 shares issued and outstanding as of December 31, 2021)	5.2	5.1
Additional paid-in capital	4,831.2	4,857.5
Accumulated other comprehensive loss	(80.2)	(28.1)
Accumulated deficit	(7,083.0)	(6,624.0)
Total stockholders' deficit	(2,326.8)	(1,789.5)
Total liabilities and stockholders' deficit	\$ 9,818.3	\$ 10,821.5

See Notes to Condensed Consolidated Financial Statements.

**AMC ENTERTAINMENT HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)	Six Months Ended	
	June 30, 2022	June 30, 2021
<b>Cash flows from operating activities:</b>	<b>(unaudited)</b>	
Net loss	\$ (459.0)	\$ (911.2)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	196.1	219.8
Deferred income taxes	0.3	(12.3)
Loss on extinguishment of debt	96.4	-
Unrealized gain on investments in Hycroft	(16.1)	-
Unrealized loss (gain) on investments in NCM	9.5	(1.2)
Amortization of net discount (premium) on corporate borrowings to interest expense	(32.0)	24.5
Amortization of deferred financing costs to interest expense	6.8	15.5
PIK interest expense	-	107.1
Non-cash portion of stock-based compensation	25.9	13.8
Gain on disposition of assets	(0.4)	-
Gain on disposition of Baltics	-	(5.5)
Equity in loss from non-consolidated entities, net of distributions	6.7	5.5
Landlord contributions	5.2	11.1
Other non-cash rent benefit	(14.0)	(19.2)
Deferred rent	(90.7)	(29.9)
Net periodic benefit income	(0.2)	(0.4)
Change in assets and liabilities:		
Receivables	46.4	6.3
Other assets	(26.3)	(11.0)
Accounts payable	(58.4)	(67.9)
Accrued expenses and other liabilities	(82.7)	116.8
Other, net	14.9	(8.5)
Net cash used in operating activities	(371.6)	(546.7)
<b>Cash flows from investing activities:</b>		
Capital expenditures	(75.2)	(29.8)
Proceeds from disposition of Baltics, net of cash and transaction costs	-	35.2
Acquisition of theatre assets	(17.8)	-
Proceeds from disposition of long-term assets	7.2	1.4
Proceeds from sale of securities	11.4	-
Investments in non-consolidated entities, net	(27.9)	(9.3)
Other, net	(0.6)	-
Net cash used in investing activities	(102.9)	(2.5)
<b>Cash flows from financing activities:</b>		
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)	-
Repurchase of Second Lien Notes due 2026	(50.0)	-
Repayments under revolving credit facilities	-	(335.0)
Scheduled principal payments under Term Loan due 2026	(10.0)	(10.0)
Net proceeds from Class A common stock issuance	-	1,570.8
Net proceeds from Class A common stock issuance to Mudrick	-	230.4
Payments related to sale of noncontrolling interest	-	(0.4)

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Principal payments under finance lease obligations	(5.4)	(3.9)
Cash used to pay for deferred financing costs	(19.5)	(19.3)
Cash used to pay dividends	(0.7)	-
Taxes paid for restricted unit withholdings	(52.2)	-
Net cash provided by (used in) financing activities	(136.0)	2,066.9
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(21.9)	0.5
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>(632.4)</b>	<b>1,518.2</b>
<b>Cash and cash equivalents and restricted cash at beginning of period</b>	<b>1,620.3</b>	<b>321.4</b>
<b>Cash and cash equivalents and restricted cash at end of period</b>	<b>\$ 987.9</b>	<b>\$ 1,839.6</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
<b>Cash paid during the period for:</b>		
Interest (including amounts capitalized of \$0.1 million and \$0.5 million, respectively)	\$ 178.7	\$ 98.7
Income taxes paid (received), net	\$ 1.4	\$ (6.1)
<b>Schedule of non-cash activities:</b>		
Investment in NCM	\$ 15.1	\$ -
Construction payables at period end	\$ 30.9	\$ 15.0

See Notes to Condensed Consolidated Financial Statements.

AMC ENTERTAINMENT HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 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 \$

1,359.1 million for the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in total consolidated revenues was primarily due to the reduced impact of the COVID-19 pandemic on the current year which resulted in increased operating capacity and increased availability of films with broad consumer appeal. As of January 1, 2021 the Company operated at 394 domestic theatres, with limited seating capacities, representing approximately 67% of its domestic theatres. 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 June 30, 2021, the Company operated at 593 domestic theatres, representing approximately 100% of its domestic theatres with remaining seating capacity restrictions winding down throughout the quarter. As of January 1, 2021, the Company operated at 109 International leased and partnership theatres, with limited seating capacities, representing approximately 30% of our International theatres. As of March 31, 2021, the Company operated at 97 international theatres, with limited seating capacities, representing approximately 27% of its international theatres. As of June 30, 2021, the Company operated at 335 international theatres, with limited seating capacities, representing approximately 95% of its international theatres. Our average consolidated screens operated during the three months ended June 30, 2021 increased by 8,830 screens to 8,890 screens. During the six months ended June 30, 2022, the Company operated essentially 100% of its U.S. and International theatres. As of June 30, 2022 there are no restrictions on operations in any of the U.S. or International theatres.

**Liquidity.** As of June 30, 2022, the Company has cash and cash equivalents of approximately \$

965.2 million. 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 and repurchasing debt at 69% of par value. See Note 6-Corporate Borrowings and Finance Lease Obligations for further information.



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The table below summarizes net increase (decrease) in cash and cash equivalents and restricted cash by quarter for the year ended December 31, 2021:

(In millions)	Three Months Ended				Year Ended
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2021
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	\$ (312.9)	\$ (233.8)	\$ (113.9)	\$ 46.5	\$ (614.1)
<b>Cash flows from investing activities:</b>					
Net cash provided by (used in) investing activities	(16.0)	13.5	(28.8)	(36.9)	(68.2)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	854.7	1,212.2	(48.3)	(27.9)	1,990.7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.1)	5.6	(8.4)	(1.6)	(9.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	520.7	997.5	(199.4)	(19.9)	1,298.9
Cash and cash equivalents and restricted cash at beginning of period	321.4	842.1	1,839.6	1,640.2	321.4
Cash and cash equivalents and restricted cash at end of period	<u>\$ 842.1</u>	<u>\$ 1,839.6</u>	<u>\$ 1,640.2</u>	<u>\$ 1,620.3</u>	<u>\$ 1,620.3</u>

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 table below summarizes net decrease in cash equivalents and restricted cash by quarter for the six months ended June 30, 2022:

(In millions)	Three Months Ended		Six Months Ended
	March 31, 2022	June 30, 2022	June 30, 2022
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	\$ (295.0)	\$ (76.6)	\$ (371.6)
<b>Cash flows from investing activities:</b>			
Net cash used in investing activities	(54.9)	(48.0)	(102.9)
<b>Cash flows from financing activities:</b>			
Net cash used in financing activities	(76.3)	(59.7)	(136.0)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.5)	(16.4)	(21.9)
Net decrease in cash and cash equivalents and restricted cash	(431.7)	(200.7)	(632.4)
Cash and cash equivalents and restricted cash at beginning of period	1,620.3	1,188.6	1,620.3
Cash and cash equivalents and restricted cash at end of period	<u>\$ 1,188.6</u>	<u>\$ 987.9</u>	<u>\$ 987.9</u>

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

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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's net cash used in operating activities improved by \$218.4 million during the three months ended June 30, 2022 compared to the three months ended March 31, 2022 from \$(295.0) million to \$(76.6) million. The improvement in net cash used in operating activities from the three months ended March 31, 2022 to the three months ended June 30, 2022 was primarily attributable to an increase in attendance and decrease in net loss and decreases in seasonal working capital uses as we will pay for the strong second quarter 2022 results in early third 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 \$218.9 million of rentals that were deferred during the COVID-19 pandemic.

The Company's net cash used in investing activities 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.
- \$40.4 million of capital expenditures, \$17.8 million for the acquisition of theatres, partially offset by proceeds of \$11.4 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan during the three months ended June 30, 2022.

The Company's net cash used in financing activities included:

- \$955.7 million of principal and premium payments of, \$52.2 million of taxes paid for restricted unit withholdings, and \$17.7 million of cash used to pay for deferred financing costs, partially offset by proceeds from the Company's debt issuance of \$950.0 million, during the three months ended March 31, 2022.
- \$57.9 million of principal and premium payments, \$1.8 million of cash used to pay for deferred financing costs during the three months ended June 30, 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 to repay rent amounts that were deferred during the COVID-19 pandemic 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 that box office revenues will need to increase significantly compared to 2021 and the combined first and second quarter of 2022 to levels in line with pre COVID-19 box office revenues. 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 recent attendance levels are positive signs of continued demand for the moviegoing experience. For the six months ended June 30, 2022 attendance was 98.2 million patrons, a 69.3 million patron increase from the approximately 28.9 million patrons for the six months ended June 30, 2021. 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 potential resurgence of COVID-19 related restrictions, potential movie-goer reluctance to attend theatres due to concerns about COVID-19 variant strains, movie studios release schedules, the production and theatrical release of fewer films compared to levels before the onset of the COVID-19 pandemic, 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 \$139.5 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 \$39.5 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

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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 11.25% Odeon Term Loan due 2023 matures on August 19, 2023 during the third fiscal quarter of the Company's next calendar year. The Company is currently negotiating terms of new debt intended to refinance the existing £147.6 million and €312.2 million aggregate principal amounts of Odeon Term Loan due 2023. While the Company intends to fully refinance the 11.25% Odeon Term Loan due 2023 and extend current maturity dates, there are no assurances that the Company will be able to do so. If the Company is unable to refinance these amounts, the principal amounts will be reported as current maturities which may increase uncertainty regarding its ability to meet future commitments.

The Company may, at any time and from time to time, seek to retire or purchase its outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as it may determine, and will depend on prevailing market conditions, its liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

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. As a result, deferred lease amounts were approximately \$218.9 million as of June 30, 2022. The Company's cash expenditures for rent increased significantly during the six months ended June 30, 2022, compared to the six months ended June 30, 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 six months ended June 30, 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.

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**Cash and equivalents.** At June 30, 2022, cash and cash equivalents for the U.S. markets and International markets were \$812.8 million and \$152.4 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 loss.** The following table presents the change in accumulated other comprehensive loss by component:

(In millions)	Foreign Currency	Pension Benefits	Total
Balance December 31, 2021	\$ (19.0)	\$ (9.1)	\$ (28.1)
Other comprehensive income (loss)	(52.3)	0.2	(52.1)
Balance June 30, 2022	<u>\$ (71.3)</u>	<u>\$ (8.9)</u>	<u>\$ (80.2)</u>

**Accumulated depreciation and amortization.** Accumulated depreciation was \$2,680.0 million and \$2,583.4 million at June 30, 2022 and December 31, 2021, respectively, related to property. Accumulated amortization of intangible assets was \$42.0 million and \$41.2 million at June 30, 2022 and December 31, 2021, respectively.

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

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Decreases related to contingent lease guarantees	\$ -	\$ (3.7)	\$ (0.1)	\$ (5.7)
Governmental assistance due to COVID-19 - International markets	(8.5)	(42.2)	(10.8)	(50.4)
Governmental assistance due to COVID-19 - U.S. markets	-	-	(1.1)	(4.2)
Foreign currency transaction (gains) losses	3.6	3.4	8.4	(0.4)
Non-operating components of net periodic benefit income	(0.2)	(0.2)	(0.2)	(0.4)
(Gain) Loss on extinguishment of debt	(38.6)	-	96.4	-
Financing fees related to modification of debt agreements	-	-	-	1.0
Total other expense (income)	<u>\$ (43.7)</u>	<u>\$ (42.7)</u>	<u>\$ 92.6</u>	<u>\$ (60.1)</u>

**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

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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 from 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	Decrease	As of
	December 31,		in deferred amounts
	2021		2022
Fixed operating lease deferred amounts (1)	\$ 299.3	\$ (90.5)	\$ 208.8
Finance lease deferred amounts	2.4	(1.2)	1.2
Variable lease deferred amounts	13.4	(4.5)	8.9
Total deferred lease amounts	<u>\$ 315.1</u>	<u>\$ (96.2)</u>	<u>\$ 218.9</u>

- (1) During the six months ended June 30, 2022, the decrease in fixed operating lease deferred amounts includes \$79.4 million of decreases in the deferred balances as of December 31, 2021 related to payments and abatements.

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

(In millions)	Consolidated Statements of Operations	Three Months Ended		Six Months Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Operating lease cost</b>					
Theatre properties	Rent	\$ 204.4	\$ 190.7	\$ 406.9	\$ 366.2
Theatre properties	Operating expense (income)	1.4	(0.7)	2.6	0.1
Equipment	Operating expense	1.9	2.3	4.7	4.6
Office and other	General and administrative: other	1.3	1.3	2.7	2.7
<b>Finance lease cost</b>					
Amortization of finance lease assets	Depreciation and amortization	0.7	1.3	1.4	2.6
Interest expense on lease liabilities	Finance lease obligations	1.0	1.4	2.2	2.8
<b>Variable lease cost</b>					
Theatre properties	Rent	18.0	14.8	38.7	31.4
Equipment	Operating expense	18.8	4.8	31.4	5.0
<b>Total lease cost</b>		<u>\$ 247.5</u>	<u>\$ 215.9</u>	<u>\$ 490.6</u>	<u>\$ 415.4</u>

Cash flow and supplemental information is presented below:

(In millions)	Six Months Ended	
	June 30, 2022	June 30, 2021
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows used in finance leases	\$ (2.0)	\$ (1.2)
Operating cash flows used in operating leases	(532.7)	(360.4)
Financing cash flows used in finance leases	(5.4)	(3.9)
<b>Landlord contributions:</b>		
Operating cashflows provided by operating leases	5.2	11.1
<b>Supplemental disclosure of noncash leasing activities:</b>		
Right-of-use assets obtained in exchange for new operating lease liabilities (1)	193.2	60.7

(1) Includes lease extensions and option exercises.

The following table represents the weighted-average remaining lease term and discount rate as of June 30, 2022:

Lease Term and Discount Rate	As of June 30, 2022	
	Weighted Average Remaining Lease Term (years)	Weighted Average Discount Rate
Operating leases	9.7	9.8%
Finance leases	13.7	6.5%

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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 June 30, 2022 are as follows:

(In millions)	Operating Lease Payments (2)	Financing Lease Payments (2)
Six months ending December 31, 2022 (1)	\$ 509.6	\$ 5.8
2023 (1)	954.3	9.0
2024	833.5	8.0
2025	786.3	7.4
2026	723.6	7.2
2027	664.8	7.2
Thereafter	3,278.6	50.8
Total lease payments	7,750.7	95.4
Less imputed interest	(2,734.8)	(33.5)
Total operating and finance lease liabilities, respectively	\$ 5,015.9	\$ 61.9

(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 September 30, 2022	\$ 15.7
Three months ended December 31, 2022	0.8
Three months ended March 31, 2023	5.6
Total deferred lease amounts recorded in AP	\$ 22.1

(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 September 30, 2022	\$ 31.6	\$ 0.5
Three months ended December 31, 2022	31.0	0.3
2023	83.0	0.4
2024	15.8	-
2025	5.7	-
2026	4.2	-
2027	3.4	-
Thereafter	20.9	-
Total deferred lease amounts	\$ 195.6	\$ 1.2

As of June 30, 2022, the Company had signed additional operating lease agreements for three theatres that have not yet commenced with minimum annual payments of approximately \$

68.9 million, which are expected to commence between years 2022 and 2024 and carry lease terms ranging from 11 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:

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Major revenue types</b>				
Admissions	\$ 651.0	\$ 233.0	\$ 1,094.8	\$ 302.5
Food and beverage	396.7	161.5	649.2	211.6
Other theatre:				
Screen advertising	32.3	19.7	61.2	36.6
Other	86.4	30.5	146.9	42.3
Other theatre	118.7	50.2	208.1	78.9
Total revenues	<u>\$ 1,166.4</u>	<u>\$ 444.7</u>	<u>\$ 1,952.1</u>	<u>\$ 593.0</u>

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	\$ 1,082.7	\$ 414.1	\$ 1,790.8	\$ 540.9
Products and services transferred over time(1)	83.7	30.6	161.3	52.1
Total revenues	<u>\$ 1,166.4</u>	<u>\$ 444.7</u>	<u>\$ 1,952.1</u>	<u>\$ 593.0</u>

(1) Amounts primarily include subscription and advertising revenues.

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

(In millions)	June 30, 2022	December 31, 2021
<b>Current assets</b>		
Receivables related to contracts with customers	\$ 53.9	\$ 85.4
Miscellaneous receivables	66.8	83.1
Receivables, net	<u>\$ 120.7</u>	<u>\$ 168.5</u>

(In millions)	June 30, 2022	December 31, 2021
<b>Current liabilities</b>		
Deferred revenue related to contracts with customers	\$ 370.1	\$ 405.1
Miscellaneous deferred income	3.0	3.5
Deferred revenue and income	<u>\$ 373.1</u>	<u>\$ 408.6</u>



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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)	139.8
Customer loyalty rewards accumulated, net of expirations:	
Admission revenues (2)	7.7
Food and beverage (2)	9.3
Other theatre (2)	0.1
Reclassification to revenue as the result of performance obligations satisfied:	
Admission revenues (3)	(118.0)
Food and beverage (3)	(29.7)
Other theatre (4)	(40.8)
Foreign currency translation adjustment	(3.4)
Balance June 30, 2022	\$ 370.1

- (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	(9.6)
Balance June 30, 2022	\$ 515.8

- (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 June 30, 2022 was \$274.0 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 June 30, 2022, the amount of deferred revenues allocated to the loyalty programs included in deferred revenues and income in the condensed consolidated balance sheet was \$66.7 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 six months ended June 30, 2022:

(In millions)	Domestic Theatres	International Theatres	Total
Balance December 31, 2021	\$ 1,796.5	\$ 633.3	\$ 2,429.8
Currency translation adjustment	-	(75.2)	(75.2)
Balance June 30, 2022	\$ 1,796.5	\$ 558.1	\$ 2,354.6

**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 June 30, 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 June 30, 2022 and June 30, 2021, the Company recorded equity in loss of non-consolidated entities of \$1.0 million and \$2.7 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the Company recorded equity in loss of non-consolidated entities of \$6.1 million and \$5.5 million, respectively.

**Related party transactions with equity method investees.** At June 30, 2022 and December 31, 2021, the Company recorded net receivable amounts due from equity method investees of \$

5.5 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 (income) of \$6.5 million, \$2.3 million and \$0 million, respectively, during the three months ended June 30, 2022, and \$1.2 million, \$0.4 million, and \$(0.3) million, respectively, during the three months ended June 30, 2021. The Company recorded related party transactions with equity method investees in other revenues, film exhibition costs, and operating expenses of \$12.0 million, \$3.4 million, and \$0 million, respectively, during the six months ended June 30, 2022, and \$1.8 million, \$0.7 million, and \$0.1 million, respectively, during the six months ended June 30, 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 which became effective on June 2, 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 and six months ended June 30, 2022, the Company recorded unrealized (losses) and gains in investment income of \$(47.8) million and \$16.1 million, respectively. 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. During the three and six months ended June 30, 2022, the Company recorded unrealized losses in investment expense of \$9.6 million and \$9.5 million, respectively. See Note 9-Fair Value Measurements for information regarding the fair value measurement on June 30, 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:

<b>(In millions)</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>First Lien Secured Debt:</b>		
Senior Secured Credit Facility-Term Loan due 2026 (4.199% as of June 30, 2022)	\$ 1,935.0	\$ 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 June 30, 2022)	505.6	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
<b>Second Lien Secured Debt:</b>		
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	1,435.5	1,508.0
<b>Subordinated Debt:</b>		
6.375% Senior Subordinated Notes due 2024 (£4.0 million par value as of June 30, 2022)	4.8	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
	<u>\$ 5,115.5</u>	<u>\$ 5,169.1</u>
Finance lease obligations	61.9	72.7
Deferred financing costs	(35.5)	(39.1)
Net premium (1)	298.2	298.0
	<u>\$ 5,440.1</u>	<u>\$ 5,500.7</u>
Less:		
Current maturities corporate borrowings	(20.0)	(20.0)
Current maturities finance lease obligations	(6.6)	(9.5)
	<u>\$ 5,413.5</u>	<u>\$ 5,471.2</u>

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

(In millions)	June 30,		December 31,	
	2022		2021	
10%/12% Cash/PIK/Toggle Second Lien Subordinated Notes due 2026	\$	311.4	\$	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		(5.5)		(6.1)
10.75% in Year 1, 11.25% thereafter Cash/PIK Odeon Term Loan Facility due 2023		(7.8)		(12.1)
6.375% Senior Subordinated Notes due 2024		0.1		0.1
	\$	<u>298.2</u>	\$	<u>298.0</u>

The following table provides the principal payments required and maturities of corporate borrowing as of June 30, 2022:

(In millions)	Principal Amount of Corporate Borrowings	
Six months ended December 31, 2022	\$	10.0
2023		525.6
2024		24.8
2025		118.3
2026		3,356.1
2027		130.7
Thereafter		950.0
Total	\$	<u>5,115.5</u>

**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 \$0 million and \$135.0 million, respectively, in other expense, during the three and six months ended June 30, 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

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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.

### **Second Lien Notes due 2026**

During the three months ended June 30, 2022, the Company repurchased \$72.5 million aggregate principal amounts of the Second Lien Notes due 2026 for \$50.0 million and recorded a gain on extinguishment of \$38.6 million in other expense (income). Accrued interest of \$3.1 million was paid in connection with the repurchases.

### **Odeon Term Loan due 2023**

The 11.25% Odeon Term Loan due 2023 matures on August 19, 2023 during the third fiscal quarter of the Company's next calendar year. The Company is currently negotiating terms of new debt intended to refinance the existing £147.6 million and €312.2 million aggregate principal amounts of Odeon Term Loan due 2023. While the Company intends to fully refinance the 11.25% Odeon Term Loan due 2023 and extend current maturity dates, there are no assurances that the Company will be able to do so. If the Company is unable to refinance these amounts, the principal amounts will be reported as current maturities which may increase uncertainty regarding its ability to meet future commitments.

### **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 \$139.5 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 \$39.5 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

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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:

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Board of director stock award expense	\$ -	\$ -	\$ 0.8	\$ 0.9
Restricted stock unit expense	3.5	3.5	6.3	5.7
Performance stock unit expense	15.9	3.4	18.8	4.2
Special performance stock unit expense	-	1.5	-	3.0
Total stock-based compensation expense	<u>\$ 19.4</u>	<u>\$ 8.4</u>	<u>\$ 25.9</u>	<u>\$ 13.8</u>

As of June 30, 2022, the estimated remaining unrecognized compensation cost related to stock-based compensation arrangements was approximately \$

50.6 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 0.9 years.

### Awards Granted in 2022

During the six months ended June 30, 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 six months ended June 30, 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, March 7, 2022 of \$15.21 per share, and May 3, 2022 of \$15.51 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 six months ended June 30, 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 six months ended June 30, 2022, the Company granted RSU awards of 697,135 to certain members of management with a grant date fair value of \$13.6 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 one-third vesting in each year. These RSUs will be settled within 30 days of vesting.
- **Performance Stock Unit Award Agreement:** During the six months ended June 30, 2022, total PSUs of 697,135 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 697,135 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.

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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. The 2022 PSU award grant date fair value for the 2022 Tranche Year award of 232,270 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 February 16, 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%. At June 30, 2022, the Company estimated that 2022 Tranche Year target performance conditions for the annual Adjusted EBITDA and free cash flow are expected to be achieved at 200% and 120%, respectively.

The following table represents the nonvested RSU and PSU activity for the six months ended June 30, 2022:

	Shares of RSU and PSU	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2022 (1)	7,841,733	\$ 7.92
Granted (2)	2,778,132	19.59
Vested	(2,799,845)	7.17
Forfeited	(336,960)	11.62
Cancelled (3)	(2,358,278)	7.16
Nonvested at June 30, 2022	<u>5,124,782</u>	<u>\$ 14.77</u>
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	<u>1,267,959</u>	
Total Nonvested at June 30, 2022	<u><u>6,392,741</u></u>	

- (1) Includes awards modified during 2020 where grant date fair value was not determined until 2022.
- (2) The number of PSU shares granted under the Tranche Year 2022 assumes the Company will attain a performance target at 200% for the Adjusted EBITDA target and 120% for 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.
- (3) 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 six months ended June 30, 2022.

## Condensed Consolidated Statements of Stockholders' Deficit

For the Six Months Ended June 30, 2022

(In millions, except share and per share data)	Class A Voting Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
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)
Net loss	-	-	-	-	(121.6)	(121.6)
Other comprehensive income	-	-	-	(46.3)	-	(46.3)
Stock-based compensation	-	-	19.4	-	-	19.4
Balances June 30, 2022	516,820,595	\$ 5.2	\$ 4,831.2	\$ (80.2)	\$ (7,083.0)	\$ (2,326.8)

(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 Six Months Ended June 30, 2021

(In millions, except share and per share data)	Class A Voting		Class B Voting		Additional	Treasury Stock		Accumulated		Total AMC	Noncontrolling	Total
	Common Stock		Common Stock			Paid-in	Treasury Stock		Other			
	Shares	Amount	Shares	Amount	Capital		Shares	Amount	Income (Loss)	Deficit	Equity (Deficit)	Interests
Balances December 31, 2020	<u>172,563,249</u>	<u>\$ 1.8</u>	<u>51,769,784</u>	<u>\$ 0.5</u>	<u>\$ 2,465.6</u>	<u>3,732,625</u>	<u>\$ (56.4)</u>	<u>\$ 38.7</u>	<u>\$ (5,335.3)</u>	<u>\$ (2,885.1)</u>	<u>\$ 26.9</u>	<u>\$ (2,858.2)</u>
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	<u>124,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5.4</u>	<u>-</u>	<u>5.4</u>
Balances March 31, 2021	<u>450,280,240</u>	<u>\$ 4.5</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 3,657.1</u>	<u>3,732,625</u>	<u>\$ (56.4)</u>	<u>\$ (12.3)</u>	<u>\$ (5,902.3)</u>	<u>\$ (2,309.4)</u>	<u>\$ 22.4</u>	<u>\$ (2,287.0)</u>
Net loss	-	-	-	-	-	-	-	-	(343.6)	(343.6)	(0.4)	(344.0)
Other comprehensive income	-	-	-	-	-	-	-	21.4	-	21.4	-	21.4
100% liquidation of Baltics	-	-	-	-	-	-	-	(0.9)	-	(0.9)	(22.0)	(22.9)
Class A common stock, accrued dividend equivalent adjustment	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	(0.2)
Class A common stock issuance	54,550,000	0.5	-	-	951.6	(3,732,625)	56.4	-	(19.3)	989.2	-	989.2
Class A common stock issuance to Mudrick	8,500,000	0.1	-	-	230.3	-	-	-	-	230.4	-	230.4
Stock-based compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.4</u>	<u>-</u>	<u>8.4</u>
Balances June 30, 2021	<u>513,330,240</u>	<u>\$ 5.1</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 4,847.4</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 8.2</u>	<u>\$ (6,265.4)</u>	<u>\$ (1,404.7)</u>	<u>\$ -</u>	<u>\$ (1,404.7)</u>

#### **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 and six months ended June 30, 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 six months ended June 30, 2022 reflects the impact of these valuation allowances against U.S. and international deferred tax assets generated during the six-month period. The actual effective rate for the six months ended June 30, 2022 was

0%. The Company's consolidated tax rate for the six months ended June 30, 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 June 30, 2022 and December 31, 2021, the Company has recorded net deferred tax liabilities of \$30.8 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.

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**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 June 30, 2022:

(In millions)	Total Carrying Value at June 30, 2022	Fair Value Measurements at June 30, 2022 Using		
		Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Other long-term assets:</b>				
Investment in Hycroft Mining Holding Corporation warrants	\$ 18.0	\$ -	\$ -	\$ 18.0
<b>Marketable equity securities:</b>				
Investment in Hycroft Mining Holding Corporation	26.0	26.0	-	-
Investment in NCM	5.5	5.5	-	-
Total assets at fair value	<u>\$ 49.5</u>	<u>\$ 31.5</u>	<u>\$ -</u>	<u>\$ 18.0</u>

*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 NCM, 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 88.3% and discount rate of 3.0%. The discount rate is based on the treasury yield that matches the term as of the measurement date. Other inputs included the term of 4.7 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, accordingly, 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 June 30, 2022	Fair Value Measurements at June 30, 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	\$ -	\$ 16.9	\$ -
Corporate borrowings	5,358.2	-	3,535.6	509.1

*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,

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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		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
U.S. markets	\$ 907.9	\$ 374.8	\$ 1,471.0	\$ 512.0
International markets	258.5	69.9	481.1	81.0
Total revenues	\$ 1,166.4	\$ 444.7	\$ 1,952.1	\$ 593.0

Adjusted EBITDA (In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
U.S. markets	\$ 94.4	\$ (118.0)	\$ 51.0	\$ (318.4)
International markets	12.3	(32.8)	(6.0)	(127.1)
Total Adjusted EBITDA (1)	\$ 106.7	\$ (150.8)	\$ 45.0	\$ (445.5)

- (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		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
U.S. markets	\$ 30.3	\$ 13.8	\$ 51.4	\$ 20.4
International markets	10.1	4.1	23.8	9.4
Total capital expenditures	\$ 40.4	\$ 17.9	\$ 75.2	\$ 29.8

Long-term assets, net (In millions)	As of	
	June 30, 2022	December 31, 2021
U.S. markets	\$ 6,397.9	\$ 6,434.5
International markets	2,209.0	2,516.7
Total long-term assets (1)	\$ 8,606.9	\$ 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.

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

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net loss	\$ (121.6)	\$ (344.0)	\$ (459.0)	\$ (911.2)
Plus:				
Income tax provision (benefit)	0.6	(5.2)	0.7	(12.0)
Interest expense	90.3	98.9	182.7	261.7
Depreciation and amortization	97.4	105.7	196.1	219.8
Certain operating expense (1)	3.9	(4.0)	6.2	(1.7)
Equity in loss of non-consolidated entities	1.0	2.7	6.1	5.5
Cash distributions from non-consolidated entities (2)	0.9	-	1.6	0.3
Attributable EBITDA (3)	(0.2)	0.7	-	(0.1)
Investment expense (income) (4)	57.3	(6.3)	(6.1)	(8.3)
Other expense (income) (5)	(35.1)	(0.3)	104.7	(5.1)
Other non-cash rent benefit (6)	(6.9)	(11.7)	(14.0)	(19.2)
General and administrative - unallocated:				
Merger, acquisition and other costs (7)	(0.3)	4.3	0.1	11.0
Stock-based compensation expense (8)	19.4	8.4	25.9	13.8
Adjusted EBITDA	\$ 106.7	\$ (150.8)	\$ 45.0	\$ (445.5)

- (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 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		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Equity in loss of non-consolidated entities	\$ 1.0	\$ 2.7	\$ 6.1	\$ 5.5
Less:				
Equity in loss of non-consolidated entities excluding International theatre joint ventures	0.1	0.3	0.4	1.5
Equity in (loss) of International theatre joint ventures	(0.9)	(2.4)	(5.7)	(4.0)
Income tax benefit	-	0.1	-	(0.1)
Investment income	0.2	-	0.2	-
Interest expense	-	0.2	-	0.2
Impairment of long-lived assets	-	-	4.2	-
Depreciation and amortization	0.5	2.7	1.3	3.6
Other expense	-	0.1	-	0.2
Attributable EBITDA	\$ (0.2)	\$ 0.7	\$ -	\$ (0.1)

- (4) Investment expense (income) during the three months ended June 30, 2022 includes deterioration in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$27.8 million and deterioration in estimated fair value of the Company's investment in warrants to purchase

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common shares of Hycroft Mining Holding Corporation of \$20.0 million. During the three months ended June 30, 2022 investment expense (income) includes deterioration in estimated fair value of the Company's investment in NCM of \$9.6 million.

Investment expense (income) during the six months ended June 30, 2022 includes appreciation in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$(1.0) million and appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$(15.1) million. During the six months ended June 30, 2022, investment expense (income) includes deterioration in estimated fair value of the Company's investment in NCM of \$9.5 million.

- (5) Other expense (income) during the three months ended June 30, 2022, included gain on debt extinguishment of \$(38.6) million and foreign currency transaction losses of \$3.6 million. During the three months ended June 30, 2021, other expense (income) included estimated credit income of \$(3.7) million related to decreases in contingent lease guarantees, partially offset by foreign currency transaction losses of \$3.4 million.

Other expense (income) during the six months ended June 30, 2022, included loss on debt extinguishment of \$96.4 million and foreign currency transaction losses of \$8.4 million. During the six months ended June 30, 2021, other expense (income) included foreign currency transaction gains of \$(0.4) million and estimated credit income of \$(5.7) 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

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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

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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. On June 6, 2022, the parties signed a stipulation of settlement to resolve the Lao Action for \$17,375,000 (the “Settlement Amount”). The settlement is subject to court approval. Plaintiff’s counsel intends to apply to the court for a fee and expense award, and any amount awarded by the court will be paid out of the Settlement Amount. The remainder of the Settlement Amount, less any taxes and tax related expenses, will be paid to the Company. Defendants agreed to the settlement and the payment of the Settlement Amount solely to eliminate the burden, expense, and uncertainty of further litigation, and continue to expressly deny any liability or wrongdoing with respect to the matters alleged in the Lao Action. On June 24, 2022, the court scheduled a hearing for September 15, 2022, to, amount other things, consider whether to approve the proposed settlement.

**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		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Numerator:</b>				
Net loss for basic loss per share attributable to AMC Entertainment Holdings, Inc.	\$ (121.6)	\$ (343.6)	\$ (459.0)	\$ (910.5)
Net loss for diluted loss per share attributable to AMC Entertainment Holdings, Inc.	\$ (121.6)	\$ (343.6)	\$ (459.0)	\$ (910.5)
<b>Denominator (shares in thousands):</b>				
Weighted average shares for basic loss per common share	516,821	480,731	516,368	440,644
Weighted average shares for diluted loss per common share	516,821	480,731	516,368	440,644
Basic loss per common share	\$ (0.24)	\$ (0.71)	\$ (0.89)	\$ (2.07)
Diluted loss per common share	\$ (0.24)	\$ (0.71)	\$ (0.89)	\$ (2.07)

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. Unvested RSUs of 2,727,867 for the three and six months ended June 30, 2022 and unvested RSUs of 3,812,964 for the three and six months ended June 30, 2021 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 1,426,728 at certain performance targets for the three and six months ended June 30, 2022, unvested PSUs of 2,161,222 at certain performance targets for the three and six months ended June 30, 2021, and unvested SPSUs of 1,156,656 at the minimum market condition for the three and six months ended June 30, 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:

<u>(In millions)</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
<b>Other current assets:</b>		
Income taxes receivable	\$ 1.0	\$ 1.9
Prepays (1)	53.7	35.4
Merchandise inventory	34.9	31.3
Other	13.2	12.9
	<u>\$ 102.8</u>	<u>\$ 81.5</u>
<b>Other long-term assets:</b>		
Investments in real estate	\$ 8.0	\$ 9.7
Deferred financing costs revolving credit facility	8.2	5.5
Investments in equity method investees	71.1	85.6
Computer software	76.6	83.7
Investment in common stock	5.5	11.4
Pension asset	19.0	21.1
Investment in Hycroft common stock (2)	26.0	-
Investment in Hycroft warrants (2)	18.0	-
Other	28.2	32.0
	<u>\$ 260.6</u>	<u>\$ 249.0</u>

- (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.

#### **NOTE 14-SUBSEQUENT EVENTS**

On August 4, 2022, the Company announced that its Board of Directors declared a special dividend of one AMC Preferred Equity Unit (a “AMC Preferred Equity Unit”) for each share of Common Stock outstanding at the close of business on August 15, 2022. The special dividend is expected to be paid at the close of business on August 19, 2022.

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Series A Convertible Participating Preferred Stock, par value \$0.01 (the “Preferred Stock”). Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Common Stock. The AMC Preferred Equity Units will be evidenced by a depositary receipt pursuant to a Deposit Agreement (the “Deposit Agreement”) among the Company, Computershare Inc. and Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the “Depositary”). The Company will deposit the underlying shares of the Preferred Stock with the Depositary pursuant to the Deposit Agreement. Subject to the terms of the Deposit Agreement, the AMC Preferred Equity Units will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock the AMC Preferred Equity Units represent.

As a consequence of the special dividend of AMC Preferred Equity Units, in accordance with the terms of the Company's 2013 Equity Incentive Plan, and effective upon payment of the dividend the Company will adjust the terms of outstanding awards issued pursuant to the 2013 Equity Incentive Plan to add one AMC Preferred Equity Unit to each share of Common Stock subject to the outstanding awards (approximately 5,422,554 AMC Preferred Equity Units in aggregate). In addition, for each share of Common Stock available and held in reserve for future awards (currently approximately 1,883,800 shares in aggregate), the Company will reserve an equal number of AMC Preferred Equity Units to be issued in connection with such future awards (such that when combined with the AMC Preferred Equity Units subject to outstanding awards, the adjusted reserve will reflect approximately 7,306,354 AMC Preferred Equity Units in the aggregate).

To provide for the issuance of the Preferred Stock underlying the AMC Preferred Equity Units, on August 4, 2022, the Company filed a Certificate of Designations (the “Certificate of Designations”) with the Secretary of State of the State of Delaware, to designate 10,000,000 shares of the Company’s authorized preferred stock as the Preferred Stock with the preferences, limitations, voting powers and relative rights as set forth in the Certificate of Designations.

#### **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

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positive operating cash flows and long-term profitability, box office revenues will need to increase significantly compared to aggregate 2021 and the combined first and second quarter of 2022 to levels in line with pre COVID-19 box office revenues. Domestic industry box office grosses increased significantly to approximately \$3.7 billion during the first six months of 2022, compared to the first six months of 2021 of \$1.1 billion, and were approximately 66% of domestic box office grosses of \$5.6 billion during the first six months 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 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 COVID-19 variant strains on us, the motion picture exhibition industry, and the economy in general, including our response to 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, and the theatrical release of fewer movies;
- 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, including the Preferred Equity Units, could dilute the voting power of the common stockholders and adversely affect the market value of our Common Stock and Preferred Equity Units;

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- 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 and Preferred Equity Units could adversely affect the market price of the Common Stock and Preferred Equity Units;
- the market price and trading volume of our shares of Common Stock has been and may continue to be volatile and such volatility may also apply to our Preferred Equity Units, and purchasers of our securities could incur substantial losses;
- future offerings of debt, which would be senior to our Common Stock and Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our Common Stock and Preferred Equity Units;
- 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) completed accession talks at NATO headquarters in Brussels on July 4, 2022 and NATO ambassadors signed the accession protocols on July 5, 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, or widespread health emergencies, such as COVID-19 or

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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 \$1,359.1 million for the six months ended June 30, 2022, compared to the six months ended June 30, 2021. The increase in total consolidated revenues was primarily due to the reduced impact of the COVID-19 pandemic on the current year which resulted in increased operating capacity and increased availability of films with broad consumer appeal. As of January 1, 2021 we were operating at 394 domestic theatres, with limited seating capacities, representing approximately 67% of our domestic theatres. As of March 31, 2021, we were operating at 585 domestic theatres, with limited seating capacities, representing approximately 99% of its domestic theatres. As of June 30, 2021, we were operating at 593 domestic theatres, representing approximately 100% of our domestic theatres with remaining seating capacity restrictions winding down throughout the quarter. As of January 1, 2021, we were operating at 109 International leased and partnership theatres, with limited seating capacities, representing approximately 30% of our International theatres. As of March 31, 2021, the Company operated at 97 international theatres, with limited seating capacities, representing approximately 27% of its international theatres. As of June 30, 2021 we were operating at 335 International theatres with limited seating capacities, representing approximately 95% of our International theatres. Our average consolidated screens operated during the three months ended June 30, 2021 increased by 8,830 screens to 8,890 screens. During the six months ended June 30, 2022, the Company operated essentially 100% of its U.S. and International theatres. As of June 30, 2022 there are no restrictions on operations in any of the U.S. or 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. Our remaining revenues are 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 June 30, 2022, we owned, operated or had interests in 947 theatres and 10,552 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”) and reduced the number of theatrically released motion pictures. 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 six months ended June 30, 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 all 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:

Format	U.S. Markets		International Markets	
	Number of Screens As of	Number of Screens As of	Number of Screens As of	Number of Screens As of
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
IMAX®	185	186	37	38
Dolby Cinema™	154	153	8	6
Other Premium Large Format (“PLF”)	56	56	79	75
Dine-in theatres	727	735	13	8
Premium seating	3,461	3,386	591	550

## 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 11 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

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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 June 30, 2022, in our U.S. markets, we featured recliner seating in approximately 357 U.S. theatres, including Dine-in Theatres, totaling approximately 3,461 screens and representing 44.7% of total U.S. screens. In our International markets, as of June 30, 2022, we had recliner seating in approximately 93 International theatres, totaling approximately 591 screens and representing 21.1% of total International screens.

**Open-source internet ticketing** makes our AMC seats (approximately 1.1 million as of June 30, 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 June 30, 2022, we offer alcohol in approximately 351 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

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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 June 30, 2022, we had more than 26,400,000 member households enrolled in AMC Stubs® A-List, AMC Stubs Premiere™ and AMC Stubs Insider™ programs, combined. During the three and six months ended June 30, 2022 our AMC Stubs® members represented approximately 42.1% and 41.7% of AMC U.S. markets attendance, respectively. 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 13,300,000 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 expense (income). During the three months ended June 30, 2022, we recorded deterioration in estimated fair value of our investment in warrants to purchase common shares of Hycroft of \$20.0 million and deterioration in estimated fair value of our investment in common shares of Hycroft of \$27.8 million. During the six months ended June 30, 2022, we recorded appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft of \$(15.1) million in investment expense (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 \$(1.0) million in investment expense (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



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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 and six months ended June 30, 2022, the Company recorded unrealized (losses) gains related to the investment in Hycroft of \$(47.8) million and \$16.1 million in investment expense (income), respectively. 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 six months ended June 30, 2022.

**Second Lien Notes due 2026.** During the three months ended June 30, 2022, we repurchased \$72.5 million aggregate principal amounts of the Second Lien Notes due 2026 for \$50.0 million and recorded a gain on extinguishment of \$38.6 million in other expense (income). Accrued interest of \$3.1 million was paid in connection with the repurchases.

## Operating Results

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

(In millions)	Three Months Ended			Six Months Ended		
	June 30, 2022	June 30, 2021	% Change	June 30, 2022	June 30, 2021	% Change
<b>Revenues</b>						
Admissions	\$ 651.0	\$ 233.0	* %	\$ 1,094.8	\$ 302.5	* %
Food and beverage	396.7	161.5	* %	649.2	211.6	* %
Other theatre	118.7	50.2	* %	208.1	78.9	* %
Total revenues	1,166.4	444.7	* %	1,952.1	593.0	* %
<b>Operating Costs and Expenses</b>						
Film exhibition costs	328.7	98.9	* %	518.5	120.9	* %
Food and beverage costs	64.6	26.3	* %	107.2	36.0	* %
Operating expense, excluding depreciation and amortization below	402.2	246.2	63.4 %	747.0	425.9	75.4 %
Rent	222.4	205.5	8.2 %	445.6	397.6	12.1 %
General and administrative:						
Merger, acquisition and other costs	(0.3)	4.3	* %	0.1	11.0	(99.1)%
Other, excluding depreciation and amortization below	67.5	54.4	24.1 %	120.6	106.2	13.6 %
Depreciation and amortization	97.4	105.7	(7.9)%	196.1	219.8	(10.8)%
Operating costs and expenses	1,182.5	741.3	59.5 %	2,135.1	1,317.4	62.1 %
Operating loss	(16.1)	(296.6)	(94.6)%	(183.0)	(724.4)	(74.7)%
Other expense (income):						
Other expense (income)	(43.7)	(42.7)	2.3 %	92.6	(60.1)	* %
Interest expense:						
Corporate borrowings	79.5	88.1	(9.8)%	161.5	239.6	(32.6)%
Finance lease obligations	1.0	1.4	(28.6)%	2.2	2.8	(21.4)%
Non-cash NCM exhibitor service agreement	9.8	9.4	4.3 %	19.0	19.3	(1.6)%
Equity in loss of non-consolidated entities	1.0	2.7	(63.0)%	6.1	5.5	10.9 %
Investment expense (income)	57.3	(6.3)	* %	(6.1)	(8.3)	(26.5)%
Total other expense, net	104.9	52.6	99.4 %	275.3	198.8	38.5 %
Net loss before income taxes	(121.0)	(349.2)	(65.3)%	(458.3)	(923.2)	(50.4)%
Income tax provision (benefit)	0.6	(5.2)	* %	0.7	(12.0)	* %
Net loss	(121.6)	(344.0)	(64.7)%	(459.0)	(911.2)	(49.6)%
Less: Net loss attributable to noncontrolling interests	-	(0.4)	* %	-	(0.7)	* %
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (121.6)	\$ (343.6)	(64.6)%	\$ (459.0)	\$ (910.5)	(49.6)%

\* Percentage change in excess of 100%

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	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>Operating Data:</b>				
Screen additions	30	19	37	51
Screen acquisitions	80	62	110	62
Screen dispositions	36	39	154	102
Construction openings (closures), net	(15)	(8)	(3)	(2)
Average screens (1)	10,148	8,890	10,123	7,812
Number of screens operated	10,552	10,452	10,552	10,452
Number of theatres operated	947	928	947	928
Total number of circuit screens	10,552	10,552	10,552	10,552
Total number of circuit theatres	947	947	947	947
Screens per theatre	11.1	11.1	11.1	11.1
Attendance (in thousands) (1)	59,129	22,068	98,204	28,865

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

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**Segment Operating Results**

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

(In millions)	U.S. Markets		International Markets		Consolidated	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Admissions	\$ 501.2	\$ 194.1	\$ 149.8	\$ 38.9	\$ 651.0	\$ 233.0
Food and beverage	327.3	140.8	69.4	20.7	396.7	161.5
Other theatre	79.4	39.9	39.3	10.3	118.7	50.2
Total revenues	907.9	374.8	258.5	69.9	1,166.4	444.7
<b>Operating Costs and Expenses</b>						
Film exhibition costs	268.7	84.2	60.0	14.7	328.7	98.9
Food and beverage costs	47.8	20.3	16.8	6.0	64.6	26.3
Operating expense	295.4	187.1	106.8	59.1	402.2	246.2
Rent	167.1	155.0	55.3	50.5	222.4	205.5
General and administrative expense:						
Merger, acquisition and other costs	0.4	3.5	(0.7)	0.8	(0.3)	4.3
Other, excluding depreciation and amortization below	49.5	40.0	18.0	14.4	67.5	54.4
Depreciation and amortization	76.3	78.8	21.1	26.9	97.4	105.7
Operating costs and expenses	905.2	568.9	277.3	172.4	1,182.5	741.3
Operating income (loss)	2.7	(194.1)	(18.8)	(102.5)	(16.1)	(296.6)
Other expense (income):						
Other expense (income)	(38.8)	0.1	(4.9)	(42.8)	(43.7)	(42.7)
Interest expense:						
Corporate borrowings	61.6	69.7	17.9	18.4	79.5	88.1
Finance lease obligations	0.2	0.2	0.8	1.2	1.0	1.4
Non-cash NCM exhibitor service agreement	9.8	9.4	-	-	9.8	9.4
Equity in loss of non-consolidated entities	0.5	0.3	0.5	2.4	1.0	2.7
Investment expense (income)	57.3	(0.8)	-	(5.5)	57.3	(6.3)
Total other expense (income), net	90.6	78.9	14.3	(26.3)	104.9	52.6
Net loss before income taxes	(87.9)	(273.0)	(33.1)	(76.2)	(121.0)	(349.2)
Income tax provision (benefit)	0.2	(3.4)	0.4	(1.8)	0.6	(5.2)
Net loss	(88.1)	(269.6)	(33.5)	(74.4)	(121.6)	(344.0)
Less: net loss attributable to noncontrolling interests	-	-	-	(0.4)	-	(0.4)
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (88.1)	\$ (269.6)	\$ (33.5)	\$ (74.0)	\$ (121.6)	\$ (343.6)

Segment Operating Data:	U.S. Markets		International Markets		Consolidated	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Screen additions	12	-	18	19	30	19
Screen acquisitions	80	62	-	-	80	62
Screen dispositions	33	-	3	39	36	39
Construction openings (closures), net	(22)	(8)	7	-	(15)	(8)
Average screens (1)	7,664	7,594	2,484	1,296	10,148	8,890
Number of screens operated	7,746	7,724	2,806	2,728	10,552	10,452
Number of theatres operated	594	593	353	335	947	928
Total number of circuit screens	7,746	7,736	2,806	2,816	10,552	10,552
Total number of circuit theatres	594	594	353	353	947	947
Screens per theatre	13.0	13.0	7.9	8.0	11.1	11.1
Attendance (in thousands) (1)	43,501	17,801	15,628	4,267	59,129	22,068

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

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(In millions)	U.S. Markets		International Markets		Consolidated	
	Six Months Ended		Six Months Ended		Six Months Ended	
	June 30,		June 30,		June 30,	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Admissions	\$ 812.0	\$ 259.0	\$ 282.8	\$ 43.5	\$ 1,094.8	\$ 302.5
Food and beverage	521.3	188.4	127.9	23.2	649.2	211.6
Other theatre	137.7	64.6	70.4	14.3	208.1	78.9
Total revenues	1,471.0	512.0	481.1	81.0	1,952.1	593.0
<b>Operating Costs and Expenses</b>						
Film exhibition costs	407.4	104.4	111.1	16.5	518.5	120.9
Food and beverage costs	76.5	28.8	30.7	7.2	107.2	36.0
Operating expense	536.4	329.1	210.6	96.8	747.0	425.9
Rent	333.4	291.5	112.2	106.1	445.6	397.6
General and administrative expense:						
Merger, acquisition and other costs	0.6	7.2	(0.5)	3.8	0.1	11.0
Other	84.7	76.0	35.9	30.2	120.6	106.2
Depreciation and amortization	151.9	165.2	44.2	54.6	196.1	219.8
Operating costs and expenses	1,590.9	1,002.2	544.2	315.2	2,135.1	1,317.4
Operating loss	(119.9)	(490.2)	(63.1)	(234.2)	(183.0)	(724.4)
Other expense (income):						
Other expense (income)	94.9	(3.4)	(2.3)	(56.7)	92.6	(60.1)
Interest expense:						
Corporate borrowings	124.8	212.7	36.7	26.9	161.5	239.6
Finance lease obligations	0.3	0.4	1.9	2.4	2.2	2.8
Non-cash NCM exhibitor service agreement	19.0	19.3	-	-	19.0	19.3
Equity in (earnings) loss of non-consolidated entities (1)	0.8	1.2	5.3	4.3	6.1	5.5
Investment expense (income)	(6.1)	(2.8)	-	(5.5)	(6.1)	(8.3)
Total other expense (income), net	233.7	227.4	41.6	(28.6)	275.3	198.8
Net loss before income taxes	(353.6)	(717.6)	(104.7)	(205.6)	(458.3)	(923.2)
Income tax provision (benefit)	0.3	(7.9)	0.4	(4.1)	0.7	(12.0)
Net loss	(353.9)	(709.7)	(105.1)	(201.5)	(459.0)	(911.2)
Less: net loss attributable to noncontrolling interests	-	-	-	(0.7)	-	(0.7)
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (353.9)	\$ (709.7)	\$ (105.1)	\$ (200.8)	\$ (459.0)	\$ (910.5)

Segment Operating Data:	U.S. Markets		International Markets		Consolidated	
	Six Months Ended		Six Months Ended		Six Months Ended	
	June 30,		June 30,		June 30,	
	2022	2021	2022	2021	2022	2021
Screen additions	12	31	25	20	37	51
Screen acquisitions	110	62	-	-	110	62
Screen dispositions	121	23	33	79	154	102
Construction openings (closures), net	(10)	(2)	7	-	(3)	(2)
Average screens (1)	7,643	6,995	2,480	817	10,123	7,812
Number of screens operated	7,746	7,724	2,806	2,728	10,552	10,452
Number of theatres operated	594	593	353	335	947	928
Total number of circuit screens	7,746	7,736	2,806	2,816	10,552	10,552
Total number of circuit theatres	594	594	353	353	947	947
Screens per theatre	13.0	13.0	7.9	8.0	11.1	11.1
Attendance (in thousands) (1)	69,293	24,040	28,911	4,825	98,204	28,865

(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 June 30, 2022, Adjusted EBITDA in the U.S. markets was \$94.4 million compared to \$(118.0) million during the three months ended June 30, 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 or limited 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, increases in cash distributions from non-consolidated entities, partially offset by increases in operating costs due to the increase in attendance and increases in rent expense. During the three months ended June 30, 2022, Adjusted EBITDA in the International markets was \$12.3 million compared to \$(32.8) million during the three months ended June 30, 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, partially offset by increases in operating costs due to the increase in attendance, decreases in government assistance, increases in rent expense, increases in general and administrative expenses excluding stock-based compensation and decreases in attributable EBITDA from non-consolidated entities. During the three months ended June 30, 2022, Adjusted EBITDA in the U.S. markets and International markets was \$106.7 million compared to \$(150.8) million during the three months ended June 30, 2021, driven by the aforementioned factors impacting Adjusted EBITDA.

During the six months ended June 30, 2022, Adjusted EBITDA in the U.S. markets was \$51.0 million compared to \$(318.4) million during the six months ended June 30, 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 or limited 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 non-consolidated entities, partially offset by increases in operating costs due to the increase in attendance, increases in rent expense and decreases in government assistance. During the six months ended June 30, 2022, Adjusted EBITDA in the International markets was \$(6.0) million compared to \$(127.1) million during the six months ended June 30, 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, partially offset by increases in operating costs due to the increase in attendance, decreases in government assistance, increases in rent expense, and increases in general and administrative expenses excluding stock-based compensation. During the six months ended June 30, 2022, Adjusted EBITDA in the U.S. markets and International markets was \$45.0 million compared to \$(445.5) million during the six months ended June 30, 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:

Adjusted EBITDA (In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
U.S. markets	\$ 94.4	\$ (118.0)	\$ 51.0	\$ (318.4)
International markets	12.3	(32.8)	(6.0)	(127.1)
Total Adjusted EBITDA	\$ 106.7	\$ (150.8)	\$ 45.0	\$ (445.5)

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(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net loss	\$ (121.6)	\$ (344.0)	\$ (459.0)	\$ (911.2)
Plus:				
Income tax provision (benefit)	0.6	(5.2)	0.7	(12.0)
Interest expense	90.3	98.9	182.7	261.7
Depreciation and amortization	97.4	105.7	196.1	219.8
Certain operating expense (1)	3.9	(4.0)	6.2	(1.7)
Equity in loss of non-consolidated entities	1.0	2.7	6.1	5.5
Cash distributions from non-consolidated entities (2)	0.9	-	1.6	0.3
Attributable EBITDA (3)	(0.2)	0.7	-	(0.1)
Investment expense (income) (4)	57.3	(6.3)	(6.1)	(8.3)
Other expense (income) (5)	(35.1)	(0.3)	104.7	(5.1)
Other non-cash rent benefit (6)	(6.9)	(11.7)	(14.0)	(19.2)
General and administrative - unallocated:				
Merger, acquisition and other costs (7)	(0.3)	4.3	0.1	11.0
Stock-based compensation expense (8)	19.4	8.4	25.9	13.8
Adjusted EBITDA	\$ 106.7	\$ (150.8)	\$ 45.0	\$ (445.5)

- (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 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.

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Equity in loss of non-consolidated entities	\$ 1.0	\$ 2.7	\$ 6.1	\$ 5.5
Less:				
Equity in loss of non-consolidated entities excluding International theatre joint ventures	0.1	0.3	0.4	1.5
Equity in (loss) of International theatre joint ventures	(0.9)	(2.4)	(5.7)	(4.0)
Income tax benefit	-	0.1	-	(0.1)
Investment income	0.2	-	0.2	-
Interest expense	-	0.2	-	0.2
Impairment of long-lived assets	-	-	4.2	-
Depreciation and amortization	0.5	2.7	1.3	3.6
Other expense	-	0.1	-	0.2
Attributable EBITDA	\$ (0.2)	\$ 0.7	\$ -	\$ (0.1)

- (4) Investment expense (income) during the three months ended June 30, 2022 includes deterioration in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$27.8 million and deterioration in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$20.0 million. During the three months ended June 30, 2022, investment expense (income) includes deterioration in estimated fair value of the Company's

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investment in NCM of \$9.6 million.

Investment expense (income) during the six months ended June 30, 2022 includes appreciation in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$(1.0) million and appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$(15.1) million. During the six months ended June 30, 2022, investment expense (income) includes deterioration in estimated fair value of the Company's investment in NCM of \$9.5 million.

- (5) Other expense (income) during the three months ended June 30, 2022, includes gain on debt extinguishment of \$(38.6) million and foreign currency transaction losses of \$3.6 million. During the three months ended June 30, 2021, other expense (income) included estimated credit income of \$(3.7) million related to decreases in contingent lease guarantees, partially offset by foreign currency transaction losses of \$3.4 million.

Other expense (income) during the six months ended June 30, 2022, included loss on debt extinguishment of \$96.4 million and foreign currency transaction losses of \$8.4 million. During the six months ended June 30, 2021, other expense (income) included foreign currency transaction gains of \$(0.4) million and estimated credit income of \$(5.7) 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 and six months ended June 30, 2022 and June 30, 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 June 30, 2022 Compared to the Three Months ended June 30, 2021**

#### **Condensed Consolidated Results of Operations**

**Revenues.** Total revenues increased \$721.7 million, during the three months ended June 30, 2022, compared



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to the three months ended June 30, 2021. Admissions revenues increased \$418.0 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to an increase in attendance from 22.1 million patrons to 59.1 million patrons and a 4.3% 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 or limited 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 3D, 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 \$235.2 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 8.3% from \$7.32 to \$6.71 due primarily to an increase in revenues in International markets as a percentage of consolidated revenues from 12.8% during the three months ended June 30, 2021 to 17.5% during the three months ended June 30, 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. Additionally, we experienced decreases in the percentage of patrons making purchases due to attendance increases and a decrease in units sold per transaction due to the decline in private theatre rentals from the prior year. 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 \$68.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other 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 \$441.2 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. Film exhibition costs increased \$229.8 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 50.5% for the three months ended June 30, 2022, compared to 42.4% for the three months ended June 30, 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, 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 \$38.3 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 16.3% for the three months ended June 30, 2022 and 2021.

As a percentage of revenues, operating expense was 34.5% for the three months ended June 30, 2022, and 55.4% for the three months ended June 30, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 8.2%, or \$16.9 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 \$218.9 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$(0.3) million during the three months ended June 30, 2022, compared to \$4.3 million during the three months ended June 30, 2021, primarily due to higher legal and professional costs in the prior year.

**Other.** Other general and administrative expense increased 24.1%, or \$13.1 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower

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expense for SPSUs that fully vested in 2021, and annual incentive plans based on the improvement in operating performance. 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 7.9%, or \$8.3 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 income.** Other income of \$43.7 million during the three months ended June 30, 2022 was primarily due to a gain on extinguishment of debt of \$38.6 million related to the redemption of \$72.5 million of aggregate principal amount of the Second Lien Notes due 2026, \$8.5 million in government assistance related to COVID-19 and partially offset by \$3.6 million of foreign currency transaction losses. Other income of \$42.7 million during the three months ended June 30, 2021 was primarily due to \$42.2 million in government assistance related to COVID-19, estimated credit income of \$3.7 million related to decreases in contingent lease guarantees, partially offset by \$3.4 million of foreign currency transaction losses. 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 \$8.6 million to \$90.3 million for the three months ended June 30, 2022 compared to \$98.9 million during the three months ended June 30, 2021 primarily due to:

- 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
- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026.

**Equity in loss of non-consolidated entities.** Equity in loss of non-consolidated entities was \$1.0 million for the three months ended June 30, 2022, compared to \$2.7 million for the three months ended June 30, 2021.

**Investment expense (income).** Investment expense was \$57.3 million for the three months ended June 30, 2022, compared to investment income of \$(6.3) million for the three months ended June 30, 2021. Investment expense in the current year includes \$27.8 million of decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation, \$20.0 million of decline in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and \$9.6 million decline in estimated fair value of our investment in NCM common units. Investment income includes a gain on sale of the Baltics of \$5.5 million during the three months ended June 30, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.6 million and \$(5.2) million for the three months ended June 30, 2022 and June 30, 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 \$121.6 million and \$344.0 million during the three months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the three months ended June 30, 2022 compared to net loss for the three months ended June 30, 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 or limited operationally due to the COVID-19 pandemic and lifting of seating restrictions, decreases in depreciation and amortization expense, decreases in interest expense, increases in other income and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in investment income and a decrease in income tax benefit.

## Theatrical Exhibition-U.S. Markets

**Revenues.** Total revenues increased \$533.1 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. Admissions revenues increased \$307.1 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to an increase in attendance from 17.8 million patrons to 43.5 million patrons and a 5.7% 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 or limited 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 increases in 3D, IMAX and Premium content and lower frequency on our A-List subscription program and strategic pricing initiatives put in place over the prior year.

Food and beverage revenues increased \$186.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 4.9% from \$7.91 to \$7.52 due primarily to decreases in the percentage of patrons making purchases as attendance increases and a decrease in units sold per transaction due to the decline in private theatre rentals from the prior year. 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 \$39.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other advertising due to the increase in attendance.

**Operating costs and expenses.** Operating costs and expenses increased \$336.3 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. Film exhibition costs increased \$184.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 53.6% for the three months ended June 30, 2022 and 43.4% for the three months ended June 30, 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, 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 \$27.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 14.6% for the three months ended June 30, 2022, compared to 14.4% for the three months ended June 30, 2021.

As a percentage of revenues, operating expense was 32.5% for the three months ended June 30, 2022 and 49.9% for the three months ended June 30, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 7.8%, or \$12.1 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 \$188.3 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$0.4 million during the three months ended June 30, 2022, compared to \$3.5 million during the three months ended June 30, 2021, primarily due to higher legal and professional costs in the prior year.

**Other.** Other general and administrative expense increased 23.8%, or \$9.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower expense for SPSUs that fully vested in 2021, and annual incentive plans based on the improvement in operating performance. 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 3.2%, or \$2.5 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to lower

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depreciation expense on theatres impaired during years ended December 31, 2020 and December 31, 2021.

**Other expense (income).** Other income of \$(38.8) million during the three months ended June 30, 2022 was primarily due to a gain on extinguishment of debt of \$38.6 million related to the redemption of \$72.5 million of aggregate principal amount of the Second Lien Notes due 2026. 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 \$7.7 million to \$71.6 million for the three months ended June 30, 2022 compared to \$79.3 million during the three months ended June 30, 2021, primarily due to:

- 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; and
- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026.

**Equity in loss of non-consolidated entities.** Equity in loss of non-consolidated was \$0.5 million for the three months ended June 30, 2022, compared to \$0.3 million for the three months ended June 30, 2021.

**Investment expense (income).** Investment expense was \$57.3 million for the three months ended June 30, 2022, compared to investment income of \$(0.8) million for the three months ended June 30, 2021. Investment expense in the current year includes \$27.8 million of decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation, \$20.0 million of decline in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and \$9.6 million decline in estimated fair value of our investment in NCM common units.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.2 million and \$(3.4) million for the three months ended June 30, 2022 and June 30, 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 \$88.1 million and \$269.6 million during the three months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the three months ended June 30, 2022 compared to net loss for the three months ended June 30, 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 or limited operationally due to the COVID-19 pandemic and lifting of seating restrictions, decreases in depreciation and amortization expense, decreases in interest expense and increases in other income, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in investment income and a decrease in income tax benefit.

#### **Theatrical Exhibition - International Markets**

**Revenues.** Total revenues increased \$188.6 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. Admissions revenues increased \$110.9 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to an increase in attendance from 4.3 million patrons to 15.6 million patrons and a 5.2% 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 or limited 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 \$48.7 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 8.5% from \$4.85 to \$4.44 due primarily to decreases in foreign currency translation rates.

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Total other theatre revenues increased \$29.0 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 \$104.9 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021. Film exhibition costs increased \$45.3 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 40.1% for the three months ended June 30, 2022, compared to 37.8% for the three months ended June 30, 2021.

Food and beverage costs increased \$10.8 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 24.2% for the three months ended June 30, 2022, compared to 29.0% for the three months ended June 30, 2021.

As a percentage of revenues, operating expense was 41.3% for the three months ended June 30, 2022, and 84.5% for the three months ended June 30, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 9.5%, or \$4.8 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 \$30.6 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$(0.7) million during the three months ended June 30, 2022, compared to \$0.8 million during the three months ended June 30, 2021, primarily due to legal and professional costs related to strategic contingency planning in the prior year.

**Other.** Other general and administrative expense increased 25.0%, or \$3.6 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower expense for SPSUs that fully vested in 2021, and annual incentive plans based on the improvement in operating performance. 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 21.6%, or \$5.8 million, during the three months ended June 30, 2022, compared to the three months ended June 30, 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 income.** Other income of \$4.9 million during the three months ended June 30, 2022 was primarily due to \$8.5 million in government assistance related to COVID-19 and partially offset by \$3.6 million of foreign currency transaction losses. Other income of \$42.8 million during the three months ended June 30, 2021 was primarily due to \$42.2 million in government assistance related to COVID-19, estimated credit income of \$4.0 million related to decreases in contingent lease guarantees, partially offset by \$3.4 million of foreign currency transaction losses. 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 \$0.9 million to \$18.7 million for the three months ended June 30, 2022 compared to \$19.6 million during the three months ended June 30, 2021, primarily due to:

- the decline in foreign currency translation rates.

**Equity in loss of non-consolidated entities.** Equity in loss of non-consolidated entities was \$0.5 million for the three months ended June 30, 2022, compared to \$2.4 million for the three months ended June 30, 2021.

**Investment income.** Investment income was \$0.0 million for the three months ended June 30, 2022, compared

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to investment income of \$5.5 million for the three months ended June 30, 2021. Investment income includes a gain on sale of the Baltics of \$5.5 million during the three months ended June 30, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.4 million and \$(1.8) million for the three months ended June 30, 2022 and June 30, 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 \$33.5 million and \$74.4 million during the three months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the three months ended June 30, 2022 compared to net loss for the three months ended June 30, 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 depreciation and amortization expense, decreases in interest expense, and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in other income, decreases in investment income and a decrease in income tax benefit.

## **Results of Operations- For the Six Months ended June 30, 2022 Compared to the Six Months ended June 30, 2021**

### **Condensed Consolidated Results of Operations**

**Revenues.** Total revenues increased \$1,359.1 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Admissions revenues increased \$792.3 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to an increase in attendance from 28.9 million patrons to 98.2 million patrons and a 6.4% 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 or limited 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 3D, 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 \$437.6 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 9.8% from \$7.33 to \$6.61 due primarily to an increase in revenues in International markets as a percentage of consolidated revenues from 11.0% during the six months ended June 30, 2021 to 19.7% during the six months ended June 30, 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. Additionally, we experienced a decrease in units sold per transaction due to the decline in private theatre rentals from the prior year and a decrease in the percentage of patrons making purchases due to attendance increases. 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 \$129.2 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other 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 \$817.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Film exhibition costs increased \$397.6 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 47.4% for the six months ended June 30, 2022, compared to 40.0% for the six months ended June 30, 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.

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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 \$71.2 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 16.5% for the six months ended June 30, 2022 and 17.0% for the six months ended June 30, 2021.

As a percentage of revenues, operating expense was 38.3% for the six months ended June 30, 2022, and 71.8% for the six months ended June 30, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 12.1%, or \$48.0 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 \$218.9 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$0.1 million during the six months ended June 30, 2022, compared to \$11.0 million during the six months ended June 30, 2021, primarily due to higher legal and professional costs in the prior year.

**Other.** Other general and administrative expense increased 13.6%, or \$14.4 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower expense for SPSUs that fully vested in 2021 and annual incentive plans based on the improvement in operating performance. 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 10.8%, or \$23.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 \$92.6 million during the six months ended June 30, 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 and \$8.4 million of foreign currency transaction expense, partially offset by a gain on extinguishment of debt of \$38.6 million related to the redemption of \$72.5 million of aggregate principal amount of the Second Lien Notes due 2026 and \$10.8 million in government assistance related to COVID-19. Other income of \$60.1 million during the six months ended June 30, 2021 was primarily due to \$54.6 million in government assistance related to COVID-19, foreign currency transaction gains of \$0.4 million, and estimated credit income of \$5.7 million related to 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 \$79.0 million to \$182.7 million for the six months ended June 30, 2022 compared to \$261.7 million during the six months ended June 30, 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,



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partially offset by:

- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026;
- 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 \$6.1 million for the six months ended June 30, 2022, compared to \$5.5 million for the six months ended June 30, 2021.

**Investment income.** Investment income was \$6.1 million for the six months ended June 30, 2022, compared to investment income of \$8.3 million for the six months ended June 30, 2021. Investment income in the current year includes \$1.0 million of appreciation in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation and \$15.1 million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and a \$9.5 million decline in estimated fair value of our investment in NCM common units. Investment income includes a gain on sale of the Baltics of \$5.5 million during the six months ended June 30, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.7 million and \$(12.0) million for the six months ended June 30, 2022 and June 30, 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 \$459.0 million and \$911.2 million during the six months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the six months ended June 30, 2022 compared to net loss for the six months ended June 30, 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 or limited operationally due to the COVID-19 pandemic and lifting of seating restrictions, decreases in depreciation and amortization expense, decreases in interest expense, and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in other income, decreases in investment income and a decrease in income tax benefit.

### **Theatrical Exhibition-U.S. Markets**

**Revenues.** Total revenues increased \$959.0 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Admissions revenues increased \$553.0 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to an increase in attendance from 24.0 million patrons to 69.3 million patrons and an 8.8% 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 or limited 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 3D, IMAX and Premium content and lower frequency on our A-List subscription program.

Food and beverage revenues increased \$332.9 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 4.1% from \$7.84 to \$7.52 due primarily to a decrease in units sold per transaction due to the decline in private theatre rentals from the prior year and a decrease in the percentage of patrons making purchases due to attendance increases. 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 \$73.1 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to increases in ticket fees, income from gift cards and package tickets and screen and other advertising due to the increase in attendance.

**Operating costs and expenses.** Operating costs and expenses increased \$588.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Film exhibition costs increased \$303.0 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 50.2% for the six months



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ended June 30, 2022 and 40.3% for the six months ended June 30, 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, 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 \$47.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 14.7% for the six months ended June 30, 2022, compared to 15.3% for the six months ended June 30, 2021.

As a percentage of revenues, operating expense was 36.5% for the six months ended June 30, 2022 and 64.3% for the six months ended June 30, 2021 due to the low levels of attendance in the prior year. Rent expense increased 14.4%, or \$41.9 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 \$188.3 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$0.6 million during the six months ended June 30, 2022, compared to \$7.2 million during the six months ended June 30, 2021, primarily due to higher legal and professional costs in the prior year.

**Other.** Other general and administrative expense increased 11.4%, or \$8.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower expense for SPSUs that fully vested in 2021, and annual incentive plans based on the improvement in operating performance. 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 8.1%, or \$13.3 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 \$94.9 million during the six months ended June 30, 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, partially offset by a gain on extinguishment of debt of \$38.6 million related to the redemption of \$72.5 million of aggregate principal amount of the Second Lien Notes due 2026. Other income during the six months ended June 30, 2021 was primarily related to \$4.2 million in government assistance related to COVID-19. 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 \$88.3 million to \$144.1 million for the six months ended June 30, 2022 compared to \$232.4 million during the six months ended June 30, 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; and
- the extinguishment of \$73.5 million of 15%/17% Cash/PIK/Toggle second Lien Notes due 2026,

partially offset by:

- increases in interest rates on the Senior Secured Credit Facility Term Loan due 2026; and
- the issuance of \$950.0 million of 7.5% First Lien Senior Secured Notes due 2029 on February 14, 2022.

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**Equity in loss of non-consolidated entities.** Equity in loss of non-consolidated entities was \$0.8 million for the six months ended June 30, 2022, compared to \$1.2 million for the six months ended June 30, 2021.

**Investment income.** Investment income was \$6.1 million for the six months ended June 30, 2022, compared to investment income of \$2.8 million for the six months ended June 30, 2021. Investment income in the current year includes \$1.0 million of appreciation in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation and \$15.1 million of appreciation in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and a \$9.5 million decline in estimated fair value of our investment in NCM common units.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.3 million and \$(7.9) million for the six months ended June 30, 2022 and June 30, 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 \$353.9 million and \$709.7 million during the six months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the six months ended June 30, 2022 compared to net loss for the six months ended June 30, 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 depreciation and amortization expense, decreases in interest expense and increases in investment income, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in other income and a decrease in income tax benefit.

**Theatrical Exhibition - International Markets**

**Revenues.** Total revenues increased \$400.1 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Admissions revenues increased \$239.3 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to an increase in attendance from 4.8 million patrons to 28.9 million patrons and an 8.4% 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 or limited 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 \$104.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 8.1% from \$4.81 to \$4.42 due primarily to decreases in foreign currency translation rates.

Total other theatre revenues increased \$56.1 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 \$229.0 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021. Film exhibition costs increased \$94.6 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, primarily due to the increase in attendance. As a percentage of admissions revenues, film exhibition costs were 39.3% for the six months ended June 30, 2022, compared to 37.9% for the six months ended June 30, 2021.

Food and beverage costs increased \$23.5 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 24.0% for the six months ended June 30, 2022, compared to 31.0% for the six months ended June 30, 2021.

As a percentage of revenues, operating expense was 43.8% for the six months ended June 30, 2022, and 119.5% for the six months ended June 30, 2021 due to the very low levels of attendance in the prior year. Rent expense increased 5.7%, or \$6.1 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021, due primarily to cash rent abatements from landlords in the prior year and the opening of new theatres, partially

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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 \$30.6 million that have been deferred to future years as of June 30, 2022.

**Merger, acquisition, and other costs.** Merger, acquisition, and other costs were \$(0.5) million during the six months ended June 30, 2022, compared to \$3.8 million during the six months ended June 30, 2021, primarily due to legal and professional costs related to strategic contingency planning in the prior year.

**Other.** Other general and administrative expense increased 18.9%, or \$5.7 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 2021 due primarily to higher amounts of expense for stock-based compensation expense due primarily to an increase in grant date fair values for 2020 and 2021 PSU awards for the 2022 Tranche Year, partially offset by lower expectations for performance based vesting and lower expense for SPSUs that fully vested in 2021, and annual incentive plans based on the improvement in operating performance. 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 19.0%, or \$10.4 million, during the six months ended June 30, 2022, compared to the six months ended June 30, 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 income.** Other income of \$2.3 million during the six months ended June 30, 2022 was primarily due to \$10.8 million in government assistance related to COVID-19 and partially offset by \$8.4 million of foreign currency transaction losses. Other income of \$56.7 million during the six months ended June 30, 2021 was primarily due to \$50.4 million in government assistance related to COVID-19 and estimated credit income of \$6.0 million related to decreases in contingent lease guarantees. 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 \$9.3 million to \$38.6 million for the six months ended June 30, 2022 compared to \$29.3 million during the six months ended June 30, 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 \$5.3 million for the six months ended June 30, 2022, compared to \$4.3 million for the six months ended June 30, 2021.

**Investment income.** Investment income was \$0.0 million for the six months ended June 30, 2022, compared to investment income of \$5.5 million for the six months ended June 30, 2021. Investment income includes a gain on sale of the Baltics of \$5.5 million during the six months ended June 30, 2021.

**Income tax provision (benefit).** The income tax provision (benefit) was \$0.4 million and \$(4.1) million for the six months ended June 30, 2022 and June 30, 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 \$105.1 million and \$201.5 million during the six months ended June 30, 2022 and June 30, 2021, respectively. Net loss during the six months ended June 30, 2022 compared to net loss for the six months ended June 30, 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 depreciation and amortization expense, and decreases in foreign currency translation rates, partially offset by increases in rent expense, increases in general and administrative expenses, decreases in other income, increases in interest expense, decreases in investment income 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 June 30, 2022 and December 31, 2021 of \$(428.0) million and \$54.6 million, respectively. As of June 30, 2022 and December 31, 2021, working capital included operating lease liabilities of \$582.2 million and \$605.2 million, respectively, and deferred revenues of \$373.1 million and \$408.6 million, respectively. As of June 30, 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 June 30, 2022, we had cash and cash equivalents of approximately \$1.0 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.

The table below summarizes net increase (decrease) in cash and cash equivalents and restricted cash by quarter for the year ended December 31, 2021:

(In millions)	Three Months Ended				Year Ended
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2021
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	\$ (312.9)	\$ (233.8)	\$ (113.9)	\$ 46.5	\$ (614.1)
<b>Cash flows from investing activities:</b>					
Net cash provided by (used in) investing activities	(16.0)	13.5	(28.8)	(36.9)	(68.2)
<b>Cash flows from financing activities:</b>					
Net cash provided by (used in) financing activities	854.7	1,212.2	(48.3)	(27.9)	1,990.7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.1)	5.6	(8.4)	(1.6)	(9.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	520.7	997.5	(199.4)	(19.9)	1,298.9
Cash and cash equivalents and restricted cash at beginning of period	321.4	842.1	1,839.6	1,640.2	321.4
Cash and cash equivalents and restricted cash at end of period	<u>\$ 842.1</u>	<u>\$ 1,839.6</u>	<u>\$ 1,640.2</u>	<u>\$ 1,620.3</u>	<u>\$ 1,620.3</u>

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

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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 table below summarizes net decrease in cash equivalents and restricted cash by quarter for the six months ended June 30, 2022:

(In millions)	Three Months Ended		Six Months Ended
	March 31, 2022	June 30, 2022	June 30, 2022
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	\$ (295.0)	\$ (76.6)	\$ (371.6)
<b>Cash flows from investing activities:</b>			
Net cash used in investing activities	(54.9)	(48.0)	(102.9)
<b>Cash flows from financing activities:</b>			
Net cash used in financing activities	(76.3)	(59.7)	(136.0)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(5.5)	(16.4)	(21.9)
Net decrease in cash and cash equivalents and restricted cash	(431.7)	(200.7)	(632.4)
Cash and cash equivalents and restricted cash at beginning of period	1,620.3	1,188.6	1,620.3
Cash and cash equivalents and restricted cash at end of period	\$ 1,188.6	\$ 987.9	\$ 987.9

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. Our net cash used in operating activities improved by \$218.4 million during the three months ended June 30, 2022 compared to the three months ended March 31, 2022 from \$(295.0) million to \$(76.6) million. The improvement in net cash used in operating activities from the three months ended March 31, 2022 to the three months ended June 30, 2022 was primarily attributable to an increase in attendance and decrease in net loss and decreases in seasonal working capital uses as we will pay for the strong second quarter 2022 results in early third quarter of 2022. We have 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 \$218.9 million of rentals that were deferred during the COVID-19 pandemic.

Our net cash used in investing activities 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.
- \$40.4 million of capital expenditures, \$17.8 million for the acquisition of theatres, partially offset by proceeds of \$11.4 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan during the three months ended June 30, 2022.

Our net cash used in financing activities included:

- \$955.7 million of principal and premium payments, \$52.2 million of taxes paid for restricted unit withholdings, and \$17.7 million of cash used to pay for deferred financing costs, partially offset by proceeds from our debt issuance of \$950.0 million, during the three months ended March 31, 2022.
- \$57.9 million of principal and premium payments of, and \$1.8 million of cash used to pay for

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deferred financing costs during the three months ended June 30, 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 to repay rent amounts that were deferred during the COVID-19 pandemic 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 that box office revenues will need to increase significantly compared to 2021 and the combined first and second quarter of 2022 to levels in line with pre COVID-19 box office revenues. 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 recent attendance levels are positive signs of continued demand for the moviegoing experience. For the six months ended June 30, 2022 attendance was 98.2 million patrons, a 69.3 million patron increase from the approximately 28.9 million patrons for the six months ended June 30, 2021. 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 potential 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, the production and theatrical release of fewer films compared to levels before the onset of the COVID-19 pandemic, 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 \$139.5 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 \$39.5 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.

The 11.25% Odeon Term Loan due 2023 matures on August 19, 2023 during the third fiscal quarter of the our next calendar year. We are currently negotiating terms of new debt intended to refinance the existing £147.6 million and €312.2 million aggregate principal amounts of Odeon Term Loan due 2023. While we intend to fully refinance the 11.25% Odeon Term Loan due 2023 and extend current maturity dates, there are no assurances that we will be able to do so. If we are unable to refinance these amounts, the principal amounts will be reported as current maturities which may increase uncertainty regarding our ability to meet future commitments.

We or our affiliates may, at any time and from time to time, seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

We 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. As a result, deferred lease amounts were approximately \$218.9 million as of June 30, 2022. Our cash expenditures for rent increased significantly during the six months ended June 30, 2022, compared to the six months ended June 30, 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.

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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 that box office revenues will need to increase significantly compared to 2021 and the combined first and second quarter of 2022 to levels in line with pre COVID-19 box office revenues. 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 \$371.6 million and \$546.7 million during the six months ended June 30, 2022 and June 30, 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 six months ended June 30, 2022 compared to the six months ended June 30, 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 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 \$218.9 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 \$102.9 million and \$2.5 million during the six months ended June 30, 2022 and June 30, 2021, respectively. Cash outflows from investing activities include capital expenditures of \$75.2 million and \$29.8 million during the six months ended June 30, 2022 and June 30, 2021, respectively. During the six months ended June 30, 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, acquisition of theatre assets for \$17.8 million and proceeds from the disposition of long-term assets of \$7.2 million related to one property and other assets as well as proceeds of \$11.4 million from the sale of securities in conjunction with the liquidation of a non-qualified deferred compensation plan.

During the six months ended June 30, 2021, cash flows used in investing activities included proceeds from the disposition of assets primarily related to proceeds of \$35.2 million from the sale of our remaining equity interest in Lithuania and eliminated our noncontrolling interest in Forum Cinemas OU and proceeds received from the disposition of one property of \$1.4 million. During the six months ended June 30, 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 \$(136.0) million and \$2,066.9 million during the six months ended June 30, 2022 and June 30, 2021, respectively. Cash flows from financing activities during the six months ended June 30, 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, repurchase of Second Lien Notes due 2026 of \$50.0 million, and cash used to pay for deferred financing costs of \$19.5 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 June 30, 2022.

Cash flows provided by financing activities during the six months ended June 30, 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, net proceeds from the sale of Class A common stock of \$1,570.8 million, and net proceeds from Class A common stock issuance to Mudrick of \$230.4 million, partially offset by the repayments under the revolving credit facilities of \$335.0 million, payment for deferred financing costs of \$19.3 million, and principal payments under the Term Loan due 2026 of \$10.0 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 six months ended June 30, 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 six months ended June 30, 2022 and June 30, 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 June 30, 2022 and June 30, 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



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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 4.199% per annum at June 30, 2022 and 3.085% per annum at June 30, 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 June 30, 2022, we had no variable-rate borrowings outstanding under our revolving credit facilities and had an aggregate principal balance of \$1,935.0 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 \$9.7 million during the six months ended June 30, 2022.

At June 30, 2021, we had no variable-rate borrowings outstanding under our revolving credit facilities and had an aggregate principal balance of \$1,955.0 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 \$9.8 million during the six months ended June 30, 2021.

**Market risk on fixed-rate financial instruments.** Included in long-term corporate borrowings at June 30, 2022 were principal amounts of \$950.0 million of our First Lien Notes due 2029, \$1,435.5 million of our Second Lien Notes due 2026, \$505.6 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 (\$4.8 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 \$79.9 million and \$(76.1) million, respectively, as of June 30, 2022.

Included in long-term corporate borrowings at June 30, 2021 were principal amounts of \$500.0 million of our First Lien Notes due 2025, \$1,509.0 million of our Second Lien Notes due 2026, \$560.4 million (£143.7 million and €303.8 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 \$117.7 million and \$(112.6) million, respectively, as of June 30, 2021.

**Foreign currency exchange rate risk.** We are also exposed to market risk arising from changes in foreign currency exchange rates arising from our International markets operations. International markets revenues and operating expenses are transacted in British Pounds, Euros, Swedish Krona, and Norwegian Krone. U.S. GAAP requires that our subsidiaries use the currency of the primary economic environment in which they operate as their functional currency. If any international subsidiary was to operate in a highly inflationary economy, U.S. GAAP would require that the U.S. dollar be used as the functional currency. Currency fluctuations in the countries in which we operate result in us reporting exchange gains (losses) or foreign currency translation adjustments. Based upon the functional currencies in the International markets as of June 30, 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 loss of changes in foreign exchange rates would increase the aggregate net loss of our International theatres for the six months ended June 30, 2022 by approximately \$10.5 million. Based upon the functional currencies in the International markets as of June 30, 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 six months ended June 30, 2021 by approximately \$20.6 million.

Our foreign currency translation rates decreased by approximately 11.2% and 8.6% for the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021, respectively.

**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 and Part II Item 1A. in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, which sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition or operating results. The Annual Report on Form 10-K for the year ended December 31, 2021, also includes the risk factor titled "The market prices and trading volume that our shares of Common Stock have recently experienced, and may continue to experience, extreme volatility, which could cause purchasers of our Common Stock could incur substantial losses", which risk factor continues to apply to our Common Stock and may also apply to our Preferred Equity Units. Except as set forth below, there have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2021 and Part II Item 1A. in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.

***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, 24.6% of our revenues were derived from countries outside the United States for the six months ended June 30, 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) completed accession talks at NATO headquarters in Brussels on July 4, 2022

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and NATO ambassadors signed the accession protocols on July 5, 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.

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**Item 5. Other Information**

None.

Item 6. Exhibits.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
<a href="#">*3.1</a>	<a href="#">Certificate of Designations for the Series A Convertible Participating Preferred Stock.</a>
<a href="#">*31.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</a>
<a href="#">*31.2</a>	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</a>
<a href="#">*32.1</a>	<a href="#">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.</a>
**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.

**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: August 4, 2022

/s/ ADAM M. ARON

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

Date: August 4, 2022

/s/ SEAN D. GOODMAN

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

# **EXHIBIT E**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**AMC ENTERTAINMENT HOLDINGS, INC.**

\_\_\_\_\_  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies: \_\_\_\_\_
  - (2) Aggregate number of securities to which transaction applies: \_\_\_\_\_
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): \_\_\_\_\_
  - (4) Proposed maximum aggregate value of transaction: \_\_\_\_\_
  - (5) Total fee paid: \_\_\_\_\_
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid: \_\_\_\_\_
  - (2) Form, Schedule or Registration Statement No.: \_\_\_\_\_
  - (3) Filing Party: \_\_\_\_\_
  - (4) Date Filed: \_\_\_\_\_





**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 4, 2021**

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**DEAR STOCKHOLDERS:**

We cordially invite you to attend the Annual Meeting of Stockholders of AMC Entertainment Holdings, Inc., which will be held on May 4, 2021 at 2:00 p.m. (Central Time) at the AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, for the following purposes:

1. To approve an amendment to our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 500,000,000 shares to a total of 1,024,173,073 shares of Class A Common Stock ("Proposal 1").
2. To elect to our Board of Directors the following nominees for terms expiring at the 2024 Annual Meeting: Mr. Philip Lader, Mr. Gary F. Locke, and Mr. Adam J. Sussman ("Proposal 2").
3. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 ("Proposal 3").
4. To conduct a non-binding advisory vote to approve the compensation of named executive officers ("Proposal 4").
5. To approve an amendment to our 2013 Equity Incentive Plan (the "EIP") to (i) increase the total number of shares subject to the EIP to 35,000,000 shares of Class A Common Stock, (ii) revise the share replenishment provision and (iii) eliminate the mandatory expiration of the EIP ("Proposal 5").
6. To approve the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the proposals ("Proposal 6").

These items of business (collectively, the "Proposals") are more fully described in the Proxy Statement accompanying this notice.

Our Board has fixed the close of business on March 11, 2021 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders or at any adjournment or postponement thereof. A list of these stockholders will be available at the time and place of the meeting and, during the ten days prior to the meeting, at the office of the Secretary of AMC Entertainment Holdings, Inc. at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211.

Only stockholders and persons holding proxies from stockholders may attend the meeting. If your shares are registered in your name, you should bring your proxy card and a proper form of identification such as your driver's license to the meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares and a proper form of identification.

Although we currently intend to hold the Annual Meeting in person, due to concerns related to the ongoing coronavirus (COVID-19) pandemic, we may impose additional procedures or limitations on meeting attendees or may decide to hold the Annual Meeting in a different location or solely by means of remote communication (i.e., a virtual-only meeting). We plan to announce any such updates regarding the Annual Meeting by issuing a press release and filing the press release as definitive additional soliciting material with the Securities and Exchange Commission (the "SEC"). We encourage you to regularly check these resources prior to the Annual Meeting if you plan to attend.

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**Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting to be held on May 4, 2021.** Pursuant to rules promulgated by the SEC, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent stockholders the Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on May 4, 2021, with instructions for accessing the proxy materials and voting via the Internet (the "Notice"). In accordance with the SEC notice and access rule, the Notice allows us to provide our stockholders with the information they need to vote through various means, while reducing the costs and environmental impact of printing and delivering proxy materials. The Notice is not a proxy and cannot be used to authorize a proxy to vote your shares. The Notice, which was mailed on or around March 19, 2021 also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. If you receive a Notice this year, you will not receive paper copies of the Proxy Materials unless you request the materials by following the instructions on the Notice. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com). As discussed in the Proxy Statement, certain stockholders were sent a full set of printed proxy materials or an email with instructions on how access the proxy materials electronically, based on their previously indicated delivery preferences.

**Whether or not you plan to attend the Annual Meeting in person and regardless of the number of shares you may own, we urge you to vote your shares over the Internet, as provided in the Notice and the Proxy Statement. If you already received or if you request proxy materials by mail, you may vote over the Internet or sign, date and mail the proxy card you receive in the envelope provided or vote via the toll-free telephone number set forth on the proxy card. Please also indicate when voting your shares over the Internet or via the toll-free number or on your proxy card whether you plan to attend the Annual Meeting. You may revoke your proxy and vote your shares in person in accordance with the procedures described in the Proxy Statement.**

**If you have any questions regarding the accompanying proxy statement or how to vote your shares, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).**

**ALL STOCKHOLDERS ARE EXTENDED A CORDIAL INVITATION  
TO ATTEND THE ANNUAL MEETING OF STOCKHOLDERS**

By Order of the Board of Directors,



*Senior Vice President, General Counsel and Secretary*

One AMC Way  
11500 Ash Street, Leawood, KS 66211

March 19, 2021

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## PROXY STATEMENT

### PROXY SUMMARY

This summary highlights selected information and does not contain all of the information that you should consider in deciding how to vote. You should read the entire proxy statement carefully before voting.

#### 2021 ANNUAL MEETING OF STOCKHOLDERS

**Time and Date:** 2:00 p.m. (Central Time), Tuesday, May 4, 2021  
**Place:** AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211  
**Record Date:** March 11, 2021  
**Voting:** As of the record date, holders of our Class A common stock are entitled to one vote per share.

### Voting Recommendations

Agenda Item	Board Vote Recommendation
<b>Proposal 1:</b> Amendment of our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 500,000,000 shares to a total of 1,024,173,073 shares of Class A Common Stock.	✓ FOR
<b>Proposal 2:</b> Election to our Board of Directors of the following nominees for terms expiring at the 2024 Annual Meeting:  Mr. Philip Lader, Mr. Gary F. Locke, and Mr. Adam J. Sussman.	✓ FOR each Director Nominee
<b>Proposal 3:</b> Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021.	✓ FOR
<b>Proposal 4:</b> Non-binding advisory vote to approve the compensation of named executive officers (the "say-on-pay vote").	✓ FOR
<b>Proposal 5:</b> Amendment of the EIP to (i) increase the total number of shares subject to the EIP to 35,000,000 shares of Class A Common Stock, (ii) revise the share replenishment provision, and (iii) eliminate the mandatory expiration of the EIP.	✓ FOR
<b>Proposal 6:</b> Adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals.	✓ FOR



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## GENERAL INFORMATION

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This proxy statement is provided in connection with the solicitation of proxies by the Board of Directors (the "Board") of AMC Entertainment Holdings, Inc., a Delaware corporation ("we," "us," the "Company" or "AMC"), for use at the 2021 Annual Meeting of Stockholders of the Company, to be held on May 4, 2021 at 2:00 p.m. (Central Time), or any adjournment or postponement thereof, at the AMC Theatre Support Center located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 (the "Annual Meeting").

Although we currently intend to hold the Annual Meeting in person, due to concerns related to the ongoing coronavirus (COVID-19) pandemic, we may impose additional procedures or limitations on meeting attendees or may decide to hold the Annual Meeting in a different location or solely by means of remote communication (i.e., a virtual-only meeting). We plan to announce any such updates regarding the Annual Meeting by issuing a press release and filing the press release as definitive additional soliciting material with the SEC. We encourage you to regularly check these resources prior to the Annual Meeting if you plan to attend.

### **Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting to be held on May 4, 2021.**

Pursuant to rules promulgated by the SEC, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent stockholders the Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on May 4, 2021, with instructions for accessing the proxy materials and voting via the Internet (the "Notice"). In accordance with the SEC notice and access rule, the Notice allows us to provide our stockholders with the information they need to vote through various means, while reducing the costs and environmental impact of printing and delivering proxy materials. The Notice is not a proxy and cannot be used to authorize a proxy to vote your shares. The Notice, which was mailed on or around March 19, 2021 also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. If you receive a Notice this year, you will not receive paper copies of the Proxy Materials unless you request the materials by following the instructions on the Notice. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com). As discussed in the Proxy Statement, certain stockholders were sent a full set of printed proxy materials or an email with instructions on how access the proxy materials electronically, based on their previously indicated delivery preferences.

This proxy statement and the accompanying proxy are first being made available to stockholders beginning on or about March 19, 2021. The costs of this proxy solicitation will be borne by the Company, which maintains its principal executive offices at One AMC Way, 11500 Ash Street, Leawood, KS 66211.

If you have any questions regarding the proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).



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## VOTING AT THE ANNUAL MEETING

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The only outstanding voting securities of the Company are its shares of Class A common stock (the "Common Stock"). All of the Company's remaining authorized Class B Common Stock has been forfeited or converted to Common Stock and was retired on February 24, 2021. Only stockholders of record of our Common Stock at the close of business on March 11, 2021 (the "Record Date"), the date selected as the record date by our Board, are entitled to vote at the Annual Meeting. On the record date, there were 450,156,186 shares of Common Stock outstanding. The holders of our Common Stock are entitled to one vote per share.

### The Proxy and Voting

Pursuant to rules promulgated by the SEC, we are making this Proxy Statement and 2020 Annual Report available to stockholders electronically via the Internet. On or around March 19, 2021, we sent our stockholders of record on the Record Date the Notice, which provides information regarding accessing the proxy materials for the Annual Meeting and voting via the Internet. Some stockholders have previously requested to receive either a full set of printed proxy materials or an email with instructions on how to access the proxy materials electronically. Stockholders that have not submitted a specific delivery preference were sent the Notice. If you would like to change the way you receive materials in the future, please follow the instructions on the Notice you received. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com).

Registered holders are stockholders who hold their shares directly with the Company and have their names and addresses recorded in the Company's share registry, which is maintained by our transfer agent, Computershare. Registered stockholders can vote by proxy in any of the following three ways, each of which is valid under Delaware law. If you are a registered holder and would like to receive a full printed set of proxy materials, please follow the instructions on the Notice.

- *By Internet:* Access our Internet voting site at [www.proxyvote.com](http://www.proxyvote.com) or scan the QR code on the Notice or your proxy card and follow the instructions on the screen prior to 11:59 p.m., Eastern Time, on May 3, 2021.
- *By Telephone:* After receiving the full set of printed proxy materials, using a touch-tone telephone, call toll-free at 1-800-690-6903 and follow the voice instructions, prior to 11:59 p.m., Eastern Time, on May 3, 2021.
- *By Mail:* After receiving the full set of printed proxy materials, mark, sign, date, and return the proxy or voting instruction form in the enclosed envelope so it is received before the Annual Meeting.

Beneficial owners are stockholders who hold their shares through a brokerage account, bank or other record holder. You also may have heard the term "held in street name" when describing stock ownership. When you buy securities through a brokerage firm, most firms will automatically put your securities into "street name." This means your brokerage firm will hold your securities in its name or another nominee and not in your name, but your brokerage firm will keep records showing you as the real or "beneficial owner." Under the rules of the New York Stock Exchange ("NYSE"), member stockbrokers who hold shares of Common Stock in their name for customers are required to obtain directions from their customers on how to vote the shares. NYSE rules permit brokers to vote shares on certain proposals when they have not received any directions. The Staff of the NYSE, prior to the Annual Meeting, informs brokers of those proposals on which they are entitled to vote the undirected shares.

Under rules of the NYSE, brokers may not vote on "non-routine" proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as "non-votes." Your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. Proposals 2, 4, 5 and 6 are considered "non-routine," which means that brokerage firms may not vote in their discretion regarding these items on behalf of beneficial owners who have not furnished voting instructions. Proposals 1 and 3, however, are considered "routine" items, which means that brokerage firms may vote in their discretion on behalf of beneficial owners who have not furnished voting instructions.





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If you are the beneficial owner of your shares, you should have received a Notice, a full set of printed proxy materials with a voting instruction form, or an email copy of the proxy materials with instructions on how to vote from your broker or other nominee holding your shares. You should follow the instructions in the Notice or voting instruction form provided by your broker or other nominee in order to instruct your broker on how to vote your shares; in most instances you may vote by Internet, telephone or by mail.

Beneficial stockholders who wish to attend the Annual Meeting must obtain a legal proxy by contacting their account representative at the bank, broker, or other record holder that holds their shares and e-mail a copy (a legible photograph is sufficient) of their legal proxy to our proxy solicitor at [AMCattend@dfking.com](mailto:AMCattend@dfking.com). If you want to vote in person, you must obtain a legal proxy from your broker, bank or other nominee and bring it to the meeting.

Proxies provided by telephone or over the Internet or by mailed proxy card by stockholders of record, unless revoked, will be voted at the Annual Meeting as directed by you, or, in the absence of such direction, as the Board recommends for Proposals 1, 2, 3, 4, 5 and 6 at the Annual Meeting. A stockholder submitting a proxy by telephone or over the Internet or by mailed proxy card may revoke such proxy at any time before it is used by giving written notice of revocation to the Secretary of the Company, by delivering to the Secretary of the Company a duly executed proxy bearing a later date or by voting in person at the Annual Meeting. Attendance at the Annual Meeting will not, in and of itself, revoke a proxy.

If you have any questions about how to vote your shares, you may contact our proxy solicitor at:

D.F. King & Co, Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Call Toll-Free: (800) 249-7120  
Banks and Brokers Call: (212) 269-5550  
[AMC@dfking.com](mailto:AMC@dfking.com)

**Other Matters**

As of the date of this proxy statement, we do not know of any other matter to be raised at the meeting. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxies will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned or postponed, the proxies can vote your shares at the adjournment or postponement as well.

**Voting Requirement to Approve each of the Proposals**

- Proposal 1: Amendment of our Third Amended and Restated Certificate of Incorporation (our "Certificate of Incorporation") requires approval by the holders of a majority of the outstanding shares. Our Board recommends a vote "for" this proposal.
- Proposal 2: Election of directors requires a plurality of the votes cast, which means that the three nominees for director receiving the highest number of votes FOR election will be elected as directors. Our Board recommends a vote "for" the election of each nominee.
- Proposal 3: Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal.
- Proposal 4: Non-binding advisory vote on compensation of named executive officers (the "say-on-pay vote") requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal. The vote on Proposal 4 is a non-binding advisory vote.



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- Proposal 5: Amendment of the EIP requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal.
- Proposal 6: Adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal.

### How Votes Are Counted

A quorum is required to transact business at our Annual Meeting. Stockholders of record holding shares of Common Stock constituting a majority of the shares issued and outstanding and entitled to vote at the Annual Meeting shall constitute a quorum. If you have returned valid proxy instructions or attend the meeting in person, your shares will be counted for the purpose of determining whether there is a quorum, even if you abstain from voting on some or all matters introduced at the meeting. As of the close of business on March 3, 2021, the latest practicable date before the filing of this proxy statement, there were 450,156,186 shares of Common Stock issued and outstanding, held by 1,513 holders of record. Thus, the holders of at least 225,078,094 shares of Common Stock must be present in person or represented by proxy at the Annual Meeting to constitute a quorum.

Abstentions will be treated as shares present and entitled to vote for purposes of any matter requiring the affirmative vote of a majority or other proportion of the shares present and entitled to vote. Accordingly, abstentions will be considered as represented for purposes of determining a quorum. Abstentions with respect to Proposals 1, 3, 4, 5 and 6 will have the same effect as a vote against such proposals. Because a plurality of the votes cast is required for Proposal 2, abstentions and withheld votes will have no effect on such proposal. Broker non-votes will be considered as represented for purposes of determining a quorum, but will not otherwise affect voting results.

Under rules of the NYSE, brokers may not vote on "non-routine" proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as "non-votes." Your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. Proposals 2, 4, 5 and 6 are considered "non-routine," which means that brokerage firms may not vote in their discretion regarding these items on behalf of beneficial owners who have not furnished voting instructions. Proposals 1 and 3, however, are considered "routine" items, which means that brokerage firms may vote in their discretion on behalf of beneficial owners who have not furnished voting instructions.

Although Proposal 4 is a non-binding advisory vote, our Board will review the results and will take them into account in making a determination concerning executive compensation.

### Proxy Solicitation

The Company is soliciting proxies for use at the Annual Meeting by means of the proxy materials. When stockholders vote over the internet, by telephone, or when proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instruction of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendation of our Board as described above and, if any other matters are properly brought before the Annual Meeting, the shares will be voted in accordance with the proxies' judgment.

The Company will pay for the Annual Meeting, including the cost of mailing the Notice, paper copies of our proxy materials as requested by stockholders, and any supplemental materials. Directors, officers and employees of the Company may, either in person, by telephone or otherwise, solicit proxies. They have not been specifically engaged for that purpose, however, nor will they be compensated for their efforts. The Company has engaged D.F. King & Co., Inc., to assist in the solicitation of proxies for the Annual Meeting. We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. AMC will pay D.F. King & Co., Inc., a fee of \$20,000. AMC will also reimburse D.F. King & Co., Inc., for reasonable out-of-pocket costs and other agreed-upon expenses and will



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indemnify D.F. King & Co., Inc., and its affiliates against certain claims, liabilities, losses, damages and expenses. In addition, we will reimburse brokerage firms and other persons representing beneficial owners of our shares for their reasonable expenses in forwarding the Notice, paper copies of our proxy materials as requested by beneficial owners, and other soliciting materials to the beneficial owners.

If you receive more than one set of printed materials, your shares may be registered in more than one name and/or are registered in different accounts. Please follow the voting instructions on each set of printed materials to ensure that all of your shares are voted.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

**The Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com).**

If you choose to access the proxy materials and/or vote over the Internet, you are responsible for any Internet access charges you may incur.



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## DIRECTORS OF THE COMPANY

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Our business and affairs are managed by our Board, which currently consists of the following ten members: Adam M. Aron, Howard W. "Hawk" Koch, Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Anthony J. Saich, Adam J. Sussman, Lee E. Wittlinger, Maojun (John) Zeng, and Lin (Lincoln) Zhang. Mr. Zhang serves as our non-executive Chairperson. Mr. Aron is our Chief Executive Officer ("CEO").

In July 2020, the stockholders of the Company approved an amendment to our Certificate of Incorporation to declassify our board of directors and have each director elected for a one-year term at each subsequent annual meeting. In December 2020, in connection with discussions with Wanda America Entertainment, Inc., an affiliate of Dalian Wanda Group Co., Ltd, and the holder at the time of approximately 58.8% of the voting power of the Company's outstanding capital stock entitled to vote (the "Majority Stockholder" or "Wanda") regarding the important need for the Company to raise additional capital pursuant to one or more equity offerings, including debt for equity exchanges, and the importance of accessing the equity markets quickly, the Company requested that the Majority Stockholder support such offerings and waive certain rights to have a portion of its shares included in the Company's registration statement for such offerings (known as piggyback registration rights). The Company and the Majority Stockholder discussed the fact that a significant equity raise likely would ultimately result in the mandatory conversion of the Majority Stockholder's Class B common stock to Class A common stock and thus result in the loss of the Majority Stockholder's majority voting control over the Company. The Majority Stockholder agreed that it would support such offerings and waive its registration rights in connection therewith, but requested that the Company classify the Board. As discussed in the Company's definitive Schedule 14C filed with the SEC on December 31, 2020, in order to reclassify the Board, the Board approved by unanimous vote (i) an amendment to the Certificate of Incorporation (which the Majority Stockholder also approved by written consent), and (ii) an amendment to the Company's Bylaws. Pursuant to such amendment, the current members of the Board were placed in three classes as described below. This amendment was effective on January 25, 2021.

Accordingly, pursuant to our Certificate of Incorporation, our Board is currently divided into three classes. The members of each class serve for a staggered, three-year term. Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. The classes are composed as follows:

- Mr. Lader, Mr. Locke, and Mr. Sussman are Class I directors, whose terms will expire at the 2021 annual meeting of stockholders;
- Mr. Aron, Mr. Koch, Ms. Pawlus and Dr. Saich are Class II directors, whose terms will expire at the 2022 annual meeting of stockholders; and
- Mr. Wittlinger, Mr. Zeng, and Mr. Zhang are Class III directors, whose terms will expire at the 2023 annual meeting of stockholders.



**PROPOSAL 1:  
APPROVAL OF AN AMENDMENT TO  
THE COMPANY'S THIRD AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
TO INCREASE AUTHORIZED COMMON STOCK**

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**Proposed Amendment**

We are submitting for stockholder approval an amendment to the Certificate of Incorporation to increase the total number of shares of Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 500,000,000 shares to a total of 1,024,173,073 shares of Common Stock (the "Certificate of Amendment"). The text of the Certificate of Amendment is set forth in substantially the form of *Appendix A* and this description is qualified by the full text of the Certificate of Amendment. If this proposal is approved, the Certificate of Amendment will become effective upon filing with the Secretary of State of Delaware, which is expected to occur promptly following the stockholder vote.

**Background and Reason for the Recommendation**

On January 27, 2021, the Board approved a proposal to amend our Certificate of Incorporation to increase the total number of shares of Common Stock the Company shall have the authority to issue by 500,000,000 shares to a total of 1,024,173,073 shares of Common Stock. As of the close of business on March 3, 2021, the latest practicable date before the filing of this proxy statement, there were 450,156,186 shares of our Common Stock issued and outstanding and 10,920,763 shares of Common Stock reserved for issuance under the EIP. Accordingly, 63,096,124 shares (including 3,732,625 treasury shares) of the total number of shares of Common Stock currently authorized remain available for issuance or may be reserved for issuance prior to any amendment to increase the authorized shares of Common Stock.

As a result of the retirement of our Class B common stock pursuant to a Certificate of Retirement filed with the Secretary of State of the State of Delaware on February 24, 2021, our Certificate of Incorporation currently authorizes the issuance of up to 574,173,073 shares of capital stock, consisting of (i) 524,173,073 shares of Common Stock and (ii) 50,000,000 shares of preferred stock.

The Board believes it is in the best interest of the Company to increase the number of authorized shares of our capital stock in order to give the Company greater flexibility in considering and planning for future general corporate needs, including, but not limited to, the offer and sale of Common Stock in one or more public offerings or private placements, the grant of Common Stock or warrants, options or other convertible securities in one or more strategic transactions, stock dividends, grants under equity compensation plans, stock splits and other general corporate transactions. The Board believes that additional authorized shares of capital stock will enable the Company to take timely advantage of market conditions and favorable financing and other opportunities that may become available to the Company. The authorized but unissued shares will only be issued at the direction of the Board, and if required by applicable law or regulation of the NYSE, upon separate stockholder approval.

**Rights of Additional Authorized Shares**

Any newly authorized shares of Common Stock will be identical to the shares of Common Stock now authorized and outstanding. The Certificate of Amendment will not affect the rights of current holders of Common Stock, none of whom have preemptive or similar rights to acquire the newly authorized shares.

**Potential Adverse Effects of the Certificate of Amendment**

Adoption of the Certificate of Amendment will have no immediate dilutive effect on the proportionate voting power or other rights of the Company's existing stockholders. However, any future issuance of additional authorized shares of our Common Stock, at the future direction of the Board (and generally without the requirement of stockholder approval, unless



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specifically required by applicable law or NYSE regulation) may, among other things, dilute the earnings per share of Common Stock and the equity and voting rights of those holding Common Stock at the time such additional shares are issued.

In addition to the general corporate purposes mentioned above, and as further described below, an increase in the number of authorized shares of Common Stock may make it more difficult to, or discourage an attempt to, obtain control of the Company by means of a takeover bid that the Board determines is not in the best interest of the Company and its stockholders. However, the Board does not intend or view the proposed increase in the number of authorized shares of Common Stock as an anti-takeover measure and is not aware of any attempt or plan to obtain control of the Company.

**Potential Anti-Takeover Effects**

The Certificate of Amendment could adversely affect the ability of third parties to effect a takeover or a change in control by, for example, permitting issuances that would dilute the ownership of a person seeking to effect a change in the composition of our Board or contemplating a tender offer or other transaction that the Board determines is not in our best interests or in the best interests of our stockholders. The Board's ability to issue substantial amounts of Common Stock (generally without the need for stockholder approval, except as may be required by law or NYSE regulation), upon such terms and conditions as our Board may determine, may, among other things, be used to create voting impediments with respect to a change in control or to dilute the stock ownership of stockholders seeking to obtain control of the Company. The issuance of Common Stock, while providing desirable flexibility in connection with potential financings and other corporate transactions, may have the effect of discouraging, delaying or preventing a change in control of the Company. Our Board, however, does not intend or view the Certificate of Amendment as an anti-takeover measure, nor does it contemplate its use in this manner at any time in the foreseeable future and is not aware of any attempt or plan to obtain control of the Company.

**Appraisal Rights**

Pursuant to the Delaware General Corporation Law, stockholders are not entitled to appraisal rights with respect to the Certificate of Amendment.

**Effectiveness of the Certificate of Amendment**

If the Certificate of Amendment is adopted, it will become effective upon the filing of the Certificate of Amendment substantially in the form of Appendix A with the Secretary of State of the State of Delaware.

The Board recommends a vote **"FOR"** the Certificate of Amendment.



## PROPOSAL 2 ELECTION OF DIRECTORS

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At the Annual Meeting stockholders will vote to elect three individuals to be elected as Class I directors to hold a three-year term of office from the date of their election until the Company's 2024 annual meeting and until their successors are duly elected and qualified. Under Proposal, No. 2, the three nominees for election as Class I directors are: Mr. Lader, Mr. Locke, and Mr. Sussman.

The Nominating and Corporate Governance Committee and the Board believe that the nominees under Proposal 2 have the requisite qualifications to oversee our business. Set forth below you will find certain information for each of the directors, which we believe evidences the directors' qualifications to serve on the Board.

The Board recommends a vote "FOR" each of the nominees.

Each of the biographies of the nominees for election as directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the past five years, and the experience, qualifications, attributes and skills that caused the Board to determine that the person should be nominated for election as a director at the Annual Meeting. The following information is as of March 5, 2021.

### Nominees for Election as Class I Directors—Terms Expiring 2024

#### *Mr. Philip Lader*

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Mr. Philip Lader, 74, has served as a director of the Company since June 2019. Mr. Lader is a Senior Advisor to Morgan Stanley Institutional Securities and Palantir Technologies, as well as a partner emeritus with the law firm of Nelson Mullins Riley & Scarborough LLP. He is also the former U.S. Ambassador to the Court of St. James's and Chairperson of WPP plc. Mr. Lader served in President Clinton's Cabinet and as Administrator of the US Small Business Administration, White House Deputy Chief of Staff, Assistant to the President, and Deputy Director of the Office of Management & Budget. Previously, he was Executive Vice President of Sir James Goldsmith's US holdings and President of Sea Pines Company, universities in South Carolina and Australia, and Business Executives for National Security. Also, he is currently a trustee and Investment Committee Chairperson of RAND Corporation and several foundations, as well as a member of the boards of several privately-held companies, the investment committees of Morgan Stanley's Global Infrastructure and Real Estate Funds, and the Council on Foreign Relations. He currently or has previously served on the boards of Lloyds of London, Marathon Oil, AES, WPP plc, Songbird (Canary Wharf), Rusal Corporations, the British Museum, American Red Cross, Smithsonian Museum of American History, St. Paul's Cathedral Foundation, Atlantic Council, and several banks and universities. He is partner emeritus in the Nelson Mullins law firm and the founder and co-host of Renaissance Weekends. Mr. Lader's education includes Duke, Michigan, Oxford and Harvard Law School, and he has been awarded honorary doctorates by 14 universities. An Honorary Fellow of Oxford University's Pembroke College and London Business School and Honorary Bencher of Middle Temple (British Inns of Court), he was awarded the Benjamin Franklin Medal by The Royal Society for Arts, Manufactures & Commerce for his contributions to trans-Atlantic relations. Mr. Lader brings vast experience in business, government and law to the Board.

#### *Mr. Gary F. Locke*

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Mr. Gary F. Locke, 71, has served as a director of the Company since February 2016. Mr. Locke is currently a trade consultant and owner of Locke Global Strategies, LLC since 2014. Mr. Locke has also served as the interim President of Bellevue College since June of 2020. Mr. Locke was the first Chinese American to be elected as a U.S. Governor when the voters of Washington elected him in 1996 and re-elected him in 2000. During his administration, he strengthened economic ties between China and Washington State. Mr. Locke then served as U.S. Commerce Secretary from 2009-2011, where he led the effort to implement President Obama's National Export Initiative to double American exports in five years. He then became America's 10th Ambassador to China, serving from 2011-2014, and during his service he opened markets for made-in-USA goods and services and reduced wait times for visa interviews of Chinese applicants from 100 days to three days. Mr. Locke is a member



of the board of directors of Fortinet, Inc., nLight, Inc., and Port Blakely Tree Farms. He attended Yale University, graduating with a bachelor's degree in political science and received his law degree from Boston University. Mr. Locke brings to the Board a global and valuable business perspective due to his extensive role in politics and experience as an Ambassador to China.

**Mr. Adam J. Sussman**

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Mr. Adam J. Sussman, 49, has served as a director of the Company since May 2019. Mr. Sussman has served as President of Epic Games, Inc. since January 2020. Prior to that, from 2017 until 2020, Mr. Sussman was appointed as Nike, Inc.'s first-ever Chief Digital Officer, was previously head of Nike's Global Strategy and Corporate Development and served as the VP/GM Direct Digital and Geographies. He was responsible for building Nike's portfolio of world-class digital consumer experiences and innovations and transforming retail for the world's leading sports brand. He managed Nike's digital teams globally and Nike's direct-to-consumer GM's across the four key operating geographies of the company. Prior to Nike, Mr. Sussman was Senior Vice President of Global Publishing at Zynga responsible for marketing, sales, growth and digital products. He also served as Senior Vice President of Publishing at Disney, building the global team that managed gaming properties across all media platforms around the world. At Electronic Arts, he was Vice President of Worldwide Publishing, leading the team that established EA Mobile as the #1 publisher on the Apple App store. Mr. Sussman started his career as a creative executive at Hearst Entertainment, a division of the Hearst Corporation. Mr. Sussman holds a BA from Harvard College and an MBA from Harvard University Graduate School of Business Administration. Mr. Sussman brings valuable experience as president of large company and in marketing, information technology and digital platforms to the Board.

**Continuing Class II Directors—Terms Expiring 2022**

**Mr. Adam M. Aron**

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Mr. Adam M. Aron, 66, has served as Chief Executive Officer, President and a director of the Company since January 2016. From February 2015 to December 2015, Mr. Aron was Chief Executive Officer of Starwood Hotels and Resorts Worldwide, Inc. and served on the board from 2006 to 2015. Since 2006, Mr. Aron has served as Chairperson and Chief Executive Officer of World Leisure Partners, Inc., a personal consultancy for matters related to travel and tourism, high-end real estate development, and professional sports, that he founded. Mr. Aron served as Chief Executive Officer and Co-Owner of the Philadelphia 76ers from 2011 to 2013, and remains an investor. From 2006 to 2015, Mr. Aron served as Senior Operating Partner of Apollo Management L.P., compensation for which ran through March of 2017. Mr. Aron currently serves on the board of directors of Norwegian Cruise Line Holdings, Ltd. and HBSE, which owns the NHL's New Jersey Devils and the NBA's Philadelphia 76ers. Mr. Aron served on the board of directors of Prestige Cruise Holdings, Inc. from 2007 to 2014. Mr. Aron received a Master's of Business Administration degree with distinction from the Harvard Business School and a Bachelor of Arts degree cum laude from Harvard College. Mr. Aron brings to the Board significant business and executive leadership experience, including valuable insight into consumer services. He has more than 25 years of experience as a Chief Executive Officer, more than 25 years of experience as a corporate director, and more than 35 years of consumer-engagement experience.

**Mr. Howard W. "Hawk" Koch**

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Mr. Howard W. "Hawk" Koch, Jr., 75, has served as a director of the Company since October 2014. Mr. Koch is a veteran movie producer and principal at The Koch Company, the former president of the Academy of Motion Picture Arts and Sciences ("AMPAS"), and Recording Secretary and former President of the Producers Guild of America. Mr. Koch served on the Board of Directors of the Motion Picture & Television Fund from 2005 until 2020 and the National Film Preservation Foundation. Mr. Koch previously served on the Board of Governors of AMPAS from 2004 to 2013 and the Board of Directors of the Producers Guild of America from 1999 to 2020. Mr. Koch has been intimately involved with the making of over 60 major motion pictures, among them such films as "Source Code", "Fracture", "Primal Fear", "Marathon Man," "Chinatown," "Wayne's World," "Peggy Sue Got Married," "The Idolmaker," "Heaven Can Wait," "The Way We Were" and "Rosemary's Baby." Mr. Koch continues to develop and produce movies. Mr. Koch has over 50 years of experience in the motion picture industry and provides our Board with a unique insight into the production of movies that are exhibited on our screens.





***Ms. Kathleen M. Pawlus***

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Ms. Kathleen M. Pawlus, 60, has served as a director of the Company since December 2014. Ms. Pawlus, a retired partner of Ernst and Young, LLP ("EY"), served as the Global Assurance Chief Financial Officer and Chief Operating Officer from 2012 to 2014. EY's Assurance practice is the largest of EY's four service lines and includes its Audit Practice, Fraud, Investigation and Dispute Services Practice, Climate Change and Sustainability Services Practice and its Financial Accounting Advisory Services Practice. Prior to this, from 2006 to 2012, Ms. Pawlus served as EY's Americas Vice Chairperson and Chief Financial Officer, Global PBFA Function Leader and US Firm Vice Chairperson and Chief Financial Officer responsible for finance, IT operations, treasury, purchasing and facilities. Ms. Pawlus served on EY's U.S. Executive Board from 2006 to 2012. Ms. Pawlus earned her Bachelor of Science degree from Indiana University and is a Certified Public Accountant. Ms. Pawlus brings to the Board extensive financial, accounting, operational and management experience in various capacities with more than 30 years of experience.

***Dr. Anthony J. Saich***

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Dr. Anthony J. Saich, 67, has served as a director of the Company since August 2012. Since July 2008, Dr. Saich has served as the Director of the Ash Center for Democratic Governance and Innovation and Daewoo Professor of International Affairs at Harvard University. In his capacity as Ash Center Director, Dr. Saich also serves as the director of the Rajawali Foundation Institute for Asia and the faculty chairperson of the China Public Policy Program, the Asia Energy Leaders Program and the Leadership Transformation in Indonesia Program. He oversees the School's work in Vietnam as well as Myanmar, and the Ash Center's programs on democratic governance and local government innovation. Dr. Saich also serves as a member of International Bridges to Justice and as the U.S. Secretary-General of the China United States Strategic Philanthropy Network. Dr. Saich sits on the executive committees of the John King Fairbank Center for Chinese Studies and the Asia Center, both at Harvard University, and serves as the Harvard representative of the Kennedy Memorial Trust. Dr. Saich holds a bachelor's degree in politics and geography from the University of Newcastle, United Kingdom, a master's degree in politics with special reference to China from the School of Oriental and African Studies, London University, and has a Ph.D. from the Faculty of Letters, University of Leiden, the Netherlands. Dr. Saich has over 40 years of experience in international affairs and will provide valuable international insights to the Company.

**Continuing Class III Directors—Terms Expiring 2023**

***Mr. Lee E. Wittlinger***

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Mr. Lee E. Wittlinger, 37, has served as a director of the Company since September 2018. Mr. Wittlinger is a Managing Director of Silver Lake Group, L.L.C. ("Silver Lake"), which he joined in 2007. Mr. Wittlinger currently serves as a director on the boards of GoDaddy Inc. ("GoDaddy"), WP Engine, Inc., and Oak View Group, LLC. Mr. Wittlinger previously served as a director of Vantage Data Centers Management Company, LLC and Cast & Crew Entertainment Services LLC ("Cast & Crew"), and as a member of GoDaddy's and Cast & Crew's audit committees. Prior to Silver Lake, Mr. Wittlinger worked as an investment banker in the Technology, Media and Telecommunications Group at Goldman, Sachs & Co., where he focused on mergers and acquisitions and financing transactions in the technology industry. Mr. Wittlinger graduated summa cum laude from The Wharton School of the University of Pennsylvania, where he received a B.S. in Economics, with dual concentrations in Finance and Accounting. Mr. Wittlinger brings extensive financial and banking expertise to the Company. See "Related Party Transactions" for details of Mr. Wittlinger's appointment.

***Mr. Maojun (John) Zeng***

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Mr. Maojun (John) Zeng, 49, has served as a director of the Company since February 2016 and served as Chairperson from March 2018 until December 2019. Mr. Zeng has served as the President of Wanda Film Holding Co., Ltd. (formerly known as Wanda Cinema Line Corporation), a subsidiary of Wanda group, since June 29, 2015, and has served as a member of its Board



of Directors since January 22, 2015. Mr. Zeng has also served as Senior Vice President of Wanda Cultural Industries Group since October 13, 2016, as well as previously held positions of Vice President, Senior Assistant to the President and Assistant to the President. Mr. Zeng has held other positions within the Wanda group and its subsidiaries. Mr. Zeng holds an undergraduate degree and a master's degree in business administration from Renmin University of China. Mr. Zeng has experience serving in an executive leadership role at a major theatrical exhibition company in China and brings to the Board valuable theatrical exhibition knowledge.

**Mr. Lin (Lincoln) Zhang**

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Mr. Lin (Lincoln) Zhang, 48, has served as a director of the Company and Chairperson since December 2019. Mr. Zhang previously served as a director of the Company and Chairperson from August 2012 until March 2018. Mr. Zhang has served as President of Wanda Investment Group since October 2020, was President of Wanda Properties Group from July 2020 until October 2020, and was President of Wanda Cultural Industries Group from December 2012 until July 2020. Mr. Zhang is currently on the board of directors of Wanda Group and was Chairperson of Wanda Film Holding Co., Ltd. from November 2006 until December 2020. Mr. Zhang joined Wanda Group in 2000 and has served in various positions, including General Manager of Wanda Group project companies in Nanjing, Shenyang and Chengdu, and CFO and Vice President of Wanda Group. Mr. Zhang served as the Chairperson of Wanda Sports Group Company Limited from November 2018 until July 2020, a non-executive director of Wanda Hotel Development Co. Ltd since November 2017, the chairperson of World Triathlon Corporation from November 2015 until July 2020, and the chairperson of the board of Infront Holding AG from July 2015 until September 2020. He also served as a non-executive director of Dalian Wanda Commercial from December 2009 to January 2016. Mr. Zhang graduated with a bachelor's degree in accounting from Dongbei University of Finance and Economics and obtained an MBA degree from the Guanghua School of Management at Peking University. Mr. Zhang has significant experience in financial and operational management with large companies, with particular focus on corporate strategy and investment, which makes him well-positioned to serve as a director of the Company.



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## CORPORATE GOVERNANCE

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### Corporate Governance Guidelines

Our Corporate Governance Guidelines and Principles reflect the principles by which the Board operates and sets forth director qualification standards, responsibilities, compensation, evaluation, orientation and continuing education, board committee structure, chief executive officer performance review, management succession planning and other policies for the governance of the Company. A copy of the Corporate Governance Guidelines and Principles is available on our website at [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents".

### Risk Oversight

The Board executes its oversight responsibility for risk management directly and through its committees, as follows:

The Audit Committee has primary oversight responsibility with respect to the Company's annual enterprise risk management analysis, including financial and accounting risks. The Audit Committee discusses with management the Company's significant financial and non-financial risk exposures and the Company's risk assessment and risk management policies. Management provides to the Audit Committee periodic assessments of the Company's risk management processes and systems of internal control. The Chairperson of the Audit Committee reports to the full Board regarding material risks as deemed appropriate.

The Board's other committees oversee risks associated with their respective areas of responsibility. For example, the Compensation Committee considers the risks associated with our compensation policies and practices, with respect to both executive compensation and compensation generally. The Board is kept abreast of its committees' risk oversight and other activities via reports of the committee chairpersons to the full Board. These reports are presented at every regular Board meeting and include discussions of committee agenda topics, including matters involving risk oversight.

The Board, together with its committees, considers specific risk topics, including risks associated with our annual operating plan, our capital structure, information systems, privacy, and other cyber security risks. In addition, the Board receives reports from the members of our senior leadership team that include discussions of the risks and exposures involved in their respective areas of responsibility. Further, the Board is informed of developments that could affect our risk profile or other aspects of our business.

### Compensation Policies and Practices as They Relate to Risk Management

The Compensation Committee has reviewed and discussed the concept of risk as it relates to the Company's compensation policies and it does not believe the Company's compensation policies or practices create or encourage the taking of excessive risks that are reasonably likely to have a material adverse effect on the Company. Below are some of the highlights of the Company's compensation programs that mitigate risks associated with compensation:

- Compensation is comprised of a combination of base salary, annual cash incentive, and long-term equity incentive awards;
- While annual cash incentives are available for all full-time employees, only senior officers receive equity awards;
- Equity compensation vesting is multi-year service based and performance based with overlapping performance periods; and
- Maximum payout for cash and equity incentives is 200% of the value at target.

The Compensation Committee has identified no material risks in the compensation programs for 2020.



## Business Conduct and Ethics

We have a Code of Business Conduct and Ethics that applies to all of our associates, including our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. These standards are designed to deter wrongdoing and to promote honest and ethical conduct. The Code of Business Conduct and Ethics, which addresses the subject areas covered by the SEC's rules, may be obtained free of charge through our website: [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents". Any amendment to, or waiver from, any provision of the Code of Business Conduct and Ethics required to be disclosed with respect to any senior executive or financial officer shall be posted on this website.

## Board and Committee Information

The Board held 19 meetings during the year ended December 31, 2020. Each director attended at least 75% of the total combined meetings held by the Board plus the meetings held by the committees of the Board on which such director served, except for Mr. Zeng and Mr. Zhang.

## Communications with the Board

Our stockholders and other interested parties may communicate to our Board, its committees or our non-management directors as a group, by writing to the Secretary of AMC Entertainment Holdings, Inc. at One AMC Way, 11500 Ash Street, Leawood, KS 66211. Stockholders and other interested parties should indicate that their correspondence is intended to be communicated to the Board.

## Director Independence

Until December 23, 2020, we availed ourselves of the "controlled company" exception under the rules of the NYSE, which permits a listed company of which more than 50% of the voting power for election of directors is held by an individual, a group or another company to not comply with certain of the NYSE's governance requirements. As a result of losing "controlled company" status, we will be required to have a majority of independent directors on our Board by no later than December 23, 2021. We currently have five independent directors: Mr. Lader, Ms. Pawlus, Dr. Saich, Mr. Sussman, and Mr. Wittlinger, as determined by our Board in accordance with NYSE rules. The remaining members of the Board, Mr. Aron, Mr. Koch, Mr. Locke, Mr. Zeng, and Mr. Zhang, are not independent under the NYSE rules or within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act").

Our Board has determined that Dr. Saich, Ms. Pawlus, and Mr. Wittlinger are independent in accordance with NYSE rules and within the meaning of the Exchange Act for purposes of serving on our Audit Committee. As a result of losing "controlled company" status, we are required to have a Compensation Committee and Nominating and Corporate Governance Committee with at least one independent member currently and a majority of independent members by no later than March 23, 2021. Both the Compensation Committee and the Nominating and Corporate Governance Committee must be fully independent by no later than December 23, 2021. The Compensation Committee is currently composed of three directors, one of whom is independent. The Nominating and Corporate Governance Committee is composed of five directors, three of whom are independent. Committee memberships will be adjusted as necessary prior to the relevant dates.

## Board Leadership Structure

Under our current leadership structure, the roles of Chairperson of the Board and Chief Executive Officer are held by different individuals. Mr. Zhang serves as our non-executive Chairperson of the Board and Mr. Aron serves as our Chief Executive Officer. At this time, our Board believes that this structure is best for the Company as it allows our Chairperson to oversee board matters and assist the Chief Executive Officer with strategic initiatives, while enabling our Chief Executive Officer to develop and implement the strategic direction of the Company. Our Chairperson is not considered independent under the NYSE rules.



### Executive Sessions

Our non-management directors meet in an executive session, without members of management present, no less than once per year in accordance with the NYSE rules. Our Board Chairperson or his designee presides over these executive sessions.

### Attendance at Annual Meetings

We encourage our directors to attend our Annual Meeting of Stockholders, absent unusual circumstances. Eight directors attended the 2020 Annual Meeting of Stockholders, constituting all then-serving directors except Mr. Zeng and Mr. Zhang.

### Committees

Our Board has established three standing committees. The standing committees consist of an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The standing committees are comprised of directors as provided in the table below:

<b>Board Member</b>	<b>Audit(1)</b>	<b>Compensation</b>	<b>Nominating and Corporate Governance</b>
<b>Adam M. Aron</b>			
<b>Howard W. "Hawk" Koch, Jr.</b>		Member	Member
<b>Philip Lader</b>			Member
<b>Gary F. Locke</b>			Member
<b>Kathleen M. Pawlus</b>	Chairperson		
<b>Adam J. Sussman</b>			
<b>Anthony J. Saich</b>	Member		Chairperson
<b>Lee E. Wittlinger</b>	Member	Chairperson	Member
<b>John Zeng</b>		Member	
<b>Lin Zhang</b>			
<b>Meetings Held in 2020</b>	7	3	3

(1) Our Audit Committee is comprised of three independent members, all of whom are financially literate as defined in the NYSE rules.

Each of our standing committees, the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, operates under a charter, which is available on our website at [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents". The functions performed by each of the standing committees of the Board are briefly described below.

#### Audit Committee

Our Audit Committee consists of Ms. Pawlus, Dr. Saich and Mr. Wittlinger. The Board has determined that Ms. Pawlus and Mr. Wittlinger qualify as Audit Committee financial experts as defined in Item 407(d)(5) of Regulation S-K and that each member of our Audit Committee is financially literate as defined in the NYSE rules and is independent within the meaning of Rule 10A-3 of the Exchange Act and the NYSE rules.

The principal duties and responsibilities of our Audit Committee are as follows:

- to oversee our financial reporting process and internal control system;
- to appoint and replace our independent registered public accounting firm from time to time, determine their compensation and other terms of engagement, oversee their work and perform an annual evaluation;



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- to oversee the performance of our internal audit function; and
- to oversee our compliance with legal, ethical and regulatory matters.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties.

**Compensation Committee**

Our Compensation Committee consists of Mr. Koch, Mr. Wittlinger and Mr. Zeng. As a result of losing "controlled company" status, we are required to have a Compensation Committee with at least one independent member currently and a majority of independent members by no later than March 23, 2021. The Compensation Committee must be fully independent by no later than December 23, 2021. Mr. Wittlinger is independent in accordance with the NSYE rules. The principal duties and responsibilities of our Compensation Committee are as follows:

- to provide oversight on the development and implementation of the compensation policies, strategies, plans and programs for our key employees and non-employee directors and disclosure relating to these matters;
- to review and approve the compensation of our CEO and our other executive officers; and
- to provide oversight concerning the compensation of our CEO, succession planning, performance of our CEO and compensation related matters.

The Compensation Committee may delegate to management administration of incentive compensation plans for non-executive officers. The Compensation Committee engaged and retained Aon Hewitt ("Aon"), as an independent executive compensation consultant, to provide advice on 2020 compensation matters. During 2020, Aon provided advice on executive and director compensation programs, executive and director market pay analysis, compensation peer group, CEO pay recommendations and drafting of the Compensation, Discussion and Analysis disclosures contained in the Company's Proxy Statement. The Compensation Committee reviewed the nature of its relationship with Aon and determined that there were no conflicts of interest with respect to Aon's independence.

**Nominating and Corporate Governance Committee**

Our Nominating and Corporate Governance Committee consists of Mr. Koch, Mr. Lader, Mr. Locke, Dr. Saich and Mr. Wittlinger. As a result of losing "controlled company" status, we are required to have a Nominating and Corporate Governance Committee with at least one independent member currently and a majority of independent members by no later than March 23, 2021. The Nominating and Corporate Governance Committee must be fully independent by no later than December 23, 2021. Each of Mr. Lader, Dr. Saich and Mr. Wittlinger is independent in accordance with the NSYE rules. The principal duties and responsibilities of the Nominating and Corporate Governance Committee are as follows:

- to establish criteria for board and committee membership and recommend to our Board proposed nominees for election to the Board and for membership on committees of the Board; and
- to make recommendations to our Board regarding board governance matters and practices.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that directors are required to fulfill (including experience, qualifications, attributes, skills and other characteristics) in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Company. In identifying and screening director candidates, the Nominating and Corporate Governance Committee considers whether the candidates fulfill the criteria for directors approved by the Board, including integrity, objectivity, independence, sound judgment, leadership, courage and diversity of experience (for example, in relation to finance and accounting, strategy, risk, technical expertise, policy-making, etc.).



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The Board has not adopted a formal diversity policy and pursuant to the Company's Corporate Governance Guidelines and Principles, the Board broadly construes diversity to mean diverse background, education, skills, age, expertise with a proven record of accomplishment and the ability to work well with others. The Nominating and Corporate Governance Committee does not assign specific weight to any particular factor but in selecting members for open Board positions, the Board takes into account such factors as it deems appropriate, which may include the current composition of the Board, the range of talents, experiences and skills that would best complement those already represented on the Board and the need for financial or other specialized expertise. The Board seeks to achieve a mix of members whose experience and backgrounds are relevant to the Company's strategic priorities and the scope and complexity of the Company's business. Overall, each of our Board members is committed to the growth of the Company for the benefit of the stockholders, contributes new ideas in a productive and congenial manner and regularly attends board meetings.

The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by stockholders using substantially the same criteria it applies to recommendations from the Nominating and Corporate Governance Committee, directors and members of management. Stockholders may submit recommendations by providing the person's name and appropriate background and biographical information in writing to the Nominating and Corporate Governance Committee at: Company Secretary, One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 or by emailing: KConnor@amctheatres.com. Invitations to serve as a nominee are extended by the Board itself via the Chairperson and the Chairperson of the Nominating and Corporate Governance Committee.

**Compensation Committee Interlocks and Insider Participation**

Our Compensation Committee consists of Mr. Koch, Mr. Wittlinger and Mr. Zeng. During the period January 1, 2020 through December 31, 2020, no member of the Compensation Committee had a relationship required to be described under the SEC rules relating to disclosure of related person transactions (other than as described below in "Related Person Transactions" with respect to agreements with Wanda and Silver Lake) and none of our executive officers served on the board of directors or compensation committee of any entity that had one or more of its executive officers serving on the Board or the Compensation Committee of the Company.



## DIRECTOR COMPENSATION

The following section presents information regarding the compensation paid during the year ended December 31, 2020 to members of our Board who were not employees of Wanda or the Company ("non-employee directors"). The other members of our Board do not receive any compensation from the Company. We reimburse all directors for any out-of-pocket expenses incurred by them in connection with their services provided in such capacity.

### Non-Employee Director Compensation

In order to attract and retain qualified non-employee directors, the Company adopted a Non-Employee Director Compensation Plan, effective January 1, 2019, pursuant to which non-employee directors are compensated for their service to the Company. Each non-employee director receives the following annual compensation for services as a Board member:

- a) an annual cash retainer of \$150,000;
- b) annual stock award with a value of \$70,000. Stock awards are made pursuant to the EIP, are fully vested at the date of grant, and are issued on the same date annual grants are made to senior management. Directors may elect to receive all or a portion of their cash retainer in stock. Stock awards must be retained until the earlier to occur of the third anniversary of the grant date or the director's departure from the Board. Unless otherwise specified by the Board, the number of shares awarded to each non-employee director is determined by dividing the value of the award by the average closing price of the stock for the five trading days prior to the date of the stock award; and
- c) an annual cash retainer for non-employee directors who serve on a committee as follows:

Committee	Chairperson	Member
Audit	\$ 30,000	\$ 10,000
Compensation	15,000	10,000
Nominating and Corporate Governance	15,000	10,000

### Director Compensation Table

The following table presents information regarding the compensation of our non-employee directors during the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Lloyd Hill(3)	\$ 97,500	\$ 85,161	\$ 182,661
Howard W. "Hawk" Koch, Jr.	157,500	66,237	223,737
Philip Lader(4)(5)	185,000	66,237	251,237
Gary F. Locke(5)	167,500	66,237	233,737
Kathleen M. Pawlus	167,500	66,237	233,737
Anthony J. Saich	162,500	66,237	228,737
Adam J. Sussman(4)	155,000	66,237	221,237
Lee E. Wittlinger(6)	—	—	—

- (1) Includes the annual cash retainer for services as a board member, the annual cash retainer for services as a member of a committee, and the annual cash retainer for services as a chairperson of a committee. In response to the COVID-19 pandemic and its impact on the Company, all non-employee directors agreed to forego 20% of all cash retainers payable from April 1 through July 31, 2020.
- (2) Represents the aggregate grant date fair values, as computed in accordance with Financial Accounting Standards Board's Accounting Standard Codification ("ASC") Topic 718, Compensation—Stock Compensation,





calculated based upon the closing price of the Company's Common Stock on February 28, 2020 of \$6.26 per share for Mr. Hill, Mr. Koch, Mr. Lader, Mr. Locke, Ms. Pawlus, Dr. Saich, and Mr. Sussman.

- (3) Mr. Hill elected to receive a portion of his annual cash retainer in the form of stock. Mr. Hill retired from the Board effective July 29, 2020.
- (4) Members of the special litigation committee established to investigate and evaluate certain derivative claims received a \$17,500 cash fee for their service.
- (5) Members of the transaction committee established to review, analyze, negotiate and recommend certain transactions involving the Company's outstanding debt received a \$20,000 cash fee for their service.
- (6) Mr. Wittlinger has waived payment of any fees for his services as a board member.



## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our Common Stock outstanding as of March 3, 2021, with respect to:

- each person or group of affiliated persons known by us to own beneficially more than 5% of any class of the outstanding shares of Common Stock, together with their addresses;
- each of our directors, director nominees and our Named Executive Officers ("NEOs"); and
- all directors and executive officers as a group.

The address for each of our directors, director nominees and NEOs is c/o AMC Entertainment Holdings, Inc., One AMC Way, 11500 Ash Street, Leawood, Kansas 66211. Each person has sole voting and dispositive power over shares held by them, except as described below.

NAME	Common Stock Number	%
<b>5% Beneficial Owners:</b>		
Wanda America Entertainment, Inc., a wholly-owned indirect subsidiary of Dalian Wanda Group Co., Ltd.(1)	44,042,724	9.8%
<b>Directors, Director Nominees and Named Executive Officers:</b>		
Adam M. Aron	1,258,747	*
Sean D. Goodman	202,109	*
Craig R. Ramsey(2)	—	—
John D. McDonald	181,239	*
Elizabeth Frank	213,780	*
Stephen A. Colanero	208,879	*
Howard W. "Hawk" Koch., Jr.	28,571	*
Philip Lader	14,246	*
Gary F. Locke	36,136	*
Kathleen M. Pawlus	29,874	*
Anthony J. Saich	25,709	*
Adam J. Sussman	13,677	*
Lee E. Wittlinger	—	—
John Zeng(3)	—	—
Lin Zhang(3)	—	—
All directors and executive officers as a group (18 persons)(4)	2,629,360	*

\* Less than 1%

(1) Based on Company records and information provided by Wanda.

(2) Mr. Ramsey retired effective February 28, 2020, and is no longer a reporting person of the Company, so his beneficial ownership is not publicly available.

(3) Does not include shares of Common Stock held by Wanda. Mr. Zeng and Mr. Zhang are employees of Dalian Wanda Group Co., Ltd., an affiliate of Wanda America Entertainment, Inc. They do not have the power to dispose or vote any of our capital stock held by Wanda America Entertainment, Inc. Wanda America Entertainment, Inc.'s ownership of our Common Stock is set forth in the table.

(4) Includes 416,393 shares of Common Stock beneficially held by executive officers not named in the table.



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## DELINQUENT SECTION 16(A) REPORTS

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Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Officers, directors and holders of greater than 10% of our Common Stock are required by regulations of the SEC to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based solely upon a review of the copies of such reports filed electronically with the SEC and/or written representations that no other reports were required to be filed during 2020, all filing requirements under Section 16(a) applicable to our officers, directors and 10% stockholders were satisfied timely, except for one late Form 4 for each executive officer with respect to one transaction.



## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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### Policies and Procedures with Respect to Related Transactions

The Board has adopted the AMC Entertainment Holdings, Inc. Policy on Transactions with Related Persons as our policy for the review, approval or ratification of any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is, or will be a participant, and one of the Company's executive officers, directors, director nominees, 5% stockholders (or the immediate family or household members of any of the foregoing) or any firm, corporation or other entity in which any of the foregoing persons controls, is employed by, or has a material ownership interest (each, a "Related Person") has a direct or indirect material interest.

This policy is administered by the Audit Committee. As appropriate for the circumstances, the Audit Committee will review and consider relevant facts and circumstances in determining whether to approve or ratify such transaction. Our policy includes certain factors that the Audit Committee takes into consideration when determining whether to approve a related person transaction as follows:

- the position within or relationship of the related person with the Company;
- the materiality of the transaction to the related person and the Company, including the dollar value of the transaction, without regard to profit or loss;
- the business purpose for and reasonableness of the transaction (including the anticipated profit or loss from the transaction), taken in the context of the alternatives available to the Company for attaining the purposes of the transaction;
- whether the transaction is comparable to a transaction that could be available on an arms-length basis or is on terms that the Company offers generally to persons who are not related persons;
- whether the transaction is in the ordinary course of the Company's business and was proposed and considered in the ordinary course of business; and
- the effect of the transaction on the Company's business and operations, including on the Company's internal control over financial reporting and system of disclosure controls and procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

### Related Person Transactions

#### *Management Stockholders Agreement*

On the closing of the merger with Wanda on August 30, 2012 ("Merger"), the Company and Wanda entered into a management stockholders agreement (the "Management Stockholders Agreement") with members of management, including certain of our NEOs. The Management Stockholders Agreement was amended in connection with our initial public offering (the "IPO"), and it continued in effect following the completion of the IPO, although the occurrence of the IPO caused certain provisions of the agreement to cease to be in effect.

*Piggyback Registration Rights.* Subject to specified limitations, all management members have unlimited piggyback registration rights. The Company has agreed to pay all registration expenses relating to these registrations.

The Management Stockholders Agreement was terminated by mutual agreement of the parties effective September 23, 2020.



### **Registration Rights Agreement**

In connection with the IPO, we entered into a registration rights agreement with Wanda (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to use its best efforts to effect registered offerings upon request from Wanda and to grant incidental or "piggyback" registration rights with respect to any Common Stock held by Wanda (including Common Stock held by Wanda upon conversion of Class B common stock of the Company held by Wanda).

The obligation to effect any demand for registration by Wanda is subject to certain conditions, including limitations on the number of demand registrations and limitations on the minimum value of securities to be registered. In connection with any registration effected pursuant to the terms of the Registration Rights Agreement, we will be required to pay for all of the fees and expenses incurred in connection with such registration, including registration fees, filing fees and printing fees. However, the underwriting discounts and selling commissions payable in respect of registrable securities included in any registration are to be paid by Wanda. We have also agreed to indemnify the holders of registrable securities against all claims, losses, damages and liabilities with respect to each registration effected pursuant to the Registration Rights Agreement.

### **Tax Sharing Agreement**

In connection with the IPO, we entered into a tax agreement with a U.S. subsidiary of Wanda. Pursuant to the tax agreement, for any period that we were members of any consolidated or other tax group of which the Wanda subsidiary was the common parent, we will pay the group's tax liabilities attributable to our activities up to the amount that would be payable by us if the Company was the common parent of the consolidated or other tax group and, in addition, we will have the right to control the filing of tax returns, audits and other tax matters of any such consolidated or other tax group.

### **Wanda Receivables**

As of December 31, 2020, the Company recorded a receivable due from Wanda of \$680,388 for reimbursement of general administrative and other expense incurred on behalf of Wanda.

### **Silver Lake Notes**

On September 14, 2018, the Company entered into an investment agreement (the "Investment Agreement") with Silver Lake Alpine, L.P., an affiliate of Silver Lake, relating to the issuance to Silver Lake (or its designated affiliates) of \$600 million principal amount of 2.95% convertible senior unsecured notes due 2024 (the "Notes") for a purchase price equal to 100% of the principal amount, subject to certain adjustments for expense reimbursement. On July 31, 2020, the Investment Agreement was amended and restated along with the indenture governing the Notes to extend the maturity date to May 1, 2026, and to grant the holders a first-priority lien on substantially all of the Company's tangible and intangible assets to secure the Notes.

Upon conversion by a holder thereof, the Company was to deliver at its election, either cash, shares of the Common Stock or a combination of cash and shares of the Common Stock. The original conversion rate was 52.7704 per \$1,000 principal amount of the Notes (which represented an initial conversion price of \$20.50 per share minus the \$1.55 per share dividend declared by the Board on September 14, 2018). In the event that the conversion price was greater than 120% of the average of the volume-weighted average price of the Common Stock for the period of ten consecutive trading days ending on September 14, 2020 (the "Reset Conversion Price"), the conversion price for the Notes would be adjusted downward to such Reset Conversion Price. However, the conversion price reset provision was subject to a conversion price floor such that the shares issuable upon conversion of all of the Notes would not exceed 30% of the Company's then outstanding fully-diluted share capital. The volume-weighted average price of the Common Stock for the ten consecutive trading days ending on September 14, 2020 was \$6.55 and, as a result, the conversion price reset provision was triggered. Effective September 14, 2020, the conversion rate was adjusted to 74.0381 per \$1,000 principal amount of the notes (representing an adjusted conversion price of \$13.51 after giving effect the conversion price floor). The conversion price reset provision was only applicable at September 14, 2020 and any further adjustments to the conversion price would be due to customary anti-dilution adjustments as set forth in the indenture governing the Notes.



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On January 27, 2021, the holders elected to convert all of the Notes and on January 29, 2021, the Company issued 44,422,860 shares of Common Stock to the holders and cancelled the \$600,000,000 first lien indebtedness represented by the Notes.

The reset provision resulted in certain shares of the Company's Class B common stock held by Wanda and its affiliates becoming subject to forfeiture and cancellation by the Company pursuant to the Stock Repurchase Agreement described below.

**Silver Lake Investment Agreement**

**Board Representation.** Pursuant to the Investment Agreement, as long as Silver Lake and its affiliates beneficially own at least 25% of the outstanding common stock of the Company (the "Minimum Ownership Threshold") beneficially owned by them immediately following the closing contemplated by the Investment Agreement, assuming the conversion of the Notes on a full physical basis into the Company's Common Stock and subject to certain exclusions, Silver Lake will have the right to nominate a Silver Lake managing director as a director on the Board who will serve on all standing committees of the Board (to the extent permitted pursuant to the independence requirements under applicable laws). In connection with the foregoing, Lee Wittlinger, Managing Director of Silver Lake, was appointed to the Board. Additionally, for so long as Silver Lake has the right to nominate an individual to the Board, Silver Lake will be entitled to appoint a Board observer who will observe Board meetings and receive copies of all Board materials.

With the conversion of the Notes on January 29, 2021, and Silver Lake's subsequent sale of its Common Stock, Silver Lake no longer satisfies the Minimum Ownership Threshold, so the Board nomination and observer rights have expired and, if requested by the Board, Mr. Wittlinger must tender his resignation.

**Standstill Obligations.** Silver Lake and certain of its affiliates are subject to certain standstill obligations until April 29, 2021 (such period, the "Standstill Period"). During the Standstill Period, Silver Lake and such affiliates will not, among other things and subject to specified exceptions (a) acquire any securities of the Company if, immediately after such acquisition, Silver Lake, together with certain of its affiliates, would beneficially own more than 27.5% of the then outstanding common stock of the Company assuming the conversion of the Notes on a full physical basis into the Company's Common Stock and subject to certain exclusions; (b) participate in any solicitation of proxies; or (c) form, join or participate in any group (as defined in Section 13(d)(3) of the Exchange Act, as amended).

**Participation Rights.** During the period from the second to the third anniversary of closing, Silver Lake had certain rights to purchase a pro rata portion of any equity securities, or instruments convertible into or exchangeable for any equity securities, in certain proposed offerings by the Company (the "Participation Rights"). Silver Lake's Participation Rights did not apply in connection with certain excluded transactions, including any acquisitions, strategic partnerships or commercial arrangements entered into by the Company or any equity compensation plans, or underwritten offerings. The Participation Rights were limited to the percentage of the Company's common stock owned by Silver Lake (assuming conversion of the Notes) as of the offering. As of January 29, 2021, Silver Lake no longer owned any common stock, rendering the Participation Rights inapplicable.

**Registration Rights.** Silver Lake was also entitled to certain registration rights for the Notes and the shares of common stock issuable upon conversion of the Notes, subject to specified limitations. Such registration rights were fulfilled by the Company prior to the conversion of the Notes and sale of the common stock by Silver Lake.

**Wanda Repurchase Agreement**

On September 14, 2018, the Company entered into a Stock Repurchase and Cancellation Agreement (the "Stock Repurchase Agreement") with Wanda, pursuant to which the Company repurchased 24,057,143 shares of the Company's Class B common stock held by Wanda at a price of \$17.50 per share. Additionally, pursuant to the Stock Repurchase Agreement up to 5,666,000 of the shares of the Company's Class B common stock held by Wanda following such repurchase (the "Forfeiture Shares") were subject to forfeiture and cancellation by the Company upon conversion of the Notes if the reset provision contained in the Indenture was triggered on September 14, 2020. Upon the conversion of the Notes on January 29, 2021, all of the Forfeiture Shares were forfeited and cancelled by the Company.



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The Stock Repurchase Agreement also provided that for so long as Silver Lake was entitled to nominate an individual to the Board, Wanda would not vote or exercise its right to consent in favor of any directors that were not previously approved by the Board and proposed on the Company's slate of directors at any meeting of stockholders of the Company at which any individuals to be elected to the Board were submitted for the consideration and vote of the stockholders of the Company. With the conversion of the Notes on January 29, 2021, and Silver Lake's subsequent sale of its Common Stock, Silver Lake is no longer entitled to nominate an individual to the Board.

***Right of First Refusal Agreement***

On September 14, 2018, the Company, Silver Lake and Wanda entered into a Right of First Refusal Agreement (the "ROFR Agreement"), which provided Silver Lake certain rights to purchase shares of the Company's common stock that Wanda proposed to sell during a period of two years from the date of execution of the ROFR Agreement or, if earlier, until such time that Wanda and its affiliates cease to beneficially own at least 50.1% of the total voting power of the Company's voting stock. Under the ROFR Agreement, in the event that Wanda and its affiliates ceased to beneficially own at least 50.1% of the total voting power of the Company's voting stock, then the Company would have the same right of first refusal over sales of the Company's common stock by Wanda as described above until the expiration of the two-year period beginning on the date of execution of the ROFR Agreement. In such event, the Company could exercise such right to purchase shares from Wanda from time to time pursuant to the ROFR Agreement in its sole discretion, subject to approval by the disinterested directors of the Board. If the Company exercised its right to purchase shares from Wanda pursuant to the ROFR Agreement, it would have the obligation under the Investment Agreement to offer to sell to Silver Lake a like number of shares of the Company's Common Stock, at the same per share price at which it purchased the Wanda shares. The rights under the ROFR Agreement expired on September 14, 2020.



## PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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The Audit Committee has selected Ernst & Young, LLP ("EY") as the independent registered public accounting firm to perform the audit of our consolidated financial statements and our internal control over financial reporting for 2021. EY served as our independent registered public accounting firm for 2020.

The Audit Committee is responsible for overseeing the qualifications, engagement, compensation, independence, and performance of the independent registered public accounting firm retained to audit the Company's consolidated financial statements and its internal control over financial reporting. The Audit Committee requires and, with its chairperson, oversees the selection process for new lead audit engagement and concurring partners every five years. Throughout this process, the Audit Committee and management will provide input to EY about AMC priorities, discuss candidate qualifications and interview potential candidates put forth by the firm. The Audit Committee will also require other key EY partners assigned to our audit to be rotated as required by the PCAOB. To help ensure continuing auditor independence, the Audit Committee will continue to periodically consider whether there should be a regular rotation of the independent auditor.

### *The 2019 RFP Process*

In 2019, the Audit Committee conducted a comprehensive request for proposal ("RFP") process, which resulted in the Audit Committee selecting EY as the new independent registered public accounting firm for 2020. KPMG LLP ("KPMG") served as the Company's independent registered public accounting firm for the year ended December 31, 2019, having served continuously in that role since 2009. KPMG participated in the RFP process along with several other independent registered public accounting firms.

On November 14, 2019, following the conclusion of the RFP process and after careful consideration of each firm's qualifications, the Audit Committee approved the engagement of EY as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2020. KPMG was dismissed as the Company's independent registered public accounting firm effective as of February 27, 2020, when the Company filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2019 with the SEC.

KPMG's audit reports on the Company's consolidated financial statements as of and for the years ended December 31, 2019 and 2018 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except as follows:

KPMG's report on the consolidated financial statements of the Company as of and for the years ended December 31, 2019 and 2018, contained separate paragraphs stating that as discussed in Notes 1 and 2 (for the year ended December 31, 2019) and Note 1 (for the year ended December 31, 2018) to the consolidated financial statements, the Company has changed its method of accounting for the recognition of revenue and certain costs as of January 1, 2018 due to the adoption of ASC 606, *Revenue from Contracts with Customers* and as discussed in Notes 1 and 3 to the consolidated financial statements for the year ended December 31, 2019, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of ASC Topic 842, *Leases*.

During the years ended December 31, 2019 and 2018, and the subsequent interim period through February 27, 2020, there were: (i) no disagreements within the meaning of Item 304(a)(1)(iv) of Regulation S-K between the Company and KPMG on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to KPMG's satisfaction, would have caused KPMG to make reference to the subject matter of the disagreements in connection with its reports on the Company's consolidated financial statements for such years; and (ii) no "reportable events" within the meaning of Item 304(a)(1)(v) of Regulation S-K.





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During the fiscal years ended December 31, 2019 and 2018 and the subsequent interim period through February 27, 2020, neither the Company nor anyone on its behalf has consulted with EY regarding: (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that EY concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

The Company filed a Form 8-K with the SEC disclosing this change in its independent registered public accounting firm on November 20, 2019.

We are asking our stockholders to ratify the selection of EY as our independent registered public accounting firm for 2021. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that a change would be in the best interests of the Company and our stockholders. If the stockholders fail to ratify the selection of this firm, the Audit Committee may appoint another independent registered public accounting firm or may decide to maintain its appointment of EY.

Representatives from EY are expected to attend the 2021 Annual Meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

The Board recommends a vote **"FOR"** ratification of the selection of EY as our independent registered public accounting firm for 2021.



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## AUDIT COMMITTEE REPORT

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Our Audit Committee reviews our financial reporting process on behalf of our Board. In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited financial statements contained in the 2020 Annual Report on Form 10-K with our management and our independent registered public accounting firm for 2020, EY. Our management is responsible for the financial statements and the reporting process, including the system of internal controls. EY is responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles and expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee has discussed with EY the matters requiring discussion by Statement on Auditing Standard No. 1301, Communication with Audit Committees (as amended), and all other matters required to be discussed with the auditors. In addition, the Audit Committee has received the written disclosures and the letters from EY required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditors their independence. The Audit Committee has concluded that the independent auditors currently meet applicable independence standards.

Based on the reviews and discussions to which we refer above, the Audit Committee recommended to our Board (and our Board has approved) that the audited financial statements be included in our 2020 Annual Report on Form 10-K, for filing with the SEC.

Audit Committee of the Board of Directors

Kathleen M. Pawlus (Chairperson)  
Anthony J. Saich  
Lee E. Wittlinger



## PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table shows the fees that the Company was billed for the audit and other services provided by EY for the year ended December 31, 2020, and KPMG for the year ended December 31, 2019. The Audit Committee has considered whether the provision of such services is compatible with maintaining the independence of KPMG and EY and determined they were compatible. The Audit Committee has the sole right to engage and terminate the Company's independent registered public accounting firm, to pre-approve their performance of audit services and permitted non-audit services, and to approve all audit and non-audit fees.

Type of Fee	Year Ended December 31, 2020	Year Ended December 31, 2019
Audit Fees(1)	\$ 4,037,983	\$ 5,339,820
Audit-Related Fees(2)	1,414,195	1,092,322
Tax Fees(3)	983,057	575,357
Total	6,435,235	7,007,499

- (1) Audit Fees include the audit of our annual financial statements and our internal control over financial reporting, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for the years ended December 31, 2020 and December 31, 2019.
- (2) Audit-Related Fees includes assurance and related services by KPMG and EY that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees."
- (3) Tax Fees include professional services rendered by KPMG and EY for U.S. and international tax return preparation and tax compliance.

### Audit Committee Pre-Approval Policy

The Audit Committee has adopted policies and procedures for the pre-approval of audit services and permitted non-audit services to be performed by our independent registered public accounting firm in order to assure that the provision of such services does not impair the independent registered public accounting firm's independence. The policies provide general pre-approval for certain types of services, as well as approved costs for those services. The term of any general pre-approval is twelve months from the date of pre-approval unless the Audit Committee specifies otherwise. Any costs or services that are not given general pre-approval require specific pre-approval by the Audit Committee. The policy directs that, if management must make a judgment as to whether a proposed service is a pre-approved service, management should seek approval of the Audit Committee before such service is performed.

Requests to provide services that require specific approval by the Audit Committee must be submitted to the Audit Committee (or the chairperson of the Audit Committee as provided below) by both the independent auditor and management, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence. Under the Audit Committee's pre-approval policy, the chairperson of the Audit Committee has the authority to address any requests made for pre-approval of services between Audit Committee meetings, and the chairperson must report any pre-approval decisions made between Audit Committee meetings to the Audit Committee at its next scheduled meeting. The policy prohibits the Audit Committee from delegating its responsibility to pre-approve any permitted services to management.

The Audit Committee pre-approved all services provided by EY for 2020.



**COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION**

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The Compensation Committee has reviewed and discussed with management the disclosures contained in the following section entitled "Compensation Discussion and Analysis." Based on this review and discussion, the Compensation Committee recommended to the Board that the section entitled "Compensation Discussion and Analysis" be included in this Proxy Statement for the 2021 Annual Meeting.

Members of the Compensation Committee:

Lee E. Wittlinger, Chairperson  
Howard W. "Hawk" Koch, Jr.  
John Zeng



## COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion & Analysis ("CD&A") describes the philosophy, objectives and structure of our fiscal year 2020 executive compensation program. This CD&A is intended to be read in conjunction with the tables below, which provide further detail and historical compensation information for our NEOs as identified below.

Name	Position
<b>Adam M. Aron</b>	Chief Executive Officer, President and Director
<b>Sean D. Goodman</b>	Executive Vice President and Chief Financial Officer
<b>Craig R. Ramsey(1)</b>	Former Executive Vice President and Chief Financial Officer
<b>John D. McDonald</b>	Executive Vice President, U.S. Operations
<b>Elizabeth F. Frank</b>	Executive Vice President, Worldwide Programming and Chief Content Officer
<b>Stephen A. Colanero</b>	Executive Vice President, Chief Marketing Officer

(1) Mr. Ramsey retired effective February 28, 2020.

### EXECUTIVE SUMMARY

#### 2020 Business Review; Impact of the COVID-19 Pandemic

While 2020 had an impressive start with strong January and February box office performance, the COVID-19 pandemic presented the Company with the greatest obstacle in its 100 year history. The COVID-19 pandemic and the public health response to it had a catastrophic impact on the Company's business and made previously established short and long-term performance targets extraneous to our core objective—the Company's survival.

With initial reports of COVID-19 infections in late February 2020, the Company began contingency planning for potential impacts on its business. On March 4, 2020 our theatres in Italy were ordered closed with additional restrictions following in other jurisdictions. On March 17, 2020, we temporarily suspended all theatre operations in our U.S. markets and International markets in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of our guests and theatre staff. We resumed limited operations in the International markets in early June 2020 and limited operations in the U.S. markets in late August 2020. A COVID-19 resurgence during the fourth quarter of 2020 resulted in additional local, state, and federal governmental restrictions and many previously reopened theatres in International markets temporarily suspended operations again. During periods in which theatres were not operating, the Company generated essentially no revenue while continuing to incur significant fixed costs.

Even as some theatres were allowed to reopen, our business operated at a substantial reduction when compared to pre-pandemic periods due to (i) limited new film product resulting from release postponements and shifts to home video platforms, (ii) continued closures in some of our largest markets, including New York and Los Angeles, (iii) capacity and operating restrictions at open theatres imposed by local governments, and (iv) consumer concerns over returning to public venues. When compared to fourth quarter of 2019, attendance at our theatres was down 92.3% in the U.S. and 89.2% internationally in the fourth quarter of 2020.

While availability of COVID-19 vaccines and a robust new film release calendar for later in 2021 are reasons for optimism, the Company continues to experience dramatic impacts from the pandemic. As of March 5, 2021, 527 out of 589 U.S. theatres and 78 out of 356 international theatres were operating with limited new film releases and capacity restrictions.



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In response to the COVID-19 pandemic and its impact on the business, the Company's management took a number of extraordinary actions to preserve value for the Company's stockholders, including:

- Suspended non-essential operating expenditures, including marketing & promotional and travel and entertainment expenses; and where possible, utilities, and reduced essential operating expenditures to minimum levels necessary while theatres were operating for limited hours or were closed;
- Maintained and secured theatre assets during the suspension of operations to preserve the ability to quickly initiate operations and generate revenue when permitted while eliminating or deferring non-essential capital and maintenance expenditures to minimum levels necessary;
- Developed a comprehensive AMC Safe & Clean program to prepare for and allow resumption of operations at the Company's theatres while minimizing risk to the health and safety of our guests and employees;
- Preserved relationships with a large employee base during prolonged furloughs to allow for sufficient staffing resources to efficiently recommence operations;
- Collaborated with hundreds of landlords, vendors and other business partners to manage, defer, and/or abate rent and operating expenses;
- Negotiated a first-of-its-kind deal with a major studio to share in premium video-on-demand revenue for films released with a shortened exclusive theatrical window;
- Introduced an active cash management process;
- Monitored, applied for and obtained governmental assistance where available;
- Secured nearly \$1.3 billion in new debt financing in multiple transactions between April 2020 and February 2021;
- Executed several "at-the-market" equity offerings between September 2020 and January 2021 generating approximately \$870 million in gross proceeds;
- Reduced the principal amount of outstanding debt by approximately \$1.25 billion through debt exchange offers and conversion of debt to equity; and
- Arranged the sale of non-core assets, including theatres located in Lithuania, Latvia and Estonia.

## Compensation Decisions

Our compensation program is grounded in a pay-for-performance philosophy and designed with equity as a significant component of compensation. Performance goals in both our short- and long-term incentive plans are set at challenging levels, with the ultimate goal that the achievement of operating, financial and other goals will drive long-term, sustainable stockholder value growth. In addition, a key goal of executive compensation is to attract, retain, motivate and reward talented executives. However, the severe and continuing effects of the COVID-19 pandemic dramatically impacted the Company's financial performance and the price of the Company's Common Stock for reasons unrelated to the performance by our management and employees in managing the Company's business and preserving stockholder value during the pandemic. While our response to the COVID-19 pandemic warranted uncommon actions with respect to compensation programs, our underlying philosophy has not been permanently altered or abandoned.

As outlined above, in the view of the Compensation Committee, management successfully undertook major initiatives to reduce and control costs, restructure a substantial portion of the Company's debt, structure more favorable arrangements with studios and landlords, reopen theatres safely, promote attendance and keep the business ready for a return to normalcy. These initiatives, in the view of the Compensation Committee, were essential to preserving the



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Company's business and stockholder value at a critical time for the Company. Consequently, at a time when the Company needed to retain and incentivize management and employees, key aspects of the Company's previously-established incentive plans provided little value and would not work as intended, which the Compensation Committee believed was inconsistent with the aims of the Company's compensation philosophy.

Noting that the Company had seen a significant increase in voluntary resignations by important members of management resulting from financial and operational instability in the movie theatre industry generally, sizable salary reductions and a substantial decrease in the value of stock-related compensation, the Compensation Committee determined that the Company needed to take tangible steps to retain management and key employees to enable the Company to emerge from the impact of the COVID-19 pandemic. Recognizing that retention of the Company's leadership was one of the most critical issues it faced in confronting the ongoing challenges presented by the COVID-19 pandemic, the Compensation Committee made a number of strategic and extraordinary decisions during 2020. We believe that our exercises of discretion were reasonable and necessary in light of our executive officers' actions in circumventing potentially catastrophic outcomes for stockholders. Each of the decisions outlined below is more fully described in the subsequent sections of this CD&A and the tables below.

Decisions Prior to the Onset of the COVID-19 Pandemic

- Based on the Company's recent performance and projected industry conditions in 2020, the Compensation Committee did not increase base salaries for our CEO, CFO, or other NEOs for 2020.
- Recognizing that the net profit threshold included in the performance goals for annual PSU grants since 2016 was no longer an appropriate condition for vesting due to the highly volatile nature of our industry and the fact that the market generally does not measure our performance based upon net profit, in February 2020 the outstanding PSU awards granted in 2018 and 2019 were modified to remove the net profit threshold. The PSUs remained subject to achievement of meaningful three-year Adjusted EBITDA and diluted earnings per share performance targets. Further, the net profit threshold will not be used for any compensation programs going forward.
- Commencing with the 2020 annual equity incentive grants, in order to better align compensation programs with market measures of company performance, the diluted earnings per share performance metric was replaced with a free cash flow performance metric for a portion of annual PSU grants, with the remainder subject to an Adjusted EBITDA performance goal.
- In order to provide greater incentives to attain performance within the vesting window, payouts at threshold for both annual cash incentives and long-term equity incentives were increased from 30% to 50% of target. Outstanding equity awards were not affected and continued to vest on the previous scale. Maximum payout achievable did not change.
- As a long-term incentive to provide significant returns to stockholders and more closely align those incentives with stockholder returns, the Compensation Committee approved a special grant of market price conditioned PSUs (the "2020 SPSUs") awarded to certain senior officers of the Company, including the NEOs. The 2020 SPSUs were intended to vest upon attainment of target stock prices within 10 years of grant. In exchange for the grants, the executives agreed to reductions in their total compensation, including base salary, annual cash bonus opportunity, and annual long-term incentive awards, for a period of three years.

Decisions in Response to the COVID-19 Pandemic

- Effective April 1, 2020, the base salaries of all officers, including our CEO, CFO and other NEOs were reduced by at least 20%. Salary reductions were subsequently reinstated effective September 3, 2020 in conjunction with the reopening of a substantial number of the Company's theatres. In addition, non-healthcare employee benefits, including 401k matching contributions, were reduced or eliminated for the balance of 2020.



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- Given the impossibility of attainment of the three-year cumulative performance targets due to the COVID-19 pandemic and expected continuing industry volatility, outstanding PSU grants made in 2018, 2019, and 2020 were modified to divide each grant into three equal tranches. The three-year cumulative performance targets were replaced with three separate one-year performance targets, each allocated to a tranche. Grants remained subject to a three-year service requirement and the potential for prorated vesting was eliminated.
- The performance targets for PSU tranches allocated to the 2020 fiscal year were waived and such tranches were deemed eligible to vest below target at 90% in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. Tranches allocated to other fiscal years remained subject to achievement of substantive performance metrics.
- Vesting of RSUs and PSUs scheduled for January 2021 was accelerated to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting.
- Stock ownership guidelines applicable to the Company's NEOs were suspended.
- The 2020 SPSUs were modified to waive the performance targets for tranches I through IV and allow immediate vesting in October 2020. The shares delivered upon such accelerated vesting were made subject to a one-year holding requirement. In addition, the stock price targets for tranches V and VI were lowered from \$28 and \$32 to \$4 and \$8, respectively. These actions were taken in response to the anticipated long-term impact of the COVID-19 pandemic on the Company's stock price and the significant increase in outstanding stock resulting from stock issuances undertaken to stabilize the Company's liquidity. The 2020 SPSU recipients' compensation components were restored to their pre-reduced levels effective October 30, 2020.
- No payouts were made pursuant to the Company's annual incentive compensation program ("AIP") for 2020.
- In light of the extreme challenges faced and met by our executive officers in response to the COVID-19 pandemic, special incentive bonuses were approved in October 2020 and February 2021.

**How Our Compensation Program Works**

The Compensation Committee regularly reviews best practices in executive compensation and uses the following guidelines to design our compensation programs during ordinary business cycles, with exceptions made only under extraordinary circumstances:

<b>What We Do</b>	<ul style="list-style-type: none"> <li>✓ Pay-for-performance philosophy and culture</li> <li>✓ Strong emphasis on performance-based incentive awards</li> <li>✓ Comprehensive clawback policy</li> <li>✓ Responsible use of shares under our long-term incentive program</li> <li>✓ Stock ownership requirements for all named executive officers</li> <li>✓ Engage an independent compensation consultant</li> <li>✓ Perform an annual risk assessment of our compensation program</li> <li>✓ "Double-trigger" change-in-control provisions</li> </ul>
<b>What We Don't Do</b>	<ul style="list-style-type: none"> <li>✗ No hedging of Company stock</li> <li>✗ No excise tax gross-ups</li> <li>✗ No backdating or repricing of stock option awards</li> <li>✗ No ongoing supplemental executive retirement plans</li> <li>✗ No excessive perquisites</li> </ul>



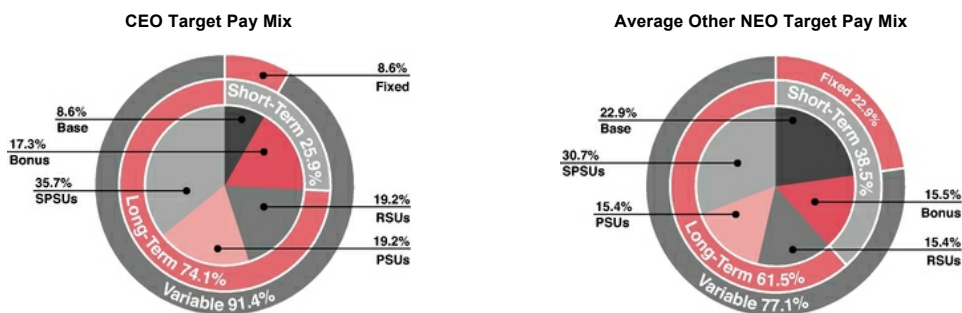


**Components of Our Pay**

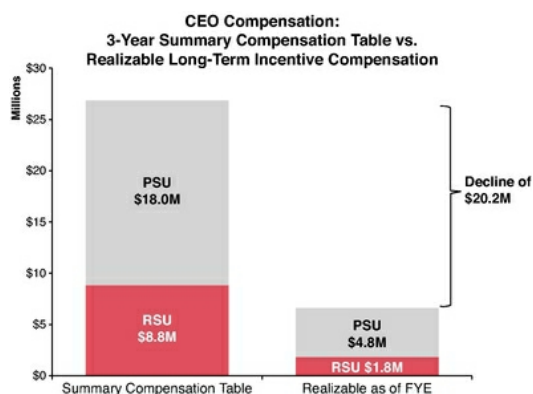
Our Compensation Committee oversees our executive compensation program, which includes three primary compensation elements: base salary, annual cash incentives, and long-term equity awards. The Compensation Committee has tailored our program to incentivize and reward specific aspects of Company performance that it believes are central to delivering long-term stockholder value.

<b>Base Salary</b>
<ul style="list-style-type: none"> <li>• Fixed pay, set with regard to responsibilities, market norms, and individual performance</li> </ul>
<b>Annual Cash Incentives</b>
<ul style="list-style-type: none"> <li>• Annual incentives intended to reward short-term performance</li> <li>• For executives other than the CEO and CFO, based on:                         <ul style="list-style-type: none"> <li>• 80% corporate goals (Adjusted EBITDA) and 20% individual performance</li> </ul> </li> <li>• For the CEO and CFO, 100% based on corporate performance</li> </ul>
<b>Long-Term Equity Incentives</b>
<ul style="list-style-type: none"> <li>• Focused on incentivizing executives for long-term performance, as well as providing a retention vehicle for our top executive talent</li> <li>• Annual equity grants are delivered as:                         <ul style="list-style-type: none"> <li>• 50% time-vesting RSUs, vesting ratably over 3-years</li> <li>• 50% PSUs with vesting based on 3-year service requirements and annual Adjusted EBITDA and diluted EPS (prior to 2020) or free cash flow (2020 and after) performance targets</li> </ul> </li> </ul>

The Compensation Committee utilizes the above mentioned compensation elements to promote a performance-based culture that aligns the interests of management and stockholders. To do this, the Compensation Committee chooses an appropriate balance of fixed and variable pay as well as long-term versus short-term incentives and opportunities. In 2020, our target pay mix was as follows, excluding Mr. Ramsey, who retired early in the year, the impact of modifications to outstanding equity awards and special incentive bonuses awarded during the year:



The realizable pay of our executives has been much lower than the figures in the Summary Compensation Table. For example, our CEO's equity grants over the past three years had an aggregate value, as reported on the Summary Compensation Table, of approximately \$26.8 million, including the impact of modifications; due to the decline in share price over that time period and the Company's performance against targets, the realizable value of those grants at target was only \$6.6 million as of December 31, 2020. The illustration below shows how our CEO's pay is aligned with our stock price performance, and therefore aligned with the interests of stockholders.



### Consideration of Say on Pay Results

The Board and the Compensation Committee continually evaluate our compensation policies and practices. As part of that process, the Board and the Compensation Committee consider the results of our annual advisory vote on executive compensation, commonly known as the "say-on-pay" vote. At our 2020 Annual Meeting, approximately 96% of the votes were cast in support of the say-on-pay proposal. The Company has considered this voting result, and in light of this strong support, our compensation policies and decisions continue to be focused on financial performance and aligning the interests of executives with the interests of stockholders.

Further, at our 2020 Annual Meeting, a vote was held on the frequency with which the Company submits executive compensation to an advisory vote of stockholders, commonly known as the "say-when-on-pay" vote. More than 99% of the votes cast favored holding the say-on-pay vote every year and the Board and Compensation Committee plan on continuing to do so.

### EXECUTIVE COMPENSATION PHILOSOPHY AND PROGRAM OBJECTIVES

The goals of the Compensation Committee with respect to executive compensation are:

- to attract, retain, motivate and reward talented executives;
- to tie annual compensation incentives to the achievement of specified performance objectives; and
- to achieve long-term creation of value for our stockholders by aligning the interests of these executives with those of our stockholders.

To achieve these goals, we endeavor to maintain compensation plans that tie a substantial portion of executives' overall compensation to key strategic, operational and financial goals and other non-financial goals that the Compensation Committee deems important. The Compensation Committee evaluates our compensation programs to ensure they are supportive of these goals and our business strategy and align the interests of our executives with those of our stockholders.



## EXECUTIVE COMPENSATION PROGRAM ELEMENTS

Our executive compensation program primarily consists of a combination of base salary, annual cash incentives, and long-term equity incentives. Our Compensation Committee believes that a combination of these elements offers the best approach to achieving our compensation goals, including attracting and retaining talented and capable executives and motivating our executives and other officers to expend maximum effort to improve the business results and earnings and create long-term, sustainable growth of stockholder value.

### Base Salaries

Base salaries for our NEOs are reviewed from time to time by the Compensation Committee and may be increased pursuant to such review and in accordance with guidelines contained in the various employment agreements in order to realign salaries with market levels after taking into account individual responsibilities, performance and experience. Base salaries for our NEOs are established based on several considerations, including:

- the scope of their responsibilities
- current competitive practices of peer group companies
- individual performance and achievements
- current compensation
- recommendations from the CEO for executives (other than the CEO)

The table below shows the annual base salaries for our NEOs for 2020, compared to 2019:

Executive	2020 Base Salary	2019 Base Salary	% Increase / (Decrease)
<b>Adam M. Aron</b>	\$ 1,187,500	\$ 1,250,000	(5)%
<b>Sean D. Goodman</b>	675,000	—	N/A
<b>Craig R. Ramsey</b>	750,000	750,000	0%
<b>John D. McDonald</b>	528,086	555,880	(5)%
<b>Elizabeth F. Frank</b>	528,086	555,880	(5)%
<b>Stephen A. Colanero</b>	508,250	535,000	(5)%

In exchange for the 2020 SPSU grants which are described below, the NEOs agreed to certain reductions in their total compensation, including a five percent reduction in their base salary, for a period of three years. With the subsequent modification of the 2020 SPSUs, each NEO's base salary was returned to its pre-reduction level on October 30, 2020. Mr. Goodman was not a NEO in 2019 and did not receive a salary reduction in connection with the 2020 SPSUs because his initial salary was established with consideration given to the 2020 SPSU grants. Mr. Ramsey retired on February 28, 2020 and was not eligible for a salary adjustment for 2020.

In response to the COVID-19 pandemic, all NEO base salaries were reduced by 20% for the period from April 1, 2020 until September 3, 2020, when a significant portion of the Company's theatres were allowed to recommence operations.

### Annual Incentive Program

The Compensation Committee has the authority to award annual incentive bonuses to our NEOs pursuant to our annual incentive compensation program ("AIP"), which historically have been paid in cash and traditionally have been paid in a single installment in the first quarter of the subsequent year upon certification of performance by the Compensation Committee.



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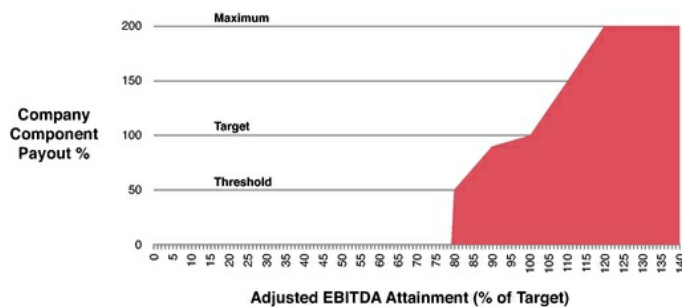
Under employment agreements with our NEOs, each NEO is eligible for an annual bonus, as it may be determined by the Compensation Committee from time to time. We believe that annual bonuses based on performance serve to align the interests of management and stockholders. Individual bonuses are performance based and, as such, can be highly variable from year to year. The annual incentive bonus opportunities for our NEOs are determined by our Compensation Committee, taking into account the recommendation of our CEO (except with respect to his own bonus).

**Payout Opportunities**

Consistent with the prior year, the aggregate bonus for each NEO was set as a percentage of base salary ranging from 65% to 200% and, except for Mr. Aron and Mr. Goodman, was apportioned to a Company component (80%) and an individual component (20%). However, in the case of Mr. Aron and Mr. Goodman, their aggregate bonus is entirely based on Company performance with no individual component.

**2020 Performance Goals**

**Company Performance:** For 2020, this component was based on attainment of Adjusted EBITDA goals, with payouts ranging from 0% to 200% of target. For purposes of the AIP, Adjusted EBITDA is determined in the same manner as described and defined in the Company's Annual Report on Form 10-K, but excluding cash distributions from non-consolidated subsidiaries and attributable EBITDA from minority equity investments. For 2020 the Adjusted EBITDA performance levels ranged from a threshold of \$577,782,400 (50% payout) to a target of \$722,228,000 (100% payout) to a maximum of \$866,673,600 (200% payout). Company performance is highly dependent upon the timing and popularity of the films released by distributors in the markets in which we operate leading to the potential for volatility and requiring a significant number of assumptions and projections involved in setting performance targets. The following chart represents the AIP payout scale for the Company component:



**Individual Performance:** The individual component of the bonus is based on achievement of individual key performance objectives and overall individual performance and contribution to our strategic and financial goals. Our Compensation Committee and, except with respect to his own bonus, our CEO, retain certain discretion to decrease or increase individual component bonuses relative to the targets based on qualitative or other subjective factors deemed relevant by the Compensation Committee. The key performance objective setting process was interrupted in 2020 by the onset of the COVID-19 pandemic.



**2020 Payouts**

The following table summarizes the AIP bonus for our NEOs for 2020:

Executive	Opportunity		Target (\$)	Allocation		Achievement		Actual 2020 Earned AIP
	2020 Base Salary	Target (as % of base salary)		Company	Individual	Company	Individual	
<b>Adam M. Aron</b>	\$ 1,250,000	200%	\$ 2,500,000	100%	—%	—%	—%	\$—
<b>Sean D. Goodman</b>	675,000	70%	472,500	100%	—%	—%	—%	—
<b>Craig R. Ramsey</b>	750,000	N/A	N/A	N/A	N/A	N/A	N/A	—
<b>John D. McDonald</b>	555,880	70%	389,100	80%	20%	—%	—%	—
<b>Elizabeth F. Frank</b>	555,880	65%	361,300	80%	20%	—%	—%	—
<b>Stephen A. Colanero</b>	535,000	65%	347,750	80%	20%	—%	—%	—

The base salary and target AIP amounts set forth above represent amounts after reinstatement of the compensation reductions in connection with the 2020 SPSUs. Our Compensation Committee and the Board did not approve any bonus amounts to be paid for performance during 2020. As a result of the COVID-19 pandemic, the Company's Adjusted EBITDA was significantly negative and did not attain the threshold performance level for the year ended December 31, 2020. Further, it was determined that individual components of the AIP would not be paid out for 2020.

**2020 Special Incentive Bonuses**

In order to recognize the extraordinary actions taken by the management team during the COVID-19 pandemic to secure the Company's survival and preserve stockholder value and to retain management and key employees to enable the Company to emerge from the impact of the COVID-19 pandemic, the Board and Compensation Committee determined it was in the Company's best interest to pay special incentive bonuses.

The special incentive bonuses were approved in two rounds with an initial amount approved in October 2020 and a final amount in February 2021. Bonus pools of approximately \$9.2 million and \$8.3 million were established in October 2020 and February 2021, respectively, for a total of \$17.5 million. The special incentive bonuses approved for the NEOs are included in the chart below.

Executive	Initial Bonus	Additional Bonus	Total Bonus
<b>Adam M. Aron</b>	\$ 1,250,000	\$ 3,750,000	\$ 5,000,000
<b>Sean D. Goodman</b>	253,750	507,500	761,250
<b>Craig R. Ramsey</b>	—	—	—
<b>John D. McDonald</b>	194,550	194,550	389,100
<b>Elizabeth F. Frank</b>	180,650	180,650	361,300
<b>Stephen A. Colanero</b>	173,875	173,875	347,750

**Equity-Based Incentive Compensation Program**

Our Compensation Committee believes that the equity-based incentive compensation program furthers our goal to attract, retain and motivate talented executives by enabling such executives to participate in the Company's long-term growth and financial success and aligns the interests of management and stockholders.

Our annual grants are equally split between:

- Time-vesting Restricted Stock Units ("RSUs"); and
- Performance-vesting Performance Stock Units ("PSUs").



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Each RSU and PSU represents the right to receive one share of Common Stock on a future settlement date. To determine the size of grants, our Compensation Committee considers prior executive performance, level of responsibility, the executive's ability to influence the Company's long-term growth and business performance, among other factors. The Compensation Committee does not apply a strict methodology to these factors, and does not benchmark executive pay to a particular reference point of the peer group. Company performance is highly dependent upon the timing and popularity of the films released by distributors in the markets in which we operate leading to the potential for volatility and requiring a significant number of assumptions and projections involved in setting performance targets. Equity-based compensation components reflected in the executive compensation tables for 2020 are not representative of ongoing compensation practices due to the impacts of the one-time 2020 SPSU grants and the modifications to outstanding equity awards in response to the COVID-19 pandemic. The table below provides a breakdown of the impacts from the extraordinary non-recurring items to the NEO's reported stock awards value for 2020 in the Summary Compensation Table based on the grant or modification date fair value for each award:

Executive	Annual Grants	One-Time SPSU Grants	Grant Modifications	Total Stock Awards Reported
Adam M. Aron	\$ 5,558,880	\$ 5,172,500	\$ 4,067,608	\$ 14,798,988
Sean D. Goodman	1,135,439	1,034,500	691,211	2,861,150
Craig R. Ramsey	—	—	—	—
John D. McDonald	691,229	724,150	566,552	1,981,932
Elizabeth F. Frank	693,871	724,150	566,703	1,984,724
Stephen A. Colanero	697,089	724,150	566,888	1,988,126

### 2020 Annual Equity Grants & Modifications

On February 26, 2020, the Compensation Committee approved grants of RSUs, and PSUs (the "2020 RSUs" and "2020 PSUs"), to certain of the Company's employees under the EIP. Our NEOs received the following grants (in units) after giving effect to the agreed upon reductions to annual equity awards, base salary and annual incentive opportunities in exchange for the 2020 SPSUs:

Executive	2020 RSUs	2020 PSUs	Total
Adam M. Aron	444,000	444,000	888,000
Sean D. Goodman	90,690	90,690	181,380
Craig R. Ramsey	—	—	—
John D. McDonald	55,210	55,210	110,420
Elizabeth F. Frank	55,421	55,421	110,842
Stephen A. Colanero	55,678	55,678	111,356

### Restricted Stock Units

The 2020 RSUs vest ratably over a three-year period, with the first tranche vesting on the first business day of the fiscal year starting after the grant date. The executive must remain employed by the Company through the last day of the fiscal year immediately prior to the vesting date. A dividend equivalent equal to the amount paid, if any, in respect of one share of Common Stock underlying the RSUs begins accruing with respect to the RSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the RSUs.

On October 30, 2020, the 2020 RSUs were modified to provide that vesting of the first tranche would be accelerated from January 4, 2021 to December 28, 2020 to allow for certainty with regard to the tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*. The modification did not affect the scheduled vesting dates for subsequent tranches of the 2020 RSUs.



**Performance Stock Units**

At the time of grant, the 2020 PSUs were subject to three-year cumulative Adjusted EBITDA and free cash flow ("FCF") performance target conditions and service conditions. For purposes of the EIP, Adjusted EBITDA is determined in the same manner as described and defined in the Company's Annual Report on Form 10-K, but excluding cash distributions from non-consolidated subsidiaries and attributable EBITDA from minority equity investments. For purposes of the EIP, FCF is defined as cash flow from operations less gross capital expenditures and changes in construction payables.

Of the 2020 PSUs, 60% were awarded subject to a cumulative Adjusted EBITDA target with the remaining 40% subject to a cumulative FCF target during the performance period. Vesting of the PSUs was originally based upon the following cumulative three-year performance goals:

Metric	Weighting	Performance Goals		
		Threshold	Target	Maximum
Adjusted EBITDA(1)	60%	\$ 2,006,400,000	\$ 2,508,000,000	\$ 3,009,600,000
FCF(1)	40%	397,920,000	497,400,000	596,880,000
	Potential Payout	50%	100%	200%

(1) Adjusted EBITDA and FCF are non-GAAP financial measure and should not be construed as an alternative to net earnings and cash flow from operations (each as determined in accordance with U.S. GAAP) as indicators of operating performance.

As a result of the COVID-19 pandemic, the Compensation Committee determined that the performance targets applicable to the 2020 PSUs were unobtainable which would have the effect of eliminating the grants and thus removing an appropriate incentive for management to continue to take action to maximize operational results and preserve stockholder value. Therefore, on October 30, 2020, the 2020 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a fiscal year within the three-year performance period covered by the grant (each a "Tranche Year"). Further, the cumulative three-year performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee waived attainment of the Adjusted EBITDA and FCF performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The subsequent tranches remain subject to substantive performance targets established and approved by the Compensation Committee in conjunction with the budgeting process for the applicable year. The 2020 PSUs will be forfeited upon termination of the holder's employment for any reason prior to December 31, 2022 (eliminating the possibility of pro-rata vesting). Unless earlier forfeited, the 2020 PSUs will vest (with each tranche vesting in accordance with the performance attained during its applicable Tranche Year) on the date the Compensation Committee certifies performance levels for the final Tranche Year covered by the grant.

Following modification, the 2020 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

Tranche Year	Adjusted EBITDA Target	Certified Attainment	Eligible Vesting Level
2020	\$ 722,200,000	N/A	90%
2021	TBD	TBD	TBD
2022	TBD	TBD	TBD



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Following modification, the 2020 PSUs with FCF performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

Tranche Year	FCF Target	Certified Attainment	Eligible Vesting Level
2020	\$ 61,600,000	N/A	90%
2021	TBD	TBD	TBD
2022	TBD	TBD	TBD

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2020 PSUs allocated to the 2020 Tranche Year was recognizable on the modification date equal to the incremental fair value. Stock compensation for the 2020 PSUs allocated to the 2021 and 2022 Tranche Years will not be determined until targets for such Tranche Years are established and will be shown in the summary compensation table for such years. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

**2020 Special PSU Equity Grants & Modifications**

On February 26, 2020, the Compensation Committee approved the one-time 2020 SPSU grants under the EIP to provide a long-term incentive to deliver significant returns to stockholders through stock appreciation. The 2020 SPSUs were originally scheduled to vest based upon achieving certain target prices for the Common Stock, subject to the certain service conditions. Achievement of the target prices was to be determined using the volume weighted average closing price of the Common Stock over a 20 trading day period ("20-day VWAP"). Any unvested 2020 SPSUs remaining were to expire and be forfeited on the tenth anniversary of the grant date. In exchange for the 2020 SPSUs, the NEOs agreed to a reduction in his or her base salary, AIP bonus opportunity, and annual equity grants under the EIP for three years. The total 2020 SPSU grants to our NEOs are set forth below:

Executive	2020 SPSUs
Adam M. Aron	1,500,000
Sean D. Goodman	300,000
Craig R. Ramsey	—
John D. McDonald	210,000
Elizabeth F. Frank	210,000
Stephen A. Colanero	210,000

For each NEO, the 2020 SPSU grant was divided into six equal tranches with each tranche vesting upon attainment of target prices for our Common Stock as set forth below:

Tranche	Target Price (20-day VWAP)
I	\$ 12
II	16
III	20
IV	24
V	28
VI	32

As a result of the anticipated long-term impact of the COVID-19 pandemic on the Company's stock price and with the significant increase in the Company's outstanding stock resulting from stock issuances undertaken to stabilize the Company's liquidity, the Compensation Committee determined that the target prices applicable to the 2020 SPSUs were not likely to be obtained before expiration, rendering their incentive and retention objectives ineffective during a time of heightened need for both. Therefore, on October 30, 2020, the 2020 SPSUs were modified to waive the target price target and service conditions for tranches I through IV, allowing for immediate vesting of such tranches, subject to a one-year





holding requirement for the Common Stock delivered upon vesting. Further, the price targets for our Common Stock applicable for tranches V and VI were reduced to \$4 and \$8, respectively, with a one-year service condition. The stock price targets were attained for tranches V and VI in January 2021 allowing for vesting of both tranches on October 30, 2021, subject to continued employment by the NEO through such date.

As a result of the modification of the 2020 SPSUs and subsequent stock price performance, our NEOs vested in the 2020 SPSUs set forth below on October 30, 2020, and are eligible to vest in the 2020 SPSUs set forth below on October 30, 2021:

Executive	2020 SPSUs	
	Vested 10/30/20	Eligible to Vest 10/30/21
<b>Adam M. Aron</b>	1,000,000	500,000
<b>Sean D. Goodman</b>	200,000	100,000
<b>Craig R. Ramsey</b>	—	—
<b>John D. McDonald</b>	140,000	70,000
<b>Elizabeth F. Frank</b>	140,000	70,000
<b>Stephen A. Colanero</b>	140,000	70,000

In accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2020 SPSUs was recognizable on the modification date based upon the incremental fair value at the date of modification determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

### 2019 Annual Equity Award Modifications

#### Restricted Stock Units

On October 30, 2020, the 2019 RSUs were modified to provide that vesting of the next tranche would be accelerated from January 4, 2021 to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*. The modification did not affect the scheduled vesting dates for subsequent tranches of the 2019 RSUs.

#### Performance Stock Units

Recognizing that the net profit threshold was no longer an appropriate condition for vesting, in February 2020, the Compensation Committee modified the annual PSU awards originally granted in 2019 (the "2019 PSUs") to remove the net profit threshold. The modification was approved in recognition of the highly volatile nature of our industry and the fact that the market generally does not measure the Company's performance based upon net profit. The modification had no effect on the meaningful Adjusted EBITDA and diluted earnings per share ("Diluted EPS") performance targets applicable to the 2019 PSUs. For the 2019 PSUs with a Diluted EPS target, due to the level of attainment versus target levels, vesting was improbable both before and after modification so no additional stock compensation expense was recognizable in accordance with ASC 718, *Compensation—Stock Compensation*. Further, for the 2019 PSUs with an Adjusted EBITDA target, no additional stock compensation was recognized because the modification was contemporaneous with the onset of the COVID-19 pandemic which rendered attainment of the performance targets improbable.

For the same reasons set forth for the 2020 PSUs, on October 30, 2020, the 2019 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a Tranche Year. The cumulative three-year Adjusted EBITDA and Diluted EPS performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee certified actual performance against targets for the 2019 Tranche Year and set eligible vesting levels, if any, in accordance with such attainment. The Compensation Committee waived attainment of the



performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The 2021 Tranche Year remains subject to substantive performance targets established and approved by the Compensation Committee in conjunction with the budgeting process for 2021. The 2019 PSUs will be forfeited upon termination of the holder's employment for any reason prior to December 31, 2021 (eliminating the possibility of pro-rata vesting). Unless earlier forfeited, the 2019 PSUs will vest (with each tranche vesting in accordance with the performance attained during its applicable Tranche Year) on the date Compensation Committee certifies performance levels for the final Tranche Year covered by the grant.

Following modification, the 2019 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Adjusted EBITDA Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2019	\$ 807,218,000	\$730,629,000	68.5%
2020	914,483,000	N/A	90%
2021	TBD	TBD	TBD

Following modification, the 2019 PSUs with Diluted EPS performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Diluted EPS Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2019	\$ (0.48)	\$(1.02)	0%
2020	0.43	N/A	90%
2021	TBD	TBD	TBD

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation expense for the 2019 PSUs allocated to the 2019 and 2020 Tranche Years was recognizable on the modification date equal to the incremental fair value. Stock compensation for the 2019 PSUs allocated to the 2021 Tranche Year will not be determined until targets for such Tranche Year are established and will be shown in the summary compensation table for such year. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

## 2018 Annual Equity Award Modifications

### Restricted Stock Units

On October 30, 2020, the 2018 RSUs were modified to provide that vesting of the final tranche would be accelerated from January 4, 2021 to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*.

### Performance Stock Units

Similar to, and for the same reasons as, the 2019 PSUs, in February 2020, the Compensation Committee modified the annual PSU awards originally granted in 2018 (the "2018 PSUs") to remove the net profit threshold. The modification had no effect on the meaningful Adjusted EBITDA and Diluted EPS performance targets applicable to the 2018 PSUs. For the 2018 PSUs with a Diluted EPS target, due to the level of attainment versus target levels, vesting was improbable both before and after modification so no additional stock compensation expense was recognizable in accordance with ASC 718, *Compensation—Stock Compensation*. Further, for the 2018 PSUs with an Adjusted EBITDA target, no additional stock



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compensation was recognized because the modification was contemporaneous with the onset of the COVID-19 pandemic which rendered attainment of the performance targets improbable.

For the same reasons set forth for the 2020 PSUs, on October 30, 2020, the 2018 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a Tranche Year. The cumulative three-year Adjusted EBITDA and Diluted EPS performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee certified actual performance against targets for the 2018 and 2019 Tranche Years and set eligible vesting levels, if any, in accordance with such attainment. The Compensation Committee waived attainment of the performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The 2018 PSUs were subject to forfeiture upon termination of the holder's employment for any reason prior to December 28, 2020, the modified vesting date for the 2018 PSUs (eliminating the possibility of pro-rata vesting). The shares of stock delivered upon vesting of the 2018 PSUs on December 28, 2020, were made subject to a one-year holding requirement.

Following modification, the 2018 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Adjusted EBITDA Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2018	\$ 848,118,000	\$ 886,790,000	125%
2019	923,686,000	821,429,000	61.5%
2020	984,811,000	N/A	90%

Following modification, the 2018 PSUs with Diluted EPS performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Diluted EPS Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2018	\$ (0.33)	\$ 0.06	200%
2019	0.03	(1.01)	0%
2020	0.23	N/A	90%

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2018 PSUs allocated to the 2018, 2019 and 2020 Tranche Years was recognizable on the modification date equal to the incremental fair value. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.



## COMPENSATION SETTING PROCESS

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### Independent Compensation Consultant

For compensation related decisions effective for 2020, the Compensation Committee retained the services of Aon as independent executive compensation consultant to advise the Compensation Committee on compensation matters related to the executive and director compensation programs. In 2020, Aon assisted the Compensation Committee with, among other things:

- executive and director market pay analysis;
- reviewing and making changes to the compensation peer group;
- development of executive and director pay programs;
- CEO pay recommendations;
- decisions in response to the COVID-19 pandemic; and
- Assisting with the Compensation, Discussion and Analysis disclosures.

Aon reported to the Compensation Committee and had direct access to the Chairperson and the other members of the Compensation Committee.

The Compensation Committee conducted a specific review of its relationship with Aon in 2020, and determined that Aon's work for the Compensation Committee did not raise any conflicts of interest. Aon's work has conformed to the independence factors and guidance provided by the Dodd-Frank Act, the SEC and the NYSE.

### 2020 Peer Group

The Company has adopted a peer group of companies as a reference group to provide a broad perspective on competitive pay levels and practices. Peer companies were selected based on industry classification, company size in terms of revenue and market capitalization, and similarity in business operations. The Compensation Committee periodically reviews and updates the peer group, as necessary, upon recommendation of its independent executive compensation consultant.

For 2020, the Company's peer group consisted of the following 18 companies:

AMC Networks Inc.  
Bloomin' Brands, Inc.  
Brinker International, Inc.  
Carnival Corporation  
Cinemark Holdings Inc.  
Darden Restaurants, Inc

Discovery, Inc.  
Hilton Worldwide Holdings, Inc.  
Hyatt Hotels Corporation  
IMAX Corporation  
Lions Gate Entertainment Corp  
Live Nation Entertainment, Inc.

Marriott International, Inc.  
Norwegian Cruise Line Holdings, Ltd.  
Royal Caribbean Cruises, Ltd.  
Sinclair Broadcast Group, Inc.  
TEGNA, Inc  
Wyndham Hotels & Resorts, Inc.

Based on the selection factors mentioned above, the Compensation Committee reviewed the 2019 peer group composition and made no changes for 2020.



## OTHER COMPENSATION PRACTICES

### Compensation Clawback Policy

Pursuant to the terms of the EIP, for a period of one year following the date on which the value of an award under the EIP is realized, such value must be repaid in the event (i) the NEO is terminated for "Cause" (as defined in the NEO's respective employment agreement), or (ii) after termination for any other reason it is determined that such NEO (a) engaged in an act during his or her employment that would have warranted termination for "Cause", or (b) engaged in conduct that violated a continuing obligation to the Company. Mr. Aron's, Mr. Goodman's, Ms. Frank's, and Mr. Colanero's employment agreements require repayment of any bonus compensation based on materially inaccurate financial statements or performance metrics.

### Executive Stock Ownership Guidelines

The Company has adopted stock ownership guidelines for our NEOs, as follows:

Position	Requirement
President and CEO	3x base salary
Other NEOs	2x base salary

Each NEO is required to achieve the applicable guideline ownership amount within three years after becoming a NEO. Due to the Company's currently depressed stock price and the ongoing impacts of the COVID-19 pandemic, on October 28, 2020, the Compensation Committee suspended the stock ownership guidelines.

### Anti-Hedging Policy

Under our Insider Trading Policy, directors and officers (Vice President and above) are prohibited from engaging in short sales or investing in other kinds of hedging transactions or financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) that are designed to offset any decrease in the market value of the Company's securities.

### Retirement Benefits

We provide retirement benefits to the NEOs under both qualified and non-qualified defined benefit and defined contribution retirement plans. The Defined Benefit Retirement Income Plan for Certain Employees of American Multi-Cinema, Inc. ("AMC Defined Benefit Retirement Income Plan") and the AMC 401(k) Savings Plan are both tax-qualified retirement plans in which the NEOs participate on substantially the same terms as our other participating employees. Due to limitations on benefits imposed by the Employee Retirement Income Security Act of 1974 ("ERISA"), we established a non-qualified supplemental defined benefit plan (the "AMC Supplemental Executive Retirement Plan"). On November 7, 2006, our Board approved a proposal to freeze the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan, effective as of December 31, 2006. Benefits no longer accrue under the AMC Defined Benefit Retirement Income Plan or the AMC Supplemental Executive Retirement Plan for our NEOs or for other participants.

The "Pension Benefits" table and related narrative section "Pension and Other Retirement Plans" below describes our qualified and non-qualified defined benefit plans in which our NEOs participate.

### Non-Qualified Deferred Compensation Program

NEOs are permitted to elect to defer base salaries and their cash bonuses under the AMC Non-Qualified Deferred Compensation Plan. Amounts deferred under the plans are credited with an investment return determined as if the participant's account was invested in one or more investment funds made available by the Company and selected by the participant. The Company may, but need not, credit the deferred compensation account of any participant with a discretionary or profit sharing credit as determined by the Company. We believe that providing the NEOs with deferred



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compensation opportunities is a cost-effective way to permit officers to receive the tax benefits associated with delaying the income tax event on the compensation deferred, even though the related deduction for the Company is also deferred.

The "Non-Qualified Deferred Compensation" table and related narrative section below describe the non-qualified deferred compensation plan and the benefits thereunder.

**Severance and Other Benefits Upon Termination of Employment**

We believe that the occurrence, or potential occurrence, of a change of control transaction will create uncertainty regarding the continued employment of our executive officers. This uncertainty results from the fact that many change of control transactions result in significant organizational changes, particularly at the senior executive level. In order to encourage certain of our executive officers to remain employed with us during an important time when their prospects for continued employment following the transaction are often uncertain, we provide the executives with severance benefits if they terminate their employment within a certain number of days following specified changes in their compensation, responsibilities or benefits following a change of control. Accordingly, we provide such protections for each of the NEOs and for other of our senior officers in their respective employment agreements. The Compensation Committee evaluates the level of severance benefits provided to our executive officers on a case-by-case basis. We consider these severance protections consistent with competitive practices.

As described in more detail below under "Compensation Discussion and Analysis—Potential Payments Upon Termination or Change of Control," pursuant to their employment agreements, each of the NEOs is entitled to severance benefits in the event of termination of employment without cause and certain NEOs are entitled to severance benefits upon death or disability. In the case of Mr. Aron, Mr. Goodman, Ms. Frank, and Mr. Colanero, resignation for good reason (as defined in their respective employment agreements) also entitles them to severance benefits.

**Tax and Accounting**

Prior to 2018, Section 162(m) of the Internal Revenue Code generally disallowed publicly held companies a tax deduction for compensation in excess of \$1,000,000 paid to their chief executive officer and the three other most highly compensated executive officers unless such compensation qualified for an exemption for certain compensation that was based on performance. Pursuant to the 2017 Tax Cuts and Jobs Act, signed into law on December 22, 2017 (the "Tax Act"), for fiscal years beginning after December 31, 2017, subject to certain transition rules, the performance-based compensation exception to the deduction limitations under Section 162(m) is no longer available. As a result, for fiscal years beginning after December 31, 2017, all compensation in excess of \$1,000,000 paid to the specified executives is not deductible. The Compensation Committee will continue to monitor the tax and other consequences of our executive compensation program as part of its primary objective of ensuring that compensation paid to our executive officers is reasonable, performance based and consistent with the goals of the Company and its stockholders.



## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table presents information regarding compensation of our principal executive officer and our principal financial officer, and our three other most highly compensated executive officers for services rendered during the year ended December 31, 2020. These individuals are referred to as "NEOs."

Name and Principal Position	Year	Salary	Bonus(1)	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4)(5)	All Other Compensation(6)	Total
<b>Adam M. Aron</b>	2020	\$ 1,106,491	\$ 5,000,000	\$ 14,798,988	\$ —	\$ —	\$ 21,306	\$ 20,926,785
Chief Executive Officer,	2019	1,250,000	—	6,480,451	1,925,000	—	16,348	9,671,799
President and Director	2018	1,100,000	—	5,472,054	2,882,000	—	16,148	9,470,202
<b>Sean D. Goodman(7)</b>	2020	622,981	761,250	2,861,150	—	—	3,225	4,248,606
Executive Vice President and Chief Financial Officer	2020	219,231	—	—	—	63,472	94,500	377,203
<b>Craig R. Ramsey(7)</b>	2019	750,000	—	1,296,096	404,250	153,728	20,359	2,624,433
Former Executive Vice President and Chief Financial Officer	2018	650,000	—	1,243,643	596,050	—	20,159	2,509,852
<b>John D. McDonald</b>	2020	492,061	389,100	1,981,932	—	531,035	15,408	3,409,536
Executive Vice President	2019	555,880	—	855,420	317,501	539,283	15,041	2,283,125
U.S. Operations	2018	534,500	—	820,811	466,933	—	14,841	1,837,085
<b>Elizabeth F. Frank</b>	2020	492,061	361,300	1,984,724	—	238,992	12,797	3,089,874
Executive Vice President, Worldwide Programming and Chief Content Officer	2019	555,880	—	855,420	294,819	151,856	12,539	1,870,514
	2018	534,500	—	820,811	440,565	—	11,873	1,807,749
<b>Stephen A. Colanero(8)</b>	2020	473,578	347,750	1,988,126	—	—	12,739	2,822,193
Executive Vice President, Chief Marketing Officer	2019	535,000	—	855,420	290,719	—	12,445	1,693,584

- (1) See "Compensation Discussion and Analysis—2020 Special Incentive Bonuses" above for a discussion of the discretionary bonuses awarded to the NEOs.
- (2) As required by SEC Rules, amounts shown in this column, "Stock Awards," presents the aggregate grant or modification date fair value of RSUs, PSUs and stock awards granted or modified in each year in accordance with ASC 718, *Compensation—Stock Compensation* and represents the value based on the probable outcome of performance conditions. See also Note 9—Stockholders' Equity to our audited financial statements for year ended December 31, 2020, included in our 2020 Annual Report on Form 10-K. These awards and modifications were made under the provisions of the equity-based incentive compensation program. See "Compensation Discussion and Analysis—Equity-Based Compensation Program" above for information regarding the awards, modifications and the performance criteria.

The Company granted and subsequently modified the 2020 RSUs, 2020 SPSUs, and 2020 PSUs to officers. In addition, 2018 PSUs and the 2019 PSUs were modified during 2020.



The fair value of the 2020 RSUs and 2020 PSUs at grant on February 28, 2020 was based on the closing price of the Company's common stock on the original grant date of February 28, 2020 of \$6.26. For the 2020 PSUs, the amount above includes the probable outcome at the time of grant and for the 2020 RSU's the maximum value is included. The probable (at time of grant) and maximum value of the 2020 PSUs at grant is detailed below:

	Probable	Maximum
<b>Adam M. Aron</b>		
EIP—2020 PSU	\$ 2,779,440	\$ 5,558,880
<b>Sean D. Goodman</b>		
EIP—2020 PSU	567,719	1,135,439
<b>Craig R. Ramsey</b>		
EIP—2020 PSU	—	—
<b>John D. McDonald</b>		
EIP—2020 PSU	345,615	691,229
<b>Elizabeth F. Frank</b>		
EIP—2020 PSU	346,935	693,871
<b>Stephen A. Colanero</b>		
EIP—2020 PSU	348,544	697,089

On October 30, 2020, the performance targets for the 2020 PSUs were modified and the eligible vesting level for tranche I of the 2020 PSUs was set at 90%, subject to continued employment through December 31, 2022. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranche I of the 2020 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranches II and III will not be determined until targets for such tranches are established in 2021 and 2022, respectively and will be included in the summary compensation tables for such years as applicable. For tranche I of the 2020 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On October 30, 2020, the performance targets for the 2019 PSUs were modified. For 2019 PSUs with an adjusted EBITDA targets, eligible vesting levels for tranches I and II were set at 68.5% and 90%, respectively, both subject to continued employment through December 31, 2021. For 2019 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I and II were set at 0% and 90%, respectively, both subject to continued employment through December 31, 2021. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranches I and II of the 2019 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranche III will not be determined until targets for such tranche are established in 2021 and will be included in the summary compensation tables for such year as applicable. For tranches I and II of the 2019 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On October 30, 2020, the performance targets for the 2018 PSUs were modified. For 2018 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I, II and III were set at 125%, 61.5% and 90%, respectively, each subject to continued employment through December 28, 2020. For 2018 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I, II and III were set at 200%, 0% and 90%, respectively, each subject to continued employment through December 28, 2020. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranches I, II and III of the 2018 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. For tranches I, II and III of the 2018 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On February 26, 2020, the 2020 SPSUs were granted with vesting conditions based upon the attainment of various stock price targets (based on a 20-day volume weighted average price) ranging from \$12 to \$32, subject to certain service requirements. The fair value at the date of grant for the 2020 SPSUs was determined utilizing a Monte Carlo simulation, which resulted in fair values ranging from \$2.56 to \$4.61 per 2020 SPSU depending on the stock price target. The amount above includes the maximum outcome for the 2020 SPSUs at the time of grant.

On October 30, 2020, the performance targets and service requirements for tranches I-IV of the 2020 SPSUs were waived to allow for immediate vesting of such 2020 SPSUs. Further, the stock price targets for tranches V and VI were reduced to \$4 and \$8, respectively, subject to a shortened service requirement. The incremental fair value at the date of modification for 2020 SPSUs was determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. The incremental fair value (included in the table above) for tranches I and II of the 2020 SPSUs as of the modification date was determined to be \$1.25 and \$1.85, respectively. The incremental fair value for tranches III through VI of the 2020 SPSUs as of the modification date was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36.

- (3) See "Compensation Discussion and Analysis—Annual Incentive Program" above for a discussion of the terms of our AIP.
- (4) This column includes the aggregate increases and decreases in actuarial present value of each NEO's accumulated benefit amounts. Mr. Ramsey retired effective February 28, 2020, and received a lump sum payout of \$389,149 from the defined benefit plan in 2020. Mr. Ramsey also received the first of four distributions under the Supplemental Executive Retirement Plan ("SERP") during 2020 in the amount of \$45,613. The increases for Mr. Ramsey





reflected for 2020 represents the increase from January 1, 2020 until his retirement date. The amount of aggregate decreases in actuarial present value in 2018 have been omitted from the Summary Compensation Table:

		Defined Benefit Plan	Supplemental Executive Retirement Plan
Craig R. Ramsey	2020	\$ 12,338	\$ 8,227
	2019	41,609	21,574
	2018	(29,844)	(15,474)
John D. McDonald	2020	102,986	53,398
	2019	126,612	65,647
	2018	(44,828)	(23,243)

- (5) This column also includes the nonqualified deferred compensation above market earnings for the difference between market interest rates determined pursuant to SEC rules and the interest contingently credited by the Company on salary deferred by the NEOs. For 2020, the above market earnings of 7.3% to 19.3% for Mr. Ramsey, Mr. McDonald, and Ms. Frank were \$42,907, \$374,651, and \$238,992, respectively. For 2019, the above market earnings of 12.1% to 21.5% for Mr. Ramsey, Mr. McDonald, and Ms. Frank were \$90,545, \$347,024, and \$151,856, respectively. For 2018, there were no above market earnings. Further discussion on the nonqualified deferred compensation for the NEOs can be found in the "Compensation Discussion and Analysis—Nonqualified Deferred Compensation" section.
- (6) All Other Compensation is comprised of Company matching contributions under our 401(k) savings plan which is a qualified defined contribution plan and life insurance premiums. In addition, pursuant to his employment agreement, Mr. Ramsey was entitled to a one-time payment upon his retirement equal to his annual incentive bonus at target pro-rated for the number of months worked during his retirement year. The following table summarizes "All Other Compensation" provided to the NEOs for the year ended December 31, 2020:

	Company Matching Contributions to 401(k) Plan	Life Insurance Premiums	Retirement Benefit	Total
Adam M. Aron	\$ 11,400	\$ 9,906	\$ —	\$ 21,306
Sean D. Goodman	—	3,225	—	3,225
Craig R. Ramsey	5,095	1,905	87,500	94,500
John D. McDonald	11,400	4,008	—	15,408
Elizabeth F. Frank	11,400	1,397	—	12,797
Stephen A. Colanero	11,400	1,339	—	12,739

- (7) Mr. Ramsey retired and Mr. Goodman became Executive Vice President and Chief Financial Officer effective February 28, 2020. Mr. Goodman was not a NEO in 2018 or 2019.
- (8) Mr. Colanero was not a NEO in 2018.

#### Description of Employment Agreements—Salary and Bonus Amounts

We have entered into employment agreements with each of our NEOs. Change of control, severance arrangements and restrictive covenants in each of the NEO's employment agreements are discussed in detail below in the narrative section "Potential Payments Upon Termination or Change of Control."

Pursuant to each NEO's employment agreement, the executive has agreed not to disclose any confidential information about the Company at any time during or after his/her employment with the Company.

**Adam M. Aron.** We entered into an employment agreement with Mr. Aron that became effective on January 4, 2016. Mr. Aron's employment agreement includes a three-year initial term, with automatic one-year extensions each year unless the Company or Mr. Aron provides notice not to extend. The agreement provides that Mr. Aron will receive an annual base salary of no less than \$995,000, and a target incentive bonus opportunity for each year will be at least 125% of his base salary under the terms of the annual incentive plan in effect for the applicable year. The Board or Compensation Committee, based on its review, has discretion to increase (but not reduce) the base salary each year. Under the agreement, each year the Company will award Mr. Aron at least \$4,000,000 of value in long-term incentive equity compensation, 50% of which will be RSUs vesting in equal annual installments over three years, and 50% of which will be PSUs which will vest after three years based on the achievement of reasonable performance criteria.



*Sean D. Goodman.* We entered into an employment agreement with Mr. Goodman on December 2, 2019. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. Goodman will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Mr. Goodman's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Craig R. Ramsey.* We entered into an employment agreement with Mr. Ramsey on July 1, 2001. The term of the agreement was for two years, with automatic one-year extensions each year. The agreement provided that Mr. Ramsey would receive an annual base salary that is subject to annual review by the Compensation Committee, and could be increased but not decreased, and annual bonuses based on the applicable incentive program of the Company. In making its determination with respect to salary and bonus payout levels under the agreement, the Compensation Committee considered the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above. Mr. Ramsey retired effective February 28, 2020.

*John D. McDonald.* We entered into an employment agreement with Mr. McDonald on July 1, 2001. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. McDonald will receive an annual base salary that is subject to annual review by the Compensation Committee, and can be increased but not decreased, and annual bonuses based on the applicable incentive program of the Company. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Elizabeth F. Frank.* We entered into an employment agreement with Ms. Frank on August 18, 2010. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Ms. Frank will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Ms. Frank's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Stephen A. Colanero.* We entered into an employment agreement with Mr. Colanero on November 24, 2009. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. Colanero will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Mr. Colanero's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

#### **Limitation of Liability and Indemnification of Directors and Officers**

We have entered into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance, if available on reasonable terms.



**Grants and Modifications of Plan-Based Awards**

The following table summarizes plan-based awards granted to NEOs during the year ended December 31, 2020:

Name	Approval Date	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number Of Shares Or Units (#)	Grant Date Fair Value of Stock and Option Awards
			Threshold	Target 100%	Maximum	Threshold (#)	Target (#)	Maximum (#)		
<b>Adam M. Aron</b>										
AIP—Company(1)	N/A	N/A	\$ 1,250,000	\$ 2,500,000	\$ 5,000,000					
EIP—2020 RSU(3)	2/26/20	2/28/20				222,000	444,000	888,000	444,000	\$ 2,779,440
EIP—2020 PSU(4)	2/26/20	2/28/20				N/A	1,500,000	N/A	133,200	2,779,440
EIP—2020 SPSU(5)	2/26/20	2/26/20							1,000,000	5,172,500
EIP—2020 PSU(6)	10/30/20	10/30/20							98,480	314,352
EIP—2020 SPSU(7)	10/30/20	10/30/20				N/A	500,000	N/A	163,493	3,135,000
EIP—2019 PSU(8)	10/30/20	10/30/20								232,413
EIP—2018 PSU(9)	10/30/20	10/30/20								385,843
<b>Sean D. Goodman</b>										
AIP—Company(1)	N/A	N/A	236,250	472,500	945,000					
EIP—2020 RSU(3)	2/26/20	2/28/20				45,345	90,690	181,380	90,690	567,719
EIP—2020 PSU(4)	2/26/20	2/28/20				N/A	300,000	N/A		567,719
EIP—2020 SPSU(5)	2/26/20	2/26/20							27,208	1,034,500
EIP—2020 PSU(6)	10/30/20	10/30/20							200,000	64,211
EIP—2020 SPSU(7)	10/30/20	10/30/20				N/A	100,000	N/A		627,000
<b>Craig R. Ramsey(10)</b>										
			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>John D. McDonald</b>										
AIP—Company(1)	N/A	N/A	155,646	311,293	622,586					
AIP—Individual(2)	N/A	N/A	N/A	77,823	N/A					
EIP—2020 RSU(3)	2/26/20	2/28/20				27,605	55,210	110,420	55,210	345,615
EIP—2020 PSU(4)	2/26/20	2/28/20				N/A	210,000	N/A		345,615
EIP—2020 SPSU(5)	2/26/20	2/26/20							16,563	724,150
EIP—2020 PSU(6)	10/30/20	10/30/20							140,000	39,089
EIP—2020 SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	13,001	438,900
EIP—2019 PSU(8)	10/30/20	10/30/20								30,682
EIP—2018 PSU(9)	10/30/20	10/30/20								57,881
<b>Elizabeth F. Frank</b>										
AIP—Company(1)	N/A	N/A	144,529	289,058	578,115					
AIP—Individual(2)	N/A	N/A	N/A	72,264	N/A					
EIP—2020 RSU(3)	2/26/20	2/28/20				27,711	55,421	110,842	55,421	346,935
EIP—2020 PSU(4)	2/26/20	2/28/20				N/A	210,000	N/A		346,935
EIP—2020 SPSU(5)	2/26/20	2/26/20							16,627	724,150
EIP—2020 PSU(6)	10/30/20	10/30/20							140,000	39,240
EIP—2020 SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	13,001	438,900
EIP—2019 PSU(8)	10/30/20	10/30/20								30,682
EIP—2018 PSU(9)	10/30/20	10/30/20								57,881
<b>Stephen A. Colanero</b>										
AIP—Company(1)	N/A	N/A	139,100	278,200	556,400					
AIP—Individual(2)	N/A	N/A	N/A	69,550	N/A					
EIP—2020 RSU(3)	2/26/20	2/28/20				27,839	55,678	111,358	55,678	348,544
EIP—2020 PSU(4)	2/26/20	2/28/20				N/A	210,000	N/A		348,544
EIP—2020 SPSU(5)	2/26/20	2/26/20							16,705	724,150
EIP—2020 PSU(6)	10/30/20	10/30/20							140,000	39,424
EIP—2020 SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	13,001	438,900
EIP—2019 PSU(8)	10/30/20	10/30/20								30,682
EIP—2018 PSU(9)	10/30/20	10/30/20								57,881

- (1) These awards were made under the provisions of the AIP. See "Compensation Discussion and Analysis—Annual Incentive Program" above for a discussion of the AIP and the Summary Compensation Table for the actual amounts paid. As discussed therein, no amounts were paid under the AIP in 2020.
- (2) The individual component bonus of the AIP for the year ended December 31, 2020 was granted subject a review of each NEO's individual performance and contribution to the Company's strategic and financial goals during the 2020 fiscal year. Individual component bonuses of the AIP were not paid for 2020. See "Compensation Discussion and Analysis—Annual Incentive Program" above.
- (3) Amounts shown in this row represent the number and aggregate grant date fair value of 2020 RSU awards granted by the Board and the Compensation Committee, in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The grant date fair value of the 2020 RSUs was based



on the closing price of the Company's common stock on February 28, 2020 of \$6.26 per share. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above.

- (4) Amounts shown in this row represent the number and aggregate grant date fair value of the 2020 PSU awards granted in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The fair value of the 2020 PSUs at the grant date was \$6.26 per share and was based on the closing price of the Company's common stock on February 28, 2020 and represents the probable outcome at grant date of the performance goals at the target amount. The grant consisted of PSUs with three-year cumulative adjusted EBITDA and free cash flow performance target conditions and a service condition, covering a performance period beginning January 1, 2020 and ending on December 31, 2022. The 2020 PSUs will vest upon certification of achievement of the performance targets based on a scale ranging from achievement of 80% to 120% of the performance targets with the vested amount ranging ratably from 50% to 200%. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above for additional information regarding the grant of the 2020 PSUs and the performance targets.
- (5) Amounts shown in this row represent the number and aggregate grant date fair value of the 2020 SPSU awards granted in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The grant consisted of 2020 SPSUs with vesting based upon achievement of certain 20-day volume weighted average target prices for the Company's Common Stock during a 10 year period commencing on the grant date, subject to certain minimum service conditions. The 2020 SPSUs were divided into six equal tranches with target prices ranging from \$12 to \$32. The fair value at the date of grant for the 2020 SPSUs was determined utilizing a Monte Carlo simulation, which resulted in fair values ranging from \$2.56 to \$4.61 depending on the stock price target. The 2020 SPSUs are not subject to ratable vesting and may only vest at target. See "Compensation Discussion and Analysis—2020 Special PSU Equity Grants and Modifications" above for additional information regarding the grant of the 2020 SPSUs and the performance targets.
- (6) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2020 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the 2020 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. The eligible vesting level for tranche I of the 2020 PSUs was set at 90%, subject to continued employment through December 31, 2022. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranche I of the 2020 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranches II and III will not be determined until targets for such tranches are established in 2021 and 2022, respectively and will be included in the grants of plan based awards tables for such years as applicable. The modified tranche I of the 2020 PSUs was not considered an incentive plan award because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above for additional information regarding the modification of the 2020 PSUs.
- (7) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2020 SPSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the performance targets and service requirements for tranches I through IV of the 2020 SPSUs were waived to allow for immediate vesting of such 2020 SPSUs. Further, the stock price targets for tranches V and VI were reduced to \$4 and \$8, respectively, subject to a shortened service requirement. The incremental fair value at the date of modification for 2020 SPSUs was determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. The incremental fair value for tranches I and II of the 2020 SPSUs as of the modification date was determined to be \$1.25 and \$1.85, respectively. The incremental fair value for tranches III through VI of the 2020 SPSUs as of the modification date was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The modified tranches I through IV of the 2020 SPSUs were not considered an incentive plan award because the performance targets were waived at the time of modification. Tranches V and VI of the 2020 SPSUs were not subject to ratable vesting and could only vest at target. See "Compensation Discussion and Analysis—2020 Special PSU Equity Grants and Modifications" above for additional information regarding the modification of the 2020 SPSUs.
- (8) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2019 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the 2019 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. For 2019 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I and II were set at 68.5% and 90%, respectively, both subject to continued employment through December 31, 2021. For 2019 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I and II were set at 0% and 90%, respectively, both subject to continued employment through December 31, 2021. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranches I and II of the 2019 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranche III will not be determined until targets for such tranche are established in 2021 and will be included in the grants of plan based awards table for such year as applicable. The modified tranches I and II of the 2019 PSUs were not considered incentive plan awards because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2019 Annual Equity Award Modifications" above for additional information regarding the modification of the 2019 PSUs.
- (9) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2018 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the performance targets for the 2018 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. For 2018 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I, II and III were set at 125%, 61.5% and 90%, respectively, each subject to continued employment through December 28, 2020. For 2018 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I, II and III were set at 200%, 0% and 90%, respectively, each subject to continued employment through December 28, 2020. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranches I, II and III of the 2018 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The modified tranches I, II and III of the 2018 PSUs were not considered incentive plan awards because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2018 Annual Equity Award Modifications" above for additional information regarding the modification of the 2018 PSUs.
- (10) Mr. Ramsey retired effective February 28, 2020 and received no grants of plan based awards in 2020.



Outstanding Equity Awards as of December 31, 2020

The following table presents information regarding the outstanding equity awards held by our NEOs as of December 31, 2020:

Name	Grant Date	Award Type	Stock Awards			
			Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested \$(2)	Number of Unearned Shares or Units or Other Rights That Have Not Vested (#)(1)	Market or Payout Value Of Shares, Units or Other Rights That Have Not Vested \$(2)
<b>Adam M. Aron</b>						
EIP—2019 RSU(3)	3/6/19	RSU	71,387	\$ 151,340	—	\$ —
EIP—2019 PSU(4)	10/30/20	PSU	34,231	72,570	—	—
EIP—2019 PSU(5)	10/30/20	PSU	44,974	95,345	—	—
EIP—2019 PSU(6)	10/30/20	PSU	19,275	40,863	—	—
EIP—2020 RSU(7)	2/28/20	RSU	296,001	627,522	—	—
EIP—2020 PSU(8)	10/30/20	PSU	79,920	169,430	—	—
EIP—2020 PSU(9)	10/30/20	PSU	53,280	112,954	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	250,000	530,000
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	250,000	530,000
<b>Sean D. Goodman</b>						
EIP—2019 RSU(12)	12/2/19	RSU	66,667	141,334	—	—
EIP—2020 RSU(7)	2/28/20	RSU	60,461	128,177	—	—
EIP—2020 PSU(8)	10/30/20	PSU	16,325	34,609	—	—
EIP—2020 PSU(9)	10/30/20	PSU	10,883	23,072	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	50,000	106,000
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	50,000	106,000
<b>Craig R. Ramsey(13)</b>						
<b>John D. McDonald</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	36,807	78,031	—	—
EIP—2020 PSU(8)	10/30/20	PSU	9,938	21,069	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,625	14,045	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200
<b>Elizabeth F. Frank</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	36,948	78,330	—	—
EIP—2020 PSU(8)	10/30/20	PSU	9,976	21,149	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,651	14,100	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200
<b>Stephen A. Colanero</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	37,119	78,692	—	—
EIP—2020 PSU(8)	10/30/20	PSU	10,023	21,249	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,682	14,166	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200

(1) Amount shown in this column represents the number of unvested units. Each unit will convert into one share of Common Stock immediately upon vesting. See "Compensation Discussion and Analysis—Equity-Based Incentive Compensation Program" above.



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- (2) The fair market value was calculated based on the closing price of the Company's common stock on December 31, 2020 of \$2.12 per share.
- (3) Amounts shown in this row represent the remaining number of unvested and the year-end market value of the 2019 RSU award granted by the Board and the Compensation Committee. This amount will vest on January 3, 2022.
- (4) Amounts shown in this row represent the number of unvested and the year-end market value of tranche I of the 2019 PSU awards with Adjusted EBITDA performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2019 and ending on December 31, 2019. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee certified performance sufficient to permit vesting at 68.5% of target, so the values reflected represent such level of potential vesting.
- (5) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2019 PSU awards with Adjusted EBITDA performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche II consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance targets for tranche III of the 2019 PSUs have not been set and amounts for such awards are not included in this table.
- (6) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2019 PSU awards with diluted earnings per share performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche II consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Tranche I of the 2019 PSUs with diluted earnings per share performance targets did not attain sufficient performance to vest and are not included in this table. Performance targets for tranche III of the 2019 PSUs have not been set and amounts for such awards are not included in this table.
- (7) Amounts shown in this row represent the number of unvested and year-end market value of the 2020 RSU award granted by the Board and the Compensation Committee. One half of this amount will vest on each of January 3, 2022 and January 3, 2023.
- (8) Amounts shown in this row represent the number of unvested and the year-end market value of tranche I of the 2020 PSU awards with Adjusted EBITDA performance targets. The 2020 PSU awards were originally granted on February 28, 2020, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2022. The Compensation Committee waived the performance targets applicable to tranche I and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance targets for tranches II and III of the 2020 PSUs have not been set and amounts for such awards are not included in this table. See "Compensation Discussion and Analysis" above for additional information on these awards.
- (9) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2020 PSU awards with free cash flow performance targets. The 2020 PSU awards were originally granted on February 28, 2020, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2022. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance goals for 2020 PSU tranches II and III have not been set and amounts for such awards are not included in this table. See "Compensation Discussion and Analysis" above for additional information on these awards.
- (10) Amounts shown in this row represent the number of unvested and the year-end market value of tranche V of the 2020 SPSU awards with 20-day volume weighted average stock price performance targets. The 2020 SPSU awards were originally granted on February 26, 2020, but were subsequently modified on October 30, 2020. Tranche V consists of PSUs with a stock price target of \$4 that expire on February 26, 2030. The PSUs vest upon attainment of the stock price target and based upon the executive's employment through October 30, 2021. Since the 2020 SPSUs are not subject to ratable vesting and can only vest at target, the values reflected represent the target level of potential vesting. The stock price performance target for tranche V was achieved on January 27, 2021, so the PSUs will vest on October 30, 2021 subject to the participant's continued service through such date.
- (11) Amounts shown in this row represent the number of unvested and the year-end market value of tranche VI of the 2020 SPSU awards with 20-day volume weighted average stock price performance targets. The 2020 SPSU awards were originally granted on February 26, 2020, but were subsequently modified on October 30, 2020. Tranche VI consists of PSUs with a stock price target of \$8 that expire on February 26, 2030. The PSUs vest upon attainment of the stock price target and based upon the executive's employment through October 30, 2021. Since the 2020 SPSUs are not subject to ratable vesting and can only vest at target, the values reflected represent the target level of potential vesting. The stock price performance target for tranche VI was achieved on January 27, 2021, so the PSUs will vest on October 30, 2021 subject to the participant's continued service through such date.
- (12) Amounts shown in this row represent the number of unvested and the year-end market value of the 2019 RSU award granted by the Board and the Compensation Committee to Mr. Goodman upon his employment date. One half of this amount will vest on each of December 2, 2021 and December 2, 2022.



(13) Mr. Ramsey retired effective February 28, 2020, and had no outstanding equity awards at December 31, 2020.

**Option Exercises and Stock Vested**

There were no options issued by the Company or exercised during the year ended December 31, 2020. The following table sets forth information on the vesting of the RSUs and PSUs for each NEO during the year ended December 31, 2020.

Name	Number of Shares Acquired on Vesting #(1)	Value Realized on Vesting (\$)
<b>Adam M. Aron</b>		
EIP—RSU(2)	129,661	\$ 967,271
EIP—RSU(3)	29,705	217,144
EIP—PSU(4)	1,000,000	2,360,000
EIP—RSU & PSU(5)	441,159	1,054,370
<b>Sean D. Goodman</b>		
EIP—PSU(4)	200,000	472,000
EIP—RSU(6)	133,333	575,999
EIP—RSU & PSU(5)	30,229	72,247
<b>Craig R. Ramsey</b>		
EIP—RSU(2)	27,521	205,307
<b>John D. McDonald</b>		
EIP—RSU(2)	18,164	135,503
EIP—RSU(3)	4,456	32,573
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,094	146,015
<b>Elizabeth F. Frank</b>		
EIP—RSU(2)	18,164	135,503
EIP—RSU(3)	4,456	32,573
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,164	146,182
<b>Stephen A. Colanero</b>		
EIP—RSU(2)	22,620	168,745
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,250	146,388

- (1) The amount in this column reflects the number of shares underlying RSUs and PSUs that vested during the year ended December 31, 2020.
- (2) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$7.46 on the vesting date of January 2, 2020 by the number of shares acquired on vesting.
- (3) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$7.31 on the vesting date of February 19, 2020 by the number of shares acquired on vesting.
- (4) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$2.36 on the vesting date of October 30, 2020 by the number of shares acquired on vesting.
- (5) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$2.39 on the vesting date of December 28, 2020 by the number of shares acquired on vesting.
- (6) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$4.32 on the vesting date of December 2, 2020 by the number of shares acquired on vesting.



**Pension Benefits**

The following table presents information regarding the present value of accumulated benefits that may become payable to the NEOs under our qualified and nonqualified defined-benefit pension plans as of December 31, 2020.

Name	Plan Name	Number of Years Credited Service#(1)	Present Value of Accumulated Benefit\$(2)
Adam M. Aron	—	—	\$ —
Sean D. Goodman	—	—	—
Craig R. Ramsey(3)	Defined Benefit Retirement Income Plan	12.00	—
	Supplemental Executive Retirement Plan	12.00	152,802
John D. McDonald	Defined Benefit Retirement Income Plan	31.05	932,737
	Supplemental Executive Retirement Plan	31.05	483,617
Elizabeth F. Frank	—	—	—
Stephen A. Colanero	—	—	—

- (1) The number of years credited service represents the numbers of years of service through December 31, 2006, the date the plans were frozen.
- (2) The accumulated benefit was based on service and earnings considered by the plans for the period through December 31, 2020. The present value has been calculated assuming the NEOs will remain in service until age 65, the age at which retirement may occur without any reduction in benefits, and that the benefit is payable under the available forms of annuity consistent with the plans. The discount rate assumption was 2.26%. The post-retirement mortality assumption was based on the PRI-2012 Employees Tables with the Retiree Contingent Survivor Tables for annuitants projected forward with scale MP-2020.
- (3) Mr. Ramsey retired effective February 28, 2020, and received a lump sum payout of \$389,149 from the defined benefit plan in 2020. Mr. Ramsey also received the first of four distributions under the Supplemental Executive Retirement Plan during 2020 in the amount of \$45,613.

**Pension and Other Retirement Plans**

We provide retirement benefits to the NEOs under the terms of qualified and non-qualified defined-benefit plans. The AMC Defined Benefit Retirement Income Plan is a tax-qualified retirement plan in which certain of the NEOs participate on substantially the same terms as our other participating employees. However, due to maximum limitations imposed by ERISA and the Internal Revenue Code on the annual amount of a pension which may be paid under a qualified defined-benefit plan, the benefits that would otherwise be payable to the NEOs under the Defined Benefit Retirement Income Plan are limited. Because we did not believe that it was appropriate for the NEOs' retirement benefits to be reduced because of limits under ERISA and the Internal Revenue Code, we have a non-qualified supplemental defined-benefit plan that permits the NEOs to receive the same benefit that would be paid under our qualified defined-benefit plan up to the old IRS limit, as indexed, as if the Omnibus Budget Reconciliation Act of 1993 had not been in effect. On November 7, 2006, our Board approved a proposal to freeze the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan, effective as of December 31, 2006. The material terms of the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan are described below. For additional information on the material assumptions with respect to these plans, see Note 1 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2020.

**AMC Defined Benefit Retirement Income Plan.** The AMC Defined Benefit Retirement Income Plan is a non-contributory defined-benefit pension plan subject to the provisions of ERISA. As mentioned above, the plan was frozen effective December 31, 2006.

The plan provides benefits to certain of our employees based upon years of credited service and the highest consecutive five-year average annual remuneration for each participant. For purposes of calculating benefits, average annual





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compensation is limited by Section 401(a)(17) of the Internal Revenue Code, and is based upon wages, salaries and other amounts paid to the employee for personal services, excluding certain special compensation. Under the Defined Benefit Retirement Income Plan, a participant earns a vested right to an accrued benefit upon completion of five years of vesting service.

*AMC Supplemental Executive Retirement Plan.* AMC also sponsors a Supplemental Executive Retirement Plan to provide the same level of retirement benefits that would have been provided under the retirement plan had the federal tax law not been changed in the Omnibus Budget Reconciliation Act of 1993 to reduce the amount of compensation which can be taken into account in a qualified retirement plan. The plan was frozen, effective December 31, 2006, and no new participants can enter the plan and no additional benefits can accrue thereafter.

Subject to the forgoing, any individual who is eligible to receive a benefit from the AMC Defined Benefit Retirement Income Plan after qualifying for early, normal or late retirement benefits thereunder, the amount of which is reduced by application of the maximum limitations imposed by the Internal Revenue Code, is eligible to participate in the Supplemental Executive Retirement Plan.

The benefit payable to a participant equals the monthly amount the participant would receive under the AMC Defined Benefit Retirement Income Plan without giving effect to the maximum recognizable compensation for qualified retirement plan purposes imposed by the Internal Revenue Code, as amended by Omnibus Budget Reconciliation Act of 1993, less the monthly amount of the retirement benefit actually payable to the participant under the AMC Defined Benefit Retirement Income Plan, each as calculated as of December 31, 2006. The benefit is an amount equal to the actuarial equivalent of his/her benefit, computed by the formula above, payable in either a lump sum (in certain limited circumstances, specified in the plan) or equal semi-annual installments over a period of two to ten years, with such form, and, if applicable, period, having been irrevocably elected by the participant.

If a participant's employment with AMC terminates for any reason before the earliest date he/she qualifies for early, normal or late retirement benefits under the AMC Defined Benefit Retirement Income Plan, no benefit is payable under the Supplemental Executive Retirement Plan.

**Nonqualified Deferred Compensation**

AMC permits the NEOs and other key employees to elect to receive a portion of their compensation reported in the Summary Compensation Table on a deferred basis. Deferrals of compensation during the year ended December 31, 2020 and in recent years have been made under the AMC Non-Qualified Deferred Compensation Plan ("NQDC"). Participants of the plan are able to defer annual salary and bonus (excluding commissions, expense reimbursement or allowances, cash and non-cash fringe benefits and any stock-based incentive compensation). Amounts deferred under the plans are credited with an investment return determined as if the participant's account were invested in one or more investment funds made available by the Company and selected by the participant. AMC may, but need not, credit the deferred compensation account of any participant with a discretionary or profit sharing credit as determined by AMC. The deferred compensation account will be distributed either in a lump sum payment or in equal annual installments over a term not to exceed 10 years as elected by the participant and may be distributed pursuant to in-service withdrawals under certain circumstances. Any such payment shall commence upon the date of a "Qualifying Distribution Event" (as such term is defined in the Non-Qualified Deferred Compensation Plan). The Qualifying Distribution Events are designed to be compliant with Section 409A of the Internal Revenue Code.



The following table presents information regarding the contributions to and earnings on the NEOs' deferred compensation balances during the year ended December 31, 2020:

Name	Executive Contributions in last FY(1)	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
<b>Adam M. Aron</b>				
NQDC(2)	\$ —	\$ —	\$ —	\$ —
<b>Sean D. Goodman</b>				
NQDC(2)	—	—	—	—
<b>Craig R. Ramsey</b>				
NQDC(2)	5,308	63,742	805,681	—
<b>John D. McDonald</b>				
NQDC(2)	63,500	454,811	—	2,520,743
<b>Elizabeth F. Frank</b>				
NQDC(2)	—	301,025	—	1,776,605
<b>Stephen A. Colanero</b>				
NQDC(2)	—	—	—	—

- (1) These amounts are included in the Summary Compensation Table for 2020.
- (2) The above market earnings on deferred compensation are reflected in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table during the year ended December 31, 2020: Mr. Aron—\$0, Mr. Goodman—\$0, Mr. Ramsey—\$42,907, Mr. McDonald—\$374,651, Ms. Frank—\$238,992, and Mr. Colanero—\$0.



**Potential Payments Upon Termination or Change of Control**

The following tables describe potential payments and other benefits that would have been received or receivable by each NEO or his or her estate under the officer's employment agreement or related plans and agreements if employment had been terminated under various circumstances on December 31, 2020:

	Termination Following a Change of Control	Death or Disability	Termination with Good Reason by Employee	Termination Without Cause by Company	Retirement
<b>Adam M. Aron</b>					
Base Salary	\$ 1,875,000	\$ —	\$ 1,875,000	\$ 1,875,000	\$ —
AIP	3,605,250	—	3,605,250	3,605,250	—
Unvested Equity Awards	6,000,000	—	6,000,000	6,000,000	—
<b>Total</b>	<b>11,480,250</b>	<b>—</b>	<b>11,480,250</b>	<b>11,480,250</b>	<b>—</b>
<b>Sean D. Goodman</b>					
Base Salary	675,000	—	675,000	675,000	—
AIP	—	—	—	—	—
Unvested Equity Awards	673,774	—	—	—	—
<b>Total</b>	<b>1,348,774</b>	<b>—</b>	<b>675,000</b>	<b>675,000</b>	<b>—</b>
<b>Craig R. Ramsey</b>					
Base Salary	—	—	—	—	—
AIP	—	—	—	—	87,500
Unvested Equity Awards	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>87,500</b>
<b>John D. McDonald</b>					
Base Salary	1,111,760	1,111,760	—	1,111,760	—
AIP	—	—	—	—	389,116
Unvested Equity Awards	423,383	—	—	—	—
<b>Total</b>	<b>1,535,143</b>	<b>1,111,760</b>	<b>—</b>	<b>1,111,760</b>	<b>389,116</b>
<b>Elizabeth Frank</b>					
Base Salary	1,111,760	—	1,111,760	1,111,760	—
AIP	—	—	—	—	—
Unvested Equity Awards	424,129	—	—	—	—
<b>Total</b>	<b>1,535,889</b>	<b>—</b>	<b>1,111,760</b>	<b>1,111,760</b>	<b>—</b>
<b>Stephen A. Colanero</b>					
Base Salary	1,070,000	—	1,070,000	1,070,000	—
AIP	—	—	—	—	—
Unvested Equity Awards	425,037	—	—	—	—
<b>Total</b>	<b>1,495,037</b>	<b>—</b>	<b>1,070,000</b>	<b>1,070,000</b>	<b>—</b>

**Employment Agreements**

In the event Mr. Aron's employment is terminated, pursuant to his employment agreement, if Mr. Aron is terminated as a result of his death or disability or without cause or for good reason (each as defined below and in the employment agreement), he will receive a pro rata portion of any incentive bonus for the year in which he was terminated if the applicable targets are met. In addition, upon his termination without cause or for good reason or as a result of the Company not renewing his contract, or not renewing it on comparable terms (each an "Involuntary Termination"), Mr. Aron will be entitled to an amount equal to 1.5 times his Base Salary plus 1.5 times the average of the Incentive Bonuses paid to Mr. Aron during the 24 months preceding the date of Mr. Aron's termination (the "Severance Benefit"). The Severance Benefit will be paid



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equally over a 24-month period. In addition, upon an Involuntary Termination, Mr. Aron will be paid \$6,000,000 of value, through a combination of RSUs vesting and cash payments, over a 3-year period following termination. Upon an Involuntary Termination, the Company will also pay Mr. Aron an amount equal to the full cost of his medical insurance for a period of 18 months.

"Cause" is defined as committing a felony, engaging in material misconduct injurious to the Company, willfully failing to perform his duties or material breach of certain agreement covenants. "Good reason" is defined as material diminution in compensation or duties, material change in location or material breach of the agreement by the Company.

Mr. Goodman is entitled to receive cash severance payments equal to one year of his base salary in the event of termination by the Company without "Cause" or by Mr. Goodman for "Good Reason" (as such term is defined below and in his employment agreement).

Mr. Ramsey retired effective February 28, 2020, and was no longer employed at December 31, 2020, so no severance benefits would have been payable as of such date. In connection with his retirement and pursuant to the terms of his employment agreement, Mr. Ramsey was paid a severance payment in the amount of \$87,500 which represented the pro rata share of his AIP at target for 2020 as of his retirement date.

In the event Mr. McDonald's employment is terminated as a result of his death, "Disability", or by the Company without "Cause" (as those terms are defined in the paragraph below and in the applicable employment agreement) he is entitled to a lump cash severance payment equal to two years of his base salary then in effect. Following a Change in Control (as defined in the paragraph below and in the applicable employment agreement), if Mr. McDonald resigns in response to a substantial adverse alteration in responsibilities, reduction in base salary, or a material reduction in benefits, he is entitled to a lump cash severance payment equal to two years of his base salary then in effect. If Mr. McDonald retires, he is entitled to a payment equal to a pro rata share of his AIP at target for the year in which he retires.

The employment agreement for Mr. McDonald defines Disability as the executive's incapacity due to physical or mental illness and the executive has not been regularly performing his duties and obligations for a period of 120 consecutive days. Cause is defined as a willful and continued failure by the executive to perform substantially his duties with the Company or the willful engaging by the executive in misconduct which is materially and demonstrably injurious to the Company. Change of Control is defined as a merger or similar transaction, provided the executive terminates his employment subsequent to a Change of Control within 60 days of the occurrence of any such event; (i) a substantial adverse alteration in executive's responsibilities from those in effect immediately prior to the Change of Control; (ii) a reduction in base salary below the rate that is in effect immediately prior to the Change of Control; or (iii) a material reduction in the benefits provided to the Executive by the Company prior to the Change of Control.

Ms. Frank and Mr. Colanero are entitled to receive cash severance payments equal to two years of their base salary in the event of termination by the Company without "Cause" or by Ms. Frank or Mr. Colanero for "Good Reason" (as such term is defined below and in her employment agreement).

Per Mr. Goodman's, Ms. Frank's and Mr. Colanero's employment agreements, Cause shall mean, as reasonably determined by the Board based on information that one or more of the following has occurred, the executive has: (i) committed a felony or similar crime; (ii) engaged in acts of fraud, dishonesty, gross negligence or other misconduct; (iii) willfully failed to perform her duties under the agreement; or (iv) breached any provision, materially breached any contract or breached any material written Company policy. Good Reason shall mean a termination of the executive's employment by means of resignation by the executive after the occurrence of any one of the following conditions; (i) a material diminution in the executive's rate of base salary; (ii) a material diminution in the executive's authority, duties, or responsibilities; (iii) a material change in the geographic location of the executive's principal office with the Company; or (iv) a material breach of the employment agreement by the Company.

**Acceleration of RSU and PSU Awards.** Unvested RSU and PSU awards do not vest upon a termination by the Company, or due to death, disability or retirement. Under the EIP, upon a Change in Control of the Company, the Compensation Committee can, in its discretion, determine to accelerate the vesting of outstanding awards at their target



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value. The tables above show the value (based on the market price of the Company's Common Stock at year-end) of any unvested equity awards at target, and the cash value of certain payments guaranteed to Mr. Aron.

Change in Control is generally defined as (1) any person other than Wanda becoming the owner of more than 35% of the combined voting power of outstanding securities of the Company, (2) over a period of two years, incumbent directors ceasing to be a majority of the board, or (3) a merger or consolidation of or the disposition of substantially all of the assets of the Company, subject to exceptions.

**Nonqualified Deferred Compensation Plan and Pension Benefits.** Upon termination for any reason, executives would receive all deferred compensation balances, subject to the terms of the Nonqualified Compensation Plan. See "Nonqualified Deferred Compensation" above for plan balances. See "Pension Benefits" above for a discussion of benefits upon termination under the Company's pension plans.

**Equity Compensation Plan Information**

The following table summarizes the EIP as of December 31, 2020.

<u>Plan Category</u>	<u>(a) Total Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>(b) Weighted-average Exercise Price of Outstanding Options, Warrants and Rights(\$)</u>	<u>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</u>
Equity compensation plans approved by security holders	—	—	8,520,193
Equity compensation plans not approved by security holders	—	—	—

**Pay Ratio Disclosure**

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our CEO, Mr. Adam M. Aron, and the annual total compensation of our employees. This pay ratio is a reasonable estimate calculated in good faith, in a manner consistent with Item 402(u) of Regulation S-K, based on our payroll and employment records and the methodology described below. The SEC rules for identifying the "median employee" and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratios reported by other companies may not be comparable to the pay ratio set forth below, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

For the year ended December 31, 2020:

- The median of the annual total compensation of all employees of the Company (other than our CEO) was \$5,503.
- The annual total compensation of our CEO, as reported in the Summary Compensation Table presented elsewhere in this Proxy Statement, was \$20,926,785.
- Based on this information, for 2020 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 3,803 to 1.

The COVID-19 pandemic had enormous impacts on our industry, guests and associates that significantly affected the pay ratio disclosure. Due to the pandemic and the resulting temporary theatre closures, all of our employees were partially or fully furloughed for a portion of 2020. When employees were able to return to work, it was often on reduced schedules due



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to operating restrictions imposed by local governments, limited new film releases, and reluctance of consumers to return to public venues.

Since we had used the same employee as our median for three years previously, for 2020 we were required to identify a new median employee. Following is the methodology and material assumptions we applied to identify the median of the annual total compensation of all employees, as well as to determine the annual total compensation of the "median employee":

- We selected December 31, 2020, the last day of our fiscal year, as the date upon which to identify the median employee. For the year ended December 31, 2019, we elected to use the same median employee as was identified for 2018 and 2017, as permitted by SEC rules. For the year ended December 31, 2017, we selected November 30, 2017 as the date upon which to identify the respective median employee. We used December 31 instead of November 30 for 2020 because it more closely aligned with the end of our fiscal year.
- We prepared a list of all active employees as of December 31, 2020, resulting in a list of approximately 24,600 employees in 10 countries with approximately 16,500 employees based in the U.S. and 8,100 based internationally. No countries were omitted from our determination process. The list of active employees included those furloughed on the determination date.
- We determined to use total earnings for the twelve months ended December 31, 2020, as our compensation measure. Total earnings include regular pay and additional pay elements such as overtime and tips. We used this measurement as this pay data was readily available in all of our locations and representative of our compensation structure.
- We did not make any cost-of-living adjustment in identifying the median employee and we annualized the compensation of all permanent employees included in the sample who were hired in 2020 but did not work for the entire year. However, we did not annualize compensation of any furloughed employees for the period of their furlough.
- We determined the median amount of compensation from the compiled list and the related employee was selected as our median employee. Our median employee is a part-time theatre-level film crew employee in the U.S. who was fully furloughed for five months during 2020.
- For the median employee, we combined all elements of the respective employee's compensation for 2020 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K and consistent with the determination of the total compensation of our CEO, as reported in the Summary Compensation Table presented elsewhere in this Proxy Statement.



**PROPOSAL 4:**  
**NON-BINDING ADVISORY VOTE TO APPROVE COMPENSATION OF NAMED EXECUTIVE OFFICERS**

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As we discussed in the "Compensation Discussion and Analysis" above, the Company's compensation program for executive officers is designed to attract and retain high quality people and to motivate them to achieve both our long-term and short-term goals. As required by Section 14A of the Exchange Act, this proposal, commonly referred to as the "say-on-pay" resolution, seeks a stockholder advisory vote on the compensation of our Named Executive Officers as disclosed pursuant to Item 402 of Regulation S-K through the following resolution:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2021 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including Compensation Discussion and Analysis, compensation tables and narratives."

This vote is advisory and non-binding, but our Board and the Compensation Committee will consider stockholders' concerns and evaluate whether actions are necessary to address those concerns.

The Board recommends a vote **"FOR"** approval of the compensation of our Named Executive Officers, as disclosed in this proxy statement on an advisory basis.



**PROPOSAL 5:  
APPROVAL OF AN AMENDMENT TO THE COMPANY'S 2013  
EQUITY INCENTIVE PLAN**

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**Proposed Amendment**

We are submitting for stockholder approval an amendment to the EIP to (1) increase the number of shares available for awards under the EIP by 20,000,000 shares to 35,000,000, (2) revise the EIP's share replenishment provision to comply with NYSE rules by eliminating the ability to reuse shares that have been previously issued and returned to the Company as payment for the exercise price of stock options or payment of taxes and (3) eliminate the mandatory expiration date for the EIP, which is no longer necessary under existing tax regulations and NYSE rules (the "EIP Amendment"). The increase in the number of shares is needed in order to continue to provide a meaningful long-term incentive for management and as a result of recent significant declines in the Company's stock price. The text of the EIP Amendment is set forth in *Appendix B*, and this description of the proposed amendment to the EIP is qualified by the full text of the EIP Amendment.

**Background and Reason for the Recommendation**

The EIP was originally adopted in 2013 to further align the interests of eligible participants with those of the Company's stockholders by providing long-term incentive compensation opportunities tied to the performance of the Company and its Common Stock. The EIP currently has 15,000,000 shares of our Common Stock reserved for issuance. As of March 1, 2020, 8,578,435 shares of our Common Stock remain available for future awards, and 4,142,094 shares of our Common Stock are subject to outstanding restricted stock unit and performance stock unit awards. The closing sale price of the Company's Common Stock on of March 1, 2020 was \$9.18.

The Company's continued success depends to a substantial degree on our ability to attract, retain, and motivate key personnel upon whose judgment, initiative, and effort the successful conduct of the Company's business is largely dependent. The market for senior executives is extremely competitive. The Board believes the EIP Amendment is necessary to ensure that an adequate number of shares of our Common Stock will be available to provide appropriate incentives to our key personnel that align their interests with those of our stockholders and to remain competitive in the marketplace. Based on our current projections, we believe the requested increase in the shares available under the EIP will be adequate to make awards for a number of years, depending on future changes in the price of our Common Stock. Additional shares are required in order to maintain the value of our annual awards given the recent declines in our stock price. Accordingly, the Board approved, subject to stockholder approval, the EIP Amendment to increase the number of shares available for awards under the EIP. With the requested increase in shares available under the EIP, the shares reserved for the EIP will still only represent less than 8% of the Company's outstanding Common Stock.

If our stockholders approve the EIP Amendment, equity awards on or after May 4, 2020 will be granted under the terms of the EIP, as amended by the EIP Amendment. If our stockholders do not approve the EIP Amendment, the EIP will continue in its current (pre-amendment) form. However, the Company will likely have insufficient shares available in the near future to make equity awards to eligible individuals and will consider alternative methods of compensating its key personnel, which may include equity-based but cash-settled incentives. In addition, the EIP will expire in 2023 and the Company will no longer be able to provide equity-based compensation without further stockholder action. Failure of the stockholders to approve this proposal will not affect the rights of existing holders or the awards previously granted under the EIP. If our stockholders approve the EIP Amendment, the Company intends to file, pursuant to the Securities Act of 1933, as amended, a registration statement on Form S-8 to register 20,000,000 additional shares available for issuance under the EIP, as amended by the EIP Amendment.

**Summary of the EIP**

A summary of the principal features of the EIP, as amended by the proposed EIP Amendment, is provided below. The summary below is qualified by reference to the full text of the EIP and the Clarifying Amendment to the EIP set forth as Exhibits 10.15 and 10.15(a), respectively, to the Company's annual report on Form 10-K for the year ended December 31,





2019, filed with the SEC on February 27, 2020, the Second Amendment to the EIP filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 31, 2020, the Third Amendment to the EIP filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 4, 2020, and the EIP Amendment set forth in *Appendix B* to this proxy statement.

**Reservation of Shares.** Subject to adjustments as described below, and if the EIP Amendment is approved, the maximum aggregate number of shares of Common Stock that may be issued pursuant to awards granted under the EIP will be equal to 35,000,000 shares of our Common Stock. Any shares of Common Stock delivered under the EIP are authorized and unissued shares, or treasury shares. In the event of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split, or other distribution with respect to common stock, or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change, or any other change affecting common stock, appropriate and equitable adjustments will be made to the number and kind of shares of common stock available for grant, as well as to other maximum limitations under the EIP, and the number and kind of shares of common stock or other terms of the awards that are affected by the event.

**Share Counting.** Awards that are required to be paid in cash pursuant to their terms do not reduce the share reserve. To the extent that an award granted under the EIP is canceled, expired, forfeited, surrendered, settled by delivery of fewer shares than the number underlying the award or otherwise terminated without delivery of the shares to the participant, the shares of common stock retained by or returned to the Company become available for future awards under the EIP. In addition, shares that are withheld in payment of taxes relating to such an award become available for future awards under the EIP. Awards assumed or substituted for in a merger, consolidation, acquisition of property or stock or reorganization do not reduce the share reserve.

**Administration.** The EIP is administered by the Compensation Committee. Subject to the limitations set forth in the EIP, the Compensation Committee has the authority to determine the persons to whom awards are to be granted, prescribe the restrictions, terms and conditions of all awards, interpret the EIP and adopt rules for the administration, interpretation and application of the EIP.

**Eligibility.** Awards under the EIP may be granted to any employee, directors, consultants or other personal service providers of the Company. Currently, there are approximately 25,000 employees, 10 directors, and an undeterminable number of consultants or other personal service providers eligible to receive awards under the EIP. There are currently approximately 70 participants in the EIP with outstanding awards.

**Stock Options.** Stock options granted under the EIP may be issued as either incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or as nonqualified stock options. The exercise price of an option may be not less than 100% of the fair market value of a share of Common Stock on the date of the grant of the option. The Compensation Committee may determine the vesting and/or exercisability requirements and the term of exercise of each option, including the effect of termination of service of a participant or a change in control. The vesting requirements may be based on the continued employment or service of the participant for a specified time period or on the attainment of specified business performance goals established by the Compensation Committee. The maximum term of an option is ten years from the date of grant. To exercise an option, the participant must pay the exercise price, subject to specified conditions, (i) in cash, (ii) in shares of common stock, (iii) through an open-market broker-assisted transaction, (iv) by reducing the number of shares of common stock otherwise deliverable upon the exercise of the stock option, (v) by combination of any of the above methods, or (vi) by such other method approved by the Compensation Committee, and must pay any required tax withholding amounts. All options generally are nontransferable. Dividends may not be paid and dividend equivalent rights may not be granted with respect to the shares of stock subject to stock options.

**Stock Appreciation Rights.** A stock appreciation right may be granted either in tandem with an option or without a related option. A stock appreciation right entitles the participant, upon settlement or exercise, to receive a payment based on the excess of the fair market value of a share of common stock on the date of settlement or exercise over the base price of the right, multiplied by the number of shares of common stock as to which the right is being settled or exercised. Stock appreciation rights may be granted on a basis that allows for the exercise of the right by the participant or that provides for the automatic payment of the right upon a specified date or event. The base price of a stock appreciation right may not be less than the fair market value of a share of common stock on the date of grant. The Compensation Committee may



determine the vesting requirements and the term of exercise of each stock appreciation right, including the effect of termination of service of a participant or a change in control. The vesting requirements may be based on the continued employment or service of the participant for a specified time period or on the attainment of specified business performance goals established by the Compensation Committee. The maximum term of a stock appreciation right is ten years from the date of grant. Stock appreciation rights may be payable in cash or in shares of common stock or in a combination of both. Dividends may not be paid and dividend equivalent rights may not be granted with respect to the shares of stock subject to stock appreciation rights.

**Restricted Stock Awards.** A restricted stock award represents shares of common stock that are issued subject to restrictions on transfer and vesting requirements. The vesting requirements may be based on the continued service of the participant for a specified time period or on the attainment of specified performance goals established by the Compensation Committee, and vesting may be accelerated in certain circumstances, as determined by the Compensation Committee. Unless otherwise set forth in an award agreement, restricted stock award holders have all of the rights of a stockholder of the Company, other than the right to receive dividends, during the restricted period. The Compensation Committee may provide in an award agreement for the payment of dividends at such times as paid to stockholders generally or at the times of vesting of the restricted stock award. Any dividends with respect to a restricted stock award that is subject to performance-based vesting will be subject to the same restrictions on transfer and vesting requirements as the underlying restricted stock award.

**Restricted Stock Units and Performance Stock Units.** An award of restricted stock units, or "RSUs", and an award of performance stock units, or "PSUs", provides the participant the right to receive a payment based on the value of a share of common stock. RSUs and PSUs may be subject to vesting requirements, restrictions and conditions to payment. RSUs may vest based solely on the continued service of the participant for a specified time period. PSUs may vest in whole or in part based on the attainment of specified performance goals established by the Compensation Committee. The vesting of RSUs and PSUs may be accelerated in certain circumstances, as determined by the Compensation Committee. RSU and PSU awards become payable to a participant at the time or times determined by the Compensation Committee and set forth in the award agreement, which may be upon or following the vesting of the award. RSU and PSU awards are payable in cash or in shares of Common Stock or in a combination of both. RSUs and PSUs may be granted together with a dividend equivalent right with respect to the shares of common stock subject to the award. Dividend equivalent rights are subject to vesting conditions that apply to the underlying RSUs or PSUs.

**Stock Awards.** A stock award represents shares of common stock that are issued free of restrictions on transfer and free of forfeiture conditions and to which the participant is entitled all incidents of ownership. A stock award may be granted for past services, in lieu of bonus or other cash compensation, directors' fees or for any other valid purpose as determined by the Compensation Committee. The Compensation Committee determines the terms and conditions of stock awards, and such stock awards may be made without vesting requirements. Upon the issuance of shares of common stock under a stock award, the participant will have all rights of a stockholder with respect to such shares of common stock, including the right to vote the shares and receive all dividends and other distributions on the shares.

**Cash Performance Awards.** A cash performance award is denominated in a cash amount (rather than in shares) and is payable based on the attainment of pre-established business and/or individual performance goals. The requirements for vesting may be also based upon the continued service of the participant during the performance period, and vesting may be accelerated in certain circumstances, as determined by the Compensation Committee. The maximum amount of cash compensation that may be paid to a participant during any one calendar year under all cash performance awards is \$3.0 million.

**Performance Criteria.** For purposes of cash performance awards, as well as for any other awards under the EIP intended to qualify as "performance-based compensation", the performance criteria may be any one or any combination of the following, for the Company or any identified subsidiary or business unit, as determined by the Compensation Committee at the time of the award: (i) total stockholder return; (ii) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor's 500 Stock Index; (iii) net income; (iv) pretax earnings; (v) adjusted earnings before interest expense, taxes, depreciation and amortization ("EBITDA"); (vi) pretax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (vii) operating margin; (viii) earnings per share; (ix) return on equity; (x) return on capital; (xi) return on investment; (xii) operating earnings; (xiii) working capital; (xiv) ratio of debt to stockholders' equity; (xv) revenue; (xvi) free cash flow



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(generally defined as adjusted EBITDA, less cash taxes, cash interest net capital expenditures, mandatory payments of principal under any credit facility, and payments under collateralized lease obligations and financing lease obligations); (xvii) industry attendance metrics; (xviii) cash flow from operating activities; and (xix) any combination of or a specified increase in any of the foregoing. Each of the performance criteria will be applied and interpreted in accordance with an objective formula or standard established by the Compensation Committee at the time of grant of the award including, without limitation, GAAP. The performance criteria may be applied on an absolute basis or relative to an identified index, peer group, or one or more competitors or other companies (including particular business segments or divisions of such companies), or may be applied after adjustment for non-controllable industry performance (such as industry attendance), as specified by the Compensation Committee.

At the time that an award is granted, the Compensation Committee may provide that performance will be measured in such objective manner as it deems appropriate, including, without limitation, adjustments to reflect charges for restructurings, non-operating income, the impact of corporate transactions or discontinued operations, extraordinary and other unusual or non-recurring items and the cumulative effects of accounting or tax law changes.

Further, the Compensation Committee, to the extent provided in an award agreement, has the right, in its discretion, to reduce or eliminate the amount otherwise payable to any participant under an award and to establish rules or procedures that have the effect of limiting the amount payable to any participant to an amount that is less than the amount that is otherwise payable under an award.

Following the conclusion of the performance period, the Compensation Committee is required to certify in writing whether the applicable performance goals have been achieved.

**Effect of Change in Control.** Upon the occurrence of a change in control, unless otherwise specifically prohibited under applicable law, or unless otherwise provided in the applicable award agreement, the Compensation Committee is authorized to make adjustments in the terms and conditions of outstanding awards, including without limitation the following (or any combination thereof): (i) continuation or assumption of such outstanding awards by the Company (if it is the surviving company or corporation) or by the surviving company or corporation or its parent; (ii) substitution by the surviving company or corporation or its parent of awards with substantially the same terms as such outstanding awards (excluding the consideration payable upon settlement of the awards); (iii) accelerated exercisability, vesting and/or payment; and (iv) if all or substantially all of the Company's outstanding shares of common stock transferred in exchange for cash consideration in connection with such change in control: (A) upon written notice, provide that any outstanding stock options and stock appreciation rights are exercisable during a reasonable period of time immediately prior to the scheduled consummation of the event or such other reasonable period as determined by the Compensation Committee (contingent upon the consummation of the event), and at the end of such period, such stock options and stock appreciation rights will terminate to the extent not so exercised within the relevant period; and (B) cancellation of all or any portion of outstanding awards for fair value, as determined in the sole discretion of the Compensation Committee.

**Forfeiture.** The Compensation Committee may specify in an award agreement that an award is be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, including termination of service for "cause" (as defined in the EIP), violation of material Company policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the participant, or other conduct by the participant that is detrimental to the business or reputation of the Company. Unless otherwise provided by the Compensation Committee and set forth in an award agreement, if (i) a participant's service is terminated for "cause" or (ii) after termination of service for any other reason, and the Compensation Committee determines in its discretion either that, (A) during the participant's period of service, the participant engaged in an act which would have warranted termination from service for "cause" or (B) after termination, the participant engaged in conduct that violates any continuing obligation or duty of the participant in respect of the Company or any of its subsidiaries, such participant's rights, payments and benefits with respect to such award may be subject to cancellation, forfeiture and/or recoupment.

**Right of Recapture.** If a participant receives compensation pursuant to an award based on financial statements that are subsequently required to be restated in a way that would decrease the value of such compensation, the participant will, upon the written request of the Company, forfeit and repay to the Company the difference between what the participant received and what the participant should have received based on the accounting restatement, in accordance with (i) the



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Company's compensation recovery, "clawback" or similar policy, as may be in effect from time to time and (ii) any compensation recovery, "clawback" or similar policy made applicable by law including the Dodd-Frank Wall Street Reform and Consumer Protection Act.

*Tax Withholding.* Participants in the EIP are responsible for the payment of any taxes or similar charges required by law to be paid or withheld from an award or an amount paid in satisfaction of an award.

*Deferrals of Payment.* The Compensation Committee may in its discretion permit participants in the EIP to defer the receipt of payment of cash or delivery of shares of common stock that would otherwise be due by virtue of the exercise of a right or the satisfaction of vesting or other conditions with respect to an award; provided, however, that such discretion does not apply in the case of a stock option or stock appreciation right.

*Term, Amendment and Termination.* Unless terminated early by the Board, the EIP terminates on December 17, 2023. The Board may amend, modify, suspend or terminate the EIP at any time. However, no termination or amendment of the EIP can adversely affect any award theretofore granted without the consent of the participant or the permitted transferee of the award. The Board may seek the approval of any amendment by the Company's stockholders to the extent it deems necessary or advisable for purposes of compliance with Section 422 of the Internal Revenue Code, the listing requirements of the NYSE, or for any other purpose.

**Federal Income Tax Consequences**

*Incentive Stock Options.* An incentive stock option results in no taxable income to the optionee or deduction to the Company at the time it is granted or exercised. However, the excess of the fair market value of the shares acquired over the option price is an item of adjustment in computing the alternative minimum taxable income of the optionee. If the optionee holds the stock received as a result of an exercise of an incentive stock option for at least two years from the date of the grant and one year from the date of exercise, then the gain or loss realized on disposition of the stock is treated as a long-term capital gain or loss. If the shares are disposed of during this period (i.e., a "disqualifying disposition"), then the optionee will include in income, as compensation for the year of the disposition, an amount equal to the excess, if any, of the fair market value of the shares upon exercise of the option over the option price (or, if less, the excess of the amount realized upon disposition over the option price). The excess, if any, of the sale price over the fair market value on the date of exercise will be a capital gain. In such case, the Company will be entitled to a deduction, in the year of such a disposition, for the amount includible in the optionee's income as compensation. The optionee's basis in the shares acquired upon exercise of an incentive stock option is equal to the option price paid, plus any amount includible in the optionee's income as a result of a disqualifying disposition.

*Non-Qualified Stock Options.* A non-qualified stock option results in no taxable income to the optionee or deduction to the Company at the time it is granted. An optionee exercising such an option will, at that time, realize taxable compensation in an amount equal to the difference between the option price and the then market value of the shares. A deduction for federal income tax purposes will be allowable to the Company in the year of exercise in an amount equal to the taxable compensation recognized by the optionee.

The optionee's basis in such shares is equal to the sum of the option price plus the amount includible in the optionee's income as compensation upon exercise. Any gain (or loss) upon subsequent disposition of the shares will be a long-term or short-term gain (or loss), depending upon the holding period of the shares.

If a non-qualified option is exercised by tendering previously owned shares of the Company's common stock in payment of the option price, then, instead of the treatment described above, the following generally will apply: a number of new shares equal to the number of previously owned shares tendered will be considered to have been received in a tax-free exchange; the optionee's basis and holding period for such number of new shares will be equal to the basis and holding period of the previously owned shares exchanged. The optionee will have compensation income equal to the fair market value on the date of exercise of the number of new shares received in excess of such number of exchanged shares; the optionee's basis in such excess shares will be equal to the amount of such compensation income; and the holding period in such excess shares will begin on the date of exercise.



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*Stock Appreciation Rights.* Generally, the recipient of a stand-alone stock appreciation right will not recognize taxable income at the time the stand-alone stock appreciation right is granted. If an employee receives the appreciation inherent in the stock appreciation rights in cash, the cash will be taxed as ordinary income to the employee at the time it is received. If an employee receives the appreciation inherent in the stock appreciation rights in stock, the spread between the then current fair market value of the stock received and the base price will be taxed as ordinary income to the employee at the time the stock is received. In general, there will be no federal income tax deduction allowed to the Company upon the grant or termination of stock appreciation rights. However, upon the settlement of a stock appreciation right, the Company will be entitled to a deduction equal to the amount of ordinary income the recipient is required to recognize as a result of the settlement.

*Other Awards.* The current United States federal income tax consequences of other awards authorized under the EIP are generally in accordance with the following: (i) restricted stock is generally subject to ordinary income tax at the time the restrictions lapse, unless the recipient elects to accelerate recognition as of the date of grant; (ii) stock unit awards are generally subject to ordinary income tax at the time of payment; and (iii) unrestricted stock awards are generally subject to ordinary income tax at the time of grant. In each of the foregoing cases, the Company will generally be entitled to a corresponding federal income tax deduction at the same time the participant recognizes ordinary income.

*Section 409A.* Acceleration of income, additional taxes, and interest apply to nonqualified deferred compensation that is not compliant with Section 409A of the Internal Revenue Code. To be compliant with Section 409A rules with respect to the timing of elections to defer compensation, distribution events and funding must be satisfied. The terms of the EIP are intended to ensure that awards under it will not be subject to adverse tax consequences applicable to deferred compensation under Section 409A. However, there can be no assurance that additional taxation under Section 409A will be avoided in all cases.

*Excess Parachute Payments.* Section 280G of the Code limits the deduction that the employer may take for otherwise deductible compensation payable to certain individuals if the compensation constitutes an "excess parachute payment." Excess parachute payments arise from payments made to disqualified individuals that are in the nature of compensation and are contingent on changes in ownership or control of the employer or certain affiliates. Accelerated vesting or payment of awards under the EIP upon a change in ownership or control of the employer or its affiliates could result in excess parachute payments. In addition to the deduction limitation, a disqualified individual receiving an excess parachute payment is subject to a 20% excise tax on the amount thereof.

THE ABOVE SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES DOES NOT PURPORT TO BE COMPLETE. The preceding discussion is only a general summary of the federal income tax consequences concerning the EIP and does not address other taxes or state, local, or foreign taxes. It is based on current law and current Internal Revenue Service interpretations of the law, which are subject to change at any time. The Company has not requested an Internal Revenue Service ruling on any tax issues concerning the EIP and does not plan to do so. In some cases, existing Internal Revenue Service rulings and regulations do not provide complete guidance. Participants are advised to consult their own tax advisors regarding the tax effects of their participation in the EIP.

**New Plan Benefits**

The Compensation Committee will determine any future awards made under the EIP. Therefore, the Company is unable to determine the awards that will be granted in the future under the EIP at this time. The Compensation Committee has not made any grants of awards under the EIP that are conditioned upon stockholder approval of the EIP Amendment.

**Equity Compensation Plan Information**

See "Equity Compensation Plan Information" above for a table summarizing the EIP as of December 31, 2020.

The Board recommends a vote **"FOR"** the EIP Amendment.



**PROPOSAL 6:  
ADJOURNMENT OF ANNUAL MEETING**

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If at the Annual Meeting, the number of shares of Common Stock present or represented and voting in favor of the Proposals is insufficient to approve the Proposals, our management may move to adjourn the Annual Meeting to a later date or dates, if necessary or appropriate, in order to enable our Board to solicit additional proxies in favor of the Proposals. In that event, you will be asked to vote only upon the adjournment, postponement or continuation proposal and not on any other proposals.

In this proposal, we are asking you to authorize the holder of any proxy solicited by our Board to vote in favor of adjourning, postponing or continuing the Annual Meeting and any later adjournments. If our stockholders approve the adjournment, postponement or continuation proposal, we could adjourn, postpone or continue the Annual Meeting, and any adjourned session of the Annual Meeting, to use the additional time to solicit additional proxies in favor of the Proposals, including the solicitation of proxies from stockholders that have previously voted against the proposal. Among other things, approval of the adjournment, postponement or continuation proposal could mean that, even if proxies representing a sufficient number of votes against the Proposals have been received, we could adjourn, postpone or continue the Annual Meeting without a vote on the Proposals and seek to convince the holders of those shares to change their votes to votes in favor of the approval of the Proposals.

The Board recommends a vote **"FOR"** the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals.



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## OTHER INFORMATION

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The Company's audited consolidated financial statements are included in the Annual Report on Form 10-K for 2020 filed with the SEC, 100 F Street N.E., Washington, D.C. 20549. Complimentary copies of the Form 10-K as filed with the SEC may be obtained by following the instructions provided below under the heading "Availability of Report on Form 10-K."

### Costs of Proxy Statement

The Company bears the cost of preparing, assembling and mailing this proxy statement and any other proxy materials transmitted on behalf of our Board. We will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding proxy materials to the beneficial owners of our Common Stock.

### Delivery of Stockholder Documents

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with accounts will be householding our proxy materials to the extent stockholders have given their prior express or implied consent in accordance with SEC rules. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent, which is deemed to be given unless you inform the broker otherwise when you receive the original notice of householding. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker to discontinue householding and direct your written request to receive a separate notice of internet availability of proxy materials or proxy statement and annual report to the Company at: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211, or by calling (913) 213-4000. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

If you have any questions regarding the proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

For registered stockholders with questions about their AMC shares or a need to change a mailing address, please contact our transfer agent by writing to Computershare Trust Company, N.A., Computershare Investor Services, 462 South 4th Street, Suite 1600, Louisville, KY 40202. You may also contact our transfer agent via email at [web.queries@computershare.com](mailto:web.queries@computershare.com) or by telephone at 800-962-4284.



## STOCKHOLDER PROPOSALS

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The deadline for submission of stockholder proposals for inclusion in the proxy materials for the 2022 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act ("Rule 14a-8") is November 19, 2021. Any such stockholder proposal must be in writing, comply with the requirements of Rule 14a-8 and be received by the Corporate Secretary at the Company's principal offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, no later than 5:00 pm Central Time on such date. In accordance with the advance notice provisions of our Bylaws, any stockholder proposal submitted to us for consideration at next year's annual meeting but which is not intended to be included in the related proxy statement and form of proxy must be received between March 5, 2022 and April 4, 2022; otherwise, the proposal will be considered by us to be untimely and not properly brought before the meeting.





**AVAILABILITY OF REPORT ON FORM 10-K**

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Upon your written request, we will provide to you a complimentary copy of our 2020 Annual Report on Form 10-K (without exhibits and separate financial statements of non-consolidated subsidiaries) as filed with the SEC. We will provide you a copy of the exhibits and separate financial statements of non-consolidated subsidiaries to our 2020 Annual Report on Form 10-K upon payment of our reasonable duplicating and shipping expenses. Your request should be mailed to AMC's offices, addressed as follows: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211. A free copy of the Form 10-K may also be obtained at the Internet web site maintained by the SEC at [www.sec.gov](http://www.sec.gov) and by visiting our Internet web site at [www.amctheatres.com](http://www.amctheatres.com) and clicking on "Investor Relations," then on "Financial Performance."

**By Order of the Board of Directors,**

One AMC Way, 11500 Ash Street  
Leawood, KS 66211

  
*Senior Vice President, General Counsel and Secretary*

March 19, 2021



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**APPENDIX A**

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**Certificate of Amendment to the Third  
Amended and Restated Certificate of Incorporation  
of  
AMC Entertainment Holdings, Inc.**

AMC Entertainment Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. Article IV.A. of the Third Amended and Restated Certificate of Incorporation of the Corporation, as amended by the Certificates of Amendment dated July 29, 2020 and January 22, 2021, respectively (the "Certificate of Incorporation"), is hereby amended to read in its entirety as follows:

A. The total number of shares of capital stock that the Corporation has authority to issue is 1,074,173,073 shares, consisting of (i) 1,024,173,073 shares of Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock," or the "Common Stock"), and (ii) 50,000,000 shares of Preferred Stock, par value \$0.01 per share (the "Preferred Stock").

2. The remaining provisions of Article IV of the Certificate of Incorporation shall remain the same and in full force and effect.

3. The foregoing amendment to the Certificate of Incorporation was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

**IN WITNESS WHEREOF**, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by the undersigned officer, duly authorized, as of the [ • ] day of [ • ].

AMC ENTERTAINMENT HOLDINGS, INC.

By: \_\_\_\_\_  
Name: Kevin M. Connor  
Title: Senior Vice President, General Counsel & Secretary



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**APPENDIX B**

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**FOURTH AMENDMENT  
TO THE  
AMC ENTERTAINMENT HOLDINGS, INC.  
2013 EQUITY INCENTIVE PLAN**

THIS FOURTH AMENDMENT (this "Amendment") is approved as of May 4, 2021, for the purpose of amending that certain AMC Entertainment Holdings, Inc. (the "Company") 2013 Equity Incentive Plan (the "Plan"), adopted as of December 23, 2013. Capitalized terms used in this Amendment shall have the same meanings given to them in the Plan unless otherwise indicated.

1. Amendment.

(a) Section 4.1 of the Plan is hereby amended to read in its entirety as follows:

*"Number of Shares Reserved.* Subject to adjustment as provided in Section 4.5 hereof, the total number of shares of Common Stock that are reserved for issuance under the Plan shall be 35,000,000 (the "Share Reserve"). Each share of Common Stock subject to an Award shall reduce the Share Reserve by one share; provided that Awards that are required to be paid in cash pursuant to their terms shall not reduce the Share Reserve. Any shares of Common Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares."

(b) Section 4.2 of the Plan is hereby amended to read in its entirety as follows:

*"Share Replenishment"* To the extent that an Award granted under this Plan is canceled, expired, forfeited, surrendered, settled by delivery of fewer shares than the number underlying the Award (including withholding of shares to cover tax liabilities upon delivery) or otherwise terminated without delivery of the shares to the Participant, the shares of Common Stock retained by or returned to the Company will (i) not be deemed to have been delivered or issued under the Plan, (ii) be available for future Awards under the Plan, and (iii) increase the Share Reserve by one share for each share that is retained by or returned to the Company. Notwithstanding anything to the contrary contained herein, issued shares subject to an Award under this Plan shall not again be made available for issuance or delivery under this Plan if such shares are (a) tendered in payment of the exercise price of a Stock Option, (b) delivered to the Company to satisfy any tax or other obligation, or (c) covered by a stock-settled Stock Appreciation Right or other Award that were not issued upon the settlement of the Award.

(c) Section 15.1 of the Plan is hereby amended by deleting the following sentence.

"Subject to Section 15.2 hereof, the Plan shall terminate on December 17, 2023".

2. Miscellaneous.

Except as amended hereby, the Plan remains in full force and effect.





AMC ENTERTAINMENT HOLDINGS, INC.  
 ONE AMC WAY  
 11500 ASH STREET  
 LEAWOOD, KS 66211  
 ATTN: LEGAL DEPARTMENT

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D36281-P52723

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

AMC ENTERTAINMENT HOLDINGS, INC.

The Board of Directors recommends you vote FOR the following proposals:

- To approve an amendment to our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 500,000,000 shares to a total of 1,024,173,073 shares of Class A Common Stock ("Proposal 1").
- To elect to our Board of Directors, the following nominees, for terms expiring at the 2024 Annual Meeting:

**Nominees:**

- Mr. Philip Lader
- Mr. Gary F. Locke
- Mr. Adam J. Sussman

For Against Abstain

For Withhold

For Against Abstain

- To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 ("Proposal 3").
- To conduct a non binding advisory vote to approve the compensation of named executive officers ("Proposal 4").
- To approve an amendment to our 2013 Equity Incentive Plan (the "EIP") to (i) increase the total number of shares subject to the EIP to 35,000,000 shares of Class A Common Stock, (ii) revise the share replenishment provision and (iii) eliminate the mandatory expiration of the EIP ("Proposal 5").
- To approve the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the proposals ("Proposal 6").

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

D36282-P52723

**AMC ENTERTAINMENT HOLDINGS, INC.  
Annual Meeting of Stockholders  
May 4, 2021 2:00 PM (Central Time)  
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Kevin Connor and Sean Goodman, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common stock of AMC ENTERTAINMENT HOLDINGS, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 2:00 PM (Central Time) on May 4, 2021 at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, KS 66211, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

(Continued and to be signed on reverse side)

# **EXHIBIT F**



## **AMC Entertainment Announces At-The-Market Offering Program and Withdraws Proposal to Increase Authorized Shares**

April 27, 2021 06:19 PM Eastern Daylight Time

LEAWOOD, Kan.--(BUSINESS WIRE)--AMC Entertainment Holdings, Inc. (NYSE: AMC) ("AMC" or the "Company") today announced that to further bolster its cash reserves, AMC filed a shelf registration today with the U.S. Securities and Exchange Commission to permit the issuance and sale of up to 43 million shares of the Company's Class A Common Stock from time to time through an "at-the-market" equity offering program.

Additionally, and importantly, AMC also announced today that its Board of Directors will no longer seek stockholder approval to amend its charter to increase by 500 million the total number of authorized shares ("Proposal 1") at AMC's annual meeting.

Adam Aron, CEO and President of AMC said, "We have previously pointed out that the sale of up to 43 million AMC shares, the currently available amount for possible issuance under a previous shareholder authorization, should more than satisfy AMC's liquidity needs for 2021. This assumes an expected recovery in the patronage of movie theatres in the second half of this year. In asking AMC shareholders to vote on approving another 500 million authorized shares, we noted that our goal was to increase longer term optionality and flexibility for AMC, but that we had no intention of actually issuing any of those 500 million shares in the immediate term."

Aron continued, "We believe our shareholders will appreciate and benefit from our bolstering AMC's cash reserves with the potential sale of up to 43 million shares as detailed in an S-3 filing today. However, as to the request for 500 million further shares to be authorized, many of our stockholders are telling us to wait. It is important to listen to these owners of our company, and that's exactly what we are going to do. Accordingly, we will not vote on Proposal 1 at our May 4 Annual Meeting of Shareholders. With a long term view, we continue to believe that this proposal would be beneficial to AMC and to our shareholders, and we are likely to revisit a proposal to increase the number of authorized shares at some point in the future."

The annual meeting remains scheduled for Tuesday, May 4, 2021 at 2:00 p.m. (Central Time) at the AMC Theatre Support Center, One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 at which time AMC will process the vote on the balance of Company's proposals. The Board continues to recommend a "FOR" vote for all proposals.

This press release is for informational purposes only and it does not represent an offer to sell or the solicitation of an offer to buy any of the Company's Class A Common Stock. There will be no sale of Class A Common Stock in any jurisdiction in which one would be unlawful.

**Additional Information and Where to Find It**

This communication may be deemed solicitation material in respect of the Annual Meeting of stockholders (the “Annual Meeting”) of AMC Entertainment Holdings, Inc. (“AMC” or the “Company”). This communication does not constitute a solicitation of any vote or approval. In connection with the Annual Meeting, the Company has filed with the SEC and has mailed or otherwise provided to its stockholders a proxy statement regarding the business to be conducted at the Annual Meeting. The Company may also file other documents with the SEC regarding the business to be conducted at the Annual Meeting. This document is not a substitute for the proxy statement or any other document that may be filed by the Company with the SEC.

BEFORE MAKING ANY VOTING DECISION, THE COMPANY’S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT AND ANY SUPPLEMENTS THERETO IN ITS ENTIRETY AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING.

Stockholders may obtain a free copy of the proxy statement and other documents the Company files with the SEC (when available) through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The Company makes available free of charge on its investor relations website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) copies of materials it files with, or furnishes to, the SEC.

### **Participants in the Solicitation**

The Company and its directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from the Company’s stockholders in connection with the business to be conducted at the Annual Meeting. Security holders may obtain information regarding the names, affiliations and interests of the Company’s directors and executive officers in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on March 12, 2021 (the “2021 Form 10-K”). To the extent the holdings of the Company’s securities by the Company’s directors and executive officers have changed since the amounts set forth in the Company’s 2021 Form 10-K, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

### **Forward Looking Statements**

This communication includes “forward-looking statements” within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding any potential offering, the impact of COVID-19, future attendance levels and our liquidity. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result in AMC seeking an in-court or out-of-court restructuring of its liabilities;; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general, including AMC’s response to the COVID-19 virus related to suspension of operations at theatres, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at AMC’s facilities to protect the health and well-being of AMC’s customers and employees; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; the manner, timing and amount of benefit AMC receives under the CARES Act or other applicable governmental benefits and support; the impact of impairment losses; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated



revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC's ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled "Risk Factors" in the Company's 2021 Form 10-K filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

### **About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 950 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. For more information, visit [www.amctheatres.com](http://www.amctheatres.com).

### **Website Information**

This press release, along with other news about AMC, is available at [www.amctheatres.com](http://www.amctheatres.com). We routinely post information that may be important to investors in the Investor Relations section of our website, [www.investor.amctheatres.com](http://www.investor.amctheatres.com). We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit [www.investor.amctheatres.com](http://www.investor.amctheatres.com) to sign up for email alerts.

Category: Company Release

## **Contacts**

### **INVESTOR RELATIONS:**

John Merriwether, (866) 248-3872

[InvestorRelations@amctheatres.com](mailto:InvestorRelations@amctheatres.com)

### **MEDIA CONTACTS:**

Ryan Noonan, (913) 213-2183

[rnoonan@amctheatres.com](mailto:rnoonan@amctheatres.com)

# **EXHIBIT G**

Use these links to rapidly review the document

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**AMC ENTERTAINMENT HOLDINGS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:
-



## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 29, 2021

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### DEAR STOCKHOLDERS:

We cordially invite you to attend the Annual Meeting of Stockholders of AMC Entertainment Holdings, Inc., which will be held on July 29, 2021 at 2:00 p.m. (Central Time) at the AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, for the following purposes:

1. To approve an amendment to our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 25,000,000 shares to a total of 549,173,073 shares of Class A Common Stock effective January 1, 2022 ("Proposal 1").
2. To elect to our Board of Directors the following nominees for terms expiring at the 2024 Annual Meeting: Mr. Philip Lader, Mr. Gary F. Locke, and Mr. Adam J. Sussman ("Proposal 2").
3. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 ("Proposal 3").
4. To conduct a non-binding advisory vote to approve the compensation of named executive officers ("Proposal 4").
5. To approve the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the proposals ("Proposal 5").

These items of business (collectively, the "Proposals") are more fully described in the Proxy Statement accompanying this notice.

Our Board has fixed the close of business on June 2, 2021 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting of Stockholders or at any adjournment or postponement thereof. A list of these stockholders will be available at the time and place of the meeting and, during the ten days prior to the meeting, at the office of the Secretary of AMC Entertainment Holdings, Inc. at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211.

Only stockholders and persons holding proxies from stockholders may attend the meeting. If your shares are registered in your name, you should bring your proxy card and a proper form of identification such as your driver's license to the meeting. If your shares are held in the name of a broker, trust, bank or other nominee, you will need to bring a proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares and a proper form of identification.

Although we currently intend to hold the Annual Meeting in person, due to concerns related to the ongoing coronavirus (COVID-19) pandemic, we may impose additional procedures or limitations on meeting attendees or may decide to hold the Annual Meeting in a different location or solely by means of remote communication (i.e., a virtual-only meeting). We plan to announce any such updates regarding the Annual Meeting by issuing a press release and filing the press release as definitive additional soliciting material with the Securities and Exchange Commission (the "SEC"). We encourage you to regularly check these resources prior to the Annual Meeting if you plan to attend.

**Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting to be held on July 29, 2021.** Pursuant to rules promulgated by the SEC, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent stockholders the Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on

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July 29, 2021, with instructions for accessing the proxy materials and voting via the Internet (the "Notice"). In accordance with the SEC notice and access rule, the Notice allows us to provide our stockholders with the information they need to vote through various means, while reducing the costs and environmental impact of printing and delivering proxy materials. The Notice is not a proxy and cannot be used to authorize a proxy to vote your shares. The Notice, which was mailed on or around June 16, 2021 also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. If you receive a Notice this year, you will not receive paper copies of the Proxy Materials unless you request the materials by following the instructions on the Notice. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com). As discussed in the Proxy Statement, certain stockholders were sent a full set of printed proxy materials or an email with instructions on how access the proxy materials electronically, based on their previously indicated delivery preferences.

**Whether or not you plan to attend the Annual Meeting in person and regardless of the number of shares you may own, we urge you to vote your shares over the Internet, as provided in the Notice and the Proxy Statement. If you already received or if you request proxy materials by mail, you may vote over the Internet or sign, date and mail the proxy card you receive in the envelope provided or vote via the toll-free telephone number set forth on the proxy card. Please also indicate when voting your shares over the Internet or via the toll-free number or on your proxy card whether you plan to attend the Annual Meeting. You may revoke your proxy and vote your shares in person in accordance with the procedures described in the Proxy Statement.**

If you have any questions regarding the accompanying proxy statement or how to vote your shares, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

**ALL STOCKHOLDERS ARE EXTENDED A CORDIAL INVITATION  
TO ATTEND THE ANNUAL MEETING OF STOCKHOLDERS**

By Order of the Board of Directors,



*Senior Vice President, General Counsel and Secretary*

One AMC Way  
11500 Ash Street, Leawood, KS 66211

June 16, 2021

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**GET INVESTOR UPDATES AND AN INITIAL **FREE** LARGE POPCORN**

A large cup of AMC Perfectly Popcorn. The cup is dark with a white logo that says 'amc PERFECTLY POPCORN' and 'THE PERFECT SITE EVERY TIME'. The cup is overflowing with popcorn.

Stockholders will receive one free large popcorn for the promotion window (6.2.21 - 8.31.21) while they are a member of AMC Stubs program and visit AMC Theatres by 8.31.21 to opt in. One free popcorn is limited to one free large popcorn for the promotion which will be available in their AMC Stubs account within 7 days of self-identification and expires 10.31.21. Discount not valid at the same time as other AMC Stubs member perks. Virtual AMC Stubs card. AMC associates are not eligible to participate in this Investor Connect promotion.

### Access Your Stockholder Benefits

We have created a new home for you called **AMC Investor Connect**, which can be accessed at [AMCTheatres.com/Stockholders](https://AMCTheatres.com/Stockholders).

This webpage was created so we can provide special offers and relevant updates, and to communicate more directly with you, our owners.

Sign up for email communications from **AMC Investor Connect** and stay up to date. We'll send you an initial **FREE large popcorn** offer just for signing up, with more offers forthcoming. Other benefits include:

- *Stockholder-exclusive promotions, including special screening invitations.*
- *Communications from CEO & President of AMC Theatres, Adam Aron.*
- *Other interesting information about AMC and its place in the movie ecosystem.*

You must be an AMC Stubs member to receive these communications. If you're a member, log into your account and update your profile page to let us know you're a stockholder.

**Not a member? Join AMC Stubs Insider™ today for FREE and start getting perks like Discount Tuesdays.**

Please Join Us Today at [AMCTheatres.com/Stockholders](https://AMCTheatres.com/Stockholders)

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## EXPLANATORY NOTE

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AMC Entertainment Holdings, Inc. (the "Company" or "AMC") previously scheduled its Annual Meeting of Stockholders (the "Annual Meeting") for May 4, 2021, and established March 11, 2021, as the record date for determining stockholders eligible to vote at the Annual Meeting. On May 4, 2021, the Board of Directors of the Company postponed the Annual Meeting from May 4, 2021 to July 29, 2021. The Board of Directors also set a new record date of June 2, 2021, for stockholders entitled to attend and vote at the Annual Meeting. The postponement was approved to provide additional time for the Company's current stockholders to consider the proposals and vote and for the Company to solicit proxies in connection with certain proposals.

The Company filed a definitive proxy statement with the Securities and Exchange Commission (the "SEC") on March 19, 2021, and is hereby amending and restating the proxy statement to reflect the following material revisions and updates:

1. The new Annual Meeting date of July 29, 2021.
2. The new record date of June 2, 2021, for the purposes of determining the stockholders eligible to attend and vote at the Annual Meeting.
3. The number of shares outstanding and holdings of certain beneficial owners as of the new record date.
4. The deadlines for submission of stockholder proposals and director nominations for next year's Annual Meeting.
5. The revision of the quorum requirement to conduct business at the Annual Meeting from a majority of outstanding shares to one-third of outstanding shares as a result of an amendment to the Company's Bylaws.
6. The addition of a letter from the Company's CEO, Adam Aron.
7. The addition of information on how stockholders can self-identify to receive communications directly from the Company via e-mail.
8. The resubmission of Proposal 1, which is a proposal to increase the Company's authorized common stock with the requested additional authorization reduced from 500 million shares to 25 million shares.
9. The withdrawal of the proposal to increase the number of shares subject to the Company's 2013 Equity Incentive Plan and make certain other amendments to the plan.

Except as summarized above, there are no material changes to the information in the proxy statement and the proposals for consideration remain the same as those set forth in the original proxy statement. Stockholders are encouraged to read and consider the proxy statement in its entirety. Because a new record date has been established, stockholders will receive a new notice for the Annual Meeting and will need to resubmit their votes, even if they have previously voted.



## LETTER FROM THE CEO

---

Dear fellow owner of AMC,

Thank you for investing in AMC! Only the owners of AMC get to vote on the matters that are critical to the success of our company and the value of our shares. So, please take the time to exercise your right to vote to protect and enhance the value of your investment in your company.

### The ask:

You are being asked to re-elect certain Directors, ratify the selection of our independent auditor, and have your say on executive pay.

In addition, we are asking that you authorize the possible future issuance of a relatively small amount of AMC shares.

**Proposal to increase our authorized share capital by 25 million shares. This does not mean those shares actually will get issued, and in any case they cannot be issued prior to 2022:**

Allow me to take just a few moments to explain the rationale behind the proposal to increase our authorized share capital.

AMC may face challenges and may uncover exciting opportunities as we emerge from the impact of COVID-19. To successfully navigate the road ahead, we need to assemble all of the tools that might help us, and an important tool for any company is having shares available to issue if the right opportunity arises. We would only consider issuing our precious shares when we believe that doing so will enhance the value of your investment in AMC. This is an important request, given that at the moment we essentially have no shares left for future issuance, only 46,124 to be precise.

We are requesting an additional 25 million shares to be available for possible issuance in the future should the right opportunity arise. This represents less than 5% of our issued share capital.

It is also fully 95% less than the most recent request of stockholders to authorize more shares. We have carefully been listening to our shareholders, and understand that the prior request gave some of you pause.

Consider some of the situations where it might be beneficial to use shares in the future to create value for our stockholders:

- We may have opportunities to use shares to reduce our debt and reduce or eliminate the associated interest costs.
- We may be able to generate cash to be used to invest in our theatres, acquire new theatre leases, or invest in other attractive growth opportunities and thereby enhance the value of our company.
- We may be able to use shares in exchange for cash rent reductions that will improve the profitability of our theatres.
- We may be able to use shares as currency for attractive merger & acquisition opportunities.
- We may use shares to raise cash, but only if necessary to bolster liquidity or ensure our survival in the event that the anticipated return to a normal theatrical box office environment takes significantly longer than expected.



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Some of you may be concerned that approval may dilute your stockholdings. I can assure you that this is the very opposite of our goal.

Remember that an increase in authorized shares does not increase the number of shares that are issued and traded in the market, and the new authorized shares that we are requesting cannot even be considered for issuance until 2022 at the earliest.

The best way to protect and grow stockholder value is to ensure that we have the tools to successfully navigate the road ahead, and we are much better equipped to fight the fight if we have the flexibility to issue shares.

AMC's directors, management team and I all are stockholders who are incentivized to protect and increase the value of your AMC shares. Therefore, you can be confident that that we would only issue shares if we believe that doing so will create value for you, our supportive owners.

**Summary:**

By voting in favor of the proposals under consideration at the Annual Meeting, you can help us to position AMC, in its 101st year of business, for prosperity over the next 101 years as well.

Thank you for supporting AMC.

See you at the movies!



Adam Aron



## PROXY STATEMENT

### PROXY SUMMARY

*This summary highlights selected information and does not contain all of the information that you should consider in deciding how to vote. You should read the entire proxy statement carefully before voting.*

#### 2021 ANNUAL MEETING OF STOCKHOLDERS

<b>Time and Date:</b>	2:00 p.m. (Central Time), Thursday, July 29, 2021
<b>Place:</b>	AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211
<b>Record Date:</b>	June 2, 2021
<b>Voting:</b>	As of the record date, holders of our Class A common stock are entitled to one vote per share.

### Voting Recommendations

<u>Agenda Item</u>	<u>Board Vote Recommendation</u>
<b>Proposal 1:</b> Amendment of our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 25,000,000 shares to a total of 549,173,073 shares of Class A Common Stock effective January 1, 2022.	✓ <b>FOR</b>
<b>Proposal 2:</b> Election to our Board of Directors of the following nominees for terms expiring at the 2024 Annual Meeting:  Mr. Philip Lader, Mr. Gary F. Locke, and Mr. Adam J. Sussman.	✓ <b>FOR</b> each Director Nominee
<b>Proposal 3:</b> Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021.	✓ <b>FOR</b>
<b>Proposal 4:</b> Non-binding advisory vote to approve the compensation of named executive officers (the "say-on-pay vote").	✓ <b>FOR</b>
<b>Proposal 5:</b> Adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals.	✓ <b>FOR</b>



## GENERAL INFORMATION

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This proxy statement is provided in connection with the solicitation of proxies by the Board of Directors (the "Board") of AMC Entertainment Holdings, Inc., a Delaware corporation ("we," "us," the "Company" or "AMC"), for use at the 2021 Annual Meeting of Stockholders of the Company, to be held on July 29, 2021 at 2:00 p.m. (Central Time), or any adjournment or postponement thereof, at the AMC Theatre Support Center located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 (the "Annual Meeting").

Although we currently intend to hold the Annual Meeting in person, due to concerns related to the ongoing coronavirus (COVID-19) pandemic, we may impose additional procedures or limitations on meeting attendees or may decide to hold the Annual Meeting in a different location or solely by means of remote communication (i.e., a virtual-only meeting). We plan to announce any such updates regarding the Annual Meeting by issuing a press release and filing the press release as definitive additional soliciting material with the SEC. We encourage you to regularly check these resources prior to the Annual Meeting if you plan to attend.

### **Important Notice Regarding the Availability of Proxy Materials for Stockholder Meeting to be held on July 29, 2021.**

Pursuant to rules promulgated by the SEC, we have elected to provide access to our proxy materials by notifying you of the availability of our proxy materials on the Internet. Instead of mailing paper copies of our proxy materials, we sent stockholders the Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be held on July 29, 2021, with instructions for accessing the proxy materials and voting via the Internet (the "Notice"). In accordance with the SEC notice and access rule, the Notice allows us to provide our stockholders with the information they need to vote through various means, while reducing the costs and environmental impact of printing and delivering proxy materials. The Notice is not a proxy and cannot be used to authorize a proxy to vote your shares. The Notice, which was mailed on or around June 16, 2021 also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. If you receive a Notice this year, you will not receive paper copies of the Proxy Materials unless you request the materials by following the instructions on the Notice. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com). As discussed in the Proxy Statement, certain stockholders were sent a full set of printed proxy materials or an email with instructions on how access the proxy materials electronically, based on their previously indicated delivery preferences.

This proxy statement and the accompanying proxy are first being made available to stockholders beginning on or about June 16, 2021. The costs of this proxy solicitation will be borne by the Company, which maintains its principal executive offices at One AMC Way, 11500 Ash Street, Leawood, KS 66211.

If you have any questions regarding the proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).



## VOTING AT THE ANNUAL MEETING

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The only outstanding voting securities of the Company are its shares of Class A common stock (the "Common Stock"). All of the Company's remaining authorized Class B Common Stock has been forfeited or converted to Common Stock and was retired on February 24, 2021. Only stockholders of record of our Common Stock at the close of business on June 2, 2021 (the "Record Date"), the date selected as the record date by our Board, are entitled to vote at the Annual Meeting. On the record date, there were 501,780,240 shares of Common Stock outstanding. The holders of our Common Stock are entitled to one vote per share.

### The Proxy and Voting

Pursuant to rules promulgated by the SEC, we are making this Proxy Statement and 2020 Annual Report available to stockholders electronically via the Internet. On or around June 16, 2021, we sent our stockholders of record on the Record Date the Notice, which provides information regarding accessing the proxy materials for the Annual Meeting and voting via the Internet. Some stockholders have previously requested to receive either a full set of printed proxy materials or an email with instructions on how access the proxy materials electronically. Stockholders that have not submitted a specific delivery preference were sent the Notice. If you would like to change the way you receive materials in the future, please follow the instructions on the Notice you received. The Proxy Statement and our 2020 Annual Report may be accessed at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com).

Registered holders are stockholders who hold their shares directly with the Company and have their names and addresses recorded in the Company's share registry, which is maintained by our transfer agent, Computershare. Registered stockholders can vote by proxy in any of the following three ways, each of which is valid under Delaware law. If you are a registered holder and would like to receive a full printed set of proxy materials, please follow the instructions on the Notice.

- *By Internet:* Access our Internet voting site at [www.proxyvote.com](http://www.proxyvote.com) or scan the QR code on the Notice or your proxy card and follow the instructions on the screen prior to 11:59 p.m., Eastern Time, on July 28, 2021.
- *By Telephone:* After receiving the full set of printed proxy materials, using a touch-tone telephone, call toll-free at 1-800-690-6903 and follow the voice instructions, prior to 11:59 p.m., Eastern Time, on July 28, 2021.
- *By Mail:* After receiving the full set of printed proxy materials, mark, sign, date, and return the proxy or voting instruction form in the enclosed envelope so it is received before the Annual Meeting.

Beneficial owners are stockholders who hold their shares through a brokerage account, bank or other record holder. You also may have heard the term "held in street name" when describing stock ownership. When you buy securities through a brokerage firm, most firms will automatically put your securities into "street name." This means your brokerage firm will hold your securities in its name or another nominee and not in your name, but your brokerage firm will keep records showing you as the real or "beneficial owner." Under the rules of the New York Stock Exchange ("NYSE"), member stockbrokers who hold shares of Common Stock in their name for customers are required to obtain directions from their customers on how to vote the shares. NYSE rules permit brokers to vote shares on certain proposals when they have not received any directions. The Staff of the NYSE, prior to the Annual Meeting, informs brokers of those proposals on which they are entitled to vote the undirected shares.

Under rules of the NYSE, brokers may not vote on "non-routine" proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as "non-votes." Your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. Proposals 2 and 4 are considered "non-routine," which means that brokerage firms may not vote in their discretion regarding these items on behalf of beneficial owners who have not furnished voting instructions. Proposals 1, 3 and 5, however, are considered "routine" items, which means that brokerage firms may vote in their discretion on behalf of beneficial owners who have not furnished voting instructions.



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If you are the beneficial owner of your shares, you should have received a Notice, a full set of printed proxy materials with a voting instruction form, or an email copy of the proxy materials with instructions on how to vote from your broker or other nominee holding your shares. You should follow the instructions in the Notice or voting instruction form provided by your broker or other nominee in order to instruct your broker on how to vote your shares; in most instances you may vote by Internet, telephone or by mail.

Beneficial stockholders who wish to attend the Annual Meeting must obtain a legal proxy by contacting their account representative at the bank, broker, or other record holder that holds their shares and e-mail a copy (a legible photograph is sufficient) of their legal proxy to our proxy solicitor at [AMCattend@dfking.com](mailto:AMCattend@dfking.com). If you want to vote in person, you must obtain a legal proxy from your broker, bank or other nominee and bring it to the meeting.

Proxies provided by telephone or over the Internet or by mailed proxy card by stockholders of record, unless revoked, will be voted at the Annual Meeting as directed by you, or, in the absence of such direction, as the Board recommends for Proposals 1, 2, 3, 4 and 5 at the Annual Meeting. A stockholder submitting a proxy by telephone or over the Internet or by mailed proxy card may revoke such proxy at any time before it is used by giving written notice of revocation to the Secretary of the Company, by delivering to the Secretary of the Company a duly executed proxy bearing a later date or by voting in person at the Annual Meeting. Attendance at the Annual Meeting will not, in and of itself, revoke a proxy.

If you have any questions about how to vote your shares, you may contact our proxy solicitor at:

D.F. King & Co, Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Call Toll-Free: (800) 249-7120  
Banks and Brokers Call: (212) 269-5550  
[AMC@dfking.com](mailto:AMC@dfking.com)

## Other Matters

As of the date of this proxy statement, we do not know of any other matter to be raised at the meeting. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxies will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned or postponed, the proxies can vote your shares at the adjournment or postponement as well.

## Voting Requirement to Approve each of the Proposals

- Proposal 1: Amendment of our Third Amended and Restated Certificate of Incorporation (our "Certificate of Incorporation") requires approval by the holders of a majority of the outstanding shares. Our Board recommends a vote "for" this proposal.
- Proposal 2: Election of directors requires a plurality of the votes cast, which means that the three nominees for director receiving the highest number of votes FOR election will be elected as directors. Our Board recommends a vote "for" the election of each nominee.
- Proposal 3: Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal.
- Proposal 4: Non-binding advisory vote on compensation of named executive officers (the "say-on-pay vote") requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal. The vote on Proposal 4 is a non-binding advisory vote.





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- Proposal 5: Adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals requires approval by the holders of a majority of the shares present in person or represented by proxy and entitled to vote with respect to this matter. Our Board recommends a vote "for" this proposal.

### How Votes Are Counted

A quorum is required to transact business at our Annual Meeting. Stockholders of record holding shares of Common Stock constituting one-third of the shares issued and outstanding and entitled to vote at the Annual Meeting shall constitute a quorum. If you have returned valid proxy instructions or attend the meeting in person, your shares will be counted for the purpose of determining whether there is a quorum, even if you abstain from voting on some or all matters introduced at the meeting. As of the close of business on June 2, 2021, the latest practicable date before the filing of this proxy statement, there were 501,780,240 shares of Common Stock issued and outstanding, held by 1,681 holders of record. Thus, the holders of at least 167,260,080 shares of Common Stock must be present in person or represented by proxy at the Annual Meeting to constitute a quorum.

Abstentions will be treated as shares present and entitled to vote for purposes of any matter requiring the affirmative vote of a majority or other proportion of the shares present and entitled to vote. Accordingly, abstentions will be considered as represented for purposes of determining a quorum. Abstentions with respect to Proposals 1, 3, 4 and 5 will have the same effect as a vote against such proposals. Because a plurality of the votes cast is required for Proposal 2, abstentions and withheld votes will have no effect on such proposal. Broker non-votes will be considered as represented for purposes of determining a quorum, but will not otherwise affect voting results.

Under rules of the NYSE, brokers may not vote on "non-routine" proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as "non-votes." Your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. Proposals 2 and 4 are considered "non-routine," which means that brokerage firms may not vote in their discretion regarding these items on behalf of beneficial owners who have not furnished voting instructions. Proposals 1, 3 and 5, however, are considered "routine" items, which means that brokerage firms may vote in their discretion on behalf of beneficial owners who have not furnished voting instructions.

Although Proposal 4 is a non-binding advisory vote, our Board will review the results and will take them into account in making a determination concerning executive compensation.

### Proxy Solicitation

The Company is soliciting proxies for use at the Annual Meeting by means of the proxy materials. When stockholders vote over the internet, by telephone, or when proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instruction of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendation of our Board as described above and, if any other matters are properly brought before the Annual Meeting, the shares will be voted in accordance with the proxies' judgment.

The Company will pay for the Annual Meeting, including the cost of mailing the Notice, paper copies of our proxy materials as requested by stockholders, and any supplemental materials. Directors, officers and employees of the Company may, either in person, by telephone or otherwise, solicit proxies. They have not been specifically engaged for that purpose, however, nor will they be compensated for their efforts. The Company has engaged D.F. King & Co., Inc., to assist in the solicitation of proxies for the Annual Meeting. We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. AMC will pay D.F. King & Co., Inc., a fee of \$20,000. AMC will also reimburse D.F. King & Co., Inc., for reasonable out-of-pocket costs and other agreed-upon expenses and will indemnify D.F. King & Co., Inc., and its affiliates against certain claims, liabilities, losses, damages and expenses. In addition, we will reimburse brokerage firms and other persons representing beneficial owners of our shares for their reasonable expenses in forwarding the Notice, paper copies of our proxy materials as requested by beneficial owners, and other soliciting materials to the beneficial owners.



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If you receive more than one set of printed materials, your shares may be registered in more than one name and/or are registered in different accounts. Please follow the voting instructions on each set of printed materials to ensure that all of your shares are voted.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

**The Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com) and [investor.amctheatres.com](http://investor.amctheatres.com).**

If you choose to access the proxy materials and/or vote over the Internet, you are responsible for any Internet access charges you may incur.



## DIRECTORS OF THE COMPANY

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Our business and affairs are managed by our Board, which currently consists of the following ten members: Adam M. Aron, Howard W. "Hawk" Koch, Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Anthony J. Saich, Adam J. Sussman, Lee E. Wittlinger, Maojun (John) Zeng, and Lin (Lincoln) Zhang. Mr. Zhang serves as our non-executive Chairperson. Mr. Aron is our Chief Executive Officer ("CEO").

In July 2020, the stockholders of the Company approved an amendment to our Certificate of Incorporation to declassify our board of directors and have each director elected for a one-year term at each subsequent annual meeting. In December 2020, in connection with discussions with Wanda America Entertainment, Inc., an affiliate of Dalian Wanda Group Co., Ltd, and the holder at the time of approximately 58.8% of the voting power of the Company's outstanding capital stock entitled to vote (the "Majority Stockholder" or "Wanda") regarding the important need for the Company to raise additional capital pursuant to one or more equity offerings, including debt for equity exchanges, and the importance of accessing the equity markets quickly, the Company requested that the Majority Stockholder support such offerings and waive certain rights to have a portion of its shares included in the Company's registration statement for such offerings (known as piggyback registration rights). The Company and the Majority Stockholder discussed the fact that a significant equity raise likely would ultimately result in the mandatory conversion of the Majority Stockholder's Class B common stock to Class A common stock and thus result in the loss of the Majority Stockholder's majority voting control over the Company. The Majority Stockholder agreed that it would support such offerings and waive its registration rights in connection therewith, but requested that the Company classify the Board. As discussed in the Company's definitive Schedule 14C filed with the SEC on December 31, 2020, in order to reclassify the Board, the Board approved by unanimous vote (i) an amendment to the Certificate of Incorporation (which the Majority Stockholder also approved by written consent), and (ii) an amendment to the Company's Bylaws. Pursuant to such amendment, the current members of the Board were placed in three classes as described below. This amendment was effective on January 25, 2021.

Accordingly, pursuant to our Certificate of Incorporation, our Board is currently divided into three classes. The members of each class serve for a staggered, three-year term. Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. The classes are composed as follows:

- Mr. Lader, Mr. Locke, and Mr. Sussman are Class I directors, whose terms will expire at the 2021 annual meeting of stockholders;
- Mr. Aron, Mr. Koch, Ms. Pawlus and Dr. Saich are Class II directors, whose terms will expire at the 2022 annual meeting of stockholders; and
- Mr. Wittlinger, Mr. Zeng, and Mr. Zhang are Class III directors, whose terms will expire at the 2023 annual meeting of stockholders. Consistent with the sale by Wanda of most of its remaining AMC shares, it is expected that both Mr. Zeng and Mr. Zhang will resign as Directors.



**PROPOSAL 1:  
APPROVAL OF AN AMENDMENT TO  
THE COMPANY'S THIRD AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
TO INCREASE AUTHORIZED COMMON STOCK**

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**Proposed Amendment**

We are submitting for stockholder approval an amendment to the Certificate of Incorporation to increase the total number of shares of Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 25,000,000 shares to a total of 549,173,073 shares of Common Stock effective January 1, 2022 (the "Certificate of Amendment"). The text of the Certificate of Amendment is set forth in substantially the form of *Appendix A* and this description is qualified by the full text of the Certificate of Amendment. If this proposal is approved, the Certificate of Amendment will become effective upon filing with the Secretary of State of Delaware, which is expected to occur promptly following the stockholder vote.

**Background and Reason for the Recommendation**

The Board approved a proposal to amend our Certificate of Incorporation to increase the total number of shares of Common Stock the Company shall have the authority to issue by 25,000,000 shares to a total of 549,173,073 shares of Common Stock effective January 1, 2022. As of the close of business on June 2, 2021, the latest practicable date before the filing of this proxy statement, there were 501,780,240 shares of our Common Stock issued and outstanding and 10,796,709 shares of Common Stock reserved for issuance under the EIP. In addition, on June 3, 2021, the Company issued 11,550,000 shares of our Common Stock. Accordingly, 46,124 shares of the total number of shares of Common Stock currently authorized remain available for issuance or may be reserved for issuance prior to any amendment to increase the authorized shares of Common Stock.

As a result of the retirement of our Class B common stock pursuant to a Certificate of Retirement filed with the Secretary of State of the State of Delaware on February 24, 2021, our Certificate of Incorporation currently authorizes the issuance of up to 574,173,073 shares of capital stock, consisting of (i) 524,173,073 shares of Common Stock and (ii) 50,000,000 shares of preferred stock.

While we are optimistic about the prospects for the Company's recovery from the COVID-19 pandemic, as recently disclosed, the Company will continue to face significant challenges, including those associated with its high leverage, its cash spend on fixed and other costs, and the need for attendance levels at its theatres to materially increase from current levels. The Company needs the ability to navigate these risks, and its ability to do so will meaningfully influence the value of the Common Stock. The failure to authorize the additional shares will hamper our ability to respond to these challenges, to rebuild our business, to bolster liquidity if necessary, and to grow and create stockholder value.

The Board believes it is in the best interest of the Company to increase the number of authorized shares of our capital stock in order to give the Company greater flexibility in considering and planning for future general corporate needs, including, but not limited to, the offer and sale of Common Stock in one or more public offerings or private placements, the grant of Common Stock or warrants, options or other convertible securities in one or more strategic transactions, debt exchanges, rent reductions, stock dividends, grants under equity compensation plans, stock splits and other general corporate transactions. The Board believes that additional authorized shares of capital stock will enable the Company to take timely advantage of market conditions and favorable financing and other opportunities that may become available to the Company. The authorized but unissued shares will only be issued at the direction of the Board, and if required by applicable law or regulation of the NYSE, upon separate stockholder approval.



### **Rights of Additional Authorized Shares**

Any newly authorized shares of Common Stock will be identical to the shares of Common Stock now authorized and outstanding. The Certificate of Amendment will not affect the rights of current holders of Common Stock, none of whom have preemptive or similar rights to acquire the newly authorized shares.

### **Potential Adverse Effects of the Certificate of Amendment**

Adoption of the Certificate of Amendment will have no immediate dilutive effect on the proportionate voting power or other rights of the Company's existing stockholders. However, any future issuance of additional authorized shares of our Common Stock, at the future direction of the Board (and generally without the requirement of stockholder approval, unless specifically required by applicable law or NYSE regulation) may, among other things, dilute the earnings per share of Common Stock and the equity and voting rights of those holding Common Stock at the time such additional shares are issued.

In addition to the general corporate purposes mentioned above, and as further described below, an increase in the number of authorized shares of Common Stock may make it more difficult to, or discourage an attempt to, obtain control of the Company by means of a takeover bid that the Board determines is not in the best interest of the Company and its stockholders. However, the Board does not intend or view the proposed increase in the number of authorized shares of Common Stock as an anti-takeover measure and is not aware of any attempt or plan to obtain control of the Company.

### **Potential Anti-Takeover Effects**

The Certificate of Amendment could adversely affect the ability of third parties to effect a takeover or a change in control by, for example, permitting issuances that would dilute the ownership of a person seeking to effect a change in the composition of our Board or contemplating a tender offer or other transaction that the Board determines is not in our best interests or in the best interests of our stockholders. The Board's ability to issue substantial amounts of Common Stock (generally without the need for stockholder approval, except as may be required by law or NYSE regulation), upon such terms and conditions as our Board may determine, may, among other things, be used to create voting impediments with respect to a change in control or to dilute the stock ownership of stockholders seeking to obtain control of the Company. The issuance of Common Stock, while providing desirable flexibility in connection with potential financings and other corporate transactions, may have the effect of discouraging, delaying or preventing a change in control of the Company. Our Board, however, does not intend or view the Certificate of Amendment as an anti-takeover measure, nor does it contemplate its use in this manner at any time in the foreseeable future and is not aware of any attempt or plan to obtain control of the Company.

### **Appraisal Rights**

Pursuant to the Delaware General Corporation Law, stockholders are not entitled to appraisal rights with respect to the Certificate of Amendment.

### **Effectiveness of the Certificate of Amendment**

If the Certificate of Amendment is adopted, it will become effective upon the filing of the Certificate of Amendment substantially in the form of Appendix A with the Secretary of State of the State of Delaware. However, pursuant to the terms of the Certificate of Amendment, the increase in authorized shares that will be available for future issuance will not occur until January 1, 2022.

The Board recommends a vote **"FOR"** the Certificate of Amendment.



## PROPOSAL 2 ELECTION OF DIRECTORS

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At the Annual Meeting stockholders will vote to elect three individuals to be elected as Class I directors to hold a three-year term of office from the date of their election until the Company's 2024 annual meeting and until their successors are duly elected and qualified. Under Proposal, No. 2, the three nominees for election as Class I directors are: Mr. Lader, Mr. Locke, and Mr. Sussman.

The Nominating and Corporate Governance Committee and the Board believe that the nominees under Proposal 2 have the requisite qualifications to oversee our business. Set forth below you will find certain information for each of the directors, which we believe evidences the directors' qualifications to serve on the Board.

The Board recommends a vote **"FOR"** each of the nominees.

Each of the biographies of the nominees for election as directors below contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the past five years, and the experience, qualifications, attributes and skills that caused the Board to determine that the person should be nominated for election as a director at the Annual Meeting. The following information is as of June 2, 2021.

### Nominees for Election as Class I Directors—Terms Expiring 2024

#### *Mr. Philip Lader*

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Mr. Philip Lader, 75, has served as a director of the Company since June 2019. Mr. Lader is a Senior Advisor to Morgan Stanley Institutional Securities and Palantir Technologies, as well as a partner emeritus with the law firm of Nelson Mullins Riley & Scarborough LLP. He is also the former U.S. Ambassador to the Court of St. James's and Chairperson of WPP plc. Mr. Lader served in President Clinton's Cabinet and as Administrator of the US Small Business Administration, White House Deputy Chief of Staff, Assistant to the President, and Deputy Director of the Office of Management & Budget. Previously, he was Executive Vice President of Sir James Goldsmith's US holdings and President of Sea Pines Company, universities in South Carolina and Australia, and Business Executives for National Security. Also, he is currently a trustee and Investment Committee Chairperson of RAND Corporation and several foundations, as well as a member of the boards of several privately-held companies, the investment committees of Morgan Stanley's Global Infrastructure and Real Estate Funds, and the Council on Foreign Relations. He currently or has previously served on the boards of Lloyds of London, Marathon Oil, AES, WPP plc, Songbird (Canary Wharf), Rusal Corporations, the British Museum, American Red Cross, Smithsonian Museum of American History, St. Paul's Cathedral Foundation, Atlantic Council, and several banks and universities. He is partner emeritus in the Nelson Mullins law firm and the founder and co-host of Renaissance Weekends. Mr. Lader's education includes Duke, Michigan, Oxford and Harvard Law School, and he has been awarded honorary doctorates by 14 universities. An Honorary Fellow of Oxford University's Pembroke College and London Business School and Honorary Bencher of Middle Temple (British Inns of Court), he was awarded the Benjamin Franklin Medal by The Royal Society for Arts, Manufactures & Commerce for his contributions to trans-Atlantic relations. Mr. Lader brings vast experience in business, government and law to the Board.

#### *Mr. Gary F. Locke*

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Mr. Gary F. Locke, 71, has served as a director of the Company since February 2016. Mr. Locke is currently a trade consultant and owner of Locke Global Strategies, LLC since 2014. Mr. Locke has also served as the interim President of Bellevue College since June of 2020. Mr. Locke was the first Chinese American to be elected as a U.S. Governor when the voters of Washington elected him in 1996 and re-elected him in 2000. During his administration, he strengthened economic ties between China and Washington State. Mr. Locke then served as U.S. Commerce Secretary from 2009-2011, where he led the effort to implement President Obama's National Export Initiative to double American exports in five years. He then became America's 10th Ambassador to China, serving from 2011-2014, and during his service he opened markets for made-in-USA goods and services and reduced wait times for visa interviews of Chinese applicants from 100 days to three days. Mr. Locke is a member



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of the board of directors of Fortinet, Inc., nLight, Inc., and Port Blakely Tree Farms. He attended Yale University, graduating with a bachelor's degree in political science and received his law degree from Boston University. Mr. Locke brings to the Board a global and valuable business perspective due to his extensive role in politics and experience as an Ambassador to China.

**Mr. Adam J. Sussman**

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Mr. Adam J. Sussman, 50, has served as a director of the Company since May 2019. Mr. Sussman has served as President of Epic Games, Inc. since January 2020. Prior to that, from 2017 until 2020, Mr. Sussman was appointed as Nike, Inc.'s first-ever Chief Digital Officer, was previously head of Nike's Global Strategy and Corporate Development and served as the VP/GM Direct Digital and Geographies. He was responsible for building Nike's portfolio of world-class digital consumer experiences and innovations and transforming retail for the world's leading sports brand. He managed Nike's digital teams globally and Nike's direct-to-consumer GM's across the four key operating geographies of the company. Prior to Nike, Mr. Sussman was Senior Vice President of Global Publishing at Zynga responsible for marketing, sales, growth and digital products. He also served as Senior Vice President of Publishing at Disney, building the global team that managed gaming properties across all media platforms around the world. At Electronic Arts, he was Vice President of Worldwide Publishing, leading the team that established EA Mobile as the #1 publisher on the Apple App store. Mr. Sussman started his career as a creative executive at Hearst Entertainment, a division of the Hearst Corporation. Mr. Sussman holds a BA from Harvard College and an MBA from Harvard University Graduate School of Business Administration. Mr. Sussman brings valuable experience as president of large company and in marketing, information technology and digital platforms to the Board.

**Continuing Class II Directors—Terms Expiring 2022**

**Mr. Adam M. Aron**

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Mr. Adam M. Aron, 66, has served as Chief Executive Officer, President and a director of the Company since January 2016. From February 2015 to December 2015, Mr. Aron was Chief Executive Officer of Starwood Hotels and Resorts Worldwide, Inc. and served on the board from 2006 to 2015. Since 2006, Mr. Aron has served as Chairperson and Chief Executive Officer of World Leisure Partners, Inc., a personal consultancy for matters related to travel and tourism, high-end real estate development, and professional sports, that he founded. Mr. Aron served as Chief Executive Officer and Co-Owner of the Philadelphia 76ers from 2011 to 2013, and remains an investor. From 2006 to 2015, Mr. Aron served as Senior Operating Partner of Apollo Management L.P., compensation for which ran through March of 2017. Mr. Aron currently serves on the board of directors of Norwegian Cruise Line Holdings, Ltd. and HBSE, which owns the NHL's New Jersey Devils and the NBA's Philadelphia 76ers. Mr. Aron served on the board of directors of Prestige Cruise Holdings, Inc. from 2007 to 2014. Mr. Aron received a Master's of Business Administration degree with distinction from the Harvard Business School and a Bachelor of Arts degree cum laude from Harvard College. Mr. Aron brings to the Board significant business and executive leadership experience, including valuable insight into consumer services. He has more than 25 years of experience as a Chief Executive Officer, more than 25 years of experience as a corporate director, and more than 35 years of consumer-engagement experience.

**Mr. Howard W. "Hawk" Koch**

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Mr. Howard W. "Hawk" Koch, Jr., 75, has served as a director of the Company since October 2014. Mr. Koch is a veteran movie producer and principal at The Koch Company, the former president of the Academy of Motion Picture Arts and Sciences ("AMPAS"), and Recording Secretary and former President of the Producers Guild of America. Mr. Koch served on the Board of Directors of the Motion Picture & Television Fund from 2005 until 2020 and the National Film Preservation Foundation. Mr. Koch previously served on the Board of Governors of AMPAS from 2004 to 2013 and the Board of Directors of the Producers Guild of America from 1999 to 2020. Mr. Koch has been intimately involved with the making of over 60 major motion pictures, among them such films as "Source Code", "Fracture", "Primal Fear", "Marathon Man," "Chinatown," "Wayne's World," "Peggy Sue Got Married," "The Idolmaker," "Heaven Can Wait," "The Way We Were" and "Rosemary's Baby." Mr. Koch continues to develop and produce movies. Mr. Koch has over 50 years of experience in the motion picture industry and provides our Board with a unique insight into the production of movies that are exhibited on our screens.



***Ms. Kathleen M. Pawlus***

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Ms. Kathleen M. Pawlus, 61, has served as a director of the Company since December 2014. Ms. Pawlus, a retired partner of Ernst and Young, LLP ("EY"), served as the Global Assurance Chief Financial Officer and Chief Operating Officer from 2012 to 2014. EY's Assurance practice is the largest of EY's four service lines and includes its Audit Practice, Fraud, Investigation and Dispute Services Practice, Climate Change and Sustainability Services Practice and its Financial Accounting Advisory Services Practice. Prior to this, from 2006 to 2012, Ms. Pawlus served as EY's Americas Vice Chairperson and Chief Financial Officer, Global PBFA Function Leader and US Firm Vice Chairperson and Chief Financial Officer responsible for finance, IT operations, treasury, purchasing and facilities. Ms. Pawlus served on EY's U.S. Executive Board from 2006 to 2012. Ms. Pawlus earned her Bachelor of Science degree from Indiana University and is a Certified Public Accountant. Ms. Pawlus brings to the Board extensive financial, accounting, operational and management experience in various capacities with more than 30 years of experience.

***Dr. Anthony J. Saich***

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Dr. Anthony J. Saich, 68, has served as a director of the Company since August 2012. Since July 2008, Dr. Saich has served as the Director of the Ash Center for Democratic Governance and Innovation and Daewoo Professor of International Affairs at Harvard University. In his capacity as Ash Center Director, Dr. Saich also serves as the director of the Rajawali Foundation Institute for Asia and the faculty chairperson of the China Public Policy Program, the Asia Energy Leaders Program and the Leadership Transformation in Indonesia Program. He oversees the School's work in Vietnam as well as Myanmar, and the Ash Center's programs on democratic governance and local government innovation. Dr. Saich also serves as a member of International Bridges to Justice and as the U.S. Secretary-General of the China United States Strategic Philanthropy Network. Dr. Saich sits on the executive committees of the John King Fairbank Center for Chinese Studies and the Asia Center, both at Harvard University, and serves as the Harvard representative of the Kennedy Memorial Trust. Dr. Saich holds a bachelor's degree in politics and geography from the University of Newcastle, United Kingdom, a master's degree in politics with special reference to China from the School of Oriental and African Studies, London University, and has a Ph.D. from the Faculty of Letters, University of Leiden, the Netherlands. Dr. Saich has over 40 years of experience in international affairs and will provide valuable international insights to the Company.

**Continuing Class III Directors—Terms Expiring 2023**

***Mr. Lee E. Wittlinger***

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Mr. Lee E. Wittlinger, 38, has served as a director of the Company since September 2018. Mr. Wittlinger is a Managing Director of Silver Lake Group, L.L.C. ("Silver Lake"), which he joined in 2007. Mr. Wittlinger currently serves as a director on the boards of GoDaddy Inc. ("GoDaddy"), WPENGINE, Inc., and Oak View Group, LLC. Mr. Wittlinger previously served as a director of Vantage Data Centers Management Company, LLC and Cast & Crew Entertainment Services LLC ("Cast & Crew"), and as a member of GoDaddy's and Cast & Crew's audit committees. Prior to Silver Lake, Mr. Wittlinger worked as an investment banker in the Technology, Media and Telecommunications Group at Goldman, Sachs & Co., where he focused on mergers and acquisitions and financing transactions in the technology industry. Mr. Wittlinger graduated summa cum laude from The Wharton School of the University of Pennsylvania, where he received a B.S. in Economics, with dual concentrations in Finance and Accounting. Mr. Wittlinger brings extensive financial and banking expertise to the Company. See "Related Party Transactions" for details of Mr. Wittlinger's appointment.

***Mr. Maojun (John) Zeng***

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Mr. Maojun (John) Zeng, 49, has served as a director of the Company since February 2016 and served as Chairperson from March 2018 until December 2019. Mr. Zeng has served as the President of Wanda Film Holding Co., Ltd. (formerly known as Wanda Cinema Line Corporation), a subsidiary of Wanda group, since June 29, 2015, and has served as a member of its Board





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of Directors since January 22, 2015. Mr. Zeng has also served as Senior Vice President of Wanda Cultural Industries Group since October 13, 2016, as well as previously held positions of Vice President, Senior Assistant to the President and Assistant to the President. Mr. Zeng has held other positions within the Wanda group and its subsidiaries. Mr. Zeng holds an undergraduate degree and a master's degree in business administration from Renmin University of China. Mr. Zeng has experience serving in an executive leadership role at a major theatrical exhibition company in China and brings to the Board valuable theatrical exhibition knowledge. Consistent with the sale by Wanda of most of its remaining AMC shares, it is expected that Mr. Zeng will resign as a Director.

***Mr. Lin (Lincoln) Zhang***

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Mr. Lin (Lincoln) Zhang, 48, has served as a director of the Company and Chairperson since December 2019. Mr. Zhang previously served as a director of the Company and Chairperson from August 2012 until March 2018. Mr. Zhang has served as President of Wanda Investment Group since October 2020, was President of Wanda Properties Group from July 2020 until October 2020, and was President of Wanda Cultural Industries Group from December 2012 until July 2020. Mr. Zhang is currently on the board of directors of Wanda Group and was Chairperson of Wanda Film Holding Co., Ltd. from November 2006 until December 2020. Mr. Zhang joined Wanda Group in 2000 and has served in various positions, including General Manager of Wanda Group project companies in Nanjing, Shenyang and Chengdu, and CFO and Vice President of Wanda Group. Mr. Zhang served as the Chairperson of Wanda Sports Group Company Limited from November 2018 until July 2020, a non-executive director of Wanda Hotel Development Co. Ltd since November 2017, the chairperson of World Triathlon Corporation from November 2015 until July 2020, and the chairperson of the board of Infront Holding AG from July 2015 until September 2020. He also served as a non-executive director of Dalian Wanda Commercial from December 2009 to January 2016. Mr. Zhang graduated with a bachelor's degree in accounting from Dongbei University of Finance and Economics and obtained an MBA degree from the Guanghua School of Management at Peking University. Mr. Zhang has significant experience in financial and operational management with large companies, with particular focus on corporate strategy and investment, which makes him well-positioned to serve as a director of the Company. Consistent with the sale by Wanda of most of its remaining AMC shares, it is expected that Mr. Zhang will resign as a Director.



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## CORPORATE GOVERNANCE

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### Corporate Governance Guidelines

Our Corporate Governance Guidelines and Principles reflect the principles by which the Board operates and sets forth director qualification standards, responsibilities, compensation, evaluation, orientation and continuing education, board committee structure, chief executive officer performance review, management succession planning and other policies for the governance of the Company. A copy of the Corporate Governance Guidelines and Principles is available on our website at [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents".

### Risk Oversight

The Board executes its oversight responsibility for risk management directly and through its committees, as follows:

The Audit Committee has primary oversight responsibility with respect to the Company's annual enterprise risk management analysis, including financial and accounting risks. The Audit Committee discusses with management the Company's significant financial and non-financial risk exposures and the Company's risk assessment and risk management policies. Management provides to the Audit Committee periodic assessments of the Company's risk management processes and systems of internal control. The Chairperson of the Audit Committee reports to the full Board regarding material risks as deemed appropriate.

The Board's other committees oversee risks associated with their respective areas of responsibility. For example, the Compensation Committee considers the risks associated with our compensation policies and practices, with respect to both executive compensation and compensation generally. The Board is kept abreast of its committees' risk oversight and other activities via reports of the committee chairpersons to the full Board. These reports are presented at every regular Board meeting and include discussions of committee agenda topics, including matters involving risk oversight.

The Board, together with its committees, considers specific risk topics, including risks associated with our annual operating plan, our capital structure, information systems, privacy, and other cyber security risks. In addition, the Board receives reports from the members of our senior leadership team that include discussions of the risks and exposures involved in their respective areas of responsibility. Further, the Board is informed of developments that could affect our risk profile or other aspects of our business.

### Compensation Policies and Practices as They Relate to Risk Management

The Compensation Committee has reviewed and discussed the concept of risk as it relates to the Company's compensation policies and it does not believe the Company's compensation policies or practices create or encourage the taking of excessive risks that are reasonably likely to have a material adverse effect on the Company. Below are some of the highlights of the Company's compensation programs that mitigate risks associated with compensation:

- Compensation is comprised of a combination of base salary, annual cash incentive, and long-term equity incentive awards;
- While annual cash incentives are available for all full-time employees, only senior officers receive equity awards;
- Equity compensation vesting is multi-year service based and performance based with overlapping performance periods; and
- Maximum payout for cash and equity incentives is 200% of the value at target.

The Compensation Committee has identified no material risks in the compensation programs for 2020.



## **Business Conduct and Ethics**

We have a Code of Business Conduct and Ethics that applies to all of our associates, including our principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. These standards are designed to deter wrongdoing and to promote honest and ethical conduct. The Code of Business Conduct and Ethics, which addresses the subject areas covered by the SEC's rules, may be obtained free of charge through our website: [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents". Any amendment to, or waiver from, any provision of the Code of Business Conduct and Ethics required to be disclosed with respect to any senior executive or financial officer shall be posted on this website.

## **Board and Committee Information**

The Board held 19 meetings during the year ended December 31, 2020. Each director attended at least 75% of the total combined meetings held by the Board plus the meetings held by the committees of the Board on which such director served, except for Mr. Zeng and Mr. Zhang.

## **Communications with the Board**

Our stockholders and other interested parties may communicate to our Board, its committees or our non-management directors as a group, by writing to the Secretary of AMC Entertainment Holdings, Inc. at One AMC Way, 11500 Ash Street, Leawood, KS 66211. Stockholders and other interested parties should indicate that their correspondence is intended to be communicated to the Board.

## **Director Independence**

Until December 23, 2020, we availed ourselves of the "controlled company" exception under the rules of the NYSE, which permits a listed company of which more than 50% of the voting power for election of directors is held by an individual, a group or another company to not comply with certain of the NYSE's governance requirements. As a result of losing "controlled company" status, we will be required to have a majority of independent directors on our Board by no later than December 23, 2021. We currently have five independent directors: Mr. Lader, Ms. Pawlus, Dr. Saich, Mr. Sussman, and Mr. Wittlinger, as determined by our Board in accordance with NYSE rules. The remaining members of the Board, Mr. Aron, Mr. Koch, Mr. Locke, Mr. Zeng, and Mr. Zhang, are not independent under the NYSE rules or within the meaning of the Securities Exchange Act of 1934 (the "Exchange Act").

Our Board has determined that Dr. Saich, Ms. Pawlus, and Mr. Wittlinger are independent in accordance with NYSE rules and within the meaning of the Exchange Act for purposes of serving on our Audit Committee. As a result of losing "controlled company" status, we are required to have a Compensation Committee and Nominating and Corporate Governance Committee with a majority of independent members. Both the Compensation Committee and the Nominating and Corporate Governance Committee must be fully independent by no later than December 23, 2021. The Compensation Committee is currently composed of five directors, three of whom are independent. The Nominating and Corporate Governance Committee is currently composed of five directors, three of whom are independent. Committee memberships will be adjusted as necessary prior to the relevant dates.

## **Board Leadership Structure**

Under our current leadership structure, the roles of Chairperson of the Board and Chief Executive Officer are held by different individuals. Mr. Zhang serves as our non-executive Chairperson of the Board and Mr. Aron serves as our Chief Executive Officer. At this time, our Board believes that this structure is best for the Company as it allows our Chairperson to oversee board matters and assist the Chief Executive Officer with strategic initiatives, while enabling our Chief Executive Officer to develop and implement the strategic direction of the Company. Our Chairperson is not considered independent under the NYSE rules.



## Executive Sessions

Our non-management directors meet in an executive session, without members of management present, no less than once per year in accordance with the NYSE rules. Our Board Chairperson or his designee presides over these executive sessions.

## Attendance at Annual Meetings

We encourage our directors to attend our Annual Meeting of Stockholders, absent unusual circumstances. Eight directors attended the 2020 Annual Meeting of Stockholders, constituting all then-serving directors except Mr. Zeng and Mr. Zhang.

## Committees

Our Board has established three standing committees. The standing committees consist of an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The standing committees are comprised of directors as provided in the table below:

<u>Board Member</u>	<u>Audit(1)</u>	<u>Compensation</u>	<u>Nominating and Corporate Governance</u>
<b>Adam M. Aron</b>			
<b>Howard W. "Hawk" Koch, Jr.</b>		Member	Member
<b>Philip Lader</b>		Member(2)	Member
<b>Gary F. Locke</b>			Member
<b>Kathleen M. Pawlus</b>	Chairperson		
<b>Adam J. Sussman</b>		Member(2)	
<b>Anthony J. Saich</b>	Member		Chairperson
<b>Lee E. Wittlinger</b>	Member	Chairperson	Member
<b>John Zeng</b>		Member	
<b>Lin Zhang</b>			
<b>Meetings Held in 2020</b>	7	3	3

- (1) Our Audit Committee is comprised of three independent members, all of whom are financially literate as defined in the NYSE rules.
- (2) Mr. Lader and Mr. Sussman were appointed to the Compensation Committee effective March 20, 2021.

Each of our standing committees, the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, operates under a charter, which is available on our website at [www.amctheatres.com](http://www.amctheatres.com) under "Investor Relations"—"Governance"—"Governance Documents". The functions performed by each of the standing committees of the Board are briefly described below.

## Audit Committee

Our Audit Committee consists of Ms. Pawlus, Dr. Saich and Mr. Wittlinger. The Board has determined that Ms. Pawlus and Mr. Wittlinger qualify as Audit Committee financial experts as defined in Item 407(d)(5) of Regulation S-K and that each member of our Audit Committee is financially literate as defined in the NYSE rules and is independent within the meaning of Rule 10A-3 of the Exchange Act and the NYSE rules.

The principal duties and responsibilities of our Audit Committee are as follows:

- to oversee our financial reporting process and internal control system;



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- to appoint and replace our independent registered public accounting firm from time to time, determine their compensation and other terms of engagement, oversee their work and perform an annual evaluation;
- to oversee the performance of our internal audit function; and
- to oversee our compliance with legal, ethical and regulatory matters.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties.

### **Compensation Committee**

Our Compensation Committee consists of Mr. Koch, Mr. Lader, Mr. Sussman, Mr. Wittlinger and Mr. Zeng. As a result of losing "controlled company" status, we are required to have a Compensation Committee with a majority of independent members. The Compensation Committee must be fully independent by no later than December 23, 2021. Mr. Lader, Mr. Sussman, and Mr. Wittlinger are independent in accordance with the NSYE rules. Mr. Lader and Mr. Sussman were appointed to the Compensation Committee effective March 20, 2021 and did not participate in decisions relating to compensation matters for the 2020 fiscal year. The principal duties and responsibilities of our Compensation Committee are as follows:

- to provide oversight on the development and implementation of the compensation policies, strategies, plans and programs for our key employees and non-employee directors and disclosure relating to these matters;
- to review and approve the compensation of our CEO and our other executive officers; and
- to provide oversight concerning the compensation of our CEO, succession planning, performance of our CEO and compensation related matters.

The Compensation Committee may delegate to management administration of incentive compensation plans for non-executive officers. The Compensation Committee engaged and retained Aon Hewitt ("Aon"), as an independent executive compensation consultant, to provide advice on 2020 compensation matters. During 2020, Aon provided advice on executive and director compensation programs, executive and director market pay analysis, compensation peer group, CEO pay recommendations and drafting of the Compensation, Discussion and Analysis disclosures contained in the Company's Proxy Statement. The Compensation Committee reviewed the nature of its relationship with Aon and determined that there were no conflicts of interest with respect to Aon's independence.

### **Nominating and Corporate Governance Committee**

Our Nominating and Corporate Governance Committee consists of Mr. Koch, Mr. Lader, Mr. Locke, Dr. Saich and Mr. Wittlinger. As a result of losing "controlled company" status, we are required to have a Nominating and Corporate Governance Committee with a majority of independent members. The Nominating and Corporate Governance Committee must be fully independent by no later than December 23, 2021. Each of Mr. Lader, Dr. Saich and Mr. Wittlinger is independent in accordance with the NSYE rules. The principal duties and responsibilities of the Nominating and Corporate Governance Committee are as follows:

- to establish criteria for board and committee membership and recommend to our Board proposed nominees for election to the Board and for membership on committees of the Board; and
- to make recommendations to our Board regarding board governance matters and practices.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that directors are required to fulfill (including experience, qualifications, attributes, skills and other characteristics) in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Company. In identifying and screening director candidates, the Nominating and Corporate Governance Committee



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considers whether the candidates fulfill the criteria for directors approved by the Board, including integrity, objectivity, independence, sound judgment, leadership, courage and diversity of experience (for example, in relation to finance and accounting, strategy, risk, technical expertise, policy-making, etc.).

The Board has not adopted a formal diversity policy and pursuant to the Company's Corporate Governance Guidelines and Principles, the Board broadly construes diversity to mean diverse background, education, skills, age, expertise with a proven record of accomplishment and the ability to work well with others. The Nominating and Corporate Governance Committee does not assign specific weight to any particular factor but in selecting members for open Board positions, the Board takes into account such factors as it deems appropriate, which may include the current composition of the Board, the range of talents, experiences and skills that would best complement those already represented on the Board and the need for financial or other specialized expertise. The Board seeks to achieve a mix of members whose experience and backgrounds are relevant to the Company's strategic priorities and the scope and complexity of the Company's business. Overall, each of our Board members is committed to the growth of the Company for the benefit of the stockholders, contributes new ideas in a productive and congenial manner and regularly attends board meetings.

The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by stockholders using substantially the same criteria it applies to recommendations from the Nominating and Corporate Governance Committee, directors and members of management. Stockholders may submit recommendations by providing the person's name and appropriate background and biographical information in writing to the Nominating and Corporate Governance Committee at: Company Secretary, One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 or by emailing: [KConnor@amctheatres.com](mailto:KConnor@amctheatres.com). Invitations to serve as a nominee are extended by the Board itself via the Chairperson and the Chairperson of the Nominating and Corporate Governance Committee.

### **Compensation Committee Interlocks and Insider Participation**

Our Compensation Committee consists of Mr. Koch, Mr. Lader, Mr. Sussman, Mr. Wittlinger and Mr. Zeng. During the period January 1, 2020 through December 31, 2020, no member of the Compensation Committee had a relationship required to be described under the SEC rules relating to disclosure of related person transactions (other than as described below in "Related Person Transactions" with respect to agreements with Wanda and Silver Lake) and none of our executive officers served on the board of directors or compensation committee of any entity that had one or more of its executive officers serving on the Board or the Compensation Committee of the Company.



## DIRECTOR COMPENSATION

The following section presents information regarding the compensation paid during the year ended December 31, 2020 to members of our Board who were not employees of Wanda or the Company ("non-employee directors"). The other members of our Board do not receive any compensation from the Company. We reimburse all directors for any out-of-pocket expenses incurred by them in connection with their services provided in such capacity.

### Non-Employee Director Compensation

In order to attract and retain qualified non-employee directors, the Company adopted a Non-Employee Director Compensation Plan, effective January 1, 2019, pursuant to which non-employee directors are compensated for their service to the Company. Each non-employee director receives the following annual compensation for services as a Board member:

- a) an annual cash retainer of \$150,000;
- b) annual stock award with a value of \$70,000. Stock awards are made pursuant to the EIP, are fully vested at the date of grant, and are issued on the same date annual grants are made to senior management. Directors may elect to receive all or a portion of their cash retainer in stock. Stock awards must be retained until the earlier to occur of the third anniversary of the grant date or the director's departure from the Board. Unless otherwise specified by the Board, the number of shares awarded to each non-employee director is determined by dividing the value of the award by the average closing price of the stock for the five trading days prior to the date of the stock award; and
- c) an annual cash retainer for non-employee directors who serve on a committee as follows:

Committee	Chairperson	Member
Audit	\$ 30,000	\$ 10,000
Compensation	15,000	10,000
Nominating and Corporate Governance	15,000	10,000

### Director Compensation Table

The following table presents information regarding the compensation of our non-employee directors during the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Lloyd Hill(3)	\$ 97,500	\$ 85,161	\$ 182,661
Howard W. "Hawk" Koch, Jr.	157,500	66,237	223,737
Philip Lader(4)(5)	185,000	66,237	251,237
Gary F. Locke(5)	167,500	66,237	233,737
Kathleen M. Pawlus	167,500	66,237	233,737
Anthony J. Saich	162,500	66,237	228,737
Adam J. Sussman(4)	155,000	66,237	221,237
Lee E. Wittlinger(6)	—	—	—

- (1) Includes the annual cash retainer for services as a board member, the annual cash retainer for services as a member of a committee, and the annual cash retainer for services as a chairperson of a committee. In response to the COVID-19 pandemic and its impact on the Company, all non-employee directors agreed to forego 20% of all cash retainers payable from April 1 through July 31, 2020.
- (2) Represents the aggregate grant date fair values, as computed in accordance with Financial Accounting Standards Board's Accounting Standard Codification ("ASC") Topic 718, Compensation—Stock Compensation,



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calculated based upon the closing price of the Company's Common Stock on February 28, 2020 of \$6.26 per share for Mr. Hill, Mr. Koch, Mr. Lader, Mr. Locke, Ms. Pawlus, Dr. Saich, and Mr. Sussman.

- (3) Mr. Hill elected to receive a portion of his annual cash retainer in the form of stock. Mr. Hill retired from the Board effective July 29, 2020.
- (4) Members of the special litigation committee established to investigate and evaluate certain derivative claims received a \$17,500 cash fee for their service.
- (5) Members of the transaction committee established to review, analyze, negotiate and recommend certain transactions involving the Company's outstanding debt received a \$20,000 cash fee for their service.
- (6) Mr. Wittlinger has waived payment of any fees for his services as a board member.





## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our Common Stock outstanding as of June 2, 2021, with respect to:

- each person or group of affiliated persons known by us to own beneficially more than 5% of any class of the outstanding shares of Common Stock, together with their addresses;
- each of our directors, director nominees and our Named Executive Officers ("NEOs"); and
- all directors and executive officers as a group.

The address for each of our directors, director nominees and NEOs is c/o AMC Entertainment Holdings, Inc., One AMC Way, 11500 Ash Street, Leawood, Kansas 66211. Each person has sole voting and dispositive power over shares held by them, except as described below.

NAME	Common Stock Number	%
<b>Directors, Director Nominees and Named Executive Officers:</b>		
Adam M. Aron	758,747	*
Sean D. Goodman	156,705	*
Craig R. Ramsey(1)	—	—
John D. McDonald	123,739	*
Elizabeth Frank	113,780	*
Stephen A. Colanero	93,879	*
Howard W. "Hawk" Koch., Jr.	47,378	*
Philip Lader	31,968	*
Gary F. Locke	53,858	*
Kathleen M. Pawlus	33,101	*
Anthony J. Saich	43,431	*
Adam J. Sussman	31,399	*
Lee E. Wittlinger	17,722	—
John Zeng(2)	—	—
Lin Zhang(2)	—	—
All directors and executive officers as a group (18 persons)(3)	1,779,414	*

\* Less than 1%

(1) Mr. Ramsey retired effective February 28, 2020, and is no longer a reporting person of the Company, so his beneficial ownership is not publicly available.

(2) Does not include shares of Common Stock held by Wanda. Mr. Zeng and Mr. Zhang are employees of Dalian Wanda Group Co., Ltd., an affiliate of Wanda America Entertainment, Inc. They do not have the power to dispose or vote any of our capital stock held by Wanda America Entertainment, Inc.

(3) Includes 273,707 shares of Common Stock beneficially held by executive officers not named in the table.



## DELINQUENT SECTION 16(A) REPORTS

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Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Officers, directors and holders of greater than 10% of our Common Stock are required by regulations of the SEC to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based solely upon a review of the copies of such reports filed electronically with the SEC and/or written representations that no other reports were required to be filed during 2020, all filing requirements under Section 16(a) applicable to our officers, directors and 10% stockholders were satisfied timely, except for one late Form 4 for each executive officer with respect to one transaction.



## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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### Policies and Procedures with Respect to Related Transactions

The Board has adopted the AMC Entertainment Holdings, Inc. Policy on Transactions with Related Persons as our policy for the review, approval or ratification of any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is, or will be a participant, and one of the Company's executive officers, directors, director nominees, 5% stockholders (or the immediate family or household members of any of the foregoing) or any firm, corporation or other entity in which any of the foregoing persons controls, is employed by, or has a material ownership interest (each, a "Related Person") has a direct or indirect material interest.

This policy is administered by the Audit Committee. As appropriate for the circumstances, the Audit Committee will review and consider relevant facts and circumstances in determining whether to approve or ratify such transaction. Our policy includes certain factors that the Audit Committee takes into consideration when determining whether to approve a related person transaction as follows:

- the position within or relationship of the related person with the Company;
- the materiality of the transaction to the related person and the Company, including the dollar value of the transaction, without regard to profit or loss;
- the business purpose for and reasonableness of the transaction (including the anticipated profit or loss from the transaction), taken in the context of the alternatives available to the Company for attaining the purposes of the transaction;
- whether the transaction is comparable to a transaction that could be available on an arms-length basis or is on terms that the Company offers generally to persons who are not related persons;
- whether the transaction is in the ordinary course of the Company's business and was proposed and considered in the ordinary course of business; and
- the effect of the transaction on the Company's business and operations, including on the Company's internal control over financial reporting and system of disclosure controls and procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

### Related Person Transactions

#### Management Stockholders Agreement

On the closing of the merger with Wanda on August 30, 2012 ("Merger"), the Company and Wanda entered into a management stockholders agreement (the "Management Stockholders Agreement") with members of management, including certain of our NEOs. The Management Stockholders Agreement was amended in connection with our initial public offering (the "IPO"), and it continued in effect following the completion of the IPO, although the occurrence of the IPO caused certain provisions of the agreement to cease to be in effect.

*Piggyback Registration Rights.* Subject to specified limitations, all management members have unlimited piggyback registration rights. The Company has agreed to pay all registration expenses relating to these registrations.

The Management Stockholders Agreement was terminated by mutual agreement of the parties effective September 23, 2020.



### **Registration Rights Agreement**

In connection with the IPO, we entered into a registration rights agreement with Wanda (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to use its best efforts to effect registered offerings upon request from Wanda and to grant incidental or "piggyback" registration rights with respect to any Common Stock held by Wanda (including Common Stock held by Wanda upon conversion of Class B common stock of the Company held by Wanda).

The obligation to effect any demand for registration by Wanda is subject to certain conditions, including limitations on the number of demand registrations and limitations on the minimum value of securities to be registered. In connection with any registration effected pursuant to the terms of the Registration Rights Agreement, we will be required to pay for all of the fees and expenses incurred in connection with such registration, including registration fees, filing fees and printing fees. However, the underwriting discounts and selling commissions payable in respect of registrable securities included in any registration are to be paid by Wanda. We have also agreed to indemnify the holders of registrable securities against all claims, losses, damages and liabilities with respect to each registration effected pursuant to the Registration Rights Agreement.

### **Tax Sharing Agreement**

In connection with the IPO, we entered into a tax agreement with a U.S. subsidiary of Wanda. Pursuant to the tax agreement, for any period that we were members of any consolidated or other tax group of which the Wanda subsidiary was the common parent, we will pay the group's tax liabilities attributable to our activities up to the amount that would be payable by us if the Company was the common parent of the consolidated or other tax group and, in addition, we will have the right to control the filing of tax returns, audits and other tax matters of any such consolidated or other tax group.

### **Wanda Receivables**

As of December 31, 2020, the Company recorded a receivable due from Wanda of \$680,388 for reimbursement of general administrative and other expense incurred on behalf of Wanda.

### **Silver Lake Notes**

On September 14, 2018, the Company entered into an investment agreement (the "Investment Agreement") with Silver Lake Alpine, L.P., an affiliate of Silver Lake, relating to the issuance to Silver Lake (or its designated affiliates) of \$600 million principal amount of 2.95% convertible senior unsecured notes due 2024 (the "Notes") for a purchase price equal to 100% of the principal amount, subject to certain adjustments for expense reimbursement. On July 31, 2020, the Investment Agreement was amended and restated along with the indenture governing the Notes to extend the maturity date to May 1, 2026, and to grant the holders a first-priority lien on substantially all of the Company's tangible and intangible assets to secure the Notes.

Upon conversion by a holder thereof, the Company was to deliver at its election, either cash, shares of the Common Stock or a combination of cash and shares of the Common Stock. The original conversion rate was 52.7704 per \$1,000 principal amount of the Notes (which represented an initial conversion price of \$20.50 per share minus the \$1.55 per share dividend declared by the Board on September 14, 2018). In the event that the conversion price was greater than 120% of the average of the volume-weighted average price of the Common Stock for the period of ten consecutive trading days ending on September 14, 2020 (the "Reset Conversion Price"), the conversion price for the Notes would be adjusted downward to such Reset Conversion Price. However, the conversion price reset provision was subject to a conversion price floor such that the shares issuable upon conversion of all of the Notes would not exceed 30% of the Company's then outstanding fully-diluted share capital. The volume-weighted average price of the Common Stock for the ten consecutive trading days ending on September 14, 2020 was \$6.55 and, as a result, the conversion price reset provision was triggered. Effective September 14, 2020, the conversion rate was adjusted to 74.0381 per \$1,000 principal amount of the notes (representing an adjusted conversion price of \$13.51 after giving effect the conversion price floor). The conversion price reset provision was only applicable at September 14, 2020 and any further adjustments to the conversion price would be due to customary anti-dilution adjustments as set forth in the indenture governing the Notes.



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On January 27, 2021, the holders elected to convert all of the Notes and on January 29, 2021, the Company issued 44,422,860 shares of Common Stock to the holders and cancelled the \$600,000,000 first lien indebtedness represented by the Notes.

The reset provision resulted in certain shares of the Company's Class B common stock held by Wanda and its affiliates becoming subject to forfeiture and cancellation by the Company pursuant to the Stock Repurchase Agreement described below.

### **Silver Lake Investment Agreement**

**Board Representation.** Pursuant to the Investment Agreement, as long as Silver Lake and its affiliates beneficially own at least 25% of the outstanding common stock of the Company (the "Minimum Ownership Threshold") beneficially owned by them immediately following the closing contemplated by the Investment Agreement, assuming the conversion of the Notes on a full physical basis into the Company's Common Stock and subject to certain exclusions, Silver Lake will have the right to nominate a Silver Lake managing director as a director on the Board who will serve on all standing committees of the Board (to the extent permitted pursuant to the independence requirements under applicable laws). In connection with the foregoing, Lee Wittlinger, Managing Director of Silver Lake, was appointed to the Board. Additionally, for so long as Silver Lake has the right to nominate an individual to the Board, Silver Lake will be entitled to appoint a Board observer who will observe Board meetings and receive copies of all Board materials.

With the conversion of the Notes on January 29, 2021, and Silver Lake's subsequent sale of its Common Stock, Silver Lake no longer satisfies the Minimum Ownership Threshold, so the Board nomination and observer rights have expired and, if requested by the Board, Mr. Wittlinger must tender his resignation.

**Standstill Obligations.** Silver Lake and certain of its affiliates are subject to certain standstill obligations until April 29, 2021 (such period, the "Standstill Period"). During the Standstill Period, Silver Lake and such affiliates will not, among other things and subject to specified exceptions (a) acquire any securities of the Company if, immediately after such acquisition, Silver Lake, together with certain of its affiliates, would beneficially own more than 27.5% of the then outstanding common stock of the Company assuming the conversion of the Notes on a full physical basis into the Company's Common Stock and subject to certain exclusions; (b) participate in any solicitation of proxies; or (c) form, join or participate in any group (as defined in Section 13(d)(3) of the Exchange Act, as amended).

**Participation Rights.** During the period from the second to the third anniversary of closing, Silver Lake had certain rights to purchase a pro rata portion of any equity securities, or instruments convertible into or exchangeable for any equity securities, in certain proposed offerings by the Company (the "Participation Rights"). Silver Lake's Participation Rights did not apply in connection with certain excluded transactions, including any acquisitions, strategic partnerships or commercial arrangements entered into by the Company or any equity compensation plans, or underwritten offerings. The Participation Rights were limited to the percentage of the Company's common stock owned by Silver Lake (assuming conversion of the Notes) as of the offering. As of January 29, 2021, Silver Lake no longer owned any common stock, rendering the Participation Rights inapplicable.

**Registration Rights.** Silver Lake was also entitled to certain registration rights for the Notes and the shares of common stock issuable upon conversion of the Notes, subject to specified limitations. Such registration rights were fulfilled by the Company prior to the conversion of the Notes and sale of the common stock by Silver Lake.

### **Wanda Repurchase Agreement**

On September 14, 2018, the Company entered into a Stock Repurchase and Cancellation Agreement (the "Stock Repurchase Agreement") with Wanda, pursuant to which the Company repurchased 24,057,143 shares of the Company's Class B common stock held by Wanda at a price of \$17.50 per share. Additionally, pursuant to the Stock Repurchase Agreement up to 5,666,000 of the shares of the Company's Class B common stock held by Wanda following such repurchase (the "Forfeiture Shares") were subject to forfeiture and cancellation by the Company upon conversion of the Notes if the reset provision contained in the Indenture was triggered on September 14, 2020. Upon the conversion of the Notes on January 29, 2021, all of the Forfeiture Shares were forfeited and cancelled by the Company.



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The Stock Repurchase Agreement also provided that for so long as Silver Lake was entitled to nominate an individual to the Board, Wanda would not vote or exercise its right to consent in favor of any directors that were not previously approved by the Board and proposed on the Company's slate of directors at any meeting of stockholders of the Company at which any individuals to be elected to the Board were submitted for the consideration and vote of the stockholders of the Company. With the conversion of the Notes on January 29, 2021, and Silver Lake's subsequent sale of its Common Stock, Silver Lake is no longer entitled to nominate an individual to the Board.

### ***Right of First Refusal Agreement***

On September 14, 2018, the Company, Silver Lake and Wanda entered into a Right of First Refusal Agreement (the "ROFR Agreement"), which provided Silver Lake certain rights to purchase shares of the Company's common stock that Wanda proposed to sell during a period of two years from the date of execution of the ROFR Agreement or, if earlier, until such time that Wanda and its affiliates cease to beneficially own at least 50.1% of the total voting power of the Company's voting stock. Under the ROFR Agreement, in the event that Wanda and its affiliates ceased to beneficially own at least 50.1% of the total voting power of the Company's voting stock, then the Company would have the same right of first refusal over sales of the Company's common stock by Wanda as described above until the expiration of the two-year period beginning on the date of execution of the ROFR Agreement. In such event, the Company could exercise such right to purchase shares from Wanda from time to time pursuant to the ROFR Agreement in its sole discretion, subject to approval by the disinterested directors of the Board. If the Company exercised its right to purchase shares from Wanda pursuant to the ROFR Agreement, it would have the obligation under the Investment Agreement to offer to sell to Silver Lake a like number of shares of the Company's Common Stock, at the same per share price at which it purchased the Wanda shares. The rights under the ROFR Agreement expired on September 14, 2020.



## PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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The Audit Committee has selected Ernst & Young, LLP ("EY") as the independent registered public accounting firm to perform the audit of our consolidated financial statements and our internal control over financial reporting for 2021. EY served as our independent registered public accounting firm for 2020.

The Audit Committee is responsible for overseeing the qualifications, engagement, compensation, independence, and performance of the independent registered public accounting firm retained to audit the Company's consolidated financial statements and its internal control over financial reporting. The Audit Committee requires and, with its chairperson, oversees the selection process for new lead audit engagement and concurring partners every five years. Throughout this process, the Audit Committee and management will provide input to EY about AMC priorities, discuss candidate qualifications and interview potential candidates put forth by the firm. The Audit Committee will also require other key EY partners assigned to our audit to be rotated as required by the PCAOB. To help ensure continuing auditor independence, the Audit Committee will continue to periodically consider whether there should be a regular rotation of the independent auditor.

### *The 2019 RFP Process*

In 2019, the Audit Committee conducted a comprehensive request for proposal ("RFP") process, which resulted in the Audit Committee selecting EY as the new independent registered public accounting firm for 2020. KPMG LLP ("KPMG") served as the Company's independent registered public accounting firm for the year ended December 31, 2019, having served continuously in that role since 2009. KPMG participated in the RFP process along with several other independent registered public accounting firms.

On November 14, 2019, following the conclusion of the RFP process and after careful consideration of each firm's qualifications, the Audit Committee approved the engagement of EY as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2020. KPMG was dismissed as the Company's independent registered public accounting firm effective as of February 27, 2020, when the Company filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2019 with the SEC.

KPMG's audit reports on the Company's consolidated financial statements as of and for the years ended December 31, 2019 and 2018 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except as follows:

KPMG's report on the consolidated financial statements of the Company as of and for the years ended December 31, 2019 and 2018, contained separate paragraphs stating that as discussed in Notes 1 and 2 (for the year ended December 31, 2019) and Note 1 (for the year ended December 31, 2018) to the consolidated financial statements, the Company has changed its method of accounting for the recognition of revenue and certain costs as of January 1, 2018 due to the adoption of ASC 606, *Revenue from Contracts with Customers* and as discussed in Notes 1 and 3 to the consolidated financial statements for the year ended December 31, 2019, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of ASC Topic 842, *Leases*.

During the years ended December 31, 2019 and 2018, and the subsequent interim period through February 27, 2020, there were: (i) no disagreements within the meaning of Item 304(a)(1)(iv) of Regulation S-K between the Company and KPMG on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to KPMG's satisfaction, would have caused KPMG to make reference to the subject matter of the disagreements in connection with its reports on the Company's consolidated financial statements for such years; and (ii) no "reportable events" within the meaning of Item 304(a)(1)(v) of Regulation S-K.



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During the fiscal years ended December 31, 2019 and 2018 and the subsequent interim period through February 27, 2020, neither the Company nor anyone on its behalf has consulted with EY regarding: (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that EY concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

The Company filed a Form 8-K with the SEC disclosing this change in its independent registered public accounting firm on November 20, 2019.

We are asking our stockholders to ratify the selection of EY as our independent registered public accounting firm for 2021. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that a change would be in the best interests of the Company and our stockholders. If the stockholders fail to ratify the selection of this firm, the Audit Committee may appoint another independent registered public accounting firm or may decide to maintain its appointment of EY.

Representatives from EY are expected to attend the 2021 Annual Meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

The Board recommends a vote **"FOR"** ratification of the selection of EY as our independent registered public accounting firm for 2021.





## AUDIT COMMITTEE REPORT

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Our Audit Committee reviews our financial reporting process on behalf of our Board. In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited financial statements contained in the 2020 Annual Report on Form 10-K with our management and our independent registered public accounting firm for 2020, EY. Our management is responsible for the financial statements and the reporting process, including the system of internal controls. EY is responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles and expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee has discussed with EY the matters requiring discussion by Statement on Auditing Standard No. 1301, Communication with Audit Committees (as amended), and all other matters required to be discussed with the auditors. In addition, the Audit Committee has received the written disclosures and the letters from EY required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditors their independence. The Audit Committee has concluded that the independent auditors currently meet applicable independence standards.

Based on the reviews and discussions to which we refer above, the Audit Committee recommended to our Board (and our Board has approved) that the audited financial statements be included in our 2020 Annual Report on Form 10-K, for filing with the SEC.

Audit Committee of the Board of Directors

Kathleen M. Pawlus (Chairperson)  
Anthony J. Saich  
Lee E. Wittlinger



## PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table shows the fees that the Company was billed for the audit and other services provided by EY for the year ended December 31, 2020, and KPMG for the year ended December 31, 2019. The Audit Committee has considered whether the provision of such services is compatible with maintaining the independence of KPMG and EY and determined they were compatible. The Audit Committee has the sole right to engage and terminate the Company's independent registered public accounting firm, to pre-approve their performance of audit services and permitted non-audit services, and to approve all audit and non-audit fees.

Type of Fee	Year Ended December 31, 2020	Year Ended December 31, 2019
Audit Fees(1)	\$ 4,037,983	\$ 5,339,820
Audit-Related Fees(2)	1,414,195	1,092,322
Tax Fees(3)	983,057	575,357
Total	6,435,235	7,007,499

- (1) Audit Fees include the audit of our annual financial statements and our internal control over financial reporting, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for the years ended December 31, 2020 and December 31, 2019.
- (2) Audit-Related Fees includes assurance and related services by KPMG and EY that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees."
- (3) Tax Fees include professional services rendered by KPMG and EY for U.S. and international tax return preparation and tax compliance.

### Audit Committee Pre-Approval Policy

The Audit Committee has adopted policies and procedures for the pre-approval of audit services and permitted non-audit services to be performed by our independent registered public accounting firm in order to assure that the provision of such services does not impair the independent registered public accounting firm's independence. The policies provide general pre-approval for certain types of services, as well as approved costs for those services. The term of any general pre-approval is twelve months from the date of pre-approval unless the Audit Committee specifies otherwise. Any costs or services that are not given general pre-approval require specific pre-approval by the Audit Committee. The policy directs that, if management must make a judgment as to whether a proposed service is a pre-approved service, management should seek approval of the Audit Committee before such service is performed.

Requests to provide services that require specific approval by the Audit Committee must be submitted to the Audit Committee (or the chairperson of the Audit Committee as provided below) by both the independent auditor and management, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence. Under the Audit Committee's pre-approval policy, the chairperson of the Audit Committee has the authority to address any requests made for pre-approval of services between Audit Committee meetings, and the chairperson must report any pre-approval decisions made between Audit Committee meetings to the Audit Committee at its next scheduled meeting. The policy prohibits the Audit Committee from delegating its responsibility to pre-approve any permitted services to management.

The Audit Committee pre-approved all services provided by EY for 2020.



## COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

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The Compensation Committee has reviewed and discussed with management the disclosures contained in the following section entitled "Compensation Discussion and Analysis." Based on this review and discussion, the Compensation Committee recommended to the Board that the section entitled "Compensation Discussion and Analysis" be included in this Proxy Statement for the 2021 Annual Meeting.

Members of the Compensation Committee:

Lee E. Wittlinger, Chairperson  
Howard W. "Hawk" Koch, Jr.  
Philip Lader (effective March 20, 2021)  
Adam J. Sussman (effective March 20, 2021)  
John Zeng



## COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion & Analysis ("CD&A") describes the philosophy, objectives and structure of our fiscal year 2020 executive compensation program. This CD&A is intended to be read in conjunction with the tables below, which provide further detail and historical compensation information for our NEOs as identified below.

<b>Name</b>	<b>Position</b>
<b>Adam M. Aron</b>	Chief Executive Officer, President and Director
<b>Sean D. Goodman</b>	Executive Vice President and Chief Financial Officer
<b>Craig R. Ramsey(1)</b>	Former Executive Vice President and Chief Financial Officer
<b>John D. McDonald</b>	Executive Vice President, U.S. Operations
<b>Elizabeth F. Frank</b>	Executive Vice President, Worldwide Programming and Chief Content Officer
<b>Stephen A. Colanero</b>	Executive Vice President, Chief Marketing Officer

(1) Mr. Ramsey retired effective February 28, 2020.

### EXECUTIVE SUMMARY

#### 2020 Business Review; Impact of the COVID-19 Pandemic

While 2020 had an impressive start with strong January and February box office performance, the COVID-19 pandemic presented the Company with the greatest obstacle in its 100 year history. The COVID-19 pandemic and the public health response to it had a catastrophic impact on the Company's business and made previously established short and long-term performance targets extraneous to our core objective—the Company's survival.

With initial reports of COVID-19 infections in late February 2020, the Company began contingency planning for potential impacts on its business. On March 4, 2020 our theatres in Italy were ordered closed with additional restrictions following in other jurisdictions. On March 17, 2020, we temporarily suspended all theatre operations in our U.S. markets and International markets in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of our guests and theatre staff. We resumed limited operations in the International markets in early June 2020 and limited operations in the U.S. markets in late August 2020. A COVID-19 resurgence during the fourth quarter of 2020 resulted in additional local, state, and federal governmental restrictions and many previously reopened theatres in International markets temporarily suspended operations again. During periods in which theatres were not operating, the Company generated essentially no revenue while continuing to incur significant fixed costs.

Even as some theatres were allowed to reopen, our business operated at a substantial reduction when compared to pre-pandemic periods due to (i) limited new film product resulting from release postponements and shifts to home video platforms, (ii) continued closures in some of our largest markets, including New York and Los Angeles, (iii) capacity and operating restrictions at open theatres imposed by local governments, and (iv) consumer concerns over returning to public venues. When compared to fourth quarter of 2019, attendance at our theatres was down 92.3% in the U.S. and 89.2% internationally in the fourth quarter of 2020.

While availability of COVID-19 vaccines and a robust new film release calendar for later in 2021 are reasons for optimism, the Company continues to experience dramatic impacts from the pandemic. As of March 31, 2021, 585 out of 589 U.S. theatres and 97 out of 356 international theatres were operating with limited new film releases and capacity restrictions.



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In response to the COVID-19 pandemic and its impact on the business, the Company's management took a number of extraordinary actions to preserve value for the Company's stockholders, including:

- Suspended non-essential operating expenditures, including marketing & promotional and travel and entertainment expenses; and where possible, utilities, and reduced essential operating expenditures to minimum levels necessary while theatres were operating for limited hours or were closed;
- Maintained and secured theatre assets during the suspension of operations to preserve the ability to quickly initiate operations and generate revenue when permitted while eliminating or deferring non-essential capital and maintenance expenditures to minimum levels necessary;
- Developed a comprehensive AMC Safe & Clean program to prepare for and allow resumption of operations at the Company's theatres while minimizing risk to the health and safety of our guests and employees;
- Preserved relationships with a large employee base during prolonged furloughs to allow for sufficient staffing resources to efficiently recommence operations;
- Collaborated with hundreds of landlords, vendors and other business partners to manage, defer, and/or abate rent and operating expenses;
- Negotiated a first-of-its-kind deal with a major studio to share in premium video-on-demand revenue for films released with a shortened exclusive theatrical window;
- Introduced an active cash management process;
- Monitored, applied for and obtained governmental assistance where available;
- Secured nearly \$1.3 billion in new debt financing in multiple transactions between April 2020 and February 2021;
- Executed several "at-the-market" equity offerings between September 2020 and May 2021 generating nearly \$1.3 billion in gross proceeds;
- Reduced the principal amount of outstanding debt by approximately \$1.25 billion through debt exchange offers and conversion of debt to equity; and
- Arranged the sale of non-core assets, including theatres located in Lithuania, Latvia and Estonia.

### Compensation Decisions

Our compensation program is grounded in a pay-for-performance philosophy and designed with equity as a significant component of compensation. Performance goals in both our short- and long-term incentive plans are set at challenging levels, with the ultimate goal that the achievement of operating, financial and other goals will drive long-term, sustainable stockholder value growth. In addition, a key goal of executive compensation is to attract, retain, motivate and reward talented executives. However, the severe and continuing effects of the COVID-19 pandemic dramatically impacted the Company's financial performance and the price of the Company's Common Stock for reasons unrelated to the performance by our management and employees in managing the Company's business and preserving stockholder value during the pandemic. While our response to the COVID-19 pandemic warranted uncommon actions with respect to compensation programs, our underlying philosophy has not been permanently altered or abandoned.

As outlined above, in the view of the Compensation Committee, management successfully undertook major initiatives to reduce and control costs, restructure a substantial portion of the Company's debt, structure more favorable arrangements with studios and landlords, reopen theatres safely, promote attendance and keep the business ready for a return to normalcy. These initiatives, in the view of the Compensation Committee, were essential to preserving the



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Company's business and stockholder value at a critical time for the Company. Consequently, at a time when the Company needed to retain and incentivize management and employees, key aspects of the Company's previously-established incentive plans provided little value and would not work as intended, which the Compensation Committee believed was inconsistent with the aims of the Company's compensation philosophy.

Noting that the Company had seen a significant increase in voluntary resignations by important members of management resulting from financial and operational instability in the movie theatre industry generally, sizable salary reductions and a substantial decrease in the value of stock-related compensation, the Compensation Committee determined that the Company needed to take tangible steps to retain management and key employees to enable the Company to emerge from the impact of the COVID-19 pandemic. Recognizing that retention of the Company's leadership was one of the most critical issues it faced in confronting the ongoing challenges presented by the COVID-19 pandemic, the Compensation Committee made a number of strategic and extraordinary decisions during 2020. We believe that our exercises of discretion were reasonable and necessary in light of our executive officers' actions in circumventing potentially catastrophic outcomes for stockholders. Each of the decisions outlined below is more fully described in the subsequent sections of this CD&A and the tables below.

### Decisions Prior to the Onset of the COVID-19 Pandemic

- Based on the Company's recent performance and projected industry conditions in 2020, the Compensation Committee did not increase base salaries for our CEO, CFO, or other NEOs for 2020.
- Recognizing that the net profit threshold included in the performance goals for annual PSU grants since 2016 was no longer an appropriate condition for vesting due to the highly volatile nature of our industry and the fact that the market generally does not measure our performance based upon net profit, in February 2020 the outstanding PSU awards granted in 2018 and 2019 were modified to remove the net profit threshold. The PSUs remained subject to achievement of meaningful three-year Adjusted EBITDA and diluted earnings per share performance targets. Further, the net profit threshold will not be used for any compensation programs going forward.
- Commencing with the 2020 annual equity incentive grants, in order to better align compensation programs with market measures of company performance, the diluted earnings per share performance metric was replaced with a free cash flow performance metric for a portion of annual PSU grants, with the remainder subject to an Adjusted EBITDA performance goal.
- In order to provide greater incentives to attain performance within the vesting window, payouts at threshold for both annual cash incentives and long-term equity incentives were increased from 30% to 50% of target. Outstanding equity awards were not affected and continued to vest on the previous scale. Maximum payout achievable did not change.
- As a long-term incentive to provide significant returns to stockholders and more closely align those incentives with stockholder returns, the Compensation Committee approved a special grant of market price conditioned PSUs (the "2020 SPSUs") awarded to certain senior officers of the Company, including the NEOs. The 2020 SPSUs were intended to vest upon attainment of target stock prices within 10 years of grant. In exchange for the grants, the executives agreed to reductions in their total compensation, including base salary, annual cash bonus opportunity, and annual long-term incentive awards, for a period of three years.

### Decisions in Response to the COVID-19 Pandemic

- Effective April 1, 2020, the base salaries of all officers, including our CEO, CFO and other NEOs were reduced by at least 20%. Salary reductions were subsequently reinstated effective September 3, 2020 in conjunction with the reopening of a substantial number of the Company's theatres. In addition, non-healthcare employee benefits, including 401k matching contributions, were reduced or eliminated for the balance of 2020.



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- Given the impossibility of attainment of the three-year cumulative performance targets due to the COVID-19 pandemic and expected continuing industry volatility, outstanding PSU grants made in 2018, 2019, and 2020 were modified to divide each grant into three equal tranches. The three-year cumulative performance targets were replaced with three separate one-year performance targets, each allocated to a tranche. Grants remained subject to a three-year service requirement and the potential for prorated vesting was eliminated.
- The performance targets for PSU tranches allocated to the 2020 fiscal year were waived and such tranches were deemed eligible to vest below target at 90% in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. Tranches allocated to other fiscal years remained subject to achievement of substantive performance metrics.
- Vesting of RSUs and PSUs scheduled for January 2021 was accelerated to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting.
- Stock ownership guidelines applicable to the Company's NEOs were suspended.
- The 2020 SPSUs were modified to waive the performance targets for tranches I through IV and allow immediate vesting in October 2020. The shares delivered upon such accelerated vesting were made subject to a one-year holding requirement. In addition, the stock price targets for tranches V and VI were lowered from \$28 and \$32 to \$4 and \$8, respectively. These actions were taken in response to the anticipated long-term impact of the COVID-19 pandemic on the Company's stock price and the significant increase in outstanding stock resulting from stock issuances undertaken to stabilize the Company's liquidity. The 2020 SPSU recipients' compensation components were restored to their pre-reduced levels effective October 30, 2020.
- No payouts were made pursuant to the Company's annual incentive compensation program ("AIP") for 2020.
- In light of the extreme challenges faced and met by our executive officers in response to the COVID-19 pandemic, special incentive bonuses were approved in October 2020 and February 2021.

**How Our Compensation Program Works**

The Compensation Committee regularly reviews best practices in executive compensation and uses the following guidelines to design our compensation programs during ordinary business cycles, with exceptions made only under extraordinary circumstances:

<b>What We Do</b>	<ul style="list-style-type: none"> <li>✓ Pay-for-performance philosophy and culture</li> <li>✓ Strong emphasis on performance-based incentive awards</li> <li>✓ Comprehensive clawback policy</li> <li>✓ Responsible use of shares under our long-term incentive program</li> <li>✓ Stock ownership requirements for all named executive officers</li> <li>✓ Engage an independent compensation consultant</li> <li>✓ Perform an annual risk assessment of our compensation program</li> <li>✓ "Double-trigger" change-in-control provisions</li> </ul>
<b>What We Don't Do</b>	<ul style="list-style-type: none"> <li>✗ No hedging of Company stock</li> <li>✗ No excise tax gross-ups</li> <li>✗ No backdating or repricing of stock option awards</li> <li>✗ No ongoing supplemental executive retirement plans</li> <li>✗ No excessive perquisites</li> </ul>

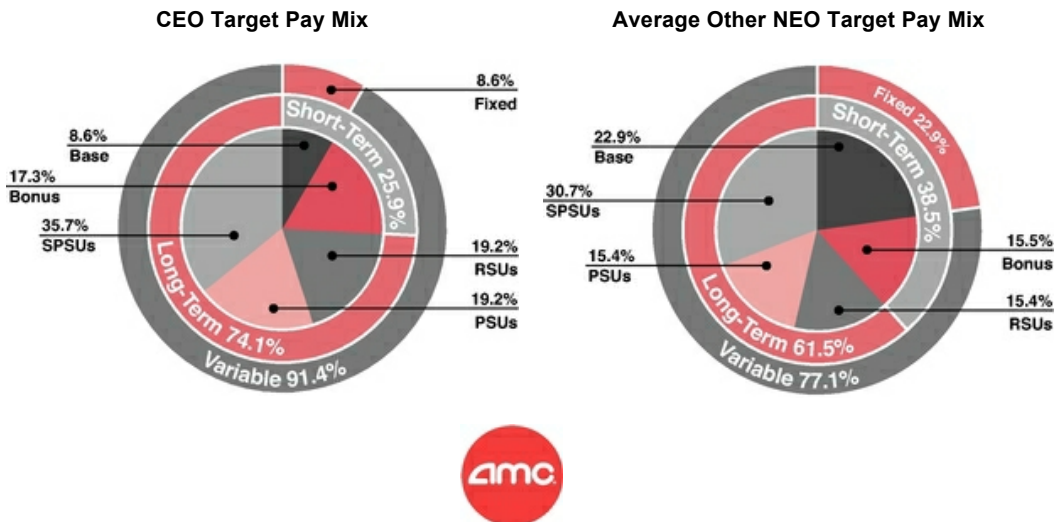


**Components of Our Pay**

Our Compensation Committee oversees our executive compensation program, which includes three primary compensation elements: base salary, annual cash incentives, and long-term equity awards. The Compensation Committee has tailored our program to incentivize and reward specific aspects of Company performance that it believes are central to delivering long-term stockholder value.

<b>Base Salary</b>
<ul style="list-style-type: none"> <li>• Fixed pay, set with regard to responsibilities, market norms, and individual performance</li> </ul>
<b>Annual Cash Incentives</b>
<ul style="list-style-type: none"> <li>• Annual incentives intended to reward short-term performance</li> <li>• For executives other than the CEO and CFO, based on:                             <ul style="list-style-type: none"> <li>• 80% corporate goals (Adjusted EBITDA) and 20% individual performance</li> </ul> </li> <li>• For the CEO and CFO, 100% based on corporate performance</li> </ul>
<b>Long-Term Equity Incentives</b>
<ul style="list-style-type: none"> <li>• Focused on incentivizing executives for long-term performance, as well as providing a retention vehicle for our top executive talent</li> <li>• Annual equity grants are delivered as:                             <ul style="list-style-type: none"> <li>• 50% time-vesting RSUs, vesting ratably over 3-years</li> <li>• 50% PSUs with vesting based on 3-year service requirements and annual Adjusted EBITDA and diluted EPS (prior to 2020) or free cash flow (2020 and after) performance targets</li> </ul> </li> </ul>

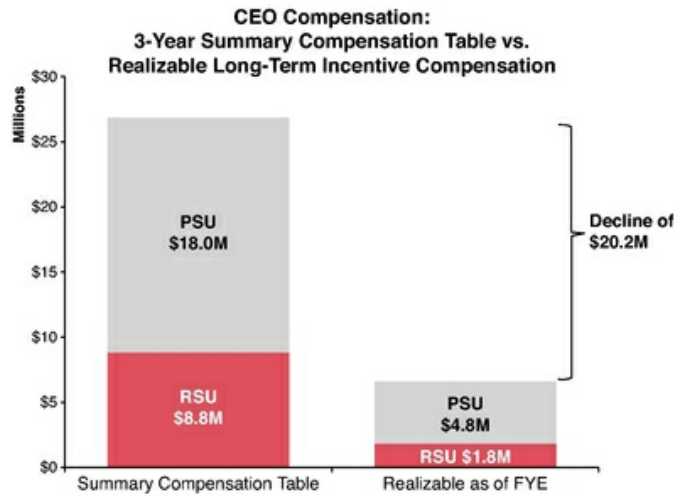
The Compensation Committee utilizes the above mentioned compensation elements to promote a performance-based culture that aligns the interests of management and stockholders. To do this, the Compensation Committee chooses an appropriate balance of fixed and variable pay as well as long-term versus short-term incentives and opportunities. In 2020, our target pay mix was as follows, excluding Mr. Ramsey, who retired early in the year, the impact of modifications to outstanding equity awards and special incentive bonuses awarded during the year:





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The realizable pay of our executives has been much lower than the figures in the Summary Compensation Table. For example, our CEO's equity grants over the past three years had an aggregate value, as reported on the Summary Compensation Table, of approximately \$26.8 million, including the impact of modifications; due to the decline in share price over that time period and the Company's performance against targets, the realizable value of those grants at target was only \$6.6 million as of December 31, 2020. The illustration below shows how our CEO's pay is aligned with our stock price performance, and therefore aligned with the interests of stockholders.



**Consideration of Say on Pay Results**

The Board and the Compensation Committee continually evaluate our compensation policies and practices. As part of that process, the Board and the Compensation Committee consider the results of our annual advisory vote on executive compensation, commonly known as the "say-on-pay" vote. At our 2020 Annual Meeting, approximately 96% of the votes were cast in support of the say-on-pay proposal. The Company has considered this voting result, and in light of this strong support, our compensation policies and decisions continue to be focused on financial performance and aligning the interests of executives with the interests of stockholders.

Further, at our 2020 Annual Meeting, a vote was held on the frequency with which the Company submits executive compensation to an advisory vote of stockholders, commonly known as the "say-when-on-pay" vote. More than 99% of the votes cast favored holding the say-on-pay vote every year and the Board and Compensation Committee plan on continuing to do so.

**EXECUTIVE COMPENSATION PHILOSOPHY AND PROGRAM OBJECTIVES**

The goals of the Compensation Committee with respect to executive compensation are:

- to attract, retain, motivate and reward talented executives;
- to tie annual compensation incentives to the achievement of specified performance objectives; and
- to achieve long-term creation of value for our stockholders by aligning the interests of these executives with those of our stockholders.

To achieve these goals, we endeavor to maintain compensation plans that tie a substantial portion of executives' overall compensation to key strategic, operational and financial goals and other non-financial goals that the Compensation Committee deems important. The Compensation Committee evaluates our compensation programs to ensure they are supportive of these goals and our business strategy and align the interests of our executives with those of our stockholders.



## EXECUTIVE COMPENSATION PROGRAM ELEMENTS

Our executive compensation program primarily consists of a combination of base salary, annual cash incentives, and long-term equity incentives. Our Compensation Committee believes that a combination of these elements offers the best approach to achieving our compensation goals, including attracting and retaining talented and capable executives and motivating our executives and other officers to expend maximum effort to improve the business results and earnings and create long-term, sustainable growth of stockholder value.

### Base Salaries

Base salaries for our NEOs are reviewed from time to time by the Compensation Committee and may be increased pursuant to such review and in accordance with guidelines contained in the various employment agreements in order to realign salaries with market levels after taking into account individual responsibilities, performance and experience. Base salaries for our NEOs are established based on several considerations, including:

- the scope of their responsibilities
- current competitive practices of peer group companies
- individual performance and achievements
- current compensation
- recommendations from the CEO for executives (other than the CEO)

The table below shows the annual base salaries for our NEOs for 2020, compared to 2019:

<u>Executive</u>	<u>2020 Base Salary</u>	<u>2019 Base Salary</u>	<u>% Increase / (Decrease)</u>
<b>Adam M. Aron</b>	\$ 1,187,500	\$ 1,250,000	(5)%
<b>Sean D. Goodman</b>	675,000	—	N/A
<b>Craig R. Ramsey</b>	750,000	750,000	0%
<b>John D. McDonald</b>	528,086	555,880	(5)%
<b>Elizabeth F. Frank</b>	528,086	555,880	(5)%
<b>Stephen A Colanero</b>	508,250	535,000	(5)%

In exchange for the 2020 SPSU grants which are described below, the NEOs agreed to certain reductions in their total compensation, including a five percent reduction in their base salary, for a period of three years. With the subsequent modification of the 2020 SPSUs, each NEO's base salary was returned to its pre-reduction level on October 30, 2020. Mr. Goodman was not a NEO in 2019 and did not receive a salary reduction in connection with the 2020 SPSUs because his initial salary was established with consideration given to the 2020 SPSU grants. Mr. Ramsey retired on February 28, 2020 and was not eligible for a salary adjustment for 2020.

In response to the COVID-19 pandemic, all NEO base salaries were reduced by 20% for the period from April 1, 2020 until September 3, 2020, when a significant portion of the Company's theatres were allowed to recommence operations.

### Annual Incentive Program

The Compensation Committee has the authority to award annual incentive bonuses to our NEOs pursuant to our annual incentive compensation program ("AIP"), which historically have been paid in cash and traditionally have been paid in a single installment in the first quarter of the subsequent year upon certification of performance by the Compensation Committee.



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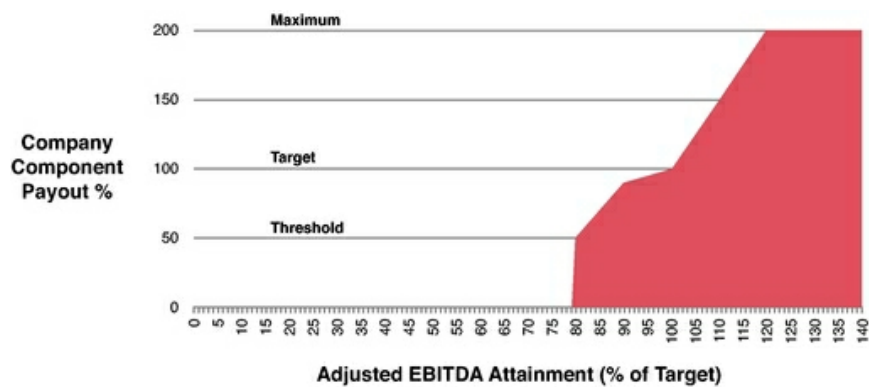
Under employment agreements with our NEOs, each NEO is eligible for an annual bonus, as it may be determined by the Compensation Committee from time to time. We believe that annual bonuses based on performance serve to align the interests of management and stockholders. Individual bonuses are performance based and, as such, can be highly variable from year to year. The annual incentive bonus opportunities for our NEOs are determined by our Compensation Committee, taking into account the recommendation of our CEO (except with respect to his own bonus).

**Payout Opportunities**

Consistent with the prior year, the aggregate bonus for each NEO was set as a percentage of base salary ranging from 65% to 200% and, except for Mr. Aron and Mr. Goodman, was apportioned to a Company component (80%) and an individual component (20%). However, in the case of Mr. Aron and Mr. Goodman, their aggregate bonus is entirely based on Company performance with no individual component.

**2020 Performance Goals**

**Company Performance:** For 2020, this component was based on attainment of Adjusted EBITDA goals, with payouts ranging from 0% to 200% of target. For purposes of the AIP, Adjusted EBITDA is determined in the same manner as described and defined in the Company's Annual Report on Form 10-K, but excluding cash distributions from non-consolidated subsidiaries and attributable EBITDA from minority equity investments. For 2020 the Adjusted EBITDA performance levels ranged from a threshold of \$577,782,400 (50% payout) to a target of \$722,228,000 (100% payout) to a maximum of \$866,673,600 (200% payout). Company performance is highly dependent upon the timing and popularity of the films released by distributors in the markets in which we operate leading to the potential for volatility and requiring a significant number of assumptions and projections involved in setting performance targets. The following chart represents the AIP payout scale for the Company component:



**Individual Performance:** The individual component of the bonus is based on achievement of individual key performance objectives and overall individual performance and contribution to our strategic and financial goals. Our Compensation Committee and, except with respect to his own bonus, our CEO, retain certain discretion to decrease or increase individual component bonuses relative to the targets based on qualitative or other subjective factors deemed relevant by the Compensation Committee. The key performance objective setting process was interrupted in 2020 by the onset of the COVID-19 pandemic.



## 2020 Payouts

The following table summarizes the AIP bonus for our NEOs for 2020:

Executive	Opportunity			Allocation		Achievement		Actual 2020 Earned AIP
	2020 Base Salary	Target (as % of base salary)	Target (\$)	Company	Individual	Company	Individual	
<b>Adam M. Aron</b>	\$ 1,250,000	200%	\$ 2,500,000	100%	—%	—%	—%	\$—
<b>Sean D. Goodman</b>	675,000	70%	472,500	100%	—%	—%	—%	—
<b>Craig R. Ramsey</b>	750,000	N/A	N/A	N/A	N/A	N/A	N/A	—
<b>John D. McDonald</b>	555,880	70%	389,100	80%	20%	—%	—%	—
<b>Elizabeth F. Frank</b>	555,880	65%	361,300	80%	20%	—%	—%	—
<b>Stephen A. Colanero</b>	535,000	65%	347,750	80%	20%	—%	—%	—

The base salary and target AIP amounts set forth above represent amounts after reinstatement of the compensation reductions in connection with the 2020 SPSUs. Our Compensation Committee and the Board did not approve any bonus amounts to be paid for performance during 2020. As a result of the COVID-19 pandemic, the Company's Adjusted EBITDA was significantly negative and did not attain the threshold performance level for the year ended December 31, 2020. Further, it was determined that individual components of the AIP would not be paid out for 2020.

## 2020 Special Incentive Bonuses

In order to recognize the extraordinary actions taken by the management team during the COVID-19 pandemic to secure the Company's survival and preserve stockholder value and to retain management and key employees to enable the Company to emerge from the impact of the COVID-19 pandemic, the Board and Compensation Committee determined it was in the Company's best interest to pay special incentive bonuses.

The special incentive bonuses were approved in two rounds with an initial amount approved in October 2020 and a final amount in February 2021. Bonus pools of approximately \$9.2 million and \$8.3 million were established in October 2020 and February 2021, respectively, for a total of \$17.5 million. The special incentive bonuses approved for the NEOs are included in the chart below.

Executive	Initial Bonus	Additional Bonus	Total Bonus
<b>Adam M. Aron</b>	\$ 1,250,000	\$ 3,750,000	\$ 5,000,000
<b>Sean D. Goodman</b>	253,750	507,500	761,250
<b>Craig R. Ramsey</b>	—	—	—
<b>John D. McDonald</b>	194,550	194,550	389,100
<b>Elizabeth F. Frank</b>	180,650	180,650	361,300
<b>Stephen A. Colanero</b>	173,875	173,875	347,750

## Equity-Based Incentive Compensation Program

Our Compensation Committee believes that the equity-based incentive compensation program furthers our goal to attract, retain and motivate talented executives by enabling such executives to participate in the Company's long-term growth and financial success and aligns the interests of management and stockholders.

Our annual grants are equally split between:

- Time-vesting Restricted Stock Units ("RSUs"); and
- Performance-vesting Performance Stock Units ("PSUs").



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Each RSU and PSU represents the right to receive one share of Common Stock on a future settlement date. To determine the size of grants, our Compensation Committee considers prior executive performance, level of responsibility, the executive's ability to influence the Company's long-term growth and business performance, among other factors. The Compensation Committee does not apply a strict methodology to these factors, and does not benchmark executive pay to a particular reference point of the peer group. Company performance is highly dependent upon the timing and popularity of the films released by distributors in the markets in which we operate leading to the potential for volatility and requiring a significant number of assumptions and projections involved in setting performance targets. Equity-based compensation components reflected in the executive compensation tables for 2020 are not representative of ongoing compensation practices due to the impacts of the one-time 2020 SPSU grants and the modifications to outstanding equity awards in response to the COVID-19 pandemic. The table below provides a breakdown of the impacts from the extraordinary non-recurring items to the NEO's reported stock awards value for 2020 in the Summary Compensation Table based on the grant or modification date fair value for each award:

<u>Executive</u>	<u>Annual Grants</u>	<u>One-Time SPSU Grants</u>	<u>Grant Modifications</u>	<u>Total Stock Awards Reported</u>
<b>Adam M. Aron</b>	\$ 5,558,880	\$ 5,172,500	\$ 4,067,608	\$ 14,798,988
<b>Sean D. Goodman</b>	1,135,439	1,034,500	691,211	2,861,150
<b>Craig R. Ramsey</b>	—	—	—	—
<b>John D. McDonald</b>	691,229	724,150	566,552	1,981,932
<b>Elizabeth F. Frank</b>	693,871	724,150	566,703	1,984,724
<b>Stephen A. Colanero</b>	697,089	724,150	566,888	1,988,126

### 2020 Annual Equity Grants & Modifications

On February 26, 2020, the Compensation Committee approved grants of RSUs, and PSUs (the "2020 RSUs" and "2020 PSUs"), to certain of the Company's employees under the EIP. Our NEOs received the following grants (in units) after giving effect to the agreed upon reductions to annual equity awards, base salary and annual incentive opportunities in exchange for the 2020 SPSUs:

<u>Executive</u>	<u>2020 RSUs</u>	<u>2020 PSUs</u>	<u>Total</u>
<b>Adam M. Aron</b>	444,000	444,000	888,000
<b>Sean D. Goodman</b>	90,690	90,690	181,380
<b>Craig R. Ramsey</b>	—	—	—
<b>John D. McDonald</b>	55,210	55,210	110,420
<b>Elizabeth F. Frank</b>	55,421	55,421	110,842
<b>Stephen A. Colanero</b>	55,678	55,678	111,356

### Restricted Stock Units

The 2020 RSUs vest ratably over a three-year period, with the first tranche vesting on the first business day of the fiscal year starting after the grant date. The executive must remain employed by the Company through the last day of the fiscal year immediately prior to the vesting date. A dividend equivalent equal to the amount paid, if any, in respect of one share of Common Stock underlying the RSUs begins accruing with respect to the RSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the RSUs.

On October 30, 2020, the 2020 RSUs were modified to provide that vesting of the first tranche would be accelerated from January 4, 2021 to December 28, 2020 to allow for certainty with regard to the tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*. The modification did not affect the scheduled vesting dates for subsequent tranches of the 2020 RSUs.



[Table of Contents](#)**Performance Stock Units**

At the time of grant, the 2020 PSUs were subject to three-year cumulative Adjusted EBITDA and free cash flow ("FCF") performance target conditions and service conditions. For purposes of the EIP, Adjusted EBITDA is determined in the same manner as described and defined in the Company's Annual Report on Form 10-K, but excluding cash distributions from non-consolidated subsidiaries and attributable EBITDA from minority equity investments. For purposes of the EIP, FCF is defined as cash flow from operations less gross capital expenditures and changes in construction payables.

Of the 2020 PSUs, 60% were awarded subject to a cumulative Adjusted EBITDA target with the remaining 40% subject to a cumulative FCF target during the performance period. Vesting of the PSUs was originally based upon the following cumulative three-year performance goals:

Metric	Weighting	Performance Goals		
		Threshold	Target	Maximum
Adjusted EBITDA(1)	60%	\$ 2,006,400,000	\$ 2,508,000,000	\$ 3,009,600,000
FCF(1)	40%	397,920,000	497,400,000	596,880,000
	<i>Potential Payout</i>		50%	100%
				200%

- (1) Adjusted EBITDA and FCF are non-GAAP financial measure and should not be construed as an alternative to net earnings and cash flow from operations (each as determined in accordance with U.S. GAAP) as indicators of operating performance.

As a result of the COVID-19 pandemic, the Compensation Committee determined that the performance targets applicable to the 2020 PSUs were unobtainable which would have the effect of eliminating the grants and thus removing an appropriate incentive for management to continue to take action to maximize operational results and preserve stockholder value. Therefore, on October 30, 2020, the 2020 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a fiscal year within the three-year performance period covered by the grant (each a "Tranche Year"). Further, the cumulative three-year performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee waived attainment of the Adjusted EBITDA and FCF performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The subsequent tranches remain subject to substantive performance targets established and approved by the Compensation Committee in conjunction with the budgeting process for the applicable year. The 2020 PSUs will be forfeited upon termination of the holder's employment for any reason prior to December 31, 2022 (eliminating the possibility of pro-rata vesting). Unless earlier forfeited, the 2020 PSUs will vest (with each tranche vesting in accordance with the performance attained during its applicable Tranche Year) on the date the Compensation Committee certifies performance levels for the final Tranche Year covered by the grant.

Following modification, the 2020 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

Tranche Year	Adjusted EBITDA Target	Certified Attainment	Eligible Vesting Level
2020	\$ 722,200,000	N/A	90%
2021	TBD	TBD	TBD
2022	TBD	TBD	TBD



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Following modification, the 2020 PSUs with FCF performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>FCF Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2020	\$ 61,600,000	N/A	90%
2021	TBD	TBD	TBD
2022	TBD	TBD	TBD

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2020 PSUs allocated to the 2020 Tranche Year was recognizable on the modification date equal to the incremental fair value. Stock compensation for the 2020 PSUs allocated to the 2021 and 2022 Tranche Years will not be determined until targets for such Tranche Years are established and will be shown in the summary compensation table for such years. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

### 2020 Special PSU Equity Grants & Modifications

On February 26, 2020, the Compensation Committee approved the one-time 2020 SPSU grants under the EIP to provide a long-term incentive to deliver significant returns to stockholders through stock appreciation. The 2020 SPSUs were originally scheduled to vest based upon achieving certain target prices for the Common Stock, subject to the certain service conditions. Achievement of the target prices was to be determined using the volume weighted average closing price of the Common Stock over a 20 trading day period ("20-day VWAP"). Any unvested 2020 SPSUs remaining were to expire and be forfeited on the tenth anniversary of the grant date. In exchange for the 2020 SPSUs, the NEOs agreed to a reduction in his or her base salary, AIP bonus opportunity, and annual equity grants under the EIP for three years. The total 2020 SPSU grants to our NEOs are set forth below:

<u>Executive</u>	<u>2020 SPSUs</u>
Adam M. Aron	1,500,000
Sean D. Goodman	300,000
Craig R. Ramsey	—
John D. McDonald	210,000
Elizabeth F. Frank	210,000
Stephen A. Colanero	210,000

For each NEO, the 2020 SPSU grant was divided into six equal tranches with each tranche vesting upon attainment of target prices for our Common Stock as set forth below:

<u>Tranche</u>	<u>Target Price (20-day VWAP)</u>
I	\$ 12
II	16
III	20
IV	24
V	28
VI	32

As a result of the anticipated long-term impact of the COVID-19 pandemic on the Company's stock price and with the significant increase in the Company's outstanding stock resulting from stock issuances undertaken to stabilize the Company's liquidity, the Compensation Committee determined that the target prices applicable to the 2020 SPSUs were not likely to be obtained before expiration, rendering their incentive and retention objectives ineffective during a time of heightened need for both. Therefore, on October 30, 2020, the 2020 SPSUs were modified to waive the target price target and service conditions for tranches I through IV, allowing for immediate vesting of such tranches, subject to a one-year



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holding requirement for the Common Stock delivered upon vesting. Further, the price targets for our Common Stock applicable for tranches V and VI were reduced to \$4 and \$8, respectively, with a one-year service condition. The stock price targets were attained for tranches V and VI in January 2021 allowing for vesting of both tranches on October 30, 2021, subject to continued employment by the NEO through such date.

As a result of the modification of the 2020 SPSUs and subsequent stock price performance, our NEOs vested in the 2020 SPSUs set forth below on October 30, 2020, and are eligible to vest in the 2020 SPSUs set forth below on October 30, 2021:

<u>Executive</u>	<u>2020 SPSUs</u>	
	<u>Vested 10/30/20</u>	<u>Eligible to Vest 10/30/21</u>
<b>Adam M. Aron</b>	1,000,000	500,000
<b>Sean D. Goodman</b>	200,000	100,000
<b>Craig R. Ramsey</b>	—	—
<b>John D. McDonald</b>	140,000	70,000
<b>Elizabeth F. Frank</b>	140,000	70,000
<b>Stephen A. Colanero</b>	140,000	70,000

In accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2020 SPSUs was recognizable on the modification date based upon the incremental fair value at the date of modification determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

### 2019 Annual Equity Award Modifications

#### Restricted Stock Units

On October 30, 2020, the 2019 RSUs were modified to provide that vesting of the next tranche would be accelerated from January 4, 2021 to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*. The modification did not affect the scheduled vesting dates for subsequent tranches of the 2019 RSUs.

#### Performance Stock Units

Recognizing that the net profit threshold was no longer an appropriate condition for vesting, in February 2020, the Compensation Committee modified the annual PSU awards originally granted in 2019 (the "2019 PSUs") to remove the net profit threshold. The modification was approved in recognition of the highly volatile nature of our industry and the fact that the market generally does not measure the Company's performance based upon net profit. The modification had no effect on the meaningful Adjusted EBITDA and diluted earnings per share ("Diluted EPS") performance targets applicable to the 2019 PSUs. For the 2019 PSUs with a Diluted EPS target, due to the level of attainment versus target levels, vesting was improbable both before and after modification so no additional stock compensation expense was recognizable in accordance with ASC 718, *Compensation—Stock Compensation*. Further, for the 2019 PSUs with an Adjusted EBITDA target, no additional stock compensation was recognized because the modification was contemporaneous with the onset of the COVID-19 pandemic which rendered attainment of the performance targets improbable.

For the same reasons set forth for the 2020 PSUs, on October 30, 2020, the 2019 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a Tranche Year. The cumulative three-year Adjusted EBITDA and Diluted EPS performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee certified actual performance against targets for the 2019 Tranche Year and set eligible vesting levels, if any, in accordance with such attainment. The Compensation Committee waived attainment of the





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performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The 2021 Tranche Year remains subject to substantive performance targets established and approved by the Compensation Committee in conjunction with the budgeting process for 2021. The 2019 PSUs will be forfeited upon termination of the holder's employment for any reason prior to December 31, 2021 (eliminating the possibility of pro-rata vesting). Unless earlier forfeited, the 2019 PSUs will vest (with each tranche vesting in accordance with the performance attained during its applicable Tranche Year) on the date Compensation Committee certifies performance levels for the final Tranche Year covered by the grant.

Following modification, the 2019 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Adjusted EBITDA Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2019	\$ 807,218,000	\$730,629,000	68.5%
2020	914,483,000	N/A	90%
2021	TBD	TBD	TBD

Following modification, the 2019 PSUs with Diluted EPS performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Diluted EPS Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
2019	\$ (0.48)	\$(1.02)	0%
2020	0.43	N/A	90%
2021	TBD	TBD	TBD

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation expense for the 2019 PSUs allocated to the 2019 and 2020 Tranche Years was recognizable on the modification date equal to the incremental fair value. Stock compensation for the 2019 PSUs allocated to the 2021 Tranche Year will not be determined until targets for such Tranche Year are established and will be shown in the summary compensation table for such year. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.

## 2018 Annual Equity Award Modifications

### Restricted Stock Units

On October 30, 2020, the 2018 RSUs were modified to provide that vesting of the final tranche would be accelerated from January 4, 2021 to December 28, 2020, to allow for certainty with regard to tax rates applicable upon vesting. Due to the immaterial nature of the modification, the lack of impact on the probability of vesting, and the stock price decline between the original grant date and modification date, no additional stock-based compensation was recognized in accordance with ASC 718, *Compensation—Stock Compensation*.

### Performance Stock Units

Similar to, and for the same reasons as, the 2019 PSUs, in February 2020, the Compensation Committee modified the annual PSU awards originally granted in 2018 (the "2018 PSUs") to remove the net profit threshold. The modification had no effect on the meaningful Adjusted EBITDA and Diluted EPS performance targets applicable to the 2018 PSUs. For the 2018 PSUs with a Diluted EPS target, due to the level of attainment versus target levels, vesting was improbable both before and after modification so no additional stock compensation expense was recognizable in accordance with ASC 718, *Compensation—Stock Compensation*. Further, for the 2018 PSUs with an Adjusted EBITDA target, no additional stock



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compensation was recognized because the modification was contemporaneous with the onset of the COVID-19 pandemic which rendered attainment of the performance targets improbable.

For the same reasons set forth for the 2020 PSUs, on October 30, 2020, the 2018 PSUs were modified to divide each grant into three equal tranches with each tranche allocated to a Tranche Year. The cumulative three-year Adjusted EBITDA and Diluted EPS performance targets were replaced with three separate targets with each applicable to a corresponding Tranche Year. The Compensation Committee certified actual performance against targets for the 2018 and 2019 Tranche Years and set eligible vesting levels, if any, in accordance with such attainment. The Compensation Committee waived attainment of the performance targets for the 2020 Tranche Year and set an eligible vesting level below target at 90% for the PSUs allocated to such year in recognition of management's extraordinary efforts in responding to the COVID-19 pandemic. The 2018 PSUs were subject to forfeiture upon termination of the holder's employment for any reason prior to December 28, 2020, the modified vesting date for the 2018 PSUs (eliminating the possibility of pro-rata vesting). The shares of stock delivered upon vesting of the 2018 PSUs on December 28, 2020, were made subject to a one-year holding requirement.

Following modification, the 2018 PSUs with Adjusted EBITDA performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Adjusted EBITDA Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
<b>2018</b>	\$ 848,118,000	\$ 886,790,000	125%
<b>2019</b>	923,686,000	821,429,000	61.5%
<b>2020</b>	984,811,000	N/A	90%

Following modification, the 2018 PSUs with Diluted EPS performance targets had the following Tranche Years with associated performance targets, certified attainments, and eligible vesting levels:

<u>Tranche Year</u>	<u>Diluted EPS Target</u>	<u>Certified Attainment</u>	<u>Eligible Vesting Level</u>
<b>2018</b>	\$ (0.33)	\$ 0.06	200%
<b>2019</b>	0.03	(1.01)	0%
<b>2020</b>	0.23	N/A	90%

Because achievement of the performance targets prior to modification was improbable and became probable after modification, in accordance with ASC 718, *Compensation—Stock Compensation*, additional stock compensation for the 2018 PSUs allocated to the 2018, 2019 and 2020 Tranche Years was recognizable on the modification date equal to the incremental fair value. See "Summary Compensation Table" and "Grants and Modifications of Plan-Based Awards" below for compensation amounts in 2020.



## COMPENSATION SETTING PROCESS

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### Independent Compensation Consultant

For compensation related decisions effective for 2020, the Compensation Committee retained the services of Aon as independent executive compensation consultant to advise the Compensation Committee on compensation matters related to the executive and director compensation programs. In 2020, Aon assisted the Compensation Committee with, among other things:

- executive and director market pay analysis;
- reviewing and making changes to the compensation peer group;
- development of executive and director pay programs;
- CEO pay recommendations;
- decisions in response to the COVID-19 pandemic; and
- Assisting with the Compensation, Discussion and Analysis disclosures.

Aon reported to the Compensation Committee and had direct access to the Chairperson and the other members of the Compensation Committee.

The Compensation Committee conducted a specific review of its relationship with Aon in 2020, and determined that Aon's work for the Compensation Committee did not raise any conflicts of interest. Aon's work has conformed to the independence factors and guidance provided by the Dodd-Frank Act, the SEC and the NYSE.

### 2020 Peer Group

The Company has adopted a peer group of companies as a reference group to provide a broad perspective on competitive pay levels and practices. Peer companies were selected based on industry classification, company size in terms of revenue and market capitalization, and similarity in business operations. The Compensation Committee periodically reviews and updates the peer group, as necessary, upon recommendation of its independent executive compensation consultant.

For 2020, the Company's peer group consisted of the following 18 companies:

AMC Networks Inc.	Discovery, Inc.	Marriott International, Inc.
Bloomin' Brands, Inc.	Hilton Worldwide Holdings, Inc.	Norwegian Cruise Line Holdings, Ltd.
Brinker International, Inc.	Hyatt Hotels Corporation	Royal Caribbean Cruises, Ltd.
Carnival Corporation	IMAX Corporation	Sinclair Broadcast Group, Inc.
Cinemark Holdings Inc.	Lions Gate Entertainment Corp	TEGNA, Inc
Darden Restaurants, Inc	Live Nation Entertainment, Inc.	Wyndham Hotels & Resorts, Inc.

Based on the selection factors mentioned above, the Compensation Committee reviewed the 2019 peer group composition and made no changes for 2020.



## OTHER COMPENSATION PRACTICES

### Compensation Clawback Policy

Pursuant to the terms of the EIP, for a period of one year following the date on which the value of an award under the EIP is realized, such value must be repaid in the event (i) the NEO is terminated for "Cause" (as defined in the NEO's respective employment agreement), or (ii) after termination for any other reason it is determined that such NEO (a) engaged in an act during his or her employment that would have warranted termination for "Cause", or (b) engaged in conduct that violated a continuing obligation to the Company. Mr. Aron's, Mr. Goodman's, Ms. Frank's, and Mr. Colanero's employment agreements require repayment of any bonus compensation based on materially inaccurate financial statements or performance metrics.

### Executive Stock Ownership Guidelines

The Company has adopted stock ownership guidelines for our NEOs, as follows:

Position	Requirement
President and CEO	3x base salary
Other NEOs	2x base salary

Each NEO is required to achieve the applicable guideline ownership amount within three years after becoming a NEO. Due to the Company's currently depressed stock price and the ongoing impacts of the COVID-19 pandemic, on October 28, 2020, the Compensation Committee suspended the stock ownership guidelines.

### Anti-Hedging Policy

Under our Insider Trading Policy, directors and officers (Vice President and above) are prohibited from engaging in short sales or investing in other kinds of hedging transactions or financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) that are designed to offset any decrease in the market value of the Company's securities.

### Retirement Benefits

We provide retirement benefits to the NEOs under both qualified and non-qualified defined benefit and defined contribution retirement plans. The Defined Benefit Retirement Income Plan for Certain Employees of American Multi-Cinema, Inc. ("AMC Defined Benefit Retirement Income Plan") and the AMC 401(k) Savings Plan are both tax-qualified retirement plans in which the NEOs participate on substantially the same terms as our other participating employees. Due to limitations on benefits imposed by the Employee Retirement Income Security Act of 1974 ("ERISA"), we established a non-qualified supplemental defined benefit plan (the "AMC Supplemental Executive Retirement Plan"). On November 7, 2006, our Board approved a proposal to freeze the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan, effective as of December 31, 2006. Benefits no longer accrue under the AMC Defined Benefit Retirement Income Plan or the AMC Supplemental Executive Retirement Plan for our NEOs or for other participants.

The "Pension Benefits" table and related narrative section "Pension and Other Retirement Plans" below describes our qualified and non-qualified defined benefit plans in which our NEOs participate.

### Non-Qualified Deferred Compensation Program

NEOs are permitted to elect to defer base salaries and their cash bonuses under the AMC Non-Qualified Deferred Compensation Plan. Amounts deferred under the plans are credited with an investment return determined as if the participant's account was invested in one or more investment funds made available by the Company and selected by the participant. The Company may, but need not, credit the deferred compensation account of any participant with a discretionary or profit sharing credit as determined by the Company. We believe that providing the NEOs with deferred



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compensation opportunities is a cost-effective way to permit officers to receive the tax benefits associated with delaying the income tax event on the compensation deferred, even though the related deduction for the Company is also deferred.

The "Non-Qualified Deferred Compensation" table and related narrative section below describe the non-qualified deferred compensation plan and the benefits thereunder.

### **Severance and Other Benefits Upon Termination of Employment**

We believe that the occurrence, or potential occurrence, of a change of control transaction will create uncertainty regarding the continued employment of our executive officers. This uncertainty results from the fact that many change of control transactions result in significant organizational changes, particularly at the senior executive level. In order to encourage certain of our executive officers to remain employed with us during an important time when their prospects for continued employment following the transaction are often uncertain, we provide the executives with severance benefits if they terminate their employment within a certain number of days following specified changes in their compensation, responsibilities or benefits following a change of control. Accordingly, we provide such protections for each of the NEOs and for other of our senior officers in their respective employment agreements. The Compensation Committee evaluates the level of severance benefits provided to our executive officers on a case-by-case basis. We consider these severance protections consistent with competitive practices.

As described in more detail below under "Compensation Discussion and Analysis—Potential Payments Upon Termination or Change of Control," pursuant to their employment agreements, each of the NEOs is entitled to severance benefits in the event of termination of employment without cause and certain NEOs are entitled to severance benefits upon death or disability. In the case of Mr. Aron, Mr. Goodman, Ms. Frank, and Mr. Colanero, resignation for good reason (as defined in their respective employment agreements) also entitles them to severance benefits.

### **Tax and Accounting**

Prior to 2018, Section 162(m) of the Internal Revenue Code generally disallowed publicly held companies a tax deduction for compensation in excess of \$1,000,000 paid to their chief executive officer and the three other most highly compensated executive officers unless such compensation qualified for an exemption for certain compensation that was based on performance. Pursuant to the 2017 Tax Cuts and Jobs Act, signed into law on December 22, 2017 (the "Tax Act"), for fiscal years beginning after December 31, 2017, subject to certain transition rules, the performance-based compensation exception to the deduction limitations under Section 162(m) is no longer be available. As a result, for fiscal years beginning after December 31, 2017, all compensation in excess of \$1,000,000 paid to the specified executives is not deductible. The Compensation Committee will continue to monitor the tax and other consequences of our executive compensation program as part of its primary objective of ensuring that compensation paid to our executive officers is reasonable, performance based and consistent with the goals of the Company and its stockholders.



## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table presents information regarding compensation of our principal executive officer and our principal financial officer, and our three other most highly compensated executive officers for services rendered during the year ended December 31, 2020. These individuals are referred to as "NEOs."

Name and Principal Position	Year	Salary	Bonus(1)	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Change in Pension Value and Nonqualified Deferred Earnings(4)(5)	All Other Compensation(6)	Total
<b>Adam M. Aron</b> Chief Executive Officer, President and Director	2020	\$1,106,491	\$5,000,000	\$14,798,988	\$—	\$—	21,306	\$20,926,785
	2019	1,250,000	—	6,480,451	1,925,000	—	16,348	9,671,799
	2018	1,100,000	—	5,472,054	2,882,000	—	16,148	9,470,202
<b>Sean D. Goodman(7)</b> Executive Vice President and Chief Financial Officer	2020	622,981	761,250	2,861,150	—	—	3,225	4,248,606
<b>Craig R. Ramsey(7)</b> Former Executive Vice President and Chief Financial Officer	2020	219,231	—	—	—	63,472	94,500	377,203
	2019	750,000	—	1,296,096	404,250	153,728	20,359	2,624,433
	2018	650,000	—	1,243,643	596,050	—	20,159	2,509,852
<b>John D. McDonald</b> Executive Vice President U.S. Operations	2020	492,061	389,100	1,981,932	—	531,035	15,408	3,409,536
	2019	555,880	—	855,420	317,501	539,283	15,041	2,283,125
	2018	534,500	—	820,811	466,933	—	14,841	1,837,085
<b>Elizabeth F. Frank</b> Executive Vice President, Worldwide Programming and Chief Content Officer	2020	492,061	361,300	1,984,724	—	238,992	12,797	3,089,874
	2019	555,880	—	855,420	294,819	151,856	12,539	1,870,514
	2018	534,500	—	820,811	440,565	—	11,873	1,807,749
<b>Stephen A. Colanero(8)</b> Executive Vice President, Chief Marketing Officer	2020	473,578	347,750	1,988,126	—	—	12,739	2,822,193
	2019	535,000	—	855,420	290,719	—	12,445	1,693,584

(1) See "Compensation Discussion and Analysis—2020 Special Incentive Bonuses" above for a discussion of the discretionary bonuses awarded to the NEOs.

(2) As required by SEC Rules, amounts shown in this column, "Stock Awards," presents the aggregate grant or modification date fair value of RSUs, PSUs and stock awards granted or modified in each year in accordance with ASC 718, *Compensation—Stock Compensation* and represents the value based on the probable outcome of performance conditions. See also Note 9—Stockholders' Equity to our audited financial statements for year ended December 31, 2020, included in our 2020 Annual Report on Form 10-K. These awards and modifications were made under the provisions of the equity-based incentive compensation program. See "Compensation Discussion and Analysis—Equity-Based Compensation Program" above for information regarding the awards, modifications and the performance criteria.

The Company granted and subsequently modified the 2020 RSUs, 2020 SPSUs, and 2020 PSUs to officers. In addition, 2018 PSUs and the 2019 PSUs were modified during 2020.



The fair value of the 2020 RSUs and 2020 PSUs at grant on February 28, 2020 was based on the closing price of the Company's common stock on the original grant date of February 28, 2020 of \$6.26. For the 2020 PSUs, the amount above includes the probable outcome at the time of grant and for the 2020 RSU's the maximum value is included. The probable (at time of grant) and maximum value of the 2020 PSUs at grant is detailed below:

	<u>Probable</u>	<u>Maximum</u>
<b>Adam M. Aron</b>		
EIP—2020 PSU	\$ 2,779,440	\$ 5,558,880
<b>Sean D. Goodman</b>		
EIP—2020 PSU	567,719	1,135,439
<b>Craig R. Ramsey</b>		
EIP—2020 PSU	—	—
<b>John D. McDonald</b>		
EIP—2020 PSU	345,615	691,229
<b>Elizabeth F. Frank</b>		
EIP—2020 PSU	346,935	693,871
<b>Stephen A. Colanero</b>		
EIP—2020 PSU	348,544	697,089

On October 30, 2020, the performance targets for the 2020 PSUs were modified and the eligible vesting level for tranche I of the 2020 PSUs was set at 90%, subject to continued employment through December 31, 2022. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranche I of the 2020 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranches II and III will not be determined until targets for such tranches are established in 2021 and 2022, respectively and will be included in the summary compensation tables for such years as applicable. For tranche I of the 2020 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On October 30, 2020, the performance targets for the 2019 PSUs were modified. For 2019 PSUs with an adjusted EBITDA targets, eligible vesting levels for tranches I and II were set at 68.5% and 90%, respectively, both subject to continued employment through December 31, 2021. For 2019 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I and II were set at 0% and 90%, respectively, both subject to continued employment through December 31, 2021. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranches I and II of the 2019 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranche III will not be determined until targets for such tranche are established in 2021 and will be included in the summary compensation tables for such year as applicable. For tranches I and II of the 2019 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On October 30, 2020, the performance targets for the 2018 PSUs were modified. For 2018 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I, II and III were set at 125%, 61.5% and 90%, respectively, each subject to continued employment through December 28, 2020. For 2018 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I, II and III were set at 200%, 0% and 90%, respectively, each subject to continued employment through December 28, 2020. Because achievement of the performance targets prior to modification was improbable, the incremental fair value (included in the table above) of tranches I, II and III of the 2018 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. For tranches I, II and III of the 2018 PSUs, the amount above includes the maximum outcome at the time of modification, which is the same as the probable outcome because the attainment has been determined.

On February 26, 2020, the 2020 SPSUs were granted with vesting conditions based upon the attainment of various stock price targets (based on a 20-day volume weighted average price) ranging from \$12 to \$32, subject to certain service requirements. The fair value at the date of grant for the 2020 SPSUs was determined utilizing a Monte Carlo simulation, which resulted in fair values ranging from \$2.56 to \$4.61 per 2020 SPSU depending on the stock price target. The amount above includes the maximum outcome for the 2020 SPSUs at the time of grant.

On October 30, 2020, the performance targets and service requirements for tranches I-IV of the 2020 SPSUs were waived to allow for immediate vesting of such 2020 SPSUs. Further, the stock price targets for tranches V and VI were reduced to \$4 and \$8, respectively, subject to a shortened service requirement. The incremental fair value at the date of modification for 2020 SPSUs was determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. The incremental fair value (included in the table above) for tranches I and II of the 2020 SPSUs as of the modification date was determined to be \$1.25 and \$1.85, respectively. The incremental fair value for tranches III through VI of the 2020 SPSUs as of the modification date was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36.

- (3) See "Compensation Discussion and Analysis—Annual Incentive Program" above for a discussion of the terms of our AIP.
- (4) This column includes the aggregate increases and decreases in actuarial present value of each NEO's accumulated benefit amounts. Mr. Ramsey retired effective February 28, 2020, and received a lump sum payout of \$389,149 from the defined benefit plan in 2020. Mr. Ramsey also received the first of four distributions under the Supplemental Executive Retirement Plan ("SERP") during 2020 in the amount of \$45,613. The increases for Mr. Ramsey



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reflected for 2020 represents the increase from January 1, 2020 until his retirement date. The amount of aggregate decreases in actuarial present value in 2018 have been omitted from the Summary Compensation Table:

		Defined Benefit Plan	Supplemental Executive Retirement Plan
Craig R. Ramsey	2020	\$ 12,338	\$ 8,227
	2019	41,609	21,574
	2018	(29,844)	(15,474)
John D. McDonald	2020	102,986	53,398
	2019	126,612	65,647
	2018	(44,828)	(23,243)

- (5) This column also includes the nonqualified deferred compensation above market earnings for the difference between market interest rates determined pursuant to SEC rules and the interest contingently credited by the Company on salary deferred by the NEOs. For 2020, the above market earnings of 7.3% to 19.3% for Mr. Ramsey, Mr. McDonald, and Ms. Frank were \$42,907, \$374,651, and \$238,992, respectively. For 2019, the above market earnings of 12.1% to 21.5% for Mr. Ramsey, Mr. McDonald, and Ms. Frank were \$90,545, \$347,024, and \$151,856, respectively. For 2018, there were no above market earnings. Further discussion on the nonqualified deferred compensation for the NEOs can be found in the "Compensation Discussion and Analysis—Nonqualified Deferred Compensation" section.
- (6) All Other Compensation is comprised of Company matching contributions under our 401(k) savings plan which is a qualified defined contribution plan and life insurance premiums. In addition, pursuant to his employment agreement, Mr. Ramsey was entitled to a one-time payment upon his retirement equal to his annual incentive bonus at target pro-rated for the number of months worked during his retirement year. The following table summarizes "All Other Compensation" provided to the NEOs for the year ended December 31, 2020:

	Company Matching Contributions to 401(k) Plan	Life Insurance Premiums	Retirement Benefit	Total
Adam M. Aron	\$ 11,400	\$ 9,906	\$ —	\$ 21,306
Sean D. Goodman	—	3,225	—	3,225
Craig R. Ramsey	5,095	1,905	87,500	94,500
John D. McDonald	11,400	4,008	—	15,408
Elizabeth F. Frank	11,400	1,397	—	12,797
Stephen A. Colanero	11,400	1,339	—	12,739

- (7) Mr. Ramsey retired and Mr. Goodman became Executive Vice President and Chief Financial Officer effective February 28, 2020. Mr. Goodman was not a NEO in 2018 or 2019.
- (8) Mr. Colanero was not a NEO in 2018.

**Description of Employment Agreements—Salary and Bonus Amounts**

We have entered into employment agreements with each of our NEOs. Change of control, severance arrangements and restrictive covenants in each of the NEO's employment agreements are discussed in detail below in the narrative section "Potential Payments Upon Termination or Change of Control."

Pursuant to each NEO's employment agreement, the executive has agreed not to disclose any confidential information about the Company at any time during or after his/her employment with the Company.

*Adam M. Aron.* We entered into an employment agreement with Mr. Aron that became effective on January 4, 2016. Mr. Aron's employment agreement includes a three-year initial term, with automatic one-year extensions each year unless the Company or Mr. Aron provides notice not to extend. The agreement provides that Mr. Aron will receive an annual base salary of no less than \$995,000, and a target incentive bonus opportunity for each year will be at least 125% of his base salary under the terms of the annual incentive plan in effect for the applicable year. The Board or Compensation Committee, based on its review, has discretion to increase (but not reduce) the base salary each year. Under the agreement, each year the Company will award Mr. Aron at least \$4,000,000 of value in long-term incentive equity compensation, 50% of which will be RSUs vesting in equal annual installments over three years, and 50% of which will be PSUs which will vest after three years based on the achievement of reasonable performance criteria.





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*Sean D. Goodman.* We entered into an employment agreement with Mr. Goodman on December 2, 2019. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. Goodman will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Mr. Goodman's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Craig R. Ramsey.* We entered into an employment agreement with Mr. Ramsey on July 1, 2001. The term of the agreement was for two years, with automatic one-year extensions each year. The agreement provided that Mr. Ramsey would receive an annual base salary that is subject to annual review by the Compensation Committee, and could be increased but not decreased, and annual bonuses based on the applicable incentive program of the Company. In making its determination with respect to salary and bonus payout levels under the agreement, the Compensation Committee considered the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above. Mr. Ramsey retired effective February 28, 2020.

*John D. McDonald.* We entered into an employment agreement with Mr. McDonald on July 1, 2001. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. McDonald will receive an annual base salary that is subject to annual review by the Compensation Committee, and can be increased but not decreased, and annual bonuses based on the applicable incentive program of the Company. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Elizabeth F. Frank.* We entered into an employment agreement with Ms. Frank on August 18, 2010. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Ms. Frank will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Ms. Frank's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

*Stephen A. Colanero.* We entered into an employment agreement with Mr. Colanero on November 24, 2009. The term of the agreement is for two years, with automatic one-year extensions each year. The agreement provides that Mr. Colanero will receive an annual base salary that is subject to annual review by the Compensation Committee and can be increased but not decreased. The employment agreement provides that Mr. Colanero's target incentive bonus shall be determined by the Board (or a committee thereof). See "Executive Compensation Program Elements"—Annual Performance Bonus" above for information regarding the target incentive bonus under the AIP. In making its determination with respect to salary and bonus payout levels, the Compensation Committee considers the factors discussed in the "Current Executive Compensation Program Elements" of the Compensation Discussion and Analysis above.

**Limitation of Liability and Indemnification of Directors and Officers**

We have entered into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements may also require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified and to obtain directors' and officers' insurance, if available on reasonable terms.



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**Grants and Modifications of Plan-Based Awards**

The following table summarizes plan-based awards granted to NEOs during the year ended December 31, 2020:

Name	Approval Date	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number Of Shares Of Stock Or Units	Grant Date Fair Value of Stock and Option Awards
			Threshold	Target 100%	Maximum	Threshold (#)	Target (#)	Maximum (#)		
<b>Adam M. Aron</b>										
AIP—										
Company(1)	N/A	N/A	\$ 1,250,000	\$ 2,500,000	\$ 5,000,000					
EIP—2020										
RSU(3)	2/26/20	2/28/20						444,000	\$2,779,440	
EIP—2020										
PSU(4)	2/26/20	2/28/20				222,000	444,000	888,000		2,779,440
EIP—2020										
SPSU(5)	2/26/20	2/26/20				N/A	1,500,000	N/A		5,172,500
EIP—2020										
PSU(6)	10/30/20	10/30/20							133,200	314,352
EIP—2020										
SPSU(7)	10/30/20	10/30/20				N/A	500,000	N/A	1,000,000	3,135,000
EIP—2019										
PSU(8)	10/30/20	10/30/20							98,480	232,413
EIP—2018										
PSU(9)	10/30/20	10/30/20							163,493	385,843
<b>Sean D. Goodman</b>										
AIP—										
Company(1)	N/A	N/A	236,250	472,500	945,000					
EIP—2020										
RSU(3)	2/26/20	2/28/20							90,690	567,719
EIP—2020										
PSU(4)	2/26/20	2/28/20				45,345	90,690	181,380		567,719
EIP—2020										
SPSU(5)	2/26/20	2/26/20				N/A	300,000	N/A		1,034,500
EIP—2020										
PSU(6)	10/30/20	10/30/20							27,208	64,211
EIP—2020										
SPSU(7)	10/30/20	10/30/20				N/A	100,000	N/A	200,000	627,000
<b>Craig R. Ramsey(10)</b>										

			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>John D. McDonald</b>										
AIP—										
Company(1)	N/A	N/A	155,646	311,293	622,586					
AIP—										
Individual(2)	N/A	N/A	N/A	77,823	N/A					
EIP—2020										
RSU(3)	2/26/20	2/28/20							55,210	345,615
EIP—2020										
PSU(4)	2/26/20	2/28/20				27,605	55,210	110,420		345,615
EIP—2020										
SPSU(5)	2/26/20	2/26/20				N/A	210,000	N/A		724,150
EIP—2020										
PSU(6)	10/30/20	10/30/20							16,563	39,089
EIP—2020										
SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	140,000	438,900
EIP—2019										
PSU(8)	10/30/20	10/30/20							13,001	30,682
EIP—2018										
PSU(9)	10/30/20	10/30/20							24,526	57,881
<b>Elizabeth F. Frank</b>										
AIP—										
Company(1)	N/A	N/A	144,529	289,058	578,115					
AIP—										
Individual(2)	N/A	N/A	N/A	72,264	N/A					
EIP—2020										
RSU(3)	2/26/20	2/28/20							55,421	346,935
EIP—2020										
PSU(4)	2/26/20	2/28/20				27,711	55,421	110,842		346,935
EIP—2020										
SPSU(5)	2/26/20	2/26/20				N/A	210,000	N/A		724,150
EIP—2020										
PSU(6)	10/30/20	10/30/20							16,627	39,240
EIP—2020										
SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	140,000	438,900
EIP—2019										
PSU(8)	10/30/20	10/30/20							13,001	30,682
EIP—2018										
PSU(9)	10/30/20	10/30/20							24,526	57,881
<b>Stephen A. Colanero</b>										
AIP—										
Company(1)	N/A	N/A	139,100	278,200	556,400					
AIP—										
Individual(2)	N/A	N/A	N/A	69,550	N/A					
EIP—2020										
RSU(3)	2/26/20	2/28/20							55,678	348,544
EIP—2020										
PSU(4)	2/26/20	2/28/20				27,839	55,678	111,358		348,544
EIP—2020										
SPSU(5)	2/26/20	2/26/20				N/A	210,000	N/A		724,150
EIP—2020										
PSU(6)	10/30/20	10/30/20							16,705	39,424
EIP—2020										
SPSU(7)	10/30/20	10/30/20				N/A	70,000	N/A	140,000	438,900
EIP—2019										
PSU(8)	10/30/20	10/30/20							13,001	30,682
EIP—2018										
PSU(9)	10/30/20	10/30/20							24,526	57,881

- (1) These awards were made under the provisions of the AIP. See "Compensation Discussion and Analysis—Annual Incentive Program" above for a discussion of the AIP and the Summary Compensation Table for the actual amounts paid. As discussed therein, no amounts were paid under the AIP in 2020.
- (2) The individual component bonus of the AIP for the year ended December 31, 2020 was granted subject a review of each NEO's individual performance and contribution to the Company's strategic and financial goals during the 2020 fiscal year. Individual component bonuses of the AIP were not paid for 2020. See "Compensation Discussion and Analysis—Annual Incentive Program" above.
- (3) Amounts shown in this row represent the number and aggregate grant date fair value of 2020 RSU awards granted by the Board and the Compensation Committee, in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The grant date fair value of the 2020 RSUs was based



on the closing price of the Company's common stock on February 28, 2020 of \$6.26 per share. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above.

- (4) Amounts shown in this row represent the number and aggregate grant date fair value of the 2020 PSU awards granted in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The fair value of the 2020 PSUs at the grant date was \$6.26 per share and was based on the closing price of the Company's common stock on February 28, 2020 and represents the probable outcome at grant date of the performance goals at the target amount. The grant consisted of PSUs with three-year cumulative adjusted EBITDA and free cash flow performance target conditions and a service condition, covering a performance period beginning January 1, 2020 and ending on December 31, 2022. The 2020 PSUs will vest upon certification of achievement of the performance targets based on a scale ranging from achievement of 80% to 120% of the performance targets with the vested amount ranging ratably from 50% to 200%. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above for additional information regarding the grant of the 2020 PSUs and the performance targets.
- (5) Amounts shown in this row represent the number and aggregate grant date fair value of the 2020 SPSU awards granted in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. The grant consisted of 2020 SPSUs with vesting based upon achievement of certain 20-day volume weighted average target prices for the Company's Common Stock during a 10 year period commencing on the grant date, subject to certain minimum service conditions. The 2020 SPSUs were divided into six equal tranches with target prices ranging from \$12 to \$32. The fair value at the date of grant for the 2020 SPSUs was determined utilizing a Monte Carlo simulation, which resulted in fair values ranging from \$2.56 to \$4.61 depending on the stock price target. The 2020 SPSUs are not subject to ratable vesting and may only vest at target. See "Compensation Discussion and Analysis—2020 Special PSU Equity Grants and Modifications" above for additional information regarding the grant of the 2020 SPSUs and the performance targets.
- (6) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2020 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the 2020 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. The eligible vesting level for tranche I of the 2020 PSUs was set at 90%, subject to continued employment through December 31, 2022. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranche I of the 2020 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranches II and III will not be determined until targets for such tranches are established in 2021 and 2022, respectively and will be included in the grants of plan based awards tables for such years as applicable. The modified tranche I of the 2020 PSUs was not considered an incentive plan award because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2020 Annual Equity Grants and Modifications" above for additional information regarding the modification of the 2020 PSUs.
- (7) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2020 SPSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the performance targets and service requirements for tranches I through IV of the 2020 SPSUs were waived to allow for immediate vesting of such 2020 SPSUs. Further, the stock price targets for tranches V and VI were reduced to \$4 and \$8, respectively, subject to a shortened service requirement. The incremental fair value at the date of modification for 2020 SPSUs was determined by comparing the fair values immediately before the modification (including the impact of declines in the Company's stock price between the original grant date and the modification date) and after the modification. The incremental fair value for tranches I and II of the 2020 SPSUs as of the modification date was determined to be \$1.25 and \$1.85, respectively. The incremental fair value for tranches III through VI of the 2020 SPSUs as of the modification date was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The modified tranches I through IV of the 2020 SPSUs were not considered an incentive plan award because the performance targets were waived at the time of modification. Tranches V and VI of the 2020 SPSUs were not subject to ratable vesting and could only vest at target. See "Compensation Discussion and Analysis—2020 Special PSU Equity Grants and Modifications" above for additional information regarding the modification of the 2020 SPSUs.
- (8) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2019 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the 2019 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. For 2019 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I and II were set at 68.5% and 90%, respectively, both subject to continued employment through December 31, 2021. For 2019 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I and II were set at 0% and 90%, respectively, both subject to continued employment through December 31, 2021. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranches I and II of the 2019 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The fair value for tranche III will not be determined until targets for such tranche are established in 2021 and will be included in the grants of plan based awards table for such year as applicable. The modified tranches I and II of the 2019 PSUs were not considered incentive plan awards because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2019 Annual Equity Award Modifications" above for additional information regarding the modification of the 2019 PSUs.
- (9) Amounts shown in this row represent the number and aggregate modification date incremental fair value of the 2018 PSU awards in accordance with accounting rules ASC 718, *Compensation—Stock Compensation*. On October 30, 2020, the performance targets for the 2018 PSUs were modified to divide the awards into three equal tranches and replace the cumulative targets with annual targets. For 2018 PSUs with adjusted EBITDA targets, eligible vesting levels for tranches I, II and III were set at 125%, 61.5% and 90%, respectively, each subject to continued employment through December 28, 2020. For 2018 PSUs with diluted earnings per share targets, eligible vesting levels for tranches I, II and III were set at 200%, 0% and 90%, respectively, each subject to continued employment through December 28, 2020. Because achievement of the performance targets prior to modification was improbable, the incremental fair value of tranches I, II and III of the 2018 PSUs at modification on October 30, 2020 was based on the closing price of the Company's common stock on October 30, 2020 of \$2.36. The modified tranches I, II and III of the 2018 PSUs were not considered incentive plan awards because the attainment was determined at the same time as the modification. See "Compensation Discussion and Analysis—2018 Annual Equity Award Modifications" above for additional information regarding the modification of the 2018 PSUs.
- (10) Mr. Ramsey retired effective February 28, 2020 and received no grants of plan based awards in 2020.



**Outstanding Equity Awards as of December 31, 2020**

The following table presents information regarding the outstanding equity awards held by our NEOs as of December 31, 2020:

Name	Grant Date	Award Type	Stock Awards			
			Number of Shares or Units of Stock That Have Not Vested (#)(1)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)	Equity Incentive Plan Awards:	
					Number of Unearned Shares or Units or Other Rights That Have Not Vested (#)(1)	Market or Payout Value Of Shares, Units or Other Rights That Have Not Vested (\$)(2)
<b>Adam M. Aron</b>						
EIP—2019 RSU(3)	3/6/19	RSU	71,387	\$ 151,340	—	\$ —
EIP—2019 PSU(4)	10/30/20	PSU	34,231	72,570	—	—
EIP—2019 PSU(5)	10/30/20	PSU	44,974	95,345	—	—
EIP—2019 PSU(6)	10/30/20	PSU	19,275	40,863	—	—
EIP—2020 RSU(7)	2/28/20	RSU	296,001	627,522	—	—
EIP—2020 PSU(8)	10/30/20	PSU	79,920	169,430	—	—
EIP—2020 PSU(9)	10/30/20	PSU	53,280	112,954	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	250,000	530,000
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	250,000	530,000
<b>Sean D. Goodman</b>						
EIP—2019 RSU(12)	12/2/19	RSU	66,667	141,334	—	—
EIP—2020 RSU(7)	2/28/20	RSU	60,461	128,177	—	—
EIP—2020 PSU(8)	10/30/20	PSU	16,325	34,609	—	—
EIP—2020 PSU(9)	10/30/20	PSU	10,883	23,072	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	50,000	106,000
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	50,000	106,000
<b>Craig R. Ramsey(13)</b>						
<b>John D. McDonald</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	36,807	78,031	—	—
EIP—2020 PSU(8)	10/30/20	PSU	9,938	21,069	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,625	14,045	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200
<b>Elizabeth F. Frank</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	36,948	78,330	—	—
EIP—2020 PSU(8)	10/30/20	PSU	9,976	21,149	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,651	14,100	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200
<b>Stephen A. Colanero</b>						
EIP—2019 RSU(3)	3/6/19	RSU	9,423	19,977	—	—
EIP—2019 PSU(4)	10/30/20	PSU	4,519	9,580	—	—
EIP—2019 PSU(5)	10/30/20	PSU	5,937	12,586	—	—
EIP—2019 PSU(6)	10/30/20	PSU	2,545	5,395	—	—
EIP—2020 RSU(7)	2/28/20	RSU	37,119	78,692	—	—
EIP—2020 PSU(8)	10/30/20	PSU	10,023	21,249	—	—
EIP—2020 PSU(9)	10/30/20	PSU	6,682	14,166	—	—
EIP—2020 SPSU(10)	10/30/20	PSU	—	—	35,000	74,200
EIP—2020 SPSU(11)	10/30/20	PSU	—	—	35,000	74,200

(1) Amount shown in this column represents the number of unvested units. Each unit will convert into one share of Common Stock immediately upon vesting. See "Compensation Discussion and Analysis—Equity-Based Incentive Compensation Program" above.



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- (2) The fair market value was calculated based on the closing price of the Company's common stock on December 31, 2020 of \$2.12 per share.
- (3) Amounts shown in this row represent the remaining number of unvested and the year-end market value of the 2019 RSU award granted by the Board and the Compensation Committee. This amount will vest on January 3, 2022.
- (4) Amounts shown in this row represent the number of unvested and the year-end market value of tranche I of the 2019 PSU awards with Adjusted EBITDA performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2019 and ending on December 31, 2019. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee certified performance sufficient to permit vesting at 68.5% of target, so the values reflected represent such level of potential vesting.
- (5) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2019 PSU awards with Adjusted EBITDA performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche II consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance targets for tranche III of the 2019 PSUs have not been set and amounts for such awards are not included in this table.
- (6) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2019 PSU awards with diluted earnings per share performance targets. The 2019 PSU awards were originally granted on March 6, 2019, but were subsequently modified on October 30, 2020. Tranche II consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2021. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Tranche I of the 2019 PSUs with diluted earnings per share performance targets did not attain sufficient performance to vest and are not included in this table. Performance targets for tranche III of the 2019 PSUs have not been set and amounts for such awards are not included in this table.
- (7) Amounts shown in this row represent the number of unvested and year-end market value of the 2020 RSU award granted by the Board and the Compensation Committee. One half of this amount will vest on each of January 3, 2022 and January 3, 2023.
- (8) Amounts shown in this row represent the number of unvested and the year-end market value of tranche I of the 2020 PSU awards with Adjusted EBITDA performance targets. The 2020 PSU awards were originally granted on February 28, 2020, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2022. The Compensation Committee waived the performance targets applicable to tranche I and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance targets for tranches II and III of the 2020 PSUs have not been set and amounts for such awards are not included in this table. See "Compensation Discussion and Analysis" above for additional information on these awards.
- (9) Amounts shown in this row represent the number of unvested and the year-end market value of tranche II of the 2020 PSU awards with free cash flow performance targets. The 2020 PSU awards were originally granted on February 28, 2020, but were subsequently modified on October 30, 2020. Tranche I consists of PSUs with a one-year performance target covering a performance period beginning January 1, 2020 and ending on December 31, 2020. The PSUs vest upon certification of achievement of the performance goals and based upon the executive's employment through December 31, 2022. The Compensation Committee waived the performance targets applicable to tranche II and approved vesting at 90% of target, so the values reflected represent such level of potential vesting. Performance goals for 2020 PSU tranches II and III have not been set and amounts for such awards are not included in this table. See "Compensation Discussion and Analysis" above for additional information on these awards.
- (10) Amounts shown in this row represent the number of unvested and the year-end market value of tranche V of the 2020 SPSU awards with 20-day volume weighted average stock price performance targets. The 2020 SPSU awards were originally granted on February 26, 2020, but were subsequently modified on October 30, 2020. Tranche V consists of PSUs with a stock price target of \$4 that expire on February 26, 2030. The PSUs vest upon attainment of the stock price target and based upon the executive's employment through October 30, 2021. Since the 2020 SPSUs are not subject to ratable vesting and can only vest at target, the values reflected represent the target level of potential vesting. The stock price performance target for tranche V was achieved on January 27, 2021, so the PSUs will vest on October 30, 2021 subject to the participant's continued service through such date.
- (11) Amounts shown in this row represent the number of unvested and the year-end market value of tranche VI of the 2020 SPSU awards with 20-day volume weighted average stock price performance targets. The 2020 SPSU awards were originally granted on February 26, 2020, but were subsequently modified on October 30, 2020. Tranche VI consists of PSUs with a stock price target of \$8 that expire on February 26, 2030. The PSUs vest upon attainment of the stock price target and based upon the executive's employment through October 30, 2021. Since the 2020 SPSUs are not subject to ratable vesting and can only vest at target, the values reflected represent the target level of potential vesting. The stock price performance target for tranche VI was achieved on January 27, 2021, so the PSUs will vest on October 30, 2021 subject to the participant's continued service through such date.
- (12) Amounts shown in this row represent the number of unvested and the year-end market value of the 2019 RSU award granted by the Board and the Compensation Committee to Mr. Goodman upon his employment date. One half of this amount will vest on each of December 2, 2021 and December 2, 2022.



(13) Mr. Ramsey retired effective February 28, 2020, and had no outstanding equity awards at December 31, 2020.

**Option Exercises and Stock Vested**

There were no options issued by the Company or exercised during the year ended December 31, 2020. The following table sets forth information on the vesting of the RSUs and PSUs for each NEO during the year ended December 31, 2020.

Name	Number of Shares Acquired on Vesting #(1)	Value Realized on Vesting (\$)
<b>Adam M. Aron</b>		
EIP—RSU(2)	129,661	\$ 967,271
EIP—RSU(3)	29,705	217,144
EIP—PSU(4)	1,000,000	2,360,000
EIP—RSU & PSU(5)	441,159	1,054,370
<b>Sean D. Goodman</b>		
EIP—PSU(4)	200,000	472,000
EIP—RSU(6)	133,333	575,999
EIP—RSU & PSU(5)	30,229	72,247
<b>Craig R. Ramsey</b>		
EIP—RSU(2)	27,521	205,307
<b>John D. McDonald</b>		
EIP—RSU(2)	18,164	135,503
EIP—RSU(3)	4,456	32,573
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,094	146,015
<b>Elizabeth F. Frank</b>		
EIP—RSU(2)	18,164	135,503
EIP—RSU(3)	4,456	32,573
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,164	146,182
<b>Stephen A. Colanero</b>		
EIP—RSU(2)	22,620	168,745
EIP—PSU(4)	140,000	330,400
EIP—RSU & PSU(5)	61,250	146,388

- (1) The amount in this column reflects the number of shares underlying RSUs and PSUs that vested during the year ended December 31, 2020.
- (2) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$7.46 on the vesting date of January 2, 2020 by the number of shares acquired on vesting.
- (3) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$7.31 on the vesting date of February 19, 2020 by the number of shares acquired on vesting.
- (4) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$2.36 on the vesting date of October 30, 2020 by the number of shares acquired on vesting.
- (5) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$2.39 on the vesting date of December 28, 2020 by the number of shares acquired on vesting.
- (6) The aggregate value upon vesting was calculated by multiplying the closing price of the Company's common stock of \$4.32 on the vesting date of December 2, 2020 by the number of shares acquired on vesting.





## Pension Benefits

The following table presents information regarding the present value of accumulated benefits that may become payable to the NEOs under our qualified and nonqualified defined-benefit pension plans as of December 31, 2020.

Name	Plan Name	Number of Years Credited Service(1)	Present Value of Accumulated Benefit(2)
Adam M. Aron	—	—	\$ —
Sean D. Goodman	—	—	—
Craig R. Ramsey(3)	Defined Benefit Retirement Income Plan	12.00	—
	Supplemental Executive Retirement Plan	12.00	152,802
John D. McDonald	Defined Benefit Retirement Income Plan	31.05	932,737
	Supplemental Executive Retirement Plan	31.05	483,617
Elizabeth F. Frank	—	—	—
Stephen A. Colanero	—	—	—

- (1) The number of years credited service represents the numbers of years of service through December 31, 2006, the date the plans were frozen.
- (2) The accumulated benefit was based on service and earnings considered by the plans for the period through December 31, 2020. The present value has been calculated assuming the NEOs will remain in service until age 65, the age at which retirement may occur without any reduction in benefits, and that the benefit is payable under the available forms of annuity consistent with the plans. The discount rate assumption was 2.26%. The post-retirement mortality assumption was based on the PRI-2012 Employees Tables with the Retiree Contingent Survivor Tables for annuitants projected forward with scale MP-2020.
- (3) Mr. Ramsey retired effective February 28, 2020, and received a lump sum payout of \$389,149 from the defined benefit plan in 2020. Mr. Ramsey also received the first of four distributions under the Supplemental Executive Retirement Plan during 2020 in the amount of \$45,613.

## Pension and Other Retirement Plans

We provide retirement benefits to the NEOs under the terms of qualified and non-qualified defined-benefit plans. The AMC Defined Benefit Retirement Income Plan is a tax-qualified retirement plan in which certain of the NEOs participate on substantially the same terms as our other participating employees. However, due to maximum limitations imposed by ERISA and the Internal Revenue Code on the annual amount of a pension which may be paid under a qualified defined-benefit plan, the benefits that would otherwise be payable to the NEOs under the Defined Benefit Retirement Income Plan are limited. Because we did not believe that it was appropriate for the NEOs' retirement benefits to be reduced because of limits under ERISA and the Internal Revenue Code, we have a non-qualified supplemental defined-benefit plan that permits the NEOs to receive the same benefit that would be paid under our qualified defined-benefit plan up to the old IRS limit, as indexed, as if the Omnibus Budget Reconciliation Act of 1993 had not been in effect. On November 7, 2006, our Board approved a proposal to freeze the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan, effective as of December 31, 2006. The material terms of the AMC Defined Benefit Retirement Income Plan and the AMC Supplemental Executive Retirement Plan are described below. For additional information on the material assumptions with respect to these plans, see Note 1 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2020.

**AMC Defined Benefit Retirement Income Plan.** The AMC Defined Benefit Retirement Income Plan is a non-contributory defined-benefit pension plan subject to the provisions of ERISA. As mentioned above, the plan was frozen effective December 31, 2006.

The plan provides benefits to certain of our employees based upon years of credited service and the highest consecutive five-year average annual remuneration for each participant. For purposes of calculating benefits, average annual





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compensation is limited by Section 401(a)(17) of the Internal Revenue Code, and is based upon wages, salaries and other amounts paid to the employee for personal services, excluding certain special compensation. Under the Defined Benefit Retirement Income Plan, a participant earns a vested right to an accrued benefit upon completion of five years of vesting service.

*AMC Supplemental Executive Retirement Plan.* AMC also sponsors a Supplemental Executive Retirement Plan to provide the same level of retirement benefits that would have been provided under the retirement plan had the federal tax law not been changed in the Omnibus Budget Reconciliation Act of 1993 to reduce the amount of compensation which can be taken into account in a qualified retirement plan. The plan was frozen, effective December 31, 2006, and no new participants can enter the plan and no additional benefits can accrue thereafter.

Subject to the forgoing, any individual who is eligible to receive a benefit from the AMC Defined Benefit Retirement Income Plan after qualifying for early, normal or late retirement benefits thereunder, the amount of which is reduced by application of the maximum limitations imposed by the Internal Revenue Code, is eligible to participate in the Supplemental Executive Retirement Plan.

The benefit payable to a participant equals the monthly amount the participant would receive under the AMC Defined Benefit Retirement Income Plan without giving effect to the maximum recognizable compensation for qualified retirement plan purposes imposed by the Internal Revenue Code, as amended by Omnibus Budget Reconciliation Act of 1993, less the monthly amount of the retirement benefit actually payable to the participant under the AMC Defined Benefit Retirement Income Plan, each as calculated as of December 31, 2006. The benefit is an amount equal to the actuarial equivalent of his/her benefit, computed by the formula above, payable in either a lump sum (in certain limited circumstances, specified in the plan) or equal semi-annual installments over a period of two to ten years, with such form, and, if applicable, period, having been irrevocably elected by the participant.

If a participant's employment with AMC terminates for any reason before the earliest date he/she qualifies for early, normal or late retirement benefits under the AMC Defined Benefit Retirement Income Plan, no benefit is payable under the Supplemental Executive Retirement Plan.

### **Nonqualified Deferred Compensation**

AMC permits the NEOs and other key employees to elect to receive a portion of their compensation reported in the Summary Compensation Table on a deferred basis. Deferrals of compensation during the year ended December 31, 2020 and in recent years have been made under the AMC Non-Qualified Deferred Compensation Plan ("NQDC"). Participants of the plan are able to defer annual salary and bonus (excluding commissions, expense reimbursement or allowances, cash and non-cash fringe benefits and any stock-based incentive compensation). Amounts deferred under the plans are credited with an investment return determined as if the participant's account were invested in one or more investment funds made available by the Company and selected by the participant. AMC may, but need not, credit the deferred compensation account of any participant with a discretionary or profit sharing credit as determined by AMC. The deferred compensation account will be distributed either in a lump sum payment or in equal annual installments over a term not to exceed 10 years as elected by the participant and may be distributed pursuant to in-service withdrawals under certain circumstances. Any such payment shall commence upon the date of a "Qualifying Distribution Event" (as such term is defined in the Non-Qualified Deferred Compensation Plan). The Qualifying Distribution Events are designed to be compliant with Section 409A of the Internal Revenue Code.



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The following table presents information regarding the contributions to and earnings on the NEOs' deferred compensation balances during the year ended December 31, 2020:

<b>Name</b>	<b>Executive Contributions in last FY(1)</b>	<b>Aggregate Earnings in Last FY</b>	<b>Aggregate Withdrawals/ Distributions</b>	<b>Aggregate Balance at Last FYE</b>
<b>Adam M. Aron</b>				
NQDC(2)	\$ —	\$ —	\$ —	\$ —
<b>Sean D. Goodman</b>				
NQDC(2)	—	—	—	—
<b>Craig R. Ramsey</b>				
NQDC(2)	5,308	63,742	805,681	—
<b>John D. McDonald</b>				
NQDC(2)	63,500	454,811	—	2,520,743
<b>Elizabeth F. Frank</b>				
NQDC(2)	—	301,025	—	1,776,605
<b>Stephen A. Colanero</b>				
NQDC(2)	—	—	—	—

- (1) These amounts are included in the Summary Compensation Table for 2020.
- (2) The above market earnings on deferred compensation are reflected in the "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the Summary Compensation Table during the year ended December 31, 2020: Mr. Aron—\$0, Mr. Goodman—\$0, Mr. Ramsey—\$42,907, Mr. McDonald—\$374,651, Ms. Frank—\$238,992, and Mr. Colanero—\$0.



**Potential Payments Upon Termination or Change of Control**

The following tables describe potential payments and other benefits that would have been received or receivable by each NEO or his or her estate under the officer's employment agreement or related plans and agreements if employment had been terminated under various circumstances on December 31, 2020:

	Termination Following a Change of Control	Death or Disability	Termination with Good Reason by Employee	Termination Without Cause by Company	Retirement
<b>Adam M. Aron</b>					
Base Salary	\$ 1,875,000	\$ —	\$ 1,875,000	\$ 1,875,000	\$ —
AIP	3,605,250	—	3,605,250	3,605,250	—
Unvested Equity Awards	6,000,000	—	6,000,000	6,000,000	—
<b>Total</b>	<b>11,480,250</b>	<b>—</b>	<b>11,480,250</b>	<b>11,480,250</b>	<b>—</b>
<b>Sean D. Goodman</b>					
Base Salary	675,000	—	675,000	675,000	—
AIP	—	—	—	—	—
Unvested Equity Awards	673,774	—	—	—	—
<b>Total</b>	<b>1,348,774</b>	<b>—</b>	<b>675,000</b>	<b>675,000</b>	<b>—</b>
<b>Craig R. Ramsey</b>					
Base Salary	—	—	—	—	—
AIP	—	—	—	—	87,500
Unvested Equity Awards	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>87,500</b>
<b>John D. McDonald</b>					
Base Salary	1,111,760	1,111,760	—	1,111,760	—
AIP	—	—	—	—	389,116
Unvested Equity Awards	423,383	—	—	—	—
<b>Total</b>	<b>1,535,143</b>	<b>1,111,760</b>	<b>—</b>	<b>1,111,760</b>	<b>389,116</b>
<b>Elizabeth Frank</b>					
Base Salary	1,111,760	—	1,111,760	1,111,760	—
AIP	—	—	—	—	—
Unvested Equity Awards	424,129	—	—	—	—
<b>Total</b>	<b>1,535,889</b>	<b>—</b>	<b>1,111,760</b>	<b>1,111,760</b>	<b>—</b>
<b>Stephen A. Colanero</b>					
Base Salary	1,070,000	—	1,070,000	1,070,000	—
AIP	—	—	—	—	—
Unvested Equity Awards	425,037	—	—	—	—
<b>Total</b>	<b>1,495,037</b>	<b>—</b>	<b>1,070,000</b>	<b>1,070,000</b>	<b>—</b>

**Employment Agreements**

In the event Mr. Aron's employment is terminated, pursuant to his employment agreement, if Mr. Aron is terminated as a result of his death or disability or without cause or for good reason (each as defined below and in the employment agreement), he will receive a pro rata portion of any incentive bonus for the year in which he was terminated if the applicable targets are met. In addition, upon his termination without cause or for good reason or as a result of the Company not renewing his contract, or not renewing it on comparable terms (each an "Involuntary Termination"), Mr. Aron will be entitled to an amount equal to 1.5 times his Base Salary plus 1.5 times the average of the Incentive Bonuses paid to Mr. Aron during the 24 months preceding the date of Mr. Aron's termination (the "Severance Benefit"). The Severance Benefit will be paid



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equally over a 24-month period. In addition, upon an Involuntary Termination, Mr. Aron will be paid \$6,000,000 of value, through a combination of RSUs vesting and cash payments, over a 3-year period following termination. Upon an Involuntary Termination, the Company will also pay Mr. Aron an amount equal to the full cost of his medical insurance for a period of 18 months.

"Cause" is defined as committing a felony, engaging in material misconduct injurious to the Company, willfully failing to perform his duties or material breach of certain agreement covenants. "Good reason" is defined as material diminution in compensation or duties, material change in location or material breach of the agreement by the Company.

Mr. Goodman is entitled to receive cash severance payments equal to one year of his base salary in the event of termination by the Company without "Cause" or by Mr. Goodman for "Good Reason" (as such term is defined below and in his employment agreement).

Mr. Ramsey retired effective February 28, 2020, and was no longer employed at December 31, 2020, so no severance benefits would have been payable as of such date. In connection with his retirement and pursuant to the terms of his employment agreement, Mr. Ramsey was paid a severance payment in the amount of \$87,500 which represented the pro rata share of his AIP at target for 2020 as of his retirement date.

In the event Mr. McDonald's employment is terminated as a result of his death, "Disability", or by the Company without "Cause" (as those terms are defined in the paragraph below and in the applicable employment agreement) he is entitled to a lump cash severance payment equal to two years of his base salary then in effect. Following a Change in Control (as defined in the paragraph below and in the applicable employment agreement), if Mr. McDonald resigns in response to a substantial adverse alteration in responsibilities, reduction in base salary, or a material reduction in benefits, he is entitled to a lump cash severance payment equal to two years of his base salary then in effect. If Mr. McDonald retires, he is entitled to a payment equal to a pro rata share of his AIP at target for the year in which he retires.

The employment agreement for Mr. McDonald defines Disability as the executive's incapacity due to physical or mental illness and the executive has not been regularly performing his duties and obligations for a period of 120 consecutive days. Cause is defined as a willful and continued failure by the executive to perform substantially his duties with the Company or the willful engaging by the executive in misconduct which is materially and demonstrably injurious to the Company. Change of Control is defined as a merger or similar transaction, provided the executive terminates his employment subsequent to a Change of Control within 60 days of the occurrence of any such event; (i) a substantial adverse alteration in executive's responsibilities from those in effect immediately prior to the Change of Control; (ii) a reduction in base salary below the rate that is in effect immediately prior to the Change of Control; or (iii) a material reduction in the benefits provided to the Executive by the Company prior to the Change of Control.

Ms. Frank and Mr. Colanero are entitled to receive cash severance payments equal to two years of their base salary in the event of termination by the Company without "Cause" or by Ms. Frank or Mr. Colanero for "Good Reason" (as such term is defined below and in her employment agreement).

Per Mr. Goodman's, Ms. Frank's and Mr. Colanero's employment agreements, Cause shall mean, as reasonably determined by the Board based on information that one or more of the following has occurred, the executive has; (i) committed a felony or similar crime; (ii) engaged in acts of fraud, dishonesty, gross negligence or other misconduct; (iii) willfully failed to perform her duties under the agreement; or (iv) breached any provision, materially breached any contract or breached any material written Company policy. Good Reason shall mean a termination of the executive's employment by means of resignation by the executive after the occurrence of any one of the following conditions; (i) a material diminution in the executive's rate of base salary; (ii) a material diminution in the executive's authority, duties, or responsibilities; (iii) a material change in the geographic location of the executive's principal office with the Company; or (iv) a material breach of the employment agreement by the Company.

**Acceleration of RSU and PSU Awards.** Unvested RSU and PSU awards do not vest upon a termination by the Company, or due to death, disability or retirement. Under the EIP, upon a Change in Control of the Company, the Compensation Committee can, in its discretion, determine to accelerate the vesting of outstanding awards at their target



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value. The tables above show the value (based on the market price of the Company's Common Stock at year-end) of any unvested equity awards at target, and the cash value of certain payments guaranteed to Mr. Aron.

Change in Control is generally defined as (1) any person other than Wanda becoming the owner of more than 35% of the combined voting power of outstanding securities of the Company, (2) over a period of two years, incumbent directors ceasing to be a majority of the board, or (3) a merger or consolidation of or the disposition of substantially all of the assets of the Company, subject to exceptions.

**Nonqualified Deferred Compensation Plan and Pension Benefits.** Upon termination for any reason, executives would receive all deferred compensation balances, subject to the terms of the Nonqualified Compensation Plan. See "Nonqualified Deferred Compensation" above for plan balances. See "Pension Benefits" above for a discussion of benefits upon termination under the Company's pension plans.

**Equity Compensation Plan Information**

The following table summarizes the EIP as of December 31, 2020.

<b>Plan Category</b>	<b>(a) Total Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>(b) Weighted-average Exercise Price of Outstanding Options, Warrants and Rights(\$)</b>	<b>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
Equity compensation plans approved by security holders	—	—	8,520,193
Equity compensation plans not approved by security holders	—	—	—

**Pay Ratio Disclosure**

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our CEO, Mr. Adam M. Aron, and the annual total compensation of our employees. This pay ratio is a reasonable estimate calculated in good faith, in a manner consistent with Item 402(u) of Regulation S-K, based on our payroll and employment records and the methodology described below. The SEC rules for identifying the "median employee" and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratios reported by other companies may not be comparable to the pay ratio set forth below, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

For the year ended December 31, 2020:

- The median of the annual total compensation of all employees of the Company (other than our CEO) was \$5,503.
- The annual total compensation of our CEO, as reported in the Summary Compensation Table presented elsewhere in this Proxy Statement, was \$20,926,785.
- Based on this information, for 2020 the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 3,803 to 1.

The COVID-19 pandemic had enormous impacts on our industry, guests and associates that significantly affected the pay ratio disclosure. Due to the pandemic and the resulting temporary theatre closures, all of our employees were partially or fully furloughed for a portion of 2020. When employees were able to return to work, it was often on reduced schedules due



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to operating restrictions imposed by local governments, limited new film releases, and reluctance of consumers to return to public venues.

Since we had used the same employee as our median for three years previously, for 2020 we were required to identify a new median employee. Following is the methodology and material assumptions we applied to identify the median of the annual total compensation of all employees, as well as to determine the annual total compensation of the "median employee":

- We selected December 31, 2020, the last day of our fiscal year, as the date upon which to identify the median employee. For the year ended December 31, 2019, we elected to use the same median employee as was identified for 2018 and 2017, as permitted by SEC rules. For the year ended December 31, 2017, we selected November 30, 2017 as the date upon which to identify the respective median employee. We used December 31 instead of November 30 for 2020 because it more closely aligned with the end of our fiscal year.
- We prepared a list of all active employees as of December 31, 2020, resulting in a list of approximately 24,600 employees in 10 countries with approximately 16,500 employees based in the U.S. and 8,100 based internationally. No countries were omitted from our determination process. The list of active employees included those furloughed on the determination date.
- We determined to use total earnings for the twelve months ended December 31, 2020, as our compensation measure. Total earnings include regular pay and additional pay elements such as overtime and tips. We used this measurement as this pay data was readily available in all of our locations and representative of our compensation structure.
- We did not make any cost-of-living adjustment in identifying the median employee and we annualized the compensation of all permanent employees included in the sample who were hired in 2020 but did not work for the entire year. However, we did not annualize compensation of any furloughed employees for the period of their furlough.
- We determined the median amount of compensation from the compiled list and the related employee was selected as our median employee. Our median employee is a part-time theatre-level film crew employee in the U.S. who was fully furloughed for five months during 2020.
- For the median employee, we combined all elements of the respective employee's compensation for 2020 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K and consistent with the determination of the total compensation of our CEO, as reported in the Summary Compensation Table presented elsewhere in this Proxy Statement.



## PROPOSAL 4: NON-BINDING ADVISORY VOTE TO APPROVE COMPENSATION OF NAMED EXECUTIVE OFFICERS

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As we discussed in the "Compensation Discussion and Analysis" above, the Company's compensation program for executive officers is designed to attract and retain high quality people and to motivate them to achieve both our long-term and short-term goals. As required by Section 14A of the Exchange Act, this proposal, commonly referred to as the "say-on-pay" resolution, seeks a stockholder advisory vote on the compensation of our Named Executive Officers as disclosed pursuant to Item 402 of Regulation S-K through the following resolution:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2021 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including Compensation Discussion and Analysis, compensation tables and narratives."

This vote is advisory and non-binding, but our Board and the Compensation Committee will consider stockholders' concerns and evaluate whether actions are necessary to address those concerns.

The Board recommends a vote **"FOR"** approval of the compensation of our Named Executive Officers, as disclosed in this proxy statement on an advisory basis.



## PROPOSAL 5: ADJOURNMENT OF ANNUAL MEETING

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If at the Annual Meeting, the number of shares of Common Stock present or represented and voting in favor of the Proposals is insufficient to approve the Proposals, our management may move to adjourn the Annual Meeting to a later date or dates, if necessary or appropriate, in order to enable our Board to solicit additional proxies in favor of the Proposals. In that event, you will be asked to vote only upon the adjournment, postponement or continuation proposal and not on any other proposals.

In this proposal, we are asking you to authorize the holder of any proxy solicited by our Board to vote in favor of adjourning, postponing or continuing the Annual Meeting and any later adjournments. If our stockholders approve the adjournment, postponement or continuation proposal, we could adjourn, postpone or continue the Annual Meeting, and any adjourned session of the Annual Meeting, to use the additional time to solicit additional proxies in favor of the Proposals, including the solicitation of proxies from stockholders that have previously voted against the proposal. Among other things, approval of the adjournment, postponement or continuation proposal could mean that, even if proxies representing a sufficient number of votes against the Proposals have been received, we could adjourn, postpone or continue the Annual Meeting without a vote on the Proposals and seek to convince the holders of those shares to change their votes to votes in favor of the approval of the Proposals.

The Board recommends a vote **"FOR"** the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Proposals.





## OTHER INFORMATION

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The Company's audited consolidated financial statements are included in the Annual Report on Form 10-K for 2020 filed with the SEC, 100 F Street N.E., Washington, D.C. 20549. Complimentary copies of the Form 10-K as filed with the SEC may be obtained by following the instructions provided below under the heading "Availability of Report on Form 10-K."

### Costs of Proxy Statement

The Company bears the cost of preparing, assembling and mailing this proxy statement and any other proxy materials transmitted on behalf of our Board. We will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding proxy materials to the beneficial owners of our Common Stock.

### Delivery of Stockholder Documents

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with accounts will be householding our proxy materials to the extent stockholders have given their prior express or implied consent in accordance with SEC rules. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent, which is deemed to be given unless you inform the broker otherwise when you receive the original notice of householding. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker to discontinue householding and direct your written request to receive a separate notice of internet availability of proxy materials or proxy statement and annual report to the Company at: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211, or by calling (913) 213-4000. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

If you have any questions regarding the proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 249-7120 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

For registered stockholders with questions about their AMC shares or a need to change a mailing address, please contact our transfer agent by writing to Computershare Trust Company, N.A., Computershare Investor Services, 462 South 4th Street, Suite 1600, Louisville, KY 40202. You may also contact our transfer agent via email at [web.queries@computershare.com](mailto:web.queries@computershare.com) or by telephone at 800-962-4284.



## STOCKHOLDER PROPOSALS

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The 2021 Annual Meeting was postponed to allow current stockholders additional time to consider proposals and vote. We plan to return to a normalized schedule for our 2022 annual meeting of stockholders (the "2022 Annual Meeting"). Therefore, the date for the 2022 Annual Meeting will change by more than 30 days from the anniversary date of the 2021 Annual Meeting. As a result, the Company is disclosing a deadline for submission of stockholder proposals for inclusion in the proxy materials for the 2022 Annual Meeting (the "2022 Proxy") pursuant to Rule 14a-8 under the Exchange Act ("Rule 14a-8"). The Company is hereby informing stockholders that to be considered for inclusion in the 2022 Proxy, stockholder proposals submitted under Rule 14a-8 must be in writing and received by the Corporate Secretary at the Company's principal offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, no later than 5:00 pm Central Time on December 31, 2021, which the Company has determined to be a reasonable time before it expects to begin to print and send the 2022 Proxy. Such proposals must also comply with the remaining requirements of Rule 14a-8. Any proposal submitted after the foregoing deadline will not be considered timely and will be excluded from the 2022 Proxy. In accordance with Rule 14a-5(f) of the Exchange Act, if the stockholder proposal deadline changes, the Company will announce the new date in a quarterly report on Form 10-Q or on a current report on Form 8-K.

Additionally, in accordance with the advance notice provisions set forth in the Company's Bylaws, in order for a stockholder proposal submitted outside of Rule 14a-8 or a director nomination submitted by a stockholder to be considered timely when an annual meeting is changed by more than 30 days from the anniversary of the prior annual meeting, it must be received no earlier than 60 days prior to such annual meeting and not later than the close of business on the later of the 30<sup>th</sup> day prior to such annual meeting or the 10<sup>th</sup> day following the public announcement of the meeting date. When the 2022 Annual Meeting date is determined, we will announce the deadlines for such proposals in a quarterly report on Form 10-Q or in a current report on Form 8-K.



## AVAILABILITY OF REPORT ON FORM 10-K

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Upon your written request, we will provide to you a complimentary copy of our 2020 Annual Report on Form 10-K (without exhibits and separate financial statements of non-consolidated subsidiaries) as filed with the SEC. We will provide you a copy of the exhibits and separate financial statements of non-consolidated subsidiaries to our 2020 Annual Report on Form 10-K upon payment of our reasonable duplicating and shipping expenses. Your request should be mailed to AMC's offices, addressed as follows: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211. A free copy of the Form 10-K may also be obtained at the Internet web site maintained by the SEC at [www.sec.gov](http://www.sec.gov) and by visiting our Internet web site at [www.amctheatres.com](http://www.amctheatres.com) and clicking on "Investor Relations," then on "Financial Performance."

By Order of the Board of Directors,

One AMC Way, 11500 Ash Street  
Leawood, KS 66211



Senior Vice President, General Counsel and Secretary

June 16, 2021



**APPENDIX A**

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**Certificate of Amendment to the Third  
Amended and Restated Certificate of Incorporation  
of  
AMC Entertainment Holdings, Inc.**

AMC Entertainment Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. Article IV.A. of the Third Amended and Restated Certificate of Incorporation of the Corporation, as amended by the Certificates of Amendment dated July 29, 2020 and January 22, 2021, respectively (the "Certificate of Incorporation"), is hereby amended to read in its entirety as follows:

A. The total number of shares of capital stock that the Corporation has authority to issue is 574,173,073 shares, consisting of (i) 524,173,073 shares of Class A Common Stock, par value \$0.01 per share (the "*Class A Common Stock*," or the "*Common Stock*"), and (ii) 50,000,000 shares of Preferred Stock, par value \$0.01 per share (the "*Preferred Stock*"). Effective January 1, 2022, the total number of shares of capital stock that the Corporation has authority to issue will be 599,173,073 shares, consisting of (i) 549,173,073 shares of Class A Common Stock, and (ii) 50,000,000 shares of Preferred Stock.

2. The remaining provisions of Article IV of the Certificate of Incorporation shall remain the same and in full force and effect.

3. The foregoing amendment to the Certificate of Incorporation was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

**IN WITNESS WHEREOF**, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by the undersigned officer, duly authorized, as of the [ • ] day of [ • ].

AMC ENTERTAINMENT HOLDINGS, INC.

By: \_\_\_\_\_  
Name: Kevin M. Connor  
Title: *Senior Vice President, General Counsel & Secretary*





AMC ENTERTAINMENT HOLDINGS, INC.  
 ONE AMC WAY  
 11500 ASH STREET  
 LEAWOOD, KS 66217  
 ATTN: LEGAL DEPARTMENT

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D55681-P58902

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

AMC ENTERTAINMENT HOLDINGS, INC.

The Board of Directors recommends you vote FOR the following proposals:			For	Against	Abstain				For	Against	Abstain
1.	To approve an amendment to our Third Amended and Restated Certificate of Incorporation to increase the total number of shares of Class A Common Stock (par value \$0.01 per share) the Company shall have the authority to issue by 25,000,000 shares to a total of 549,173,073 shares of Class A Common Stock effective January 1, 2022 ("Proposal 1").		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3.	To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2021 ("Proposal 3").		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To elect to our Board of Directors the following nominees for terms expiring at the 2024 Annual Meeting:					4.	To conduct a non binding advisory vote to approve the compensation of named executive officers ("Proposal 4").		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Nominees:</b>		<b>For</b>		<b>Withhold</b>	5.	To approve the adjournment of the Annual Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the proposals ("Proposal 5").		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2a. Mr. Philip Lader		<input type="checkbox"/>		<input type="checkbox"/>	<b>NOTE:</b> Such other business as may properly come before the meeting or any adjournment thereof.					
	2b. Mr. Gary F. Locke		<input type="checkbox"/>		<input type="checkbox"/>						
	2c. Mr. Adam J. Sussman		<input type="checkbox"/>		<input type="checkbox"/>						

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**  
The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

D55682-P58902

**AMC ENTERTAINMENT HOLDINGS, INC.  
Annual Meeting of Stockholders  
July 29, 2021 2:00 PM (Central Time)  
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Kevin Connor and Sean Goodman, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common stock of AMC ENTERTAINMENT HOLDINGS, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 2:00 PM (Central Time) on July 29, 2021 at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

(Continued and to be signed on reverse side)

# **EXHIBIT H**

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material under §240.14a-12

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies: \_\_\_\_\_
- (2) Aggregate number of securities to which transaction applies: \_\_\_\_\_
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): \_\_\_\_\_
- (4) Proposed maximum aggregate value of transaction: \_\_\_\_\_
- (5) Total fee paid: \_\_\_\_\_
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid: \_\_\_\_\_
- (2) Form, Schedule or Registration Statement No.: \_\_\_\_\_
- (3) Filing Party: \_\_\_\_\_
- (4) Date Filed: \_\_\_\_\_
- 
- 

*The following communication was made available by Adam Aron on his Twitter account @CEOAdam, on July 6, 2021:*





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#### Additional Information and Where to Find It

This communication may be deemed solicitation material in respect of the Annual Meeting of stockholders (the "Annual Meeting") of AMC Entertainment Holdings, Inc. ("AMC" or the "Company"). This communication does not constitute a solicitation of any vote or approval. In connection with the Annual Meeting, the Company filed a definitive proxy statement with the Securities and Exchange Commission (the "SEC") on June 16, 2021 regarding the business to be conducted at the Annual Meeting. The Company may also file other documents with the SEC regarding the business to be conducted at the Annual Meeting. This document is not a substitute for the proxy statement or any other document that may be filed by the Company with the SEC.

BEFORE MAKING ANY VOTING DECISION, THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND ANY AMENDMENTS THERETO, IN THEIR ENTIRETY AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE BUSINESS TO BE CONDUCTED AT THE ANNUAL MEETING.

Stockholders may obtain a free copy of the proxy statement and other documents the Company files with the SEC (when available) through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The Company makes available free of charge on its investor relations website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) copies of materials it files with, or furnishes to, the SEC.

#### Participants in the Solicitation

The Company and its directors, executive officers and certain employees and other persons may be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the business to be conducted at the Annual Meeting. Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the SEC on March 12, 2021 (the "2021 Form 10-K"). To the extent the holdings of the Company's securities by the Company's directors and executive officers have changed since the amounts set forth in the Company's 2021 Form 10-K, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

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## Forward Looking Statements

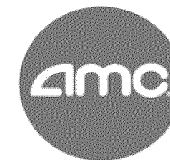
This communication includes “forward-looking statements” within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance levels and our liquidity. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result in AMC seeking an in-court or out-of-court restructuring of its liabilities; the potential impact of AMC’s existing or potential lease defaults; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general, including AMC’s response to the COVID-19 virus related to suspension of operations at theatres, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at AMC’s facilities to protect the health and well-being of AMC’s customers and employees; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; the manner, timing and amount of benefit AMC receives under the CARES Act or other applicable governmental benefits and support; the impact of impairment losses; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in the Company’s 2021 Form 10-K filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

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# **EXHIBIT I**

AMC Entertainment Holdings, Inc.  
Annual Meeting - May 4, 2021  
Unofficial Vote Summary  
Meeting Quorum 37.29%  
Common Stock Outstanding 450,156,186  
Shares Needed for Approval 57,230,410

April 27, 2021



**D.F. KING**  
An AST Company

NFS Proportionate Vote					
FOR % CAST	FOR	AGAINST	ABSTAIN	TOTAL O/S	DAILY FOR %
35.05%	4,137,922	7,490,568	176,267	50,972,694	24.15%

**P1: To Approve an Amendment to Increase Authorized Common Stock (Majority of Outstanding)**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	21,445	For	93,706,501	For	93,727,946	55.84%	20.82%	(981,189)
Against	4,798	Against	72,545,238	Against	72,550,036	43.22%	16.12%	2,465,361
Abstain	244	Abstain	1,569,458	Abstain	1,569,702	0.94%	0.35%	130,361
	<b>26,487</b>		<b>167,821,197</b>		<b>167,847,684</b>	<b>100.00%</b>	<b>37.29%</b>	<b>1,614,533</b>

**P2: Election of Directors (Plurality of Votes Cast)**

**2a. Mr. Philip Lader**

Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	29,073	For	53,881,214	For	53,910,287	73.12%	11.98%	1,388,944
Withhold	2,110	Withhold	19,817,773	Withhold	19,819,883	26.88%	4.40%	610,102
	<b>31,183</b>		<b>73,698,987</b>		<b>73,730,170</b>	<b>100.00%</b>	<b>16.38%</b>	<b>1,999,046</b>

**2b. Mr. Gary F. Locke**

Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	29,455	For	53,344,229	For	53,373,684	72.39%	11.86%	1,380,696
Withhold	1,728	Withhold	20,354,759	Withhold	20,356,487	27.61%	4.52%	618,349
	<b>31,183</b>		<b>73,698,988</b>		<b>73,730,171</b>	<b>100.00%</b>	<b>16.38%</b>	<b>1,999,045</b>

**2c. Mr. Adam J. Sussman**

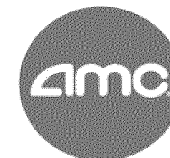
Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	28,322	For	55,273,422	For	55,301,744	75.01%	12.29%	1,425,860
Withhold	2,861	Withhold	18,425,567	Withhold	18,428,428	24.99%	4.09%	573,185
	<b>31,183</b>		<b>73,698,989</b>		<b>73,730,172</b>	<b>100.00%</b>	<b>16.38%</b>	<b>1,999,045</b>

**P3: Ratification of Auditor (Majority of Votes Cast)**

Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	25,137	For	147,616,892	For	147,642,029	87.96%	32.80%	1,298,886
Against	1,255	Against	9,372,371	Against	9,373,626	5.58%	2.08%	135,432
Abstain	95	Abstain	10,831,934	Abstain	10,832,029	6.45%	2.41%	180,215
	<b>26,487</b>		<b>167,821,197</b>		<b>167,847,684</b>	<b>100.00%</b>	<b>37.29%</b>	<b>1,614,533</b>

AMC Entertainment Holdings, Inc.  
Annual Meeting - May 4, 2021  
Unofficial Vote Summary  
Meeting Quorum 37.29%  
Common Stock Outstanding 450,156,186  
Shares Needed for Approval 57,230,410

April 27, 2021



**D.F. KING**  
An AST Company

NFS Proportionate Vote					
FOR % CAST	FOR	AGAINST	ABSTAIN	TOTAL O/S	DAILY FOR %
35.05%	4,137,922	7,490,568	176,267	50,972,694	24.15%

**P4: Non-Binding, Advisory Vote on Executive Compensation (Majority of Votes Cast)**

Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	28,355	For	47,719,293	For	47,747,648	64.76%	10.61%	1,200,514
Against	2,337	Against	18,451,781	Against	18,454,118	25.03%	4.10%	579,830
Abstain	490	Abstain	7,527,912	Abstain	7,528,402	10.21%	1.67%	218,701
	<b>31,182</b>		<b>73,698,986</b>		<b>73,730,168</b>	<b>100.00%</b>	<b>16.38%</b>	<b>1,999,045</b>

**P5: To Approve an Amendment to the 2013 Equity Incentive Plan (Majority of Votes Cast)**

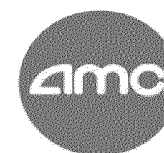
Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	26,177	For	40,417,910	For	40,444,087	54.85%	8.98%	830,002
Against	4,730	Against	28,880,301	Against	28,885,031	39.18%	6.42%	1,057,348
Abstain	275	Abstain	4,400,777	Abstain	4,401,052	5.97%	0.98%	111,694
	<b>31,182</b>		<b>73,698,988</b>		<b>73,730,170</b>	<b>100.00%</b>	<b>16.38%</b>	<b>1,999,044</b>

**P6: Adjournment of the Annual Meeting (Majority of Votes Cast)**

Registered Returns		Beneficial Street Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	14,566	For	115,174,966	For	115,189,532	68.63%	25.59%	1,046,913
Against	11,729	Against	44,073,290	Against	44,085,019	26.26%	9.79%	107,352
Abstain	192	Abstain	8,572,941	Abstain	8,573,133	5.11%	1.90%	460,268
	<b>26,487</b>		<b>167,821,197</b>		<b>167,847,684</b>	<b>100.00%</b>	<b>37.29%</b>	<b>1,614,533</b>

# **EXHIBIT J**

Meeting Quorum 29.42%  
Common Stock Outstanding 501,780,240  
FOR Votes Needed for Prop 1 165,538,740



**D.F. KING**  
An AST Company

NFS Proportionate Vote					
FOR % CAST	FOR	AGAINST	ABSTAIN	TOTAL O/S	DAILY FOR %
29.41%	5,498,755	12,869,090	330,390	68,436,787	14.84%

**P1: To Approve an Amendment to the Third Amended and Restated Certificate of Incorporation to Increase Authorized Common Stock (Majority of Outstanding)**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	325,177	For	85,026,203	For	85,351,380	57.81%	17.01%	(271,612)
Against	4,873	Against	60,967,893	Against	60,972,766	41.30%	12.15%	5,073,369
Abstain	142	Abstain	1,304,885	Abstain	1,305,027	0.88%	0.26%	22,226
	<b>330,192</b>		<b>147,298,981</b>		<b>147,629,173</b>	<b>100.00%</b>	<b>29.42%</b>	<b>4,823,983</b>

**P2: Election of Directors (Plurality of Votes Cast)**

**2a. Mr. Philip Lader**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	326,015	For	66,212,447	For	66,538,462	72.32%	13.26%	4,157,100
Withhold	4,177	Withhold	25,468,045	Withhold	25,472,222	27.68%	5.08%	1,764,848
	<b>330,192</b>		<b>91,680,492</b>		<b>92,010,684</b>	<b>100.00%</b>	<b>18.34%</b>	<b>5,921,948</b>

**2b. Mr. Gary F. Locke**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	326,046	For	66,305,134	For	66,631,180	72.42%	13.28%	4,146,994
Withhold	4,146	Withhold	25,375,358	Withhold	25,379,504	27.58%	5.06%	1,774,955
	<b>330,192</b>		<b>91,680,492</b>		<b>92,010,684</b>	<b>100.00%</b>	<b>18.34%</b>	<b>5,921,949</b>

**2c. Mr. Adam J. Sussman**

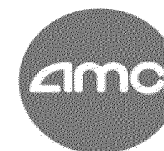
Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	326,015	For	68,319,237	For	68,645,252	74.61%	13.68%	4,150,499
Withhold	4,177	Withhold	23,361,255	Withhold	23,365,432	25.39%	4.66%	1,771,449
	<b>330,192</b>		<b>91,680,492</b>		<b>92,010,684</b>	<b>100.00%</b>	<b>18.34%</b>	<b>5,921,948</b>

**P3: Ratification of Auditor (Majority of Votes Cast)**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	327,044	For	129,576,689	For	129,903,733	87.99%	25.89%	3,551,336
Against	222	Against	8,418,723	Against	8,418,945	5.70%	1.68%	702,246
Abstain	2,926	Abstain	9,303,570	Abstain	9,306,496	6.30%	1.85%	570,399
	<b>330,192</b>		<b>147,298,982</b>		<b>147,629,174</b>	<b>100.00%</b>	<b>29.42%</b>	<b>4,823,981</b>

AMC Entertainment Holdings, Inc.  
Annual Meeting - July 29, 2021  
Unofficial Vote Summary

Meeting Quorum 29.42%  
Common Stock Outstanding 501,780,240  
FOR Votes Needed for Prop 1 165,538,740



June 28, 2021  
**D.F. KING**  
An AST Company

**P4: Non-Binding, Advisory Vote on Executive Compensation (Majority of Votes Cast)**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	323,822	For	56,021,181	For	56,345,003	61.24%	11.23%	3,338,150
Against	4,461	Against	25,779,425	Against	25,783,886	28.02%	5.14%	1,872,131
Abstain	1,909	Abstain	9,879,885	Abstain	9,881,794	10.74%	1.97%	711,669
	<b>330,192</b>		<b>91,680,491</b>		<b>92,010,683</b>	<b>100.00%</b>	<b>18.34%</b>	<b>5,921,950</b>

**P5: Adjournment of the Annual Meeting (Majority of Votes Cast)**

Registered Returns		Beneficial Returns		Unofficial Grand Total		% Cast	% O/S	Daily Change
For	281,399	For	111,947,610	For	112,229,009	76.02%	22.37%	2,369,167
Against	47,775	Against	28,111,706	Against	28,159,481	19.07%	5.61%	2,130,424
Abstain	1,018	Abstain	7,239,664	Abstain	7,240,682	4.90%	1.44%	324,389
	<b>330,192</b>		<b>147,298,980</b>		<b>147,629,172</b>	<b>100.00%</b>	<b>29.42%</b>	<b>4,823,980</b>



# **EXHIBIT K**



WE MAKE MOVIES BETTER™

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**AMC ENTERTAINMENT HOLDINGS, INC. ANNOUNCES  
SPECIAL DIVIDEND OF AMC PREFERRED EQUITY UNITS**

**LEAWOOD, KANSAS – August 4, 2022:** AMC Entertainment Holdings, Inc. (NYSE: AMC) (the “Company,” or “AMC”), announced today that it has declared a special dividend of one AMC Preferred Equity unit (an “AMC Preferred Equity Unit”) for each share of AMC Class A common stock, par value \$0.01 per share (the “Common Stock”), outstanding at the close of business on August 15, 2022. The special dividend is expected to be paid at the close of business on August 19, 2022.

The Company has applied to list its AMC Preferred Equity Units on the New York Stock Exchange (“NYSE”) under the symbol “APE” starting August 22, 2022 and each AMC Preferred Equity Unit is designed to have the same economic and voting rights as one share of Common Stock. The AMC Preferred Equity Units can convert into Common Stock, but only if the Company proposes and investors vote to approve an increase in the number of authorized shares of Common Stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity Units into Common Stock (through a “Common Stock Amendment”).

Regarding the dividend, Adam Aron, AMC Entertainment Chairman and CEO commented, “Today we are rewarding and recognizing our passionate and supportive shareholders, both to our shareholders in the U.S. and internationally, with a dividend of AMC Preferred Equity units that will trade on the NYSE under the ticker symbol APE. Shareholders will receive one AMC Preferred Equity unit for each company issued share of AMC common stock that they own. This means that based on our 516,820,595 shares outstanding, we will be issuing a dividend of 516,820,595 AMC Preferred Equity units.”

Aron added, “The issuance only to our shareholders of tradable AMC Preferred Equity units clarifies who is included in our current shareholder base, and provides another avenue for our investors to participate in the ongoing recovery and growth of AMC.”

Aron emphasized, “The dividend of AMC Preferred Equity units exclusively to our shareholders in our opinion is perhaps the single biggest action we will take in all of 2022 to fundamentally strengthen AMC for the long term. This new AMC Preferred Equity gives AMC a currency that can be used in the future to strengthen our balance sheet, including by paying down debt or raising fresh equity. As a result, this dramatically lessens any near-term survival risk for AMC, as we continue to work our way through this pandemic. It also can provide AMC with added capital enabling us to seek investment opportunities that could create significant shareholder value and could be transformative in nature. All of this is not good news for those who may be rooting against AMC.”

Aron continued, “As a show of appreciation of our shareholders, and to celebrate this AMC Preferred Equity unit dividend, AMC will be issuing an exclusive “I OWN APE” NFT. All 765,000 current AMC Investor Connect members, and new members who join by August 31, 2022, will be eligible to receive for free this unique NFT to symbolize ownership of the new AMC Preferred Equity unit security. In addition, based on the popularity of the original “I OWN AMC” NFT issued in January of 2022, AMC Investor Connect current members and new members who have joined by August 31, 2022 also will be entitled to receive an updated version of the original “I OWN AMC” NFT, again gratis with our compliments.”

Aron concluded, “This AMC Preferred Equity unit dividend has tremendous potential to create meaningful value for both AMC and for our shareholders as we continue on our glidepath to recovery and transformation into the new AMC – bigger, bolder, and stronger than ever before.”

The issuance of AMC Preferred Equity Units is made possible by the authorization approved by shareholders to issue AMC Preferred Equity in 2013. Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of the Company’s Series A Convertible Participating Preferred Stock (the “Preferred Stock”). Each share of Preferred Stock in turn is potentially convertible into one hundred (100) shares of Common Stock.

If the Common Stock Amendment is adopted by shareholders, each AMC Preferred Equity Unit will convert into one share of Common Stock and such Common Stock will be distributed upon conversion to holders of AMC Preferred Equity Units on a one-to-one basis (one share of Common Stock for each AMC Preferred Equity Unit held).

The record date for the AMC Preferred Equity Unit dividend is the close of business on August 15, 2022. However, the AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells our Common Stock before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity Unit dividend on the shares that are sold. Alternatively, if investors buy our Common Stock before the ex-dividend date August 22, 2022, they will be entitled to receive the AMC Preferred Equity Unit dividend on the shares purchased. **Investors who trade during this period should consult with their broker.**

Trading of the AMC Preferred Equity Units will commence on August 22, 2022 (the ex-dividend date) and at that time AMC shares will no longer be entitled to receive the AMC Preferred Equity Unit dividend. Investors should note that on the ex-dividend date (August 22, 2022) the price of AMC Common Stock is likely to decline to reflect the fact that the shares purchased on or after such date will no longer be entitled to the dividend.

For additional information about the AMC Preferred Equity Units, the Preferred Stock and the convertibility of the Preferred Stock into Common Stock, please visit the Company’s website at <http://investor.amctheatres.com/stock-information/APE-Dividend-Info> and refer to the Company’s current report on Form 8-K filed today with the Securities and Exchange Commission. The descriptions of the AMC Preferred Equity Units and the Preferred Stock are qualified by reference to the Form 8-K disclosures and exhibits.

**About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 950 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, website and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming.

**Forward-Looking Statements**

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Statements that are not historical

facts, including statements about AMC's beliefs and expectations, are forward-looking statements. In many cases, these forward-looking statements may be identified by the use of words such as "will," "may," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "indicates," "projects," "goals," "objectives," "targets," "predicts," "plans," "seeks," and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding future shareholder distributions, the listing of the AMC Preferred Equity Units on the NYSE for trading and the Common Stock Amendment, future balance sheet strengthening, including debt repayments, future capital and investment opportunities, potential shareholder value and potential recovery and transformation. Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth under the caption "Risk Factors" and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as our other filings with the U.S. Securities and Exchange Commission (the "SEC"), copies of which may be obtained by visiting our Investor Relations website at [investor.amctheatres.com](http://investor.amctheatres.com) or the SEC's website at [www.sec.gov](http://www.sec.gov). You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

Source: AMC Entertainment Holdings, Inc.

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# **EXHIBIT L**



## Cineworld Group plc (“Cineworld”)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **BUSINESS AS USUAL**

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

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

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

#### **ADDITIONAL INFORMATION REGARDING THE RESTRUCTURING PROCESS**

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

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

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

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

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

#### **Contacts:**

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**About Cineworld**

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

**Important information**

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

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

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



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

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

# **EXHIBIT M**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 4, 2022

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-33892 (Commission File Number)	26-0303916 (I.R.S. Employer Identification Number)
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One AMC Way  
11500 Ash Street, Leawood, KS 66211  
(Address of Principal Executive Offices, including Zip Code)

(913) 213-2000  
(Registrant's Telephone Number, including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

**Item 3.02 Unregistered Sales of Equity Securities**

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated by reference. The special dividend of the AMC Preferred Equity Units (as defined below) to holders of the Company's Class A common stock, par value \$0.01 per share (the "Common Stock") is exempt from registration as it involves no sale for value in which any investment decision is made.

**Item 3.03 Material Modification to Rights of Security Holders**

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On August 4, 2022, in connection with the special dividend described below, the Compensation Committee of the Board of Directors of the Company approved an equitable adjustment of awards outstanding under the Company's 2013 Equity Incentive Plan (the "Plan") and certain corresponding amendments to the Plan.

In accordance with the terms of the Plan and effective upon payment of the dividend, each restricted stock unit (an "RSU") outstanding under the Plan as of the close of business on August 15, 2022 will be equitably adjusted to consist of an RSU convertible into one share of Common Stock and one AMC Preferred Equity Unit and each performance stock unit (each, a "PSU") outstanding under the Plan as of the close of business on August 15, 2022 will be equitably adjusted to consist of a PSU convertible into one share of Common Stock and one AMC Preferred Equity Unit. All other terms and conditions of outstanding RSUs and PSUs (including vesting, forfeiture and acceleration provisions, and with respect to PSUs, performance goals) that were applicable to outstanding RSUs and PSUs prior to the equitable adjustment will continue to apply. All RSUs and PSUs held by the Company's executive officers will be treated the same as those RSUs and PSUs held by other participants in the Plan.

As amended effective upon payment of the dividend, the Plan (1) provides for a number of AMC Preferred Equity Units available for future issuance under the Plan equal to the number of Common Shares available for future issuance thereunder as of August 15, 2022 and (2) stipulates that individual award limitations shall be determined by reference to AMC Preferred Equity Units, in addition to Common Shares. In addition, the amendment to the Plan clarifies that each reference to a "Common Share" throughout the Plan shall be deemed to include a corresponding reference to an "AMC Preferred Equity Unit," as the context may require.

The foregoing description is qualified in its entirety by reference to the full text of the Fourth Amendment to the Plan, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On August 4, 2022, AMC Entertainment Holdings, Inc. (the "Company") filed a Certificate of Designations (the "Certificate of Designations") with the Secretary of State of the State of Delaware, to designate 10,000,000 shares of the Company's authorized preferred stock as Series A Convertible Participating Preferred Stock, par value \$0.01 (the "Preferred Stock") with the preferences, limitations, voting powers and relative rights as set forth in the Certificate of Designations. A copy of the Certificate of Designations, which became effective upon filing on August 4, 2022, is filed as Exhibit 3.1 hereto and incorporated by reference herein.

**Item 7.01 Regulation FD Disclosure**

A copy of the Company's press release announcing the special dividend is attached hereto as Exhibit 99.1. The Company has provided additional information about the AMC Preferred Equity Unit dividend on its website at <http://investor.amctheatres.com/stock-information/APE-Dividend-Info>, including the AMC Preferred Equity Unit Summary attached hereto as Exhibit 99.2 and an Open Letter to Shareholders attached hereto as Exhibit 99.3.

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The information in this Item 7.01 disclosure is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section. In addition, the information in this Item 7.01 disclosure, shall not be incorporated by reference into the filings of AMC Entertainment Holdings, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

#### Item 8.01 Other Events

On August 4, 2022, the Company announced that its Board of Directors declared a special dividend of one AMC Preferred Equity Unit (an "AMC Preferred Equity Unit") for each share of Common Stock outstanding at the close of business on August 15, 2022, the record date. However, the AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells Common Stock before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity Unit dividend on the shares that are sold. Alternatively, if investors buy Common Stock before the ex-dividend date of August 22, 2022, such investor will be entitled to receive the AMC Preferred Equity Unit dividend on the shares purchased. **Investors who trade during this period should consult with their broker.**

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Preferred Stock. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Common Stock, as described herein. The AMC Preferred Equity Units will be evidenced by a depositary receipt pursuant to a Deposit Agreement (the "Deposit Agreement") among the Company, Computershare Inc. and Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the "Depositary"). The Company will deposit the underlying shares of the Preferred Stock with the Depositary pursuant to the Deposit Agreement. Subject to the terms of the Deposit Agreement, the AMC Preferred Equity Units will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock the AMC Preferred Equity Units represent.

Each AMC Preferred Equity Unit, by virtue of its interest in the underlying Preferred Stock:

- is automatically convertible into one (1) share of Common Stock upon effectiveness of the Common Stock Amendment (as defined below), subject to any adjustments described in the Certificate of Designations. Upon effectiveness of the Common Stock Amendment, each share of Preferred Stock will convert into one hundred (100) shares of Common Stock and each AMC Preferred Equity Unit in turn will represent an interest in one (1) share of Common Stock and such shares of Common Stock will be distributed upon conversion to holders of the AMC Preferred Equity Units on a one-to-one basis, subject to the terms described in the Deposit Agreement and any adjustments described in the Certificate of Designations;
- participates in any dividends on an as-converted basis;
- votes together with the Common Stock on certain matters, including the Common Stock Amendment; and
- represents a liquidation value of \$0.0001 in preference to the Common Stock.

Trading of the AMC Preferred Equity Units on the New York Stock Exchange (the "NYSE") will commence on August 22, 2022 (the ex-dividend date) and at that time holders of Common Stock will no longer be entitled to receive the AMC Preferred Equity Unit dividend. The Preferred Stock will not be listed.

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which the Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company may seek to obtain the requisite stockholder approval, at such time or times as the board of directors in its sole discretion shall determine, of an amendment to its certificate of incorporation to increase the number of authorized shares of Common Stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock (which may be issued for any purpose) as the Company's Board of Directors may determine in its sole discretion (the "Common Stock Amendment"). Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company's outstanding capital stock will be required for stockholder approval of the Common Stock Amendment. The holders of the AMC Preferred Equity Units will be entitled to vote on the Common Stock Amendment.

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Once listed on the NYSE, the AMC Preferred Equity Units will be a new issue of securities with no established trading market and may be subject to wide fluctuations in trading price and trading volume, including in response to numerous factors, many of which are beyond the Company's control, such as trading dynamics unrelated to the Company's underlying business, or macro or industry fundamentals. Further, because each AMC Preferred Equity Unit initially represents the right to ultimately receive one (1) share of Common Stock upon effectiveness of the Common Stock Amendment, and is otherwise designed to bear equivalent economic and voting rights as the Common Stock, if a trading market develops in the AMC Preferred Equity Units, the market price of the AMC Preferred Equity Units may be correlated with the market price of the shares of Common Stock. The market prices and trading volume of the shares of Common Stock have recently experienced, and may continue to experience, extreme volatility, which we believe has been widely publicized and with respect to which we refer investors to our public filings. An investment in the AMC Preferred Equity Units is expected to involve the same risks, including those associated with extreme volatility, as an investment in Common Stock.

The Company expects that the AMC Preferred Equity Units will serve as a "currency" to raise additional equity capital to strengthen its balance sheet, including debt repayments, and provide capital for opportunistic and value-enhancing and transformative acquisitions and/or investments. Any dilution caused by future sales of AMC Preferred Equity Units could adversely affect the market price of the AMC Preferred Equity Units and the Common Stock.

The foregoing description of the AMC Preferred Equity Units, Preferred Stock, Certificate of Designations and Deposit Agreement do not purport to be complete, and are qualified in their entirety by reference to the Certificate of Designations and Deposit Agreement attached hereto as Exhibits 3.1 and 4.1 respectively.

#### Item 9.01 Financial Statements and Exhibits

##### Exhibit

##### Number

##### Exhibit Description

[3.1](#) [Certificate of Designations for the Series A Convertible Participating Preferred Stock.](#)

[4.1](#) [Deposit Agreement among AMC Entertainment Holdings, Inc., Computershare Inc. and Computershare Trust Company, N.A., dated](#)

- [as of August 4, 2022.](#)
- [4.2 Form of Depositary Receipt \(included as part of Exhibit 4.1\).](#)
- [10.1 Fourth Amendment to the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, effective as of August 15, 2022.](#)
- [99.1 Press Release, dated August 4, 2022, related to the special dividend of AMC Preferred Equity Units.](#)
- [99.2 AMC Preferred Equity Unit Summary, dated August 4, 2022.](#)
- [99.3 Open Letter to Shareholders, dated August 4, 2022.](#)
- 104 Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

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**SIGNATURES**

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

Date: August 4, 2022

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Sean D. Goodman

Name: Sean D. Goodman

Title: Executive Vice President and Chief Financial Officer

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# **EXHIBIT N**

**DEPOSIT AGREEMENT**  
**by and among**  
**AMC ENTERTAINMENT HOLDINGS, INC.**  
**as Issuer**  
**and**  
**COMPUTERSHARE INC.**  
**and**  
**COMPUTERSHARE TRUST COMPANY, N.A.,**  
**jointly as Depository**  
**and**  
**THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS DESCRIBED HEREIN**  
**Dated August 4, 2022**

**DEPOSIT AGREEMENT**

DEPOSIT AGREEMENT, dated August 4, 2022, by and among (i) AMC Entertainment Holdings, Inc., a Delaware corporation (the “Corporation”); (ii) Computershare Inc., a Delaware corporation (“Computershare”), and its affiliate, Computershare Trust Company, N.A., a federally chartered trust company (the “Trust Company” and, together with Computershare, jointly the “Depository”) and (iii) the Record Holders from time to time of the Receipts described in this Deposit Agreement.

WHEREAS, the Corporation desires to appoint Computershare and the Trust Company jointly as Depository;

WHEREAS, Computershare and the Trust Company each desires to accept such appointment and perform the services related to such appointment;

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of the Preferred Stock (as defined herein) of the Corporation from time to time with the Depository for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts (as defined herein) evidencing AMC Preferred Equity Units (as defined herein) in respect of shares of the Preferred Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

**ARTICLE I**

**DEFINED TERMS**

1.1 Definitions. The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

“Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purpose of this definition, “controlling,” “controlled by” or “under common control with” mean the ownership, direct or indirect, of the power to direct or cause the direction of the operation or management and policies of a Person, whether through the ownership or control of voting interests, by contract or otherwise.

“AMC Preferred Equity Units” means the depository shares, each representing a one one-hundredth (1/100th) interest in one share of the Preferred Stock, and evidenced by a Receipt.

“Certificate of Designations” shall mean the Certificate of Designations of Series A Convertible Participating Preferred Stock of the Corporation with respect to the Preferred Stock filed with the Secretary of State of the State of Delaware establishing the Preferred Stock as a series of preferred stock of the Corporation.

“Computershare” shall be defined as indicated in the preamble.

“Conversion Date” has the meaning set forth in Section 2.8.

“Corporation” shall be defined as indicated in the preamble and shall include any successors of the Corporation.

“Deposit Agreement” means this Deposit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

“Depository” shall be defined as indicated in the preamble and shall include any successor as Depository hereunder.

“Depository’s Agent” means an agent appointed by the Depository pursuant to Section 7.6.

“Depository’s Office” shall mean the office of the Depository at which at any particular time its depository receipt business shall be administered, which is currently in Canton, Massachusetts.

“DTC” means The Depository Trust Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Event” means with respect to any Global Registered Receipt: (i) (A) the Global Receipt Depository which is the Holder of such Global Registered Receipt notifies the Corporation that it is no longer willing or able to properly discharge its responsibilities under any Letter of Representations or that it is no longer eligible or in good standing under the Exchange Act, and (B) the Corporation has not appointed a qualified successor Global Receipt Depository within ninety (90) calendar days after the Corporation received such notice, or (ii) the Corporation in its sole discretion notifies the Depository in writing that the Receipts or portion thereof issued or issuable in the form of one or more Global Registered Receipts shall no longer be represented by such Global Registered Receipt.

“Funds” has the meaning set forth in Section 2.10.

“Global Receipt Depository” means, with respect to any Receipt issued hereunder, DTC or such other entity designated as Global Receipt Depository by the Corporation in or pursuant to this Deposit Agreement, which entity must be, to the extent required by any applicable law or regulation, a clearing agency registered under the Exchange Act.

“Global Registered Receipt” means a global registered Receipt registered in the name of a nominee of the Global Receipt Depository.

“Letter of Representations” means any applicable agreement among the Corporation, the Depository and a Global Receipt Depository with respect to such Global Receipt Depository’s rights and obligations with respect to any Global Registered Receipt, as the same may be amended, supplemented, restated or otherwise modified from time to time and any successor agreement thereto.

“Notice of Conversion” has the meaning set forth in Section 2.8.

“Person” means any natural person, partnership, joint venture, firm, corporation, limited liability company, limited liability partnership, unincorporated association, trust or other entity, and shall include any successor (by merger or otherwise) of the foregoing.

“Preferred Stock” means the shares of the Corporation’s Series A Convertible Participating Preferred Stock, par value \$0.01 per share, designated in the Certificate of Designations.

“Receipt” means one of the depositary receipts issued hereunder, substantially in the form set forth as Exhibit A hereto, whether in definitive or temporary form, or in registered book-entry form, and evidencing the number of AMC Preferred Equity Units with respect to shares of the Preferred Stock held of record by the Record Holder of such AMC Preferred Equity Units.

“Record Holder” or “Holder” as applied to a Receipt means the Person in whose name such Receipt is registered on the books of the Depositary maintained for such purpose.

“Registrar” shall mean the Trust Company and Computershare, jointly, or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts and the deposited Preferred Stock as herein provided; and if a successor Registrar shall be so appointed, references herein to “the books” of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such Registrar for such purpose.

“Securities Act” means the Securities Act of 1933, as amended.

“Signature Guarantee” has the meaning set forth in Section 2.1.

“Transfer Agent” shall mean the Trust Company and Computershare, jointly, or such other successor bank or trust company which shall be appointed by the Corporation to transfer the Receipts or the deposited shares of Preferred Stock, as the case may be, as herein provided.

“Trust Company” shall be defined as indicated in the preamble.

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## ARTICLE II FORM OF RECEIPTS, DEPOSIT OF THE PREFERRED STOCK, EXECUTION AND DELIVERY, TRANSFER, BOOK-ENTRY SYSTEM AND SURRENDER OF RECEIPTS

2.1 Form and Transfer of Receipts. Receipts may be issued, in accordance with the instructions of the Corporation, in book-entry form, as described in Section 2.9, or in physical form, whether as definitive or temporary Receipts. References herein to “execution” of a Receipt, in the case of a Receipt in book-entry form, will be understood to refer to the entry and registration by the Depositary of the issuance of such Receipt on the books of the Depositary. The definitive Receipts, if any, shall be substantially in the form set forth in Exhibit A attached to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary’s consent). Pending the preparation of definitive Receipts, the Depositary, upon the written order of the Corporation, delivered in compliance with Section 2.2, shall be authorized and instructed to, and shall execute and deliver temporary Receipts which may be printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Corporation and the Depositary will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary’s Office or at such other place or places as the Depositary shall determine, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary is hereby authorized and instructed to, and shall execute and deliver in exchange therefor definitive Receipts representing the same number of AMC Preferred Equity Units as represented by the surrendered temporary Receipt or Receipts registered in the name (and only in the name) of the holder of the temporary Receipt(s); provided that, the Depositary has been provided with all necessary information that it may request in order to execute and deliver such definitive Receipt(s). Such exchange shall be made at the Corporation’s expense and without any charge therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement, and with respect to the Preferred Stock, as definitive Receipts.

No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually, electronically or by the facsimile signature of a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual, electronic or facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual or facsimile signature by a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided. Receipts bearing the manual, electronic or facsimile signature of a duly authorized signatory of the Depositary who was at such time a proper signatory of the Depositary shall bind the Depositary, notwithstanding that such signatory ceased to hold such office prior to the execution and delivery of such Receipts by the Registrar or did not hold such office on the date of issuance of such Receipts.

Receipts shall be in denominations of any number of whole AMC Preferred Equity Units. All Receipts shall be dated the date of their issuance.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement, all as may be reasonably required by the Depositary and approved by the Corporation or which the Corporation has determined are required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the AMC Preferred Equity Units or the Receipts may be listed for trading or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipt is subject (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary’s consent).

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Title to AMC Preferred Equity Units evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer accompanied by a guarantee of the signature thereon by a guarantor institution that is a participant in a signature guarantee program approved by the Securities Transfer Association at a guarantee level acceptable to the Transfer Agent (a “Signature Guarantee”) or endorsement, shall be transferable by delivery of such Receipt with the same effect as if such Receipt were a negotiable instrument; *provided, however*, that until transfer of any particular Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the Record Holder thereof at such time as the absolute owner thereof for the purpose of determining the Person entitled to distributions of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

2.2 Deposit of the Preferred Stock; Execution and Delivery of Receipts in Respect Thereof. Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of the Preferred Stock under this Deposit Agreement by delivery to the Depositary, including via electronic book-entry, of the shares of Preferred Stock to be deposited (or in such other manner as may be agreed to



by the Corporation and the Depositary), duly endorsed and accompanied, (1) by a duly executed instrument of transfer or endorsement (if required by the Depositary), in form reasonably satisfactory to the Depositary; (2) an opinion of counsel addressed to the Depositary as more fully described in the subsequent paragraph; (3) a certificate, duly executed by an officer of the Corporation that shall include the terms and conditions of the Preferred Stock to be issued by the Corporation and deposited with the Depositary from time to time in accordance with the terms hereof and certifying as to the (i) amended and restated certificate of incorporation of the Corporation, (ii) the Bylaws of the Corporation, (iii) the Certificate of Designations of the Preferred Stock, each as then in effect; and (4) a written order of the Corporation directing the Depositary to (i) register such shares of the Preferred Stock in uncertificated form by direct registration, and (ii) execute and deliver to, or upon the written order of, the Person or Persons stated in such order a Receipt or Receipts evidencing in the aggregate the number of AMC Preferred Equity Units representing such deposited shares of the Preferred Stock.

The Corporation shall, concurrently with delivery of any Preferred Stock to the Depositary, cause to be provided an opinion of counsel to the Corporation authorizing reliance on such counsel's opinion delivered to the underwriters named therein, if applicable, and the Depositary, relating to (i) the status of the Preferred Stock and AMC Preferred Equity Units as validly issued, fully paid and non-assessable and (ii) the effectiveness of the registration statement under the Securities Act registering the AMC Preferred Equity Units and Preferred Stock or that no such registration is required.

The shares of the Preferred Stock that are deposited pursuant to this Deposit Agreement shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine. The Depositary shall not lend any shares of the Preferred Stock deposited hereunder.

Upon receipt by the Depositary of shares of the Preferred Stock deposited in accordance with the provisions of this Section 2.2, together with the other documents required as above specified, and upon recordation of the shares of the Preferred Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the Person or Persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section 2.2, a Receipt or Receipts evidencing in the aggregate the number of AMC Preferred Equity Units representing the shares of the Preferred Stock so deposited and registered in such name or names as may be requested by such Person or Persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the Person requesting such delivery.

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2.3 Registration of Transfer of Receipts. Subject to the express terms and conditions of this Deposit Agreement, the Trust Company and Computershare, jointly, as Transfer Agent and Registrar for the Receipts, shall register on its books from time to time transfers of Receipts upon any surrender thereof by the Holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer or endorsement, including a Signature Guarantee and any other reasonable evidence of authority that may be required by the Transfer Agent, together with (if applicable) evidence of the payment of any taxes or charges as may be required by law. Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of AMC Preferred Equity Units as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the Person entitled thereto.

The Depositary shall not be required to (i) issue, transfer or exchange any Receipts beginning at the opening of business on the day the Notice of Conversion is delivered pursuant to Section 2.8, or (ii) to transfer or exchange for another Receipt any Receipt called for conversion in whole or in part.

2.4 Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of the Preferred Stock. Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up, adjustment or combination of such Receipt or Receipts, and the receipt by the Depositary of all other necessary information and documents, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute by manual, electronic, or facsimile signature a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of AMC Preferred Equity Units evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the Holder of the Receipt or Receipts so surrendered; *provided, however*, that the Depositary shall not issue any Receipt evidencing a fractional AMC Preferred Equity Unit.

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Any Holder of a Receipt or Receipts may withdraw the number of whole shares of the Preferred Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals; *provided, however*, that a Holder of a Receipt or Receipts may not withdraw such whole shares of Preferred Stock (or money and other property, if any, represented thereby) which has previously been called for conversion into common stock in accordance with the terms of the Certificate of Designations. After such surrender and upon the receipt of written instructions from the Holder of such Receipt or Receipts, without unreasonable delay (provided the Corporation has provided the Depositary with all necessary documentation), the Depositary shall deliver to such Holder, or to the Person or Persons designated by such Holder as hereinafter provided, the number of whole shares of the Preferred Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but Holders of such whole shares of the Preferred Stock will not thereafter be entitled to deposit such shares of the Preferred Stock hereunder or to receive a Receipt evidencing AMC Preferred Equity Units therefor. Delivery of such shares of the Preferred Stock and such money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. Neither the Corporation nor the Depositary shall be obligated to make the Preferred Stock eligible for delivery through the book-entry system of DTC. If a Receipt delivered by the Holder to the Depositary in connection with such withdrawal shall evidence a number of AMC Preferred Equity Units in excess of the number of AMC Preferred Equity Units representing the number of whole shares of the Preferred Stock to be withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of the Preferred Stock and such money and other property, if any, to be so withdrawn, deliver to such Holder, or subject to Section 2.3 upon such Holder's order, a new Receipt evidencing such excess number of AMC Preferred Equity Units.

Notwithstanding any fractional interests in Preferred Stock underlying the AMC Preferred Equity Units delivered to Holders, in no event will fractional shares of the Preferred Stock (or any cash payment in lieu thereof) be delivered by the Depositary or Computershare, as applicable.

If shares of the Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a Person or Persons other than the Record Holder of the related Receipt or Receipts being surrendered for withdrawal of such shares of the Preferred Stock, such Holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such Holder for withdrawal of such shares of the Preferred Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of shares of the Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal

shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the Holder surrendering such Receipt or Receipts and for the account of the Holder thereof, such delivery may be made at such other place as may be designated by such Holder.

2.5 Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, adjustment, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Corporation may require (i) payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Corporation shall have made such payment, the reimbursement to it) of any charges, taxes or expenses payable by the Holder of a Receipt pursuant to Section 5.7 (including any such tax or charge with respect to the shares of Preferred Stock being deposited or withdrawn or any charges or expense pursuant to Section 3.2), (ii) the production of evidence satisfactory to it as to the identity and genuineness of any signature (which evidence may include a Signature Guarantee), and (iii) any other reasonable evidence of authority that may be required by the Depositary, and may also require compliance with such requirements, if any, as the Depositary or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law and as may be required by any securities exchange on which the Preferred Stock, the AMC Preferred Equity Units or the Receipts may be listed.

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The deposit of shares of the Preferred Stock may be refused, the delivery of Receipts against shares of the Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

2.6 Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may, absent notice to the Depositary that such Receipt has been acquired by a *bona fide* purchaser, execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, only upon (i) the filing by the Holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of the Holder's ownership thereof; (ii) the Holder thereof furnishing the Depositary with an affidavit and an open penalty surety bond or other indemnity reasonably satisfactory to the Depositary, holding the Depositary and the Corporation harmless; and (iii) the payment of any reasonable expenses in connection with such execution and delivery. Such Holder shall also comply with such other reasonable regulations and pay such other reasonable charges as the Depositary may prescribe.

2.7 Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent including Receipts surrendered in connection with any conversion of the Preferred Stock as described in the Certificate of Designations, shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled.

2.8 Conversion of the Preferred Stock. Subject to the Depositary's procedures, whenever the Preferred Stock shall be converted into shares of common stock in accordance with the terms of the Certificate of Designations, the Corporation shall reasonably promptly prior to the Conversion Date (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary written notice of the date of such proposed conversion of shares of the Preferred Stock and instruction regarding the number of such shares held by the Depositary to be so converted ("Notice of Conversion"), which notice shall be accompanied by a certificate from the Corporation stating that such conversion of shares of the Preferred Stock is in accordance with the provisions of the Certificate of Designations. On the date of such conversion, provided that the Corporation shall then have issued and delivered to the Depositary such number of shares of common stock issuable upon conversion of the Preferred Stock to be converted, in accordance with the provisions of the Certificate of Designations, the Depositary shall cancel the number of AMC Preferred Equity Units representing such shares of the Preferred Stock and deliver in lieu thereof the shares of common stock. The Depositary shall, if requested in writing and provided with all necessary information, transmit the notice of the Corporation's conversion of shares of the Preferred Stock and the proposed simultaneous conversion of the number of AMC Preferred Equity Units representing such shares of the Preferred Stock to be converted by first-class mail, postage prepaid, at the respective last addresses as they appear on the records of the Depositary, or transmit in accordance with the applicable procedures of any Global Receipt Depository or by such other method approved by the Depositary, in its reasonable discretion, as soon as commercially practicable prior to the date fixed for conversion of such shares of the Preferred Stock and AMC Preferred Equity Units (the "Conversion Date"), to the Record Holders of the Receipts evidencing the AMC Preferred Equity Units to be so converted at the addresses of such Holders as they appear on the records of the Depositary; but neither failure to mail or transmit any such notice of conversion of AMC Preferred Equity Units to one or more such Holders nor any defect in any notice of conversion of AMC Preferred Equity Units to one or more such Holders shall affect the sufficiency of the proceedings for the conversion.

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Notice having been mailed or transmitted by the Depositary as aforesaid, from and after the Conversion Date (unless the Corporation shall have failed to issue and deliver new shares of common stock sufficient to convert shares of the Preferred Stock evidenced by the AMC Preferred Equity Units converted) (i) the AMC Preferred Equity Units being converted shall be deemed to no longer be outstanding; (ii) all rights of the Holders of Receipts evidencing such AMC Preferred Equity Units (except the right to receive the common stock) shall, to the extent of such AMC Preferred Equity Units, cease and terminate; and (iii) upon surrender, in accordance with such conversion notice, of the Receipts evidencing any such AMC Preferred Equity Units called for conversion (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such AMC Preferred Equity Units shall be converted by the Depositary at a conversion ratio per AMC Preferred Equity Unit equal to one one-hundredth (1/100th) of the Applicable Conversion Rate (as defined in the Certificate of Designations and which shall be stated in the Notice of Conversion) of the Preferred Stock so converted plus all money and other property, if any, represented by such AMC Preferred Equity Units, including all amounts paid by the Corporation in respect of dividends which on the Conversion Date have been declared on the shares of the Preferred Stock to be so converted and have not theretofore been paid (it being understood that, in accordance with the provisions of the Certificate of Designations, any declared but unpaid dividends payable on a Conversion Date that occurs subsequent to the record date fixed for a dividend period shall not be paid to the Holder of a Receipt entitled to receive shares of common stock on the Conversion Date, but rather shall be paid to the Holder of such Receipt on such record date).

2.9 Book Entry System: Global Registered Form. The Corporation and the Depositary shall make application to DTC, or such other entity designated as Global Receipt Depository by the Corporation, for acceptance of the Receipts for its book-entry settlement system. Any Receipts not held through the book-entry settlement system of the Global Receipt Depository pursuant to this Section 2.9 shall be held in the book-entry system of the Depositary, unless otherwise provided herein, and beneficial interests in such Receipts shall be shown on, and the transfer of such ownership shall be effected through, the records maintained by the Depositary. The Corporation hereby appoints the Depositary acting through any authorized officer thereof as its attorney-in-fact, with full power to delegate, for purposes of executing any agreements, certifications

or other instruments or documents necessary or desirable in order to effect the acceptance of such Receipts for eligibility with the Global Receipt Depository. So long as the Receipts are eligible for book-entry settlement with the Global Receipt Depository, if reasonably requested by the Corporation or the Global Receipt Depository and unless otherwise required by law, all AMC Preferred Equity Units with book-entry settlement through the Global Receipt Depository shall be represented by a Global Registered Receipt, which shall be deposited with the Global Receipt Depository (or its designee) evidencing all such AMC Preferred Equity Units and registered in the name of the nominee of the Global Receipt Depository (initially expected to be Cede & Co.). The Depository or such other entity as is agreed to by the Global Receipt Depository may hold the Global Registered Receipt as custodian for the Global Receipt Depository. Ownership of beneficial interests in the Global Registered Receipt shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) the Global Receipt Depository or its nominee for such Global Registered Receipt or (ii) institutions that have accounts with the Global Receipt Depository. The Global Registered Receipt shall bear such legend or legends as may be required by the Global Receipt Depository in order for it to accept the AMC Preferred Equity Units for its book-entry settlement system.

Notwithstanding any other provision of this Deposit Agreement to the contrary, unless otherwise provided in the Global Registered Receipt, a Global Registered Receipt may only be transferred in whole and only by the applicable Global Receipt Depository for such Global Registered Receipt to a nominee of such Global Receipt Depository, or by a nominee of such Global Receipt Depository to such Global Receipt Depository or another nominee of such Global Receipt Depository, or by such Global Receipt Depository or any such nominee to a successor Global Receipt Depository for such Global Registered Receipt selected or approved by the Corporation or to a nominee of such successor Global Receipt Depository.

If the Global Receipt Depository subsequently ceases to make its book-entry settlement system available for the Receipts, the Corporation may instruct the Depository regarding making other arrangements for book-entry settlement. If the Receipts are not eligible for book-entry form, the Depository shall provide written instructions to the Global Receipt Depository to deliver the Global Registered Receipts to the Depository for cancellation and the Corporation shall instruct the Depository to deliver to the beneficial owners of the AMC Preferred Equity Units previously evidenced by the Global Registered Receipts definitive Receipts in physical form or in book-entry form evidencing such AMC Preferred Equity Units, as instructed by the Corporation.

Beneficial owners of AMC Preferred Equity Units through the Global Receipt Depository will not be entitled to receive Receipts in physical, certificated form or have AMC Preferred Equity Units registered in their name, except in the event the Global Receipt Depository ceases to make its book-entry settlement system available, as described herein. Definitive registered Receipts issued in exchange for a Global Registered Receipt pursuant to this Section 2.9 shall be registered in such names and in such authorized denominations as the Global Receipt Depository for such Global Registered Receipt, pursuant to instructions from its participants, shall instruct the Depository in writing. The Depository shall deliver such Receipts to the Persons in whose names such Receipts are so registered.

If an Exchange Event has occurred with respect to any Global Registered Receipt, then, in any such event, the Depository shall, upon receipt of a written order from the Corporation authorizing and directing the Depository to execute and deliver the individual definitive registered or book-entry Receipts in exchange for such Global Registered Receipt, execute and deliver, individual definitive registered Receipts, in authorized denominations and of like terms in an aggregate number of AMC Preferred Equity Units equal to the aggregate number of AMC Preferred Equity Units represented by the Global Registered Receipt being delivered in exchange for such Receipts. The Depository shall have no duties, obligations or liability under this paragraph unless and until such written order has been received by the Depository.

Receipts shall be in denominations of any number of whole AMC Preferred Equity Units. The Corporation shall deliver to the Depository from time to time such quantities of Receipts as the Depository may request to enable the Depository to perform its obligations under this Deposit Agreement.

Notwithstanding anything to the contrary in this Deposit Agreement, the parties hereto shall comply with the terms of each Letter of Representations.

2.10 **Receipt of Funds.** All funds received by Computershare under this Deposit Agreement that are to be distributed or applied by Computershare in the performance of services hereunder (the “**Funds**”) shall be held by Computershare as agent for the Corporation and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Corporation. Until paid pursuant to this Deposit Agreement, Computershare may hold or invest the Funds through such accounts in: (i) obligations of, or guaranteed by, the United States of America, (ii) commercial paper obligations rated A-1 or P-1 or better by Standard & Poor’s Corporation (“**S&P**”) or Moody’s Investors Service, Inc. (“**Moody’s**”), respectively, (iii) money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, or (iv) demand deposit accounts, short term certificates of deposit, bank repurchase agreements or bankers’ acceptances, of commercial banks with Tier 1 capital exceeding \$1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody’s (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Computershare shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this paragraph, including any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits or investments. Computershare shall not be obligated to pay such interest, dividends or earnings to the Corporation, any Holder or any other party.

### **ARTICLE III**

#### **CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE CORPORATION**

3.1 **Filing Proofs, Certificates and Other Information.** Any Holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depository or the Corporation may reasonably deem necessary or proper. The Depository or the Corporation may withhold the delivery, or delay the registration of transfer, of any Receipt or withhold or delay the withdrawal of shares of the Preferred Stock represented by the AMC Preferred Equity Units and evidenced by a Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

3.2 **Payment of Taxes or Other Governmental Charges.** Holders of Receipts shall be obligated to make payments to Computershare of certain taxes, charges and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of shares of the Preferred Stock and all money or other property, if any, represented by the AMC Preferred Equity Units evidenced by such Receipt may be refused until any

such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all shares of the Preferred Stock or other property represented by the AMC Preferred Equity Units evidenced by such Receipt and not theretofore sold may be sold for the account of the Holder thereof (after attempting by reasonable means to notify such Holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, with the Holder of such Receipt remaining liable for any deficiency. The Depository or Computershare, as applicable, shall not have any duty or obligation to take any action under any section of this Deposit Agreement that requires the payment of taxes and/or charges unless and until it is satisfied that all such payments have been made.

3.3 Warranty as to the Preferred Stock. The Corporation hereby represents and warrants that shares of the Preferred Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of shares of the Preferred Stock and the issuance of the related Receipts.

3.4 Warranty as to Receipts and AMC Preferred Equity Units. The Corporation hereby represents and warrants that the Receipts, when issued, will evidence the legal and valid interests in the AMC Preferred Equity Units and each AMC Preferred Equity Unit will represent a legal and valid one one-hundredth (1/100th) interest in a share of the Preferred Stock. Such representation and warranty shall survive the deposit of shares of the Preferred Stock and the issuance of the related Receipts evidencing the AMC Preferred Equity Units.

#### ARTICLE IV

##### THE DEPOSITED SECURITIES; NOTICES

4.1 Cash Distributions. Whenever Computershare, as dividend disbursing agent, shall receive any cash dividend or other cash distribution on the Preferred Stock, Computershare shall, subject to Sections 3.1 and 3.2 and, if received, in accordance with written instructions from the Corporation, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of AMC Preferred Equity Units evidenced by the Receipts held by such Holders; *provided, however*, that in case the Corporation or Computershare shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of AMC Preferred Equity Units shall be reduced accordingly. Computershare, as dividend disbursing agent, shall distribute or make available for distribution, as the case may be and, if received, in accordance with the Corporation's written instructions, only such amount, however, as can be distributed without attributing to any Holder of Receipts a fraction of one cent, and any balance not so distributable shall be held by Computershare (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by Computershare for distribution to Record Holders of Receipts then outstanding. Each Holder of a Receipt shall provide the Depository with its certified tax identification number on a properly completed Form W-8 or W-9 or other appropriate form, as may be applicable. Each Holder of a Receipt acknowledges that, in the event of non-compliance with the preceding sentence, the Internal Revenue Code of 1986, as amended, may require withholding by Computershare of a portion of any of the distributions to be made to such Holder hereunder.

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4.2 Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depository shall receive any distribution other than cash, rights, preferences or privileges upon the Preferred Stock, the Depository shall, at the direction of the Corporation, subject to Sections 3.1 and 3.2, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of AMC Preferred Equity Units evidenced by such Receipts held by such Holders, in any manner that the Depository (with the approval of the Corporation) may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depository and the Corporation such distribution cannot be made proportionately among such Record Holders, or if for any other reason (including any requirement that the Corporation or the Depository or Computershare (as applicable) withhold an amount on account of taxes or charges) the Depository deems, after consultation with the Corporation, such distribution not to be feasible, the Depository may, with the approval of the Corporation, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by Computershare to Record Holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to the Depository and the Depository shall not make any distribution of such securities or property to the Holders of Receipts unless the Corporation shall have provided to the Depository an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

4.3 Subscription Rights, Preferences or Privileges. If the Corporation shall at any time offer or cause to be offered to the Persons in whose names shares of the Preferred Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be communicated to the Depository in writing and made available by the Depository to the Record Holders of Receipts in such manner as the Corporation shall direct and the Depository shall agree, either by the issue to such Record Holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation in its discretion with the acknowledgement of the Depository; *provided, however*, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Corporation determines that it is not lawful or (after consultation with the Depository) not feasible to make such rights, preferences or privileges available to Holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by Holders of Receipts who do not desire to exercise such rights, preferences or privileges, then the Corporation, in its discretion (with acknowledgement of the Depository, in any case where the Corporation has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall be delivered to Computershare and, if received, in accordance with the written instructions of the Corporation and, subject to Sections 3.1 and 3.2, be distributed by Computershare to the Record Holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

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The Corporation shall notify the Depository in writing whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for Holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depository that it will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges. In no event shall the Depository make available to the Holders of Receipts any right, preference or

privilege to subscribe for or to purchase any securities unless and until the Depository has received written notice from the Corporation that such registration statement shall have become effective, or the Corporation shall have provided to the Depository an opinion of counsel to the effect that the offering and sale of such securities to the Holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depository whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to Holders of Receipts, and the Corporation agrees with the Depository that the Corporation will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges.

The Depository will not be deemed to have any knowledge of any item for which it is supposed to receive notification under any section of this Deposit Agreement unless and until it has received such notification in writing.

4.4 Notice of Dividends, etc.: Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to the Preferred Stock, or whenever the Depository shall receive notice of any meeting at which Holders of the Preferred Stock are entitled to vote or of which Holders of the Preferred Stock are entitled to notice, or whenever the Depository and the Corporation shall decide it is appropriate, the Depository shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to or otherwise in accordance with the terms of the Preferred Stock) for the determination of the Holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

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4.5 Voting Rights. Subject to the provisions of the Certificate of Designations, upon receipt of notice from the Corporation of any meeting at which the Holders of the Preferred Stock are entitled to vote, the Depository shall, if requested in writing, as soon as practicable thereafter, mail or transmit by such other method approved by the Depository, in its reasonable discretion, to the Record Holders of Receipts, as determined on the record date fixed pursuant to Section 4.4, a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting, (ii) a statement that the Holders may, subject to any applicable restrictions, instruct the Depository as to the exercise of the voting rights pertaining to the shares of the Preferred Stock represented by their respective AMC Preferred Equity Units (including an express indication that instructions may be given to the Depository to give a discretionary proxy to a Person designated by the Corporation), and (iii) a brief statement as to the manner in which such instructions may be given. Upon the written request of the Holders of Receipts on the relevant record date, the Depository shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of the Preferred Stock represented by the AMC Preferred Equity Units evidenced by all Receipts as to which any particular voting instructions are received. The Corporation hereby agrees to take all reasonable action which may be deemed necessary by the Depository in order to enable the Depository to vote such shares of the Preferred Stock or cause such shares to be voted. In the absence of specific instructions from Holders of Receipts, the Depository will vote the Preferred Stock represented by the AMC Preferred Equity Units evidenced by the Receipts of such Holders proportionately with votes cast pursuant to instructions received from the other Holders.

4.6 Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in liquidation preference, split-up, adjustment, combination or any other reclassification of the Preferred Stock, subject to the provisions of the Certificate of Designations, or upon any recapitalization, reorganization, merger or consolidation affecting the Corporation or to which it is a party, the Depository shall, upon the written instructions of the Corporation setting forth any adjustment, (i) make such adjustments as are certified by the Corporation in the fraction of an interest represented by one AMC Preferred Equity Unit in one share of the Preferred Stock and (ii) treat any securities or property (including cash) which shall be received by the Depository or Computershare (as applicable) in exchange for or upon conversion of or in respect of the Preferred Stock as new deposited securities or property so received in exchange for or upon conversion or in respect of such Preferred Stock (except with respect to a conversion described in Section 2.8). Upon receipt of written instructions of the Corporation authorizing and directing the Depository to execute and deliver, the Depository shall so execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities or property. Anything to the contrary herein notwithstanding, Holders of Receipts shall have the right from and after the effective date of any such change in liquidation preference, split-up, adjustment, combination or other reclassification of the Preferred Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depository with instructions to convert, exchange or surrender the shares of the Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares and other securities and property and cash into which the shares of the Preferred Stock represented by such Receipts might have been converted or for which such shares might have been exchanged or surrendered immediately prior to the effective date of such transaction; *provided*, that the Depository shall not have any obligations under this sentence unless and until it has received written instructions from the Corporation.

4.7 Delivery of Reports. The Depository shall, at the direction and expense of the Corporation, furnish to Holders of Receipts any reports and communications received from the Corporation which are received by the Depository and which the Corporation is required to furnish to the Holders of the Preferred Stock, as provided in Section 5.5.

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4.8 Lists of Receipt Holders. Reasonably promptly upon request from time to time by and at the expense of the Corporation, the Registrar shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of AMC Preferred Equity Units of all registered Holders of Receipts.

## ARTICLE V

### THE DEPOSITORY, THE DEPOSITORY'S AGENTS, THE REGISTRAR AND THE CORPORATION

5.1 Appointment; Maintenance of Offices, Agencies and Transfer Books by the Depository; Registrar. The Corporation hereby appoints Computershare and Trust Company, jointly, to act as Depository in accordance with the terms and conditions hereof, and Computershare and Trust Company accept such appointment upon the express terms and conditions of this Deposit Agreement.

Upon execution of this Deposit Agreement, the Depository shall maintain at the Depository's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depository's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depository shall keep books at the Depository's Office for the registration and registration of transfer of Receipts, which books at all reasonable times during regular business hours shall be open for inspection by the Record Holders of Receipts upon reasonable notice to the Depository; *provided* that any Record Holder requesting to exercise such right shall certify to the Depository that such inspection shall be for a proper purpose reasonably related to such Person's interest as an owner of AMC Preferred Equity Units evidenced by the Receipts.

The Depository or Registrar may close such books, at any time or from time to time, when deemed necessary or advisable by the Depository, the Registrar, any Depository's Agent or the Corporation because of any requirement of law or of any government, governmental body or commission, stock exchange or any applicable self-regulatory body.

If the Receipts or the AMC Preferred Equity Units evidenced thereby or the shares of the Preferred Stock represented by such AMC Preferred Equity Units shall be listed on one or more national securities exchanges, the Corporation shall appoint a Registrar for registration of the Receipts or AMC Preferred Equity Units in accordance with any requirements of such exchange. Such Registrar (which may be the Depository if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depository upon the request or with the approval of the Corporation. If the Receipts, such AMC Preferred Equity Units or the Preferred Stock are listed on one or more other securities exchanges, the Depository will, at the written request and expense of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such AMC Preferred Equity Units or the Preferred Stock as may be required by law or applicable securities exchange regulation.

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5.2 Prevention of or Delay in Performance by the Depository, the Depository's Agents, the Registrar or the Corporation. Neither the Depository nor any Depository's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall incur any liability to any Holder of Receipts or any beneficial owner, if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depository, the Depository's Agent or the Registrar or any Transfer Agent, as the case may be, by reason of any provision, present or future, of the Corporation's amended and restated certificate of incorporation, as it may be amended from time to time, (including the Certificate of Designations) or by reason of any act of God, terrorist acts, pandemics, epidemics, war, civil unrest or other circumstance beyond the control of the relevant party, the Depository, the Depository's Agent, the Registrar, the Transfer Agent or the Corporation, as the case may be, shall be prevented, delayed, or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depository, any Depository's Agent, any Registrar, any Transfer Agent or the Corporation, as the case may be, incur liability to any Holder of a Receipt or any beneficial owner (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except in the event of the bad faith, gross negligence or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction) of the party charged with such exercise or failure to exercise.

5.3 Obligations of the Depository, the Depository's Agents, the Registrar, Transfer Agent and the Corporation. The Corporation does not assume any obligation and shall not be subject to any liability under this Deposit Agreement or any Receipt to Holders of Receipts other than for its gross negligence, willful misconduct or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction). Neither the Depository nor any Depository's Agent nor any Registrar or Transfer Agent, as the case may be, assumes any obligation or shall be subject to any liability under this Deposit Agreement or the Receipts to Holders of Receipts, the Corporation or to any other Person other than for its gross negligence, willful misconduct, or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction). Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depository, nor the Depository's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including but not limited to lost profits), even if they have been advised of the likelihood of such loss or damage and regardless of the form of action. Any liability of the Depository, any Depository's Agent or the Registrar or Transfer Agent, as the case may be, under this Deposit Agreement will be limited in the aggregate to an amount equal to the fees paid by the Corporation to the Depository pursuant to this Deposit Agreement during the twelve (12) months immediately preceding the event for which recovery from the Depository, but not including reimbursable expenses; *provided, however*, that in the event that such liability arises as a result of bad faith, willful misconduct or fraud (each as determined by a final non-appealable judgment of a court of competent jurisdiction) by the Depository, any of the Depository's Agents (except for such Depository's Agents which are not employees of the Depository), any Registrar or any Transfer Agent, as the case may be, such limit shall not apply and such liability hereunder shall be instead limited to the amount of such misappropriated funds or the liability resulting from such bad faith, willful misconduct or fraud.

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Neither the Depository nor any Depository's Agent nor any Registrar nor any Transfer Agent nor the Corporation, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Preferred Stock, the AMC Preferred Equity Units or the Receipts which in its reasonable opinion may involve it in expense or liability unless indemnity reasonably satisfactory to it against all expense and liability be furnished as often as may be reasonably required.

Neither the Depository nor any Depository's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any Person presenting the shares of the Preferred Stock for deposit, any Holder of a Receipt or any other Person believed by it to be competent to give such information in the absence of bad faith, gross negligence, or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on the part of the Depository's Agent, Registrar, Transfer Agent, or the Corporation, as the case may be. The Depository, any Depository's Agent, any Registrar, any Transfer Agent and the Corporation, as the case may be, may each rely and shall each be protected in respect of any action taken, suffered or omitted to be taken by it upon any written notice, request, direction or other document believed by it, in the absence of bad faith, gross negligence, or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction), to be genuine and to have been signed or presented by the proper party or parties.

The Depository, the Depository's Agents, any Transfer Agent or Registrar, as the case may be, shall not be responsible for any failure to carry out any instruction to vote any of the shares of the Preferred Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith, willful misconduct or gross negligence (each as determined by a final non-appealable judgment of a court of competent jurisdiction). The Depository undertakes, and any Depository's Agent, Registrar and any Transfer Agent, as the case may be, shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depository, any Depository's Agent, Registrar or any Transfer Agent.

The Depository, its parent, Affiliates, or subsidiaries, any Depository's Agents, and any Transfer Agent and any Registrar, as the case may be, may own and deal in any class of securities of the Corporation and its Affiliates and in Receipts or AMC Preferred Equity Units or become pecuniarily interested in any transaction in which the Corporation or its Affiliates may be interested or contract with or lend money to or otherwise act as fully or as freely as if it were not the Depository, the parent, Affiliate or subsidiary of the Depository or the Depository's Agent or Transfer Agent or Registrar hereunder. The Depository may also act as transfer agent, trustee or registrar of any of the securities of the Corporation and its

Affiliates or act in any other capacity for the Corporation or its Affiliates.

The Depository shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the AMC Preferred Equity Units or the Preferred Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depository shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

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In the event the Depository, the Depository's Agents, any Transfer Agent or Registrar, as the case may be, believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depository, the Depository's Agents, any Transfer Agent or Registrar hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depository, the Depository's Agents, any Transfer Agent or Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depository, the Depository's Agents, any Transfer Agent or Registrar may, in its sole discretion upon providing written notice to the Corporation, refrain from taking any action and the Depository, the Depository's Agents, any Transfer Agent or Registrar shall be fully protected and shall not be liable in any way to the Corporation, any Holders of Receipts or any other Person for refraining from taking such action, unless the Depository, the Depository's Agents, any Transfer Agent or Registrar receives written instructions or a certificate of the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depository, the Depository's Agents, any Transfer Agent or Registrar or which proves or establishes the applicable matter to the satisfaction of the Depository, the Depository's Agents, any Transfer Agent or Registrar. Such written instructions shall be full and complete authorization to the Depository, the Depository's Agents, any Transfer Agent or Registrar, as the case may be, and the Depository, the Depository's Agents, any Transfer Agent or Registrar shall incur no liability for or in respect of any action taken, suffered or omitted by it under the provisions of this Deposit Agreement in reliance upon such written instructions.

In the event the Depository, the Depository's Agent, the Registrar or the Transfer Agent, as the case may be, shall receive conflicting claims, requests or instructions from any Holders of Receipts, on the one hand, and the Corporation, on the other hand, the Depository, the Depository's Agent, the Registrar or the Transfer Agent, as the case may be, shall be entitled to act on such claims, requests or instructions received from the Corporation, and shall incur no liability and shall be entitled to the full indemnification set forth in Section 5.6 hereof in connection with any action so taken.

From time to time, the Corporation may provide the Depository or any Registrar with instructions concerning the services performed by the Depository under this Deposit Agreement. In addition, at any time, the Depository or any Registrar may apply to any officer of the Corporation for instruction, and may consult with legal counsel for the Depository or any Registrar or the Corporation with respect to any matter arising in connection with the services to be performed by the Depository or any Registrar under this Deposit Agreement. The Depository or such Registrar and its respective agents and subcontractors shall not be liable and shall be indemnified by the Corporation for any action taken, suffered or omitted by the Depository or such Registrar in reliance upon any instructions from the Corporation or upon the advice or opinion of such counsel. The Depository or any Registrar shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Corporation.

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It is intended that the Depository shall not be deemed to be an "issuer" of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depository is acting only in a ministerial capacity as Depository for the deposited Preferred Stock. The Depository will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Receipts, the shares of Preferred Stock or AMC Preferred Equity Units; provided, however, that the Depository agrees to comply with all withholding requirements applicable to it under law or this Deposit Agreement in its capacity as Depository.

The Depository assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depository makes no warranties or representations as to the validity or genuineness of the Preferred Stock at any time deposited with the Depository hereunder or of the AMC Preferred Equity Units, as to the validity or sufficiency of this Deposit Agreement (except as to due authorization and due execution by the Depository), as to the value of the AMC Preferred Equity Units or as to any right, title or interest of the record holders of Receipts in and to the AMC Preferred Equity Units; nor shall the Depository be liable or responsible for any failure of the Corporation to comply with any of its obligations relating to any registration statement filed with the U.S. Securities and Exchange Commission, including without limitation obligations under applicable regulation or law. The Depository shall not be accountable for the use or application by the Corporation of the AMC Preferred Equity Units or the Receipts or the proceeds thereof.

Neither the Depository (or its officers, directors, employees or agents), any Depository's Agent nor any Registrar or any Transfer Agent makes any representation or has any responsibility as to the validity of any registration statement pursuant to which the AMC Preferred Equity Units may be registered under the Securities Act, the deposited Preferred Stock, the AMC Preferred Equity Units, the Receipts (except its countersignature thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made in any such registration statement or herein.

The Depository may rely on and be fully authorized and protected in acting or failing to act upon (a) any Signature Guarantee or guaranty of signature by an "eligible guarantor institution" that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable "signature guarantee program" or insurance program in addition to, or in substitution for, the foregoing; or (b) any law, act, regulation or any interpretation of the same even though such law, act, or regulation may thereafter have been altered, changed, amended or repealed.

The Depository may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Depository shall not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation, to the Holders of the Receipts or any other Person resulting from any such act, omission, default, neglect or misconduct, absent gross negligence or bad faith in the selection and continued employment thereof (which gross negligence or bad faith must be determined by a final, non-appealable judgment of a court of competent jurisdiction).

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The Depository, any Depository's Agent, any Transfer Agent, any Registrar or any dividend disbursing agent hereunder:

- (i) shall have no duties or obligations other than those specifically set forth herein (and no implied duties or obligations), or as may subsequently be agreed to in writing by the parties;
- (ii) shall have no obligation to make payment hereunder unless the Corporation shall have provided the necessary federal or other

immediately available funds or securities or property, as the case may be, to pay in full amounts due and payable with respect thereto;

(iii) shall not be obligated to take any legal or other action hereunder; if, however, it determines to take any legal or other action hereunder, and, where the taking of such action might in its reasonable judgment subject or expose it to any expense or liability, it shall not be required to act unless it shall have been furnished with an indemnity reasonably satisfactory to it;

(iv) may rely on and shall be authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, facsimile transmission or other document or security delivered to it and believed by it to be genuine and to have been signed by the proper party or parties, and shall have no responsibility for determining the accuracy thereof;

(v) may rely on and shall be authorized and protected in acting or omitting to act upon the written, telephonic, electronic and oral instructions given in accordance with this Deposit Agreement, with respect to any matter relating to its actions covered by this Deposit Agreement (or supplementing or qualifying any such actions), of officers of the Corporation;

(vi) shall not be called upon at any time to advise any Person with respect to the Preferred Stock, AMC Preferred Equity Units or Receipts;

(vii) shall not be liable in any respect on account of the identity, authority or rights of the parties (other than with respect to the Depository) executing or delivering or purporting to execute or deliver this Deposit Agreement or any documents or papers deposited or called for under this Deposit Agreement; and

(viii) shall not be liable or responsible for any recital or statement contained in any documents relating hereto or to the Preferred Stock, the AMC Preferred Equity Units or Receipts (except its countersignature hereof and thereof).

The terms of this Section 5.3 shall survive the replacement, removal or resignation of any Depository, Registrar, Transfer Agent or Depository's Agent or termination of this Deposit Agreement.

5.4 Resignation and Removal of the Depository; Appointment of Successor Depository. The Depository may at any time resign as Depository hereunder by delivering notice of its election to do so to the Corporation upon at least forty-five (45) days prior written notice.

The Depository may at any time be removed by the Corporation by at least forty-five (45) days prior written notice of such removal delivered to the Depository.

In the event the transfer agency relationship in effect between the Corporation and the Depository terminates, the Depository will be deemed to have resigned automatically and be discharged from its duties under this Deposit Agreement.

In case at any time the Depository acting hereunder shall resign or be removed, the Corporation shall, within forty-five (45) days after the delivery of the notice of resignation or removal, as the case may be, use its reasonable best efforts to appoint a successor Depository, which shall be (i) a Person having its principal office in the United States of America and having a combined capital and surplus, along with its Affiliates, of at least \$50,000,000 or (ii) an Affiliate of any such Person.

If no successor Depository shall have been so appointed and have accepted appointment within forty-five (45) days after delivery of such notice, the resigning or removed Depository or any Holder may, petition any court of competent jurisdiction for the appointment of a successor Depository. Every successor Depository shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depository, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depository under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the shares of the Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the Record Holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depository shall promptly mail or transmit by such other method approved by such successor Depository, in its reasonable discretion, notice of its appointment to the Record Holders of Receipts.

Any Person into or with which the Depository may be merged, consolidated or converted, or any Person to which all or a substantial part of the assets of the Depository may be transferred or which succeeds to the shareholder services business of the Depository shall be the successor of the Depository without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depository may authenticate the Receipts in the name of the predecessor Depository or its own name as successor Depository.

The removal or resignation of the Depository shall automatically be deemed to be a removal of the Registrar and Transfer Agent and dividend disbursing agent and conversion agent (to the extent Computershare is acting in such capacities) herein without any further act or deed.

5.5 Corporate Notices and Reports. The Corporation agrees that it will deliver to the Depository, and the Depository will, upon the Corporation's written instruction, promptly after receipt thereof transmit to the Record Holders of Receipts, in each case at the addresses recorded in the Depository's or Registrar's books, copies of all notices and reports (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Preferred Stock, the AMC Preferred Equity Units or the Receipts are listed or by the Corporation's amended and restated certificate of incorporation, as it may be amended from time to time, (including the Certificate of Designations), to be furnished to the Record Holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depository with such number of copies of such documents as the Depository may reasonably request. In addition, the Depository will transmit to the Record Holders of Receipts at the Corporation's expense such other documents as may be requested by the Corporation.

5.6 Indemnification by the Corporation. Notwithstanding Section 5.3 to the contrary, the Corporation shall indemnify the Depository, any Depository's Agent, any Registrar, any Transfer Agent, and any dividend disbursing agent or conversion agent (including each of their officers, directors, agents and employees) against, and hold each of them harmless from and against, any loss, damage, cost, penalty, liability or expense (including the reasonable costs and expenses of its legal counsel) which may arise out of actions taken, suffered or omitted to be taken in connection with its acting as Depository, Depository's Agent, Registrar, Transfer Agent or dividend disbursing agent or conversion agent, respectively, under this Deposit Agreement (including, without limitation, the enforcement by the Depository, Depository's Agent, Registrar, Transfer Agent or dividend disbursing agent or conversion agent, as the case may be, of this Deposit Agreement) and the Receipts by the Depository, any Transfer Agent, any Registrar, dividend distribution agent or conversion agent, or any of their respective agents (including any Depository's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of gross negligence, willful misconduct or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on the respective parts of any such Person or Persons. The obligations of the Corporation and the rights of the Depository, Depository's Agent, Registrar, Transfer Agent, dividend distribution agent and conversion agent, set forth in this Section 5.6 shall survive the termination of this Deposit Agreement and any resignation, replacement, removal, or succession of any Depository, Registrar, Transfer Agent, dividend distribution agent, conversion agent or



Depository's Agent.

5.7 Fees, Charges and Expenses. The Corporation agrees promptly to pay the Depository the compensation, as separately agreed upon with the Corporation, in accordance with such agreed upon terms, for all services rendered by the Depository, Depository's Agent, Transfer Agent, Registrar, dividend distribution agent and conversion agent hereunder and to reimburse the Depository for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depository, Depository's Agent, Transfer Agent, Registrar, dividend distribution agent and conversion agent without gross negligence, willful misconduct, bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on its part in connection with the services rendered by it (or any agent of the Depository) hereunder. The Corporation shall pay all charges of the Depository in connection with (i) the initial deposit of shares of the Preferred Stock, (ii) the initial issuance of the AMC Preferred Equity Units, (iii) all withdrawals of shares of the Preferred Stock by owners of AMC Preferred Equity Units, and (iv) all conversions of the Preferred Stock into common stock. The Corporation shall pay all transfer and other taxes and charges arising solely from the existence of the depositary arrangements. All other transfer and other taxes and charges shall be at the expense of Holders of AMC Preferred Equity Units evidenced by Receipts. If, at the request of a Holder of Receipts, the Depository incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such Holder will be liable for such charges and expenses; *provided, however*, that the Depository may, at its sole option, require a Holder of a Receipt to prepay the Depository any charge or expense the Depository has been asked to incur at the request of such Holder of Receipts. The Depository shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depository may agree.

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5.8 Tax Compliance. The Depository will comply in all material respects with all applicable certification, information reporting, and withholding (including "backup withholding") requirements imposed upon the Depository by applicable tax laws, regulations, or administrative practice with respect to (i) any payments made with respect to the AMC Preferred Equity Units or (ii) the issuance, delivery, holding, transfer, or exercise of rights under the Receipts or the AMC Preferred Equity Units. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent. The Depository shall comply with any written direction received from the Corporation with respect to the application of such requirements to particular payments or Holders or in other particular circumstances and may, for purposes of this Deposit Agreement, rely on any such direction and the Depository shall have no liability for or in respect of, any action taken or omitted by it in the absence of bad faith, willful misconduct, gross negligence or fraud (which bad faith, willful misconduct, gross negligence or fraud must be determined by a final non-appealable judgment of a court of competent jurisdiction) and pursuant to such direction in accordance with the provisions of Section 5.3 hereof. The Depository shall, in accordance with its record retention policies or procedures, maintain all appropriate records documenting compliance with such requirements, and shall make such records available on request to the Corporation or to its authorized representatives during the term of this Deposit Agreement.

#### ARTICLE VI AMENDMENT AND TERMINATION

6.1 Amendment. The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depository in any respect which they may deem necessary or desirable; *provided, however*, that no such amendment which shall materially and adversely alter the rights of the Holders of Receipts shall be effective against the Holders of Receipts unless such amendment shall have been approved by the Holders of Receipts representing in the aggregate a majority of the AMC Preferred Equity Units then outstanding. Every Holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Sections 2.5 and 2.6 and Article III, of any owner of AMC Preferred Equity Units to surrender any Receipt evidencing such AMC Preferred Equity Units to the Depository with instructions to deliver to the Holder the shares of the Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable securities exchange. As a condition precedent to the Depository's execution of any amendment, the Corporation shall deliver to the Depository a certificate executed by a duly authorized officer of the Corporation that states that the proposed amendment is in compliance with the terms of this Section 6.1. No amendment to this Deposit Agreement shall be effective unless duly executed by the Depository and the Corporation.

6.2 Termination. This Deposit Agreement may be terminated by the Corporation or the Depository only if (i) all outstanding AMC Preferred Equity Units issued hereunder have been cancelled, upon conversion of the Preferred Stock or otherwise; (ii) there shall have been made a final distribution in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the Holders of Receipts representing AMC Preferred Equity Units pursuant to Section 4.1 or 4.2, as applicable; or (iii) upon the consent of Holders of Receipts representing in the aggregate not less than two-thirds of the AMC Preferred Equity Units outstanding.

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Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depository, any Depository's Agent, any Transfer Agent, any Registrar, any dividend distribution agent or any conversion agent under Sections 5.3, 5.6 and 5.7 (including as to any services of the Depository, any Depository's Agent, any Registrar or any dividend distribution agent that are necessary following and in connection with the termination of this Deposit Agreement); *provided further* that Sections 5.2, 5.3, 5.6 and 5.7 shall survive the termination of this Deposit Agreement.

#### ARTICLE VII MISCELLANEOUS

7.1 Counterparts. This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Deposit Agreement by facsimile, pdf or electronic mail (including any signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signature and Records Act or other applicable law, e.g., www.docuSign.com) shall be effective as delivery of a manually executed counterpart of this Deposit Agreement.

7.2 Exclusive Benefit of Parties. This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other Person whatsoever.

7.3 Representations and Warranties of the Depository. Depository represents and warrants to the Corporation that:

(i) each of Computershare and the Trust Company is duly organized and validly existing under the laws of its organizing jurisdiction and each has the full power and authority to execute, deliver and perform its respective obligations under this Deposit Agreement, and

Computershare is in good standing under the laws of the State of Delaware;

(ii) the execution, delivery and performance of this Deposit Agreement by each of Computershare and the Trust Company has been duly authorized by all necessary corporate or other organizational action and will not conflict with, violate or result in a breach of the terms and conditions or provisions of, or constitute a default under (A) their respective organization documents, (B) any material indenture, contract, agreement, or undertaking to which Computershare or the Trust Company is a party or is bound, (C) any existing law to which Computershare or the Trust Company is subject, or (D) any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority of which Computershare or the Trust Company has knowledge and which is applicable to Computershare or the Trust Company; and

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(iii) this Deposit Agreement has been duly executed and delivered by each of Computershare and the Trust Company and (assuming its due execution and delivery by Corporation) constitutes the legal, valid and binding obligation of Computershare and the Trust Company, enforceable against Computershare and the Trust Company in accordance with its terms except as may be limited by bankruptcy, insolvency, moratorium, conservatorship, receivership, reorganization, and other similar laws affecting the enforcement of creditors' rights generally.

7.4 Invalidity of Provisions. In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby; *provided, however*, that if any such provision adversely affects the rights, duties, liabilities or obligations of the Depository, the Depository shall be entitled to resign immediately upon written notice to the Corporation.

7.5 Notices. Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier service or by electronic mail, confirmed by letter, addressed to the Corporation at:

AMC Entertainment Holdings, Inc.  
One AMC Way  
11500 Ash Street  
Leawood, Kansas 66211  
Attention: Kevin Connor  
Email: KConnor@amctheatres.com

with a copy to:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York  
Attention: Michael Stein  
Email: Michael.Stein@weil.com

or at any other addresses of which the Corporation shall have notified the Depository in writing.

Any and all notices to be given to the Depository hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier service or by facsimile transmission or electronic mail, confirmed by letter, addressed to the Depository at the Depository's Office at:

Computershare Inc.  
Computershare Trust Company, N.A.  
150 Royall Street  
Canton, Massachusetts 02021  
Attention: Client Services

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or at any other address of which the Depository shall have notified the Corporation in writing.

Except as otherwise provided herein, any and all notices to be given to any Record Holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, recognized next day courier services, facsimile transmission or electronic mail, confirmed by letter, addressed to such Record Holder at the address of such Record Holder as it appears on the books of the Depository; or if such Holder shall have timely filed with the Depository a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request; or in the case of any Global Receipt Depository, in accordance with its applicable procedures and arrangements for notices.

Delivery of a notice sent by mail or as provided in this Section 7.5 shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission or electronic mail) is deposited, postage prepaid, in a post office letter box; *provided*, that notice to a Global Receipt Depository shall be deemed to be effected at the time such notice is delivered or made as provided in this Section 7.5; *provided, further*, that the Depository or the Corporation may, however, act upon any facsimile transmission or electronic mail received by it from the other or from any Holder of a Receipt, notwithstanding that such facsimile transmission or electronic mail shall not subsequently be confirmed by letter or as aforesaid.

7.6 Depository's Agents. The Depository may from time to time appoint Depository's Agents to act in any respect for the Depository for the purposes of this Deposit Agreement and may at any time appoint additional Depository's Agents and vary or terminate the appointment of such Depository's Agents. The Depository will promptly notify the Corporation of any such action.

7.7 Appointment of Registrar and Dividend Disbursing Agent and Conversion Agent in Respect of the Preferred Stock. The Corporation hereby appoints the Trust Company and Computershare, jointly, as Registrar, Transfer Agent, dividend disbursing agent and conversion agent in respect of the Receipts and shares of the Preferred Stock deposited with the Depository hereunder, and the Trust Company and Computershare hereby accept their respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, will reflect changes in the number of shares of deposited Preferred Stock held by it by notation, book-entry or other appropriate method. With respect to the appointments of the Trust Company and Computershare as Registrar, Transfer Agent, dividend disbursing agent and conversion agent in respect of the Receipts and shares of the Preferred Stock deposited with the Depository hereunder, the Trust Company and Computershare shall be entitled to the same rights, indemnities, immunities and benefits as the Depository hereunder as if explicitly named in each such provision.

7.8  Holders of Receipts are Parties . The Holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof. The provisions of this Deposit Agreement are intended to benefit only the parties hereto and their respective permitted successors and assign, and no rights shall be granted to any other Person by virtue of this Deposit Agreement.

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7.9  Governing Law . This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable conflicts of law principles.

7.10  Inspection of Deposit Agreement . Copies of this Deposit Agreement shall be filed with the Depository and the Depository's Agents and shall be made available for inspection during business hours upon reasonable notice to the Depository by any Holder of a Receipt.

7.11  Headings . The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in  Exhibit A  hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

7.12  Confidentiality . The Depository and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, *inter alia*, personal, non-public Holder information, and the fees for services to be performed hereunder, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement, shall remain confidential, and shall not be voluntarily disclosed to any other Person, except as may be required by law or legal process. Notwithstanding anything contained herein, each party may disclose relevant aspects of the other party's confidential information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Deposit Agreement and such disclosure is not prohibited by applicable law. To avoid doubt, the parties hereto shall not (otherwise as set forth in this Section 7.12) be required to keep the terms of this Deposit Agreement confidential.

7.13  Further Assurances . The Corporation shall perform, acknowledge and deliver or cause to be performed, acknowledged and delivered all such further and other acts, documents, instruments and assurances as may be reasonably required by the Depository for the carrying out or performing by the Depository of the provisions of this Deposit Agreement.

*[Remainder of page intentionally left blank; signature page follows.]*

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IN WITNESS WHEREOF, the Corporation and the Depository have duly executed this Deposit Agreement as of the day and year first above set forth, and all Holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

**AMC ENTERTAINMENT HOLDINGS, INC.**

By: /s/ Kevin Connor

Name: Kevin Connor

Title: Senior Vice President, General Counsel and Secretary

**COMPUTERSHARE TRUST COMPANY, N.A. and COMPUTERSHARE INC. (on behalf of both entities)**

By: /s/ Patrick Hayes

Name: Patrick Hayes

Title: Manager, Client Management

*[Signature page to Deposit Agreement]*

**EXHIBIT A:  
FORM OF RECEIPT  
[FORM OF FACE OF RECEIPT]**

Unless this receipt is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to AMC Entertainment Holdings, Inc. or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

AMC PREFERRED EQUITY UNITS  
DEPOSITORY RECEIPT FOR AMC PREFERRED EQUITY UNITS,  
EACH REPRESENTING A 1/100TH INTEREST IN ONE SHARE OF  
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK  
OF  
AMC ENTERTAINMENT HOLDINGS, INC.  
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
CUSIP 00165C203  
SEE REVERSE FOR CERTAIN DEFINITIONS  
Number of AMC Preferred Equity Units: [●]

Certificate Number: [●]

COMPUTERSHARE INC. and COMPUTERSHARE TRUST COMPANY, N.A., acting jointly as Depository (the "Depository"), hereby certify that Cede & Co. is the registered owner of [●] AMC Preferred Equity Units (\$[●] aggregate liquidation preference) ("AMC Preferred Equity Units"), each AMC Preferred Equity Unit representing a 1/100th interest in one share of Series A Convertible Participating Preferred Stock (the "Preferred Stock"), of AMC Entertainment Holdings, Inc., a Delaware corporation (the "Corporation"), on deposit with the Depository, subject to the terms and entitled to the benefits of the Deposit Agreement dated August 4, 2022 (the "Deposit Agreement"), among the Corporation, the Depository and the holders from time to time of the Depository Receipts. By accepting this Depository Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement.

This Depository Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depository by the manual or facsimile signature of a duly authorized officer and, if a Registrar for the Receipts (other

than the Depository) shall have been appointed, countersigned by such Registrar in respect of the Depository Receipts by the manual or facsimile signature of a duly authorized officer thereof.

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Dated: [●], 2022  
**Computershare Inc. and Computershare Trust Company, N.A., jointly as Depository**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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[FORM OF REVERSE OF RECEIPT]

AMC ENTERTAINMENT HOLDINGS, INC.

AMC ENTERTAINMENT HOLDINGS, INC. WILL FURNISH WITHOUT CHARGE TO EACH RECEIPTHOLDER WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OR SUMMARY OF THE CERTIFICATE OF DESIGNATIONS OF SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK OF AMC ENTERTAINMENT HOLDINGS, INC. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The Corporation will furnish without charge to each receiptholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Corporation or to the Transfer Agent.

EXPLANATION OF ABBREVIATIONS

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

<b>Abbreviation</b>	<b>Equivalent Phrase</b>	<b>Abbreviation</b>	<b>Equivalent Phrase</b>		
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN IN COM	As tenants by the entireties		
TEN BY ENT	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act		
<b>Abbreviation</b>	<b>Equivalent Word</b>	<b>Abbreviation</b>	<b>Equivalent Word</b>		
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of CH
CH	Chapter	GDN	Guardian	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Under agreement
DEC	Declaration	MIN	Minor	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

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**Assignment**

For value received, [●] hereby sell(s), assign(s) and transfers(s) unto  
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL CODE, OF ASSIGNEE

AMC Preferred Equity Units represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint Attorney to transfer the said AMC Preferred Equity Units on the books of the within named Depository with full power of substitution in the premises.

Dated: [●]

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by a participant in a signature guarantee program approved by the Securities Transfer Association at a guarantee level acceptable to the Transfer Agent.

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# **EXHIBIT O**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-A**

**FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES**

**PURSUANT TO SECTION 12(b) OR (g) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware

26-0303916

(State of incorporation or organization)

(IRS Employer Identification No.)

One AMC Way

11500 Ash Street, Leawood, KS

66211

(Address of Principal Executive Offices)

(Zip Code)

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

Title of Each Class to be so Registered

Name of Each Exchange on Which  
Each Class is to be Registered

**AMC Preferred Equity Units, each constituting a depositary share representing a 1/100th interest in a share of Series A Convertible Participating Preferred Stock**

**New York Stock Exchange**

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c) or (e), check the following box.

If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d) or (e), check the following box.

Securities Act registration statement file number to which this form relates: **None**

Securities to be registered pursuant to Section 12(g) of the Act: **None**

**INFORMATION REQUIRED IN REGISTRATION STATEMENT**

**Item 1. Description of Registrant's Securities to be Registered.**

On August 4, 2022, AMC Entertainment Holdings, Inc., (the "Company") declared a special dividend of one depositary share (an "AMC Preferred Equity Unit") for each share of Class A common stock, par value \$0.01 per share (the "Common Stock") of the Company outstanding at the close of business on August 15, 2022. Each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Company's Series A Convertible Participating Preferred Stock (the "Preferred Stock"). Each share of Preferred Stock is initially convertible into one-hundred (100) shares of the Company's Common Stock upon the terms described below.

**Description of the AMC Preferred Equity Units**

**General**

Each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Preferred Stock and will be evidenced by a depositary receipt. The Company will deposit the underlying shares of the Preferred Stock with the Depositary (as defined below) pursuant to a Deposit Agreement among the Company, Computershare Inc. and Computershare Inc.'s wholly-owned subsidiary Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the "Depositary"), dated August 4, 2022 (the "Deposit Agreement"). Subject to the terms of the Deposit Agreement, the depositary shares will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock those depositary shares represent.

**Listing**

The Company has applied to list the AMC Preferred Equity Units on the New York Stock Exchange ("NYSE") under the symbol "APE". Once the application is approved, trading of the AMC Preferred Equity Units on the NYSE is expected to begin on or around August 22, 2022. The underlying Preferred Stock will not be listed.

**Automatic Conversion**

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which the Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company may seek to obtain the requisite stockholder approval, at such time or times as the board of directors in its sole discretion shall determine, of an amendment to its Third Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") to increase the number of authorized shares of Common Stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock (which may be issued for any purpose) as the Company's board of directors may determine in its sole discretion (the "Common Stock Amendment").

Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company's outstanding capital stock will be required for stockholder approval of the Common Stock Amendment. The holders of the AMC Preferred Equity Units will be entitled to vote on the Common Stock Amendment.

Upon the terms and in the manner described below under "Description of the Preferred Stock – Conversion Procedures," at 9:30 a.m., New York City time, on the first business day following the effectiveness of the Common Stock Amendment, all of the issued and outstanding shares of Preferred Stock will automatically convert in full with no action on the part of holders into Common Stock at the then-applicable conversion rate and the Preferred Stock will cease to exist.

Because each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of Preferred Stock, and upon conversion one (1) share of Preferred Stock is convertible into one-hundred (100) shares of Common Stock, each AMC Preferred Equity Unit would represent an interest in one (1) share of Common Stock upon conversion and such Common Stock will be deliverable upon conversion in respect of each AMC Preferred Equity Unit, in each case subject to adjustments as described herein. After delivery of Common Stock by the transfer agent to the Depositary following conversion of the Preferred Stock, the Depositary will transfer the proportional number of shares of Common Stock to the

holders of AMC Preferred Equity Units by book-entry transfer through the Depository Trust Company (“DTC”) or, if such holders’ interests are in certificated depositary receipts or held through the book-entry settlement system of the Depository, by delivery of common stock certificates or book-entry transfer through the Depository, as applicable, for such number of shares of Common Stock. In the event that the holders of AMC Preferred Equity Units would be entitled to receive fractional shares of Common Stock, the Depository will pay such holders cash in lieu of such fractional shares, as described under “Description of the Preferred Stock – Fractional Shares” below.

#### **Dividends and Other Distributions**

Holders of AMC Preferred Equity Units will receive dividends only to the extent such dividends are declared on the Preferred Stock. Each dividend on a AMC Preferred Equity Unit will be in an amount equal to the dividend on one share of Common Stock, or one one-hundredth (1/100th) of any dividend declared on the related share of the Preferred Stock, subject to adjustment.

The Depository will distribute all cash dividends and other cash distributions received on the Preferred Stock to the holders of record of the depositary receipts in proportion, as nearly as practicable, to the number of AMC Preferred Equity Units held by each holder. In the event of a distribution other than in cash, rights, preferences or privileges upon the Preferred Stock, the Depository will, at the direction of the Company, distribute such amounts of securities or property received by it to the holders of record of the depositary receipts in proportion to the number of AMC Preferred Equity Units held by each holder, unless the Depository determines that this distribution is not feasible, in which case the Depository may, with the Company’s approval, adopt a method of distribution that it deems practicable, including the sale of the property and distribution of the net proceeds of that sale to the holders of the depositary receipts.

Record dates for the payment of dividends and other matters relating to the AMC Preferred Equity Units will be the same as the corresponding record dates for the Preferred Stock.

The amount paid as dividends or otherwise distributable by the Depository with respect to the AMC Preferred Equity Units or the underlying Preferred Stock will be reduced by any amounts required to be withheld by the Company or the Depository on account of taxes or other governmental charges. The Depository may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any AMC Preferred Equity Units or the shares of the Preferred Stock until such taxes or other governmental charges are paid.

#### **Voting Rights**

Because each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Preferred Stock, and holders of the Preferred Stock will initially be entitled to one hundred (100) votes per share and will vote together with the holders of common stock on an as-converted basis, each AMC Preferred Equity Unit represents the equivalent of one vote under those circumstances in which holders of the Preferred Stock are entitled to a vote, as described under “Description of the Preferred Stock – Voting Rights” below.

When the Depository receives notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the Depository will, if requested in writing, as soon as practicable thereafter, mail or transmit a notice prepared by the Company which will contain (i) the information contained in the notice to the record holders of the AMC Preferred Equity Units relating to the Preferred Stock, (ii) a statement that such holders may, subject to any applicable restrictions, instruct the Depository as to the exercise of the voting rights pertaining to the shares of the Preferred Stock represented by their respective AMC Preferred Equity Units, and (iii) a brief statement as to the manner in which such instructions may be given. Each record holder of the AMC Preferred Equity Units on the record date, which will be the same date as the record date for the Preferred Stock, may instruct the Depository to vote the amount of the Preferred Stock represented by the holder’s AMC Preferred Equity Units. Insofar as practicable, the Depository will vote the amount of the Preferred Stock represented by AMC Preferred Equity Units in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the Depository determines are necessary to enable the Depository to vote as instructed. In the absence of specific instructions from holders of AMC Preferred Equity Units, the Depository will vote the Preferred Stock represented by the AMC Preferred Equity Units evidenced by the receipts of such holders proportionately with votes cast pursuant to instructions received from the other holders of AMC Preferred Equity Units.

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#### **Additional AMC Preferred Equity Units**

The Company without the consent of holders of AMC Preferred Equity Units may issue from time to time additional AMC Preferred Equity Units that will form part of the same series of security.

#### **Redemption**

The AMC Preferred Equity Units will not be redeemable or subject to any sinking fund or similar provision.

#### **Preemptive Rights**

The AMC Preferred Equity Units will not have any preemptive rights.

#### **Withdrawal**

Any holder of an AMC Preferred Equity Unit may withdraw the number of whole shares of the Preferred Stock and all money and other property, if any, represented thereby by surrendering the receipts evidencing the AMC Preferred Equity Units at the Depository’s principal office or at such other offices as the Depository may designate. Only whole shares of Preferred Stock may be withdrawn. If the AMC Preferred Equity Units surrendered by the holder in connection with withdrawal exceed the number of AMC Preferred Equity Units that represent the number of whole shares of Preferred Stock to be withdrawn, the Depository will deliver to that holder at the same time a new depositary receipt evidencing the excess number of AMC Preferred Equity Units.

#### **Amendment and Termination of the Deposit Agreement**

The Company may amend the form of depositary receipt evidencing the AMC Preferred Equity Units and any provision of the Deposit Agreement at any time and from time to time by agreement with the Depository without the consent of the holders of depositary receipts. However, any amendment that will materially and adversely alter the rights of the holders of depositary receipts will not be effective unless the holders of a majority of the affected AMC Preferred Equity Units then outstanding approve the amendment. Every holder of an outstanding depositary receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such depositary receipts, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby.

The Company will make no amendment that impairs the right of any holder of AMC Preferred Equity Units to receive shares of the Preferred Stock and any money or other property represented by those AMC Preferred Equity Units, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency, or commission, or applicable securities exchange.

The Deposit Agreement may be terminated:

- if all outstanding AMC Preferred Equity Units issued under the Deposit Agreement have been cancelled, upon conversion of the Preferred Stock or otherwise;
- if there shall have been a final distribution made in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of depositary receipts representing AMC Preferred Equity Units pursuant to the terms of the Deposit Agreement; or
- upon the consent of holders of depositary receipts representing in the aggregate not less than two-thirds of the AMC Preferred Equity Units outstanding.

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**Resignation and Removal of Depositary**

The Depositary may resign at any time by delivering to the Company written notice of its election to do so at least forty-five (45) days prior to such resignation. The Company also may, at any time, remove the Depositary by providing at least forty-five (45) days prior written notice. The Company will use its reasonable best efforts to appoint the successor depositary within forty-five (45) days after delivery of the notice of resignation or removal. The successor depositary must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50 million.

**Form and Notices**

The Preferred Stock will be issued in registered form to the Depositary, and the AMC Preferred Equity Units will be issued in book-entry only form through DTC, as described under “Registration and Settlement – Book Entry System” below. The Depositary will forward to the holders of AMC Preferred Equity Units all reports, notices, and communications from the Company that are delivered to the Depositary and that the Company is required to furnish to the holders of the Preferred Stock.

**Miscellaneous**

The descriptions of the terms of the Deposit Agreement and the AMC Preferred Equity Units set forth herein are qualified in their entirety by reference to the full text of the Deposit Agreement, which is included as Exhibit 4.1 to this Registration Statement on Form 8-A and are incorporated by reference herein.

**Description of the Preferred Stock****Effect of Stockholder Approval**

If we obtain the requisite stockholder approval of the Common Stock Amendment, then upon the terms and in the manner described below under “– Conversion Procedures,” at 9:30 a.m., New York City time, on the first business day following the effectiveness of the Common Stock Amendment, all of the issued and outstanding shares of Preferred Stock will automatically convert in full with no action on the part of holders into Common Stock at the then-applicable conversion rate and the Preferred Stock will cease to exist.

**Automatic Conversion of Preferred Stock**

Upon the terms and in the manner described below under “– Conversion Procedures,” each issued and outstanding share of Preferred Stock will automatically convert in full into shares of Common Stock at the conversion rate, with no action on the part of holders, at 9:30 a.m., New York City time, on the first business day following the effectiveness of the Common Stock Amendment (the “**Conversion Date**”). The initial conversion rate is one hundred (100) shares of Common Stock for each share of Preferred Stock (or one (1) share of Common Stock for each AMC Preferred Equity Unit). Such conversion rate is subject to adjustment as described below under “– Anti-Dilution Adjustments.” Cash will be paid in lieu of any fractional shares of Common Stock that would be issued on conversion as described below under “– Fractional Shares.”

**General**

The Preferred Stock will be a series (Series A) of the Company’s authorized preferred stock. The Depositary will be the sole holder of shares of the Preferred Stock. The holders of AMC Preferred Equity Units will be required to exercise their proportional rights in the Preferred Stock through the Depositary.

**Conversion Procedures**

As promptly as practicable after the Conversion Date, the Company shall provide written notice of the conversion to each holder of Preferred Stock stating the Conversion Date and the number of shares of Common Stock issued upon conversion of each share of Preferred Stock held of record by such holder and subject to conversion. Immediately upon conversion, the rights of the holder of Preferred Stock with respect to the shares of Preferred Stock so converted shall cease and the persons entitled to receive the shares of Common Stock upon the conversion of such shares of Preferred Stock shall be treated for all purposes as having become the record and beneficial owners of such shares of Common Stock. In the event that a holder of Preferred Stock shall not by written notice designate the name in which shares of Common Stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Company shall be entitled to register and deliver such shares, and make such payment, in the name of such holder and in the manner shown on the records of the Company.

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The Company shall not be required to reserve or keep available, out of its authorized but unissued shares of Common Stock, or to have sufficient authorized shares of Common Stock to cover, the number of shares of Common Stock that would be required to effect the conversion of all of the then-outstanding shares of Preferred Stock prior to the approval of the Common Stock Amendment.

All shares of Common Stock which may be issued upon conversion of the shares of Preferred Stock will, upon issuance by the Company, be validly issued, fully paid and non-assessable.

Effective immediately prior to the Conversion Date, dividends shall no longer be declared on the shares of Preferred Stock and such shares of Preferred Stock shall cease to be outstanding, in each case, subject to the rights of holders of Preferred Stock to receive any declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled to as further described herein and in the Certificate of Designations.

**Fractional Shares**

No fractional shares of Common Stock shall be issued upon conversion of shares of Preferred Stock. If more than one share of Preferred Stock shall be surrendered for conversion at any one time by the same holder of Preferred Stock, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Preferred Stock so surrendered. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of any shares of Preferred Stock, the Company shall pay an amount in cash (rounded to the nearest cent) equal to the interest in the net proceeds from the sale in the open market by the applicable conversion agent of the aggregate fractional shares of Common Stock that otherwise would have been issuable upon conversion of the Preferred Stock.

**Dividends**

Dividends on the Preferred Stock will not be mandatory. Holders of the Preferred Stock will be entitled to receive, when, as, and if declared by the Company’s board of directors or any duly authorized committee of the Company’s board of directors, but only out of assets legally available therefor, all cash dividends or distributions (including, but not limited to, regular quarterly dividends) declared and paid or made in respect of the shares of Common Stock, at the same time and on the same terms as holders of Common Stock, in an amount per share of Preferred Stock equal to the product of (x) the then-applicable conversion rate then in effect and (y) any per share dividend or distribution, as applicable, declared and paid or made in respect of each share of Common Stock (the “**Common Equivalent Dividend Amount**”), and (ii) the Board or any duly authorized committee thereof may not declare and pay any such cash dividend or make any such cash distribution in respect of Common Stock unless the Board or any duly authorized committee of the Board declares and pays to the holders of Preferred Stock, at the same time and on the same terms as holders of Common Stock, the Common Equivalent Dividend Amount per share of Preferred Stock. Notwithstanding any provision to the contrary in the Certificate of Designations with respect to dividends, the holders of Preferred Stock shall not be entitled to receive any cash dividend or distribution made with respect to the Common Stock after the issuance of the Preferred Stock where the record date for determination of holders of



Common Stock entitled to receive such dividend or distribution occurs prior to the issuance of the Preferred Stock.

Each dividend or distribution declared and paid as described hereunder will be payable to holders of record of Preferred Stock as they appear in the records of the Company at the close of business on the same day as the record date for the corresponding dividend or distribution to the holders of shares of Common Stock.

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Except as set forth in the Certificate of Designations, the Company shall have no obligation to pay, and the holders of Preferred Stock shall have no right to receive, dividends at any time, including with respect to dividends with respect to Parity Securities (as defined herein) or any other class or series of authorized preferred stock of the Company. To the extent the Company declares dividends on the Preferred Stock and on any Parity Securities but does not make full payment of such declared dividends, the Company will allocate the dividend payments on a pro rata basis among the holders of the shares of Preferred Stock and the holders of any Parity Securities then outstanding. For purposes of calculating the allocation of partial dividend payments, the Company will allocate dividend payments on a pro rata basis among the holders of Preferred Stock and the holders of any Parity Securities so that the amount of dividends paid per share on the Preferred Stock and such Parity Securities shall in all cases bear to each other the same ratio that payable dividends per share on the shares of the Preferred Stock and such Parity Securities (but without, in the case of any noncumulative preferred stock, accumulation of dividends for prior dividend periods) bear to each other. The foregoing right shall not be cumulative and shall not in any way create any claim or right in favor of holders of Preferred Stock in the event that dividends have not been declared or paid in respect of any prior calendar quarter.

No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on Preferred Stock or on such Parity Securities that may be in arrears.

Holders of Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Preferred Stock as specified hereunder.

Notwithstanding any provision in the Certificate of Designations to the contrary, holders of Preferred Stock shall not be entitled to receive any dividends for any calendar quarter in which the Conversion Date occurs, except to the extent that any such dividends have been declared by the Company's board of directors or any duly authorized committee of the Company's board of directors and the record date for such dividend occurs prior to the Conversion Date.

A holder of an AMC Preferred Equity Unit, which is a depositary share in the Preferred Stock, will not be entitled to receive dividends on the Preferred Stock declared by the Company's board of directors unless such holder is a holder of record of the depositary share as of the close of business on the record date for such dividend.

#### **Voting Rights**

The holders of the Preferred Stock will vote together with the holders of the Common Stock (and any other securities that vote together or that may in the future vote together with the holders of the Common Stock) on all matters upon which the holders of Common Stock are entitled to vote, including the Common Stock Amendment, except for those matters which under the Certificate of Incorporation or Delaware law would require the vote of the Preferred Stock or the Common Stock voting as a separate voting group. Holders of the Preferred Stock will be entitled to one hundred (100) votes per share (or one (1) vote per AMC Preferred Equity Unit), or such other number of votes per share equal to the number of shares of Common Stock into which a share of Preferred Stock (and AMC Preferred Equity Units) would convert at the then-applicable conversion rate, subject to adjustments as described herein. The Preferred Stock will not otherwise have voting rights except as specifically required by Delaware law.

Holders of Preferred Stock shall not be entitled to vote together with the Common Stock with respect to any matter at a meeting of the stockholders of the Company, which under applicable law or the Certificate of Incorporation requires a separate class vote.

#### **Ranking and Liquidation Rights**

With respect to any dividends or distributions (including, but not limited to, regular quarterly dividends) declared by the Company's board of directors, the Preferred Stock shall rank (i) senior to any class or series of capital stock of the Company hereafter created specifically ranking by its terms junior to any Preferred Stock ("**Junior Securities**"); (ii) on parity with the Common Stock and any class or series of capital stock of the Company created specifically ranking by its terms on parity with the Preferred Stock ("**Parity Securities**"); and (iii) junior to any class or series of capital stock of the Company hereafter created specifically ranking by its terms senior to any Preferred Stock ("**Senior Securities**"). With respect to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily, except as set forth in (b) below, the Preferred Stock shall rank (i) senior to all of the Common Stock; (ii) senior to any class or series of Junior Securities; (iii) on parity with any class or series of Parity Securities; and (iv) junior to any class or series of Senior Securities.

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Subject to any superior liquidation rights of the holders of any Senior Securities of the Company and the rights of the Company's existing and future creditors, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, each holder of the Preferred Stock shall be entitled to be paid out of the assets of the Company legally available for distribution to stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Common Stock and Junior Securities and *pari passu* with any distribution to the holders of Parity Securities: (i) an amount equal to the sum of the Liquidation Preference for each share of Preferred Stock held by such holder and an amount equal to any dividends declared but unpaid thereon plus (ii) the amount the holders of Preferred Stock would have received if, immediately prior to such voluntary or involuntary liquidation, dissolution or winding up of the Company, the Preferred Stock had converted into Common Stock (based on the then-applicable conversion rate and without giving effect to any limitations on conversion set forth herein) and if such amount exceeds the amount set forth in (i) above, minus the amount set forth in (i) above, which shall be paid out *pari passu* with any distribution to holders of the Common Stock and Parity Securities. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in the Certification of Designations and will have no right or claim to any of the Company's remaining assets.

The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) or all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

#### **Anti-Dilution Adjustments**

Initially, each share of Preferred Stock will convert into Common Stock at a rate of one hundred (100) shares of Common Stock for each share of Preferred Stock (or one (1) share of Common Stock for one (1) AMC Preferred Equity Unit), subject to adjustment as set forth herein.

If the Company issues solely shares of Common Stock as a dividend or distribution on all or substantially all shares of the Common Stock, or if the Company effects a stock split, stock combination or other similar recapitalization of the Common Stock (in each case excluding an issuance solely pursuant to a reorganization event), then the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where:

- $CR_0$  = the conversion rate in effect immediately before the close of business on the record date or effective date, as applicable, for such dividend, distribution, stock split, stock combination or other similar recapitalization, as applicable;
- $CR_1$  = the conversion rate in effect immediately after the close of business on such record date or effective date, as applicable;
- $OS_0$  = the number of shares of Common Stock outstanding immediately before the close of business on such record date or effective date, as applicable, without giving effect to such dividend, distribution, stock split, stock combination or other similar recapitalization; and
- $OS_1$  = the number of shares of Common Stock outstanding immediately after giving effect to such dividend, distribution, stock split, stock combination or other similar recapitalization.

If any distribution, dividend, stock split, stock combination or other similar recapitalization of the Common Stock is declared or announced, but not so paid or made, then the conversion rate will be readjusted, effective as of the date the Company's board of directors, or any officer acting pursuant to authority conferred by the Company's board of directors, determines not to pay such distribution or dividend or to effect such stock split, stock combination or other similar recapitalization, to the conversion rate that would then be in effect had such dividend, distribution, stock split, stock combination or similar recapitalization not been declared or announced.

### Adjustments

In the event of:

- the consolidation, merger or conversion of the Company with or into another person in each case pursuant to which the Common Stock will be converted into cash, securities, or other property of the Company or another person;
- any sale, transfer, lease, or conveyance to another person of all or substantially all of the consolidated assets of the Company and its subsidiaries, taken as a whole, in each case pursuant to which Common Stock will be converted into cash, securities, or other property; or
- any reclassification of Common Stock into securities other than Common Stock,

each of which is referred to as a "reorganization event," each share of the Preferred Stock outstanding immediately prior to such reorganization event will, without the consent of the holders of the Preferred Stock, automatically convert into the kind of securities, cash, and other property receivable in such reorganization event by a holder of the shares of Common Stock into which such share of Preferred Stock was convertible immediately prior to such reorganization event in exchange for such shares of Common Stock. In the event that holders of the shares of Common Stock have the opportunity to elect the form of consideration to be received in such reorganization event, the consideration that the holders of the Preferred Stock are entitled to receive will be deemed to be the weighted average of the types and amounts of consideration actually received, per share of Common Stock, by the holders of the Company's Common Stock, unless holders of Preferred Stock have the opportunity to elect the form of consideration to be received in such reorganization event.

The Company (or any successor) shall, within 20 days of the occurrence of any reorganization event, provide written notice to the holders of Preferred Stock of such occurrence of such event and of the type and amount of the cash, securities or other property that such holders are entitled to.

Other than with respect to an adjustment as described herein, if at any time prior to the Conversion Date, the Company issues to all holders of the Common Stock shares of securities or assets of the Company (other than shares of Common Stock or cash) as a dividend on the Common Stock, or the Company issues to all holders of the Common Stock certain rights or warrants entitling them for a period of 60 days or less to purchase shares of Common Stock at less than the current market value of the Common Stock at that time, or the Company purchases shares of Common Stock pursuant to a tender offer or exchange offer generally available to holders of Common Stock (subject to customary securities laws limitations) at above the current market value of the Common Stock at that time, and in each such case the record date with respect to such event (or the date such event is effective, as the case may be) occurs on or after the date of issuance of the Preferred Stock and prior to the Conversion Date (each, an "Adjustment Event"), then the Company will make such provision (i) to extend such tender offer or exchange offer on equivalent terms to holders of Preferred Stock or (ii) as is necessary so that the holder of Preferred Stock receives (upon cancellation of such shares of Preferred Stock in the event of a tender offer or exchange offer) the same dividend or other asset or property, if any, as it would have received in connection with such Adjustment Event if it had been the holder on the record date (or the date such event is effective, as the case may be) of the number of shares of Common Stock into which the shares of Preferred Stock held by such holder are then convertible, or, to the extent that it is not reasonably practicable for the Company to make such provision, the then-applicable conversion rate or other terms of the Preferred Stock shall be adjusted to provide such holder with an economic benefit comparable to that which it would have received had such provision been made. The foregoing shall not apply to the extent that any holder of Preferred Stock participates, or is permitted to participate, on a pro rata as-converted basis with the holders of Common Stock. Amounts resulting from any calculation as described under "– Anti-Dilution Adjustments" or this "– Conversion Procedures" will be rounded to the nearest 1/10,000th.

### Redemption

The Preferred Stock will not be redeemable or subject to any sinking fund or similar provision.

### Preemptive Rights

The Preferred Stock will not have any preemptive rights.

### Anti-Takeover Effects of Certain Provisions of the Certificate of Incorporation, the Bylaws, and Delaware Law

Certain provisions of the Certificate of Incorporation and the Company's Third Amended and Restated Bylaws (the "Bylaws") may be considered to have an anti-takeover effect and may delay or prevent a tender offer or other corporate transaction that a stockholder might consider to be in its best interest, including those transactions that might result in payment of a premium over the market price for our shares. These provisions are designed to discourage certain types of transactions that may involve an actual or threatened change of control of the Company without prior approval of the Company's board of directors. These provisions are meant to encourage persons interested in acquiring control of the Company to first consult with the Company's board of directors to negotiate terms of a potential business combination or offer. For example, the Certificate of Incorporation and Bylaws:

- provide for a classified board of directors, pursuant to which the Company's board of directors is divided into three classes whose members serve three-year staggered terms;
- provide that the size of the Company's board of directors will be set by members of the board of directors, and any vacancy on the board

of directors, including a vacancy resulting from an enlargement of the board of directors, may be filled only by vote of a majority of the directors then in office;

- do not permit stockholders to take action by written consent;
- provide that, except as otherwise required by law, special meetings of stockholders can only be called by the Company's board of directors;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to the Company's board of directors;
- limit consideration by stockholders at annual meetings to only those proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Company's board of directors or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting;
- authorize the issuance of "blank check" preferred stock that could be issued by the Company's board of directors to increase the number of outstanding shares or establish a stockholders rights plan making a takeover more difficult and expensive; and
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates.

The Certificate of Incorporation expressly states that the Company has elected not to be governed by Section 203 of the Delaware General Corporate Law, which prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time the stockholder became an interested stockholder, subject to certain exceptions, including if, prior to such time, the board of such corporation approved the business combination or the transaction which resulted in the stockholder becoming an interested stockholder. "Business combinations" include mergers, asset sales and other transactions resulting in a financial benefit to the "interested stockholder." Subject to various exceptions, an "interested stockholder" is a person who, together with his or her affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These restrictions generally prohibit or delay the accomplishment of mergers or other takeover or change-in-control attempts that are not approved by a company's board. Although the Company has elected to opt out of the statute's provisions, the Company could elect to be subject to Section 203 in the future.

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### **Common Stock Rights**

For a description of the rights of holders of Common Stock to be delivered upon conversion of the Preferred Stock, see "Description of Capital Stock" included in the "Description of the registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934" filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

### **Miscellaneous**

The Company shall not be required to reserve or keep available, out of the authorized but unissued Common Stock, or have sufficient authorized Common Stock to cover, the shares of Common Stock issuable upon the conversion of the Preferred Stock prior to the applicable conversion date. Any shares of the Preferred Stock converted into shares of Common Stock or otherwise reacquired by the Company shall resume the status of authorized and unissued preferred shares, undesignated as to series, and shall be available for subsequent issuance.

The descriptions of the terms of the Preferred Stock set forth herein are qualified in their entirety by reference to the full text of the Certificate of Designations, which is included as Exhibit 3.4 to this Registration Statement on Form 8-A and are incorporated by reference herein.

### **Additional Shares of Preferred Stock and Classes or Series of Stock**

Notwithstanding anything to the contrary set forth in the Certificate of Incorporation or the Certificate of Designations, the Company's board of directors or any authorized committee of the board of directors, without the vote of the holders of Preferred Stock (including the holders of the related AMC Preferred Equity Units), may increase or decrease the number of authorized shares of Preferred Stock or other stock ranking junior or senior to, or on parity with, the Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

### **Registration and Settlement**

#### **Book-Entry System**

The Preferred Stock will be issued in book-entry only form to Computershare Trust Company, N.A., as depositary and sole holder of the Preferred Stock. Individual Preferred Stock certificates will not be issued to each holder of Preferred Stock.

Owners of beneficial interests in the AMC Preferred Equity Units will hold their AMC Preferred Equity Units through the book-entry settlement system of DTC, and if requested by the Company or DTC, such AMC Preferred Equity Units may be represented by a global depositary receipt, deposited with and held in the name of DTC, or its nominee. The AMC Preferred Equity Units of record holders will be deposited with and held in an account at Computershare Trust Company, N.A. In order to own a beneficial interest in the AMC Preferred Equity Units, a holder must be an organization that participates in DTC or have an account with an organization that so participates, including Euroclear Bank, SA/NV, as operator of the Euroclear System, and Clearstream Banking, société anonyme, Luxembourg.

Owners of beneficial interests in AMC Preferred Equity Units held through DTC, or its nominee, if applicable, will not be entitled to have AMC Preferred Equity Units registered in their names, nor will such owners receive or be entitled to receive physical delivery of the AMC Preferred Equity Units in definitive form, or be considered the owners or holders of AMC Preferred Equity Units under the Deposit Agreement including for purposes of receiving any reports or notices delivered by the Company unless DTC ceases to make its book-entry settlement system available as described below. Accordingly, each person owning a beneficial interest in such AMC Preferred Equity Units, must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its beneficial interest, in order to exercise or sell any rights of a holder of AMC Preferred Equity Units.

If DTC ceases to make its book-entry settlement system available, the Company will instruct the Depositary to make other arrangements for book-entry settlement. If the AMC Preferred Equity Units are not eligible for book-entry form, the Depositary shall provide AMC Preferred Equity Units in certificated form registered in the names of the beneficial owners. Once AMC Preferred Equity Units in certificated form are issued, the underlying Preferred Stock may be withdrawn from the depositary arrangement upon surrender of AMC Preferred Equity Units at the corporate trust office of the Depositary and upon payment of the taxes, charges, and fees provided for in the Deposit Agreement. Subject to the Deposit Agreement, the holders of such AMC Preferred Equity Units will receive the appropriate number of shares of Preferred Stock and any money or property represented by the AMC Preferred Equity Units.

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Only whole shares of the Preferred Stock may be withdrawn. If a holder holds an amount other than a whole multiple of one-hundred (100) AMC Preferred Equity Units, the Depositary will deliver, along with the withdrawn shares of the Preferred Stock, a new depositary receipt evidencing the excess number of AMC Preferred Equity Units. Holders of withdrawn shares of the Preferred Stock will not be entitled to redeposit those shares or to receive a new depositary receipt evidencing AMC Preferred Equity Units therefor.

### Same Day Settlement

As long as the AMC Preferred Equity Units are held through DTC, or its nominee, if applicable, the AMC Preferred Equity Units will trade in the DTC Same-Day Funds Settlement System. DTC requires secondary market trading activity in the AMC Preferred Equity Units to settle in immediately available funds. This requirement may affect trading activity in the AMC Preferred Equity Units.

### Payment of Dividends

The Company will pay dividends, if any, on the Preferred Stock represented by AMC Preferred Equity Units in book-entry form to the Depository. In turn, the Depository will deliver the dividends to record holders, including DTC, or its nominee, in accordance with the arrangements then in place between the Depository and DTC. Generally, DTC will be responsible for crediting the dividend payments it receives from the depository to the accounts of DTC participants, and each participant will be responsible for disbursing the dividend payment for which it is credited to the holders that it represents. As long as the AMC Preferred Equity Units, are held through DTC, or its nominee, if applicable, the Company will make all dividend payments in immediately available funds. Computershare will pay record holders directly.

In the event the AMC Preferred Equity Units are issued in certificated form, dividends generally will be paid by check mailed to the holders on the applicable record date at the address appearing on the security register.

### Notices

Any notices required to be delivered to a holder of AMC Preferred Equity Units will be delivered by the Company to the Depository, and the Depository will, upon the Company's written instruction, transmit such notice to record holders. Notices to holders of AMC Preferred Equity Units held through DTC, or its nominee, if applicable, will be given by the Depository to DTC for communication to its participants.

If the Preferred Stock are issued as individual Preferred Stock certificates or the depository receipts are issued in certificated form, notices to each holder will be given, as applicable, by mail to the addresses of the respective holders as they appear on the security register.

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## Item 2. Exhibits.

Exhibit Number	Exhibit Description
<a href="#"><u>3.1</u></a>	<a href="#"><u>Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on December 23, 2013).</u></a>
<a href="#"><u>3.2</u></a>	<a href="#"><u>Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc., dated as of July 29, 2020 (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on July 31, 2020).</u></a>
<a href="#"><u>3.3</u></a>	<a href="#"><u>Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc. dated as of January 25, 2021 (incorporated by reference from Exhibit 3.1 to AMC's Current Report on Form 8-K (File No. 1-33892) filed on January 25, 2021).</u></a>
<a href="#"><u>3.4</u></a>	<a href="#"><u>Certificate of Designations for the Series A Convertible Participating Preferred Stock (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-33892) filed on August 4, 2022).</u></a>
<a href="#"><u>4.1</u></a>	<a href="#"><u>Deposit Agreement among AMC Entertainment Holdings, Inc., Computershare Inc. and Computershare Trust Company, N.A., dated as of August 4, 2022 (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-33892) filed on August 4, 2022).</u></a>
<a href="#"><u>4.2</u></a>	<a href="#"><u>Form of Depositary Receipt (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-33892) filed on August 4, 2022).</u></a>

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### SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

Date: August 4, 2022

AMC Entertainment Holdings, Inc.

By: /s/ Sean D. Goodman

Name: Sean D. Goodman

Title: Executive Vice President and Chief Financial Officer

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# **EXHIBIT P**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):  
December 19, 2022**

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware  
(State or Other Jurisdiction of  
Incorporation)**

**001-33892  
(Commission File Number)**

**26-0303916  
(IRS Employer Identification  
Number)**

**One AMC Way  
11500 Ash Street, Leawood, KS 66211  
(Address of principal executive offices, including zip code)**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock	AMC	New York Stock Exchange
AMC Preferred Equity Units, each constituting a depositary share representing a 1/100th interest in a share of Series A Convertible Participating Preferred Stock	APE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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**Item 7.01 Regulation FD Disclosure**

On December 19, 2022, AMC Entertainment Holdings, Inc. (the “Company” or “AMC”) issued a press release providing the below business update for the fourth quarter ending December 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 7.01 disclosure is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section. In addition, the information in this Item 7.01 disclosure, shall not be incorporated by reference into the filings of AMC under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 8.01 Other Events**

On December 19, 2022, the Company provided a business update for the fourth quarter ending December 31, 2022:

- As of December 19, 2022, since the inception of its APE At-The-Market Program (“ATM”) offering, AMC has strengthened its liquidity position by raising approximately \$162.4 million of gross cash proceeds before fees and commissions, through the sale of 125.9 million AMC Preferred Equity Units. During the fourth quarter of 2022 to date, AMC has raised approximately \$153.2 million of gross cash proceeds before fees and commissions, through the sale of 123.2 million AMC Preferred Equity Units.
  - During the fourth quarter of 2022, AMC used a portion of the net proceeds from its ATM to repurchase approximately \$30.7 million principal amount of its 10% Second Lien Debt due 2026 at an average discount of approximately 60% and approximately \$5.25 million principal amount of its 6.125% Senior Subordinated Notes due 2027 at an average discount of 70%.
  - During the fourth quarter of 2022, as a result of the debt repurchases and the previously announced Odeon debt refinancing, AMC reduced the principal amounts of its debt by approximately \$107 million, bringing the total principal debt reduction during 2022 to approximately \$180 million.
  - Based on the success of AMC’s ATM program, its operating performance to date, and its effective cash management efforts, AMC’s liquidity position (cash, cash equivalents and undrawn revolving credit facility capacity) as of December 31, 2022, is currently estimated to be between \$725 and \$825 million, after debt repurchases and including \$211.2 million of undrawn capacity under the Company’s revolving credit facility, subject to operating performance during the remainder of the holiday period in 2022 and the timing of landlord concessions. This implies an improvement in the net decrease in cash and cash equivalents and restricted cash of between \$110 million and \$210 million compared to the third quarter of 2022.
  - AMC is announcing the acquisition of the 13-screen former Arlight Cinemas theatre located at The Hub on Causeway, the large-scale mixed-use development at North Station, in Boston, Massachusetts. This theatre is brand new, having opened in December 2019 and closed only three months later due to COVID-19.
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## Forward-Looking Statements

This Current Report on Form 8-K includes “forward-looking statements” within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance and box office levels, our liquidity, and the potential conversion of our AMC Preferred Equity Units. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result with AMC seeking an in-court or out-of-court restructuring of its liabilities; the potential impact of AMC’s existing or potential lease defaults; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general; the seasonality of AMC’s revenue and working capital; the continued recovery of the North American and international box office; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; supply chain disruptions, labor shortages, increased cost and inflation; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in AMC’s Form 10-K for the year ended December 31, 2021 and Form 10-Q for the quarter ended September 30, 2022 filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<b>Exhibit Number</b>	<b>Exhibit Description</b>
<a href="#">99.1</a>	<a href="#">Press Release, dated December 19, 2022.</a>
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document (contained in Exhibit 101).



**SIGNATURE**

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 hereunto duly authorized.

Date: December 19, 2022

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Sean D. Goodman

Name: Sean D. Goodman

Title: Executive Vice President and Chief Financial Officer

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# **EXHIBIT Q**



**INVESTOR RELATIONS:**  
John Merriwether, 866-248-3872  
InvestorRelations@amctheatres.com

**MEDIA CONTACTS:**  
Ryan Noonan, (913) 213-2183  
rnoonan@amctheatres.com

**FOR IMMEDIATE RELEASE**

## **AMC Entertainment Holdings, Inc. Reports Fourth Quarter and Full Year 2022 Results**

**LEAWOOD, KANSAS - (February 28, 2023)** -- AMC Entertainment Holdings, Inc. (NYSE: AMC and APE) ("AMC" or "the Company"), today reported results for the fourth quarter and year ended December 31, 2022.

### **Full Year 2022 Summary**

- Total revenues were \$3,911.4 million compared to \$2,527.9 million for 2021.
- Net loss decreased to \$973.6 million, including a non-cash impairment charge related to long-lived assets of \$133.1 million, compared to a net loss of \$1,269.8 million for 2021, which included a non-cash impairment charge related to long-lived assets of \$77.2 million.
- Adjusted net loss was \$727.9 million compared to an adjusted net loss of \$1,191.9 million for 2021.
- Net loss per diluted share was \$0.93 compared to a net loss per diluted share of \$1.33 for 2021.
- Adjusted net loss per diluted share was \$0.69 compared to an adjusted net loss per diluted share of \$1.25 for 2021.
- Adjusted EBITDA was \$46.6 million compared to a loss of \$291.7 million for 2021.

### **Fourth Quarter Summary**

- Total revenues were \$990.9 million compared to \$1,171.7 million for the fourth quarter of 2021.
- Net loss increased to \$287.7 million, including a non-cash impairment charge related to long-lived assets of \$133.1 million, compared to a net loss of \$134.4 million for the fourth quarter of 2021, which included a non-cash impairment charge related to long-lived assets of \$77.2 million.
- Adjusted net loss was \$152.9 million compared to an adjusted net loss of \$57.2 million for the fourth quarter of 2021.
- Net loss per diluted share was \$0.26 compared to a net loss per diluted share of \$0.13 for the fourth quarter of 2021.
- Adjusted net loss per diluted share was \$0.14 compared to an adjusted net loss per diluted share of \$0.06 for the fourth quarter of 2021.
- Adjusted EBITDA was \$14.5 million compared to \$159.2 million for the fourth quarter of 2021.
- Net cash used in operating activities for the quarter was \$33.3 million.
- Operating Cash (Burn) Generated<sup>1</sup> for the quarter was \$57.5 million.
- Available liquidity at December 31, 2022 was \$842.7 million, including \$211.2 million of undrawn capacity under the Company's revolving credit facility.

Commenting on the earnings announcement, Adam Aron, AMC Entertainment Chairman and CEO said, "Naturally, we are pleased that AMC Entertainment easily bested consensus estimates for Q4 2022 Revenue and Adjusted EBITDA, as well as posting a beat on Adjusted Net Income and EPS after excluding for non-cash impairment write offs. We are

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<sup>1</sup> Operating Cash (Burn) Generated is a non-GAAP metric that represents cash (burn) generated before debt servicing costs and before deferred rent payback

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similarly encouraged that our Q4 2022 revenue per patron of \$19.98 was well above pre-pandemic levels, thanks to rising ticket prices and the consumer's continued predilection to indulge more at our concession stands in our high-margin food and beverage business."

Aron added, "But the real story is that in 2022, AMC Entertainment continued on a multi-year glide path to recovery. AMC's full-year 2022 results represented our strongest year since pre-pandemic 2019, with 2022 results improving over 2021, which in turn were better than those of 2020. Indeed, in full year 2022, AMC saw our annual revenue increase by more than 54% year-over-year and Adjusted EBITDA improved in a single year by more than \$338 million versus 2021. We expect the recovery will continue apace in 2023, as Hollywood is expected to release approximately 75% more major movie titles than it did in 2022. The first quarter domestic box office already has posted an impressive 44% increase over 2022, with James Cameron's AVATAR: THE WAY OF THE WATER, currently the third highest grossing film of all time, leading the way.

We continue to innovate, noting our announcement just today that we are launching AMC Perfectly Popcorn in more than 2,600 Walmart stores. And in stark contrast to others in our industry who have faltered, AMC Entertainment has increased our liquidity profile and strengthened our balance sheet through equity capital raising, debt refinancing, debt exchanges and repurchases. As a result of our capital markets activity, over the last twelve months we have raised approximately \$314 million in gross cash proceeds, and we also have reduced the aggregate principal balance of our debt by approximately \$390 million since the beginning of 2022."

Aron concluded, "With more major movies coming in 2023, we are highly confident that our multi-year recovery will continue to show considerable progress this year. But we cannot stress enough how crucial it is that for AMC to remain viable, we must continue to be agile and nimble not only in running our business day to day, but also in our continued raising of cash and decreasing the debt load on AMC Entertainment. As we have been saying for a long time, the industry-wide box office will not return to pre-pandemic norms before 2024 or 2025 at the earliest. Therefore, this active management of our capital structure is vital for AMC to ultimately both survive the pandemic and to thrive over the long haul. Accordingly, we continue to urge our shareholders to 'vote yes,' voting FOR the recommended proposals at the March 14 special meeting of shareholders, which gives AMC the best chance to generate value for all of our shareholders in the months and years to come."

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**Key Financial Results** (presented in millions, except operating data)

	Quarter Ended December 31,			Year Ended December 31,		
	2022	2021	Change	2022	2021	Change
<b>GAAP Results</b>						
Revenue	\$ 990.9	\$ 1,171.7	(15.4)%	\$ 3,911.4	\$ 2,527.9	54.7 %
Net loss	\$ (287.7)	\$ (134.4)	\$ (153.3)	\$ (973.6)	\$ (1,269.8)	\$ 296.2
Net cash provided by (used in) operating activities	\$ (33.3)	\$ 46.5	\$ (79.8)	\$ (628.5)	\$ (614.1)	\$ (14.4)
Loss per share (basic and diluted)	\$ (0.26)	\$ (0.13)	\$ (0.13)	\$ (0.93)	\$ (1.33)	\$ 0.40
<b>Non-GAAP Results*</b>						
Total revenues (2021 constant currency adjusted)	\$ 1,025.8	\$ 1,171.7	(12.5)%	\$ 4,028.6	\$ 2,527.9	59.4 %
Adjusted EBITDA	\$ 14.5	\$ 159.2	(90.9)%	\$ 46.6	\$ (291.7)	** %
Adjusted EBITDA (2021 constant currency adjusted)	\$ 14.9	\$ 159.2	(90.6)%	\$ 44.8	\$ (291.7)	** %
Free cash flow	\$ (105.6)	\$ 8.0	\$ (113.6)	\$ (830.5)	\$ (706.5)	\$ (124.0)
Adjusted diluted loss per share	\$ (0.14)	\$ (0.06)	\$ (0.08)	\$ (0.69)	\$ (1.25)	\$ 0.56

**Operating Metrics**

Attendance (in thousands)	49,584	59,683	(16.9)%	200,965	128,547	56.3 %
U.S. markets attendance (in thousands)	33,754	40,364	(16.4)%	141,376	91,102	55.2 %
International markets attendance (in thousands)	15,830	19,319	(18.1)%	59,589	37,445	59.1 %
Average screens	10,087	10,177	(0.9)%	10,118	8,998	12.4 %

\* Please refer to the tables included later in this press release for definitions and full reconciliations of non-U.S. GAAP financial measures.

\*\* Percentage change in excess of 100%.

**Balance Sheet, Cash and Liquidity***Fourth Quarter 2022*

During the fourth quarter of 2022, AMC:

- Completed a private offering of \$400.0 million aggregate principal amount of 12.750% senior secured notes due 2027 at an issue price of 92.00%.
- Repurchased \$45.7 million aggregate principal amount of Second Lien Notes due 2026 for \$18.3 million, or a 60% discount.
- Repurchased approximately \$5.3 million aggregate principal amount of Senior Subordinated Notes due 2027 for \$1.6 million, or a 70% discount.

*Full Year 2022*

- As of December 31, 2022, AMC's total aggregate principal amount of its debt was approximately \$4,949.0 million, a \$220.1 million reduction compared to \$5,169.1 million as of December 31, 2021.

*First Quarter 2023 to date*

During the first quarter 2023, AMC:

- Repurchased \$66.1 million aggregate principal amounts of the Second Lien Notes due 2026 for \$36.4 million or a 45% discount.

- Repurchased \$4.1 million aggregate principal amount of the 5.875% Senior Subordinated Notes due 2026 for \$1.7 million, or a 59% discount.
- Issued 91,026,191 shares of AMC Preferred Equity Units on a private basis to extinguish \$100.0 million aggregate principal amount of the Company's 10%/12% Cash/PIK Toggle Second Lien Notes due 2026.
- Raised \$75.1 million through the private sale of 106,595,106 AMC Preferred Equity Units.
- Received \$30 million from Saudi Entertainment Ventures, AMC's Saudi joint venture partner, as AMC begins to transition from a management and investment role to a pure licensing relationship.

Cash at December 31, 2022 was \$631.5 million excluding restricted cash of \$22.9 million. AMC currently has liquidity availability of \$842.7 million (including cash and undrawn capacity under the Company's revolving credit facility).

#### **AMC Preferred Equity Unit At-The-Market Equity Program**

In September 2022, AMC launched an at-the-market ("ATM") equity program to sell up to 425 million shares of its AMC Preferred Equity Units ("APE units").

As of December 31, 2022, AMC had sold approximately 207.8 million APE units and raised gross proceeds of approximately \$228.8 million before commissions and fees.

As of February 28, 2023, AMC had sold an additional 6.6 million shares of APE units and raised gross proceeds of approximately \$9.6 million before commission and fees.

After taking into account all sales and uses of APE units for debt exchanges, there are approximately 63.9 million APE units available to be issued under the existing ATM equity program.

#### **Webcast Information**

The Company will host a webcast for investors and other interested parties beginning at 4:00 p.m. CST/5:00 p.m. EST on Tuesday, February 28, 2023. To listen to the webcast, please visit the investor relations section of the AMC website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) for a link. Investors and interested parties should go to the website at least 15 minutes prior to the call to register, and/or download and install any necessary audio software.

An archive of the webcast will be available on the Company's website after the call for a limited time.

#### **About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 940 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. For more information, visit [www.amctheatres.com](http://www.amctheatres.com).

#### **Website Information**

This press release, along with other news about AMC, is available at [www.amctheatres.com](http://www.amctheatres.com). We routinely post information that may be important to investors in the Investor Relations section of our website, [www.investor.amctheatres.com](http://www.investor.amctheatres.com). We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in

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automatically receiving news and information when posted to our website can also visit [www.investor.amctheatres.com](http://www.investor.amctheatres.com) to sign up for email alerts.

### **Forward-Looking Statements**

This communication includes “forward-looking statements” within the meaning of the federal securities laws, including the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding our expected revenue, net loss, capital expenditure, Adjusted EBITDA and estimate cash and cash equivalent. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: the risk that required approvals from AMC’s stockholders are not obtained at AMC’s special meeting, currently set to be held on March 14, 2023 (the “Special Meeting”); on February 20, 2023, stockholders commenced litigation seeking to prevent the conversion of AMC Preferred Equity Units into common without separate common stock class approval at the Special Meeting, which will delay and if successful (or if additional litigation is commenced and successful) could prevent the conversion of APE units into common stock, impede our ability to raise additional funds and materially and adversely impact market prices and the value of APE units and common stock; the risks and uncertainties relating to the sufficiency of AMC’s existing cash and cash equivalents and available borrowing capacity; AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result with AMC seeking an in-court or out-of-court restructuring of its liabilities; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general; the seasonality of AMC’s revenue and working capital; the continued recovery of the North American and international box office; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; AMC’s ability to achieve expected synergies, benefits and performance from its strategic initiatives; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC’s ability to optimize its theatre circuit; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; AMC’s ability to recognize interest deduction carryforwards, net operating loss carryforwards, and other tax attributes to reduce future tax liability; supply chain disruptions, labor shortages, increased cost and inflation; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in AMC’s 2022 Form 10-K and Form 10-Q for the quarter ended September 30, 2022, each as filed with the SEC, and the risks, trends and uncertainties identified in AMC’s other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

(Tables follow)

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**AMC Entertainment Holdings, Inc.**  
**Consolidated Statements of Operations**  
**Quarter and Year Ended December 31, 2022 and December 31, 2021**

(dollars in millions, except share and per share data)  
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Revenues</b>				
Admissions	\$ 561.3	\$ 666.6	\$ 2,201.4	\$ 1,394.2
Food and beverage	331.2	380.5	1,313.7	857.3
Other theatre	98.4	124.6	396.3	276.4
<b>Total revenues</b>	<b>990.9</b>	<b>1,171.7</b>	<b>3,911.4</b>	<b>2,527.9</b>
<b>Operating costs and expenses</b>				
Film exhibition costs	270.0	310.3	1,051.7	607.7
Food and beverage costs	62.9	59.0	228.6	137.9
Operating expense, excluding depreciation and amortization below	380.8	394.4	1,528.4	1,141.8
Rent	217.4	215.5	886.2	828.0
General and administrative:				
Merger, acquisition and other costs	1.7	1.3	2.1	13.7
Other, excluding depreciation and amortization below	46.4	72.9	207.6	226.6
Depreciation and amortization	103.0	101.5	396.0	425.0
Impairment of long-lived assets	133.1	77.2	133.1	77.2
<b>Operating costs and expenses</b>	<b>1,215.3</b>	<b>1,232.1</b>	<b>4,433.7</b>	<b>3,457.9</b>
<b>Operating loss</b>	<b>(224.4)</b>	<b>(60.4)</b>	<b>(522.3)</b>	<b>(930.0)</b>
Other expense (income):				
Other expense (income)	(38.0)	(16.1)	53.6	(87.9)
Interest expense:				
Corporate borrowings	89.8	86.6	336.4	414.9
Finance lease obligations	0.9	1.2	4.1	5.2
Non-cash NCM exhibitor services agreement	9.6	9.3	38.2	38.0
Equity in (earnings) loss of non-consolidated entities	(1.7)	(9.8)	1.6	(11.0)
Investment expense (income)	2.7	(0.9)	14.9	(9.2)
<b>Total other expense, net</b>	<b>63.3</b>	<b>70.3</b>	<b>448.8</b>	<b>350.0</b>
<b>Net loss before income taxes</b>	<b>(287.7)</b>	<b>(130.7)</b>	<b>(971.1)</b>	<b>(1,280.0)</b>
Income tax provision (benefit)	-	3.7	2.5	(10.2)
<b>Net loss</b>	<b>(287.7)</b>	<b>(134.4)</b>	<b>(973.6)</b>	<b>(1,269.8)</b>
Less: Net loss attributable to noncontrolling interests	-	-	-	(0.7)
<b>Net loss attributable to AMC Entertainment Holdings, Inc.</b>	<b>\$ (287.7)</b>	<b>\$ (134.4)</b>	<b>\$ (973.6)</b>	<b>\$ (1,269.1)</b>
<b>Diluted loss per share</b>	<b>\$ (0.26)</b>	<b>\$ (0.13)</b>	<b>\$ (0.93)</b>	<b>\$ (1.33)</b>
<b>Average shares outstanding diluted (in thousands)</b>	<b>1,091,109</b>	<b>1,027,648</b>	<b>1,047,689</b>	<b>954,820</b>



**Consolidated Balance Sheet Data (at period end):**

(dollars in millions)

(unaudited)

	As of December 31, 2022	As of December 31, 2021
Cash and cash equivalents	\$ 631.5	\$ 1,592.5
Corporate borrowings	5,140.8	5,428.0
Other long-term liabilities	105.1	165.0
Finance lease liabilities	58.8	72.7
Total AMC Entertainment Holdings, Inc.'s stockholders' deficit	(2,624.5)	(1,789.5)
Total assets	9,135.6	10,821.5

**Consolidated Other Data:**

(in millions, except operating data)

(unaudited)

Consolidated	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash provided by (used in) operating activities	\$ (33.3)	\$ 46.5	\$ (628.5)	\$ (614.1)
Net cash used in investing activities	\$ (70.3)	\$ (36.9)	\$ (224.0)	\$ (68.2)
Net cash provided by (used in) financing activities	\$ 44.2	\$ (27.9)	\$ (91.3)	\$ 1,990.7
Free cash flow	\$ (105.6)	\$ 8.0	\$ (830.5)	\$ (706.5)
Capital expenditures	\$ (72.3)	\$ (38.5)	\$ (202.0)	\$ (92.4)
Screen additions	14	29	51	82
Screen acquisitions	28	-	157	140
Screen dispositions	99	27	323	166
Construction openings (closures), net	13	(44)	27	(37)
Average screens	10,087	10,177	10,118	8,998
Number of screens operated	10,474	10,448	10,474	10,448
Number of theatres operated	940	930	940	930
Number of circuit screens	10,474	10,562	10,474	10,562
Number of circuit theatres	940	946	940	946
Circuit Screens per theatre	11.1	11.2	11.1	11.2
Attendance (in thousands)	49,584	59,683	200,965	128,547

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**Segment Other Data:**(in millions, except per patron amounts and operating data)  
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Other operating data:</b>				
<b>Attendance (patrons, in thousands):</b>				
U.S. markets	33,754	40,364	141,376	91,102
International markets	15,830	19,319	59,589	37,445
Consolidated	<u>49,584</u>	<u>59,683</u>	<u>200,965</u>	<u>128,547</u>
<b>Average ticket price (in dollars):</b>				
U.S. markets	\$ 12.22	\$ 11.50	\$ 11.62	\$ 11.16
International markets	\$ 9.40	\$ 10.47	\$ 9.38	\$ 10.09
Consolidated	\$ 11.32	\$ 11.17	\$ 10.95	\$ 10.85
<b>Food and beverage revenues per patron (in dollars):</b>				
U.S. markets	\$ 7.76	\$ 7.21	\$ 7.47	\$ 7.43
International markets	\$ 4.37	\$ 4.64	\$ 4.33	\$ 4.81
Consolidated	\$ 6.68	\$ 6.38	\$ 6.54	\$ 6.67
<b>Average Screen Count (month end average):</b>				
U.S. markets	7,604	7,695	7,635	7,341
International markets	2,483	2,482	2,483	1,657
Consolidated	<u>10,087</u>	<u>10,177</u>	<u>10,118</u>	<u>8,998</u>

**Segment Information:**

(unaudited, in millions)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Revenues</b>				
U.S. markets	\$ 737.4	\$ 825.9	\$ 2,961.7	\$ 1,875.8
International markets	253.5	345.8	949.7	652.1
Consolidated	<u>\$ 990.9</u>	<u>\$ 1,171.7</u>	<u>\$ 3,911.4</u>	<u>\$ 2,527.9</u>
<b>Adjusted EBITDA</b>				
U.S. markets	\$ 7.4	\$ 97.9	\$ 59.6	\$ (250.6)
International markets	7.1	61.3	(13.0)	(41.1)
Consolidated	<u>\$ 14.5</u>	<u>\$ 159.2</u>	<u>\$ 46.6</u>	<u>\$ (291.7)</u>
<b>Capital Expenditures</b>				
U.S. markets	\$ 46.9	\$ 23.3	\$ 138.4	\$ 63.9
International markets	25.4	15.2	63.6	28.5
Consolidated	<u>\$ 72.3</u>	<u>\$ 38.5</u>	<u>\$ 202.0</u>	<u>\$ 92.4</u>

**Reconciliation of Adjusted EBITDA (1):**

(dollars in millions)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net loss	\$ (287.7)	\$ (134.4)	\$ (973.6)	\$ (1,269.8)
Plus:				
Income tax provision (benefit)	-	3.7	2.5	(10.2)
Interest expense	100.3	97.1	378.7	458.1
Depreciation and amortization	103.0	101.5	396.0	425.0
Impairment of long-lived assets (2)	133.1	77.2	133.1	77.2
Certain operating expense (income) (3)	(2.5)	2.2	8.0	0.2
Equity in (earnings) loss of non-consolidated entities	(1.7)	(9.8)	1.6	(11.0)
Cash distributions from non-consolidated entities (4)	1.6	6.1	6.6	12.5
Attributable EBITDA (5)	0.3	2.3	0.4	3.7
Investment expense (income) (6)	2.7	(0.9)	14.9	(9.2)
Other expense (income) (7)	(30.5)	(8.7)	80.4	(0.1)
Other non-cash rent benefit (8)	(6.0)	(2.7)	(26.6)	(24.9)
General and administrative expense-unallocated:				
Merger, acquisition and other costs (9)	1.7	1.3	2.1	13.7
Stock-based compensation expense (10)	0.2	24.3	22.5	43.1
Adjusted EBITDA (1)	<u>\$ 14.5</u>	<u>\$ 159.2</u>	<u>\$ 46.6</u>	<u>\$ (291.7)</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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. The preceding definition of Adjusted EBITDA is broadly consistent with how Adjusted EBITDA is defined in our debt indentures.

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.

- 2) During the year ended December 31, 2022, we recorded non-cash impairment charges related to our long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net and operating lease right-of-use assets, net and \$59.7 million on 53 theatres in the international markets with 456 screens which were related to property, net and operating lease right-of-use assets, net.

During the year ended December 31, 2021, we recorded non-cash impairment charges related to our long-lived assets of \$61.3 million on 77 theatres in the U.S. markets with 805 screens which were related to property, net, operating lease right-of-use assets, net and other long-term assets and \$15.9 million on 14 theatres in the international markets with 118 screens which were related to property, net and operating lease right-of-use assets, net.

- 3) 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.
- 4) 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.
- 5) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of our equity in 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.

#### Reconciliation of Attributable EBITDA

(dollars in millions)

(Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Equity in (earnings) loss of non-consolidated entities	\$ (1.7)	\$ (9.8)	\$ 1.6	\$ (11.0)
Less:				
Equity in (earnings) of non-consolidated entities excluding International theatre joint ventures	(2.3)	(8.6)	(5.4)	(13.5)
Equity in earnings (loss) of International theatre joint ventures	(0.6)	1.2	(7.0)	(2.5)
Income tax provision	-	0.2	0.1	0.3
Investment expense (income)	-	(0.1)	0.2	(0.1)
Interest expense	0.1	-	0.1	0.2
Impairment of long-lived assets	-	-	4.2	-
Depreciation and amortization	0.8	1.0	2.8	5.6
Other expense	-	-	-	0.2
Attributable EBITDA	\$ 0.3	\$ 2.3	\$ 0.4	\$ 3.7

- 6) Investment expense (income) during the year ended December 31, 2022 includes a decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of \$12.5 million and a \$13.5 million loss on sale of our investment in NCM common units, partially offset by \$(6.2) million of appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and interest income of \$(5.8) million.
- 7) Other expense during the year ended December 31, 2022, included loss on debt extinguishment of \$92.8 million, \$(25.8) million in government assistance related to COVID-19 and foreign currency transaction gains of \$(12.3) million.

Other expense (income) during the year ended December 31, 2021 primarily consisted of a loss on debt

extinguishment of \$14.4 million and financing fees of \$1.0 million, partially offset by income related to contingent lease guarantees of \$(5.7) million and foreign currency transaction gains of \$(9.8) million.

- 8) 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.
- 9) Merger, acquisition and other costs are excluded as they are non-operating in nature.
- 10) Non-cash expense included in General and Administrative: Other.

### Reconciliation of Operating Cash (Burn) Generated (1) and Free Cash Flow (1)

(dollars in millions)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash used in operating activities	\$ (33.3)	\$ 46.5	\$ (628.5)	\$ (614.1)
Plus: total capital expenditures	(72.3)	(38.5)	(202.0)	(92.4)
Less: Cash interest paid	124.5	158.1	379.0	274.7
Non-recurring lease prepayments (3)	-	(2.5)	-	41.7
Repayment of deferred lease amounts (2)	38.6	60.8	157.9	134.9
Operating cash (burn) generated (1)	<u>\$ 57.5</u>	<u>\$ 224.4</u>	<u>\$ (293.6)</u>	<u>\$ (255.2)</u>

	Quarter Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net cash provided by (used in) operating activities	\$ (33.3)	\$ 46.5	\$ (628.5)	\$ (614.1)
Plus: total capital expenditures	(72.3)	(38.5)	(202.0)	(92.4)
Free cash flow (1)	<u>\$ (105.6)</u>	<u>\$ 8.0</u>	<u>\$ (830.5)</u>	<u>\$ (706.5)</u>

#### Reconciliation of Capital Expenditures:

Capital expenditures

Growth capital expenditures (5)	\$ 37.3	\$ 16.3	\$ 97.4	\$ 31.3
Maintenance capital expenditures (4)	39.5	37.4	102.2	73.9
Change in construction payables (6)	(4.5)	(15.2)	2.4	(12.8)
Total capital expenditures	<u>\$ 72.3</u>	<u>\$ 38.5</u>	<u>\$ 202.0</u>	<u>\$ 92.4</u>

- 1) We present "Operating Cash (Burn) Generated" and "Free Cash Flow" as supplemental measures of our liquidity. Free Cash Flow is an important financial measure for use in evaluating our liquidity, as it measures our ability to generate additional cash from our business operations. Free Cash Flow should be considered in addition to, rather than as a substitute for, net cash used in operating activities as a measure of our liquidity. Additionally, our definition of Operating Cash (Burn) Generated is limited and does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for interest expense and the deferral or repayment of lease amounts that were due and not paid during the COVID-19 pandemic. Therefore, we believe it is important to view Operating Cash (Burn) Generated and Free Cash Flow as supplemental to our entire statement of cash flows. The term Operating Cash (Burn) Generated and Free Cash Flow may differ from similar measures reported by other companies.
- 2) Repayment of deferred lease amounts represent those lease amounts that were due and not paid during the COVID-19 pandemic. Their impact is excluded from operating cash generated (burn) to provide a more normalized cash rent payment stream.

- 3) Non-recurring lease payments represent the prepayments of future lease obligations during the three months and year ended December 31, 2021.
  - 4) Maintenance capital expenditures are amounts required to keep our existing theatres in compliance with regulatory requirements and in a sustainable good operating condition, including expenditures for repair of HVAC, sight and sound systems, compliance with ADA requirements and technology upgrades of existing systems.
  - 5) Growth capital expenditures are investments that enhance the guest experience and grow revenues and profits and include initiatives such as theatre remodels, acquisitions, newly built theatres, premium large formats, enhanced food and beverage offerings and service models and technology that enable efficiencies and additional revenue opportunities.
  - 6) Change in construction payables are changes in amounts accrued for capital expenditures that fluctuate significantly from period to period based on the timing of actual payments.
-

**Select Consolidated Constant Currency Financial Data (see Note 11):**  
**Quarter and Year Ended December 31, 2022**  
(dollars in millions) (unaudited)

	Quarter Ended			Year Ended		
	December 31, 2022			December 31, 2022		
	Constant Currency (11)			Constant Currency (11)		
	US	International	Total	US	International	Total
<b>Revenues</b>						
Admissions	\$ 412.6	\$ 169.3	\$ 581.9	\$ 1,642.2	\$ 628.2	\$ 2,270.4
Food and beverage	262.0	78.9	340.9	1,055.7	290.0	1,345.7
Other theatre	62.8	40.2	103.0	263.8	148.7	412.5
Total revenues	737.4	288.4	1,025.8	2,961.7	1,066.9	4,028.6
<b>Operating costs and expenses</b>						
Film exhibition costs	212.0	65.9	277.9	831.4	247.6	1,079.0
Food and beverage costs	45.0	20.5	65.5	165.1	71.5	236.6
Operating expense	273.7	122.0	395.7	1,110.5	469.4	1,579.9
Rent	164.0	60.8	224.8	666.5	247.0	913.5
General and administrative:						
Merger, acquisition and other costs	1.8	(0.1)	1.7	2.7	(0.7)	2.0
Other	31.1	17.4	48.5	142.4	73.1	215.5
Depreciation and amortization	83.2	22.7	105.9	312.2	94.1	406.3
Impairment of long-lived assets	73.4	64.6	138.0	73.4	64.6	138.0
Operating costs and expenses	884.2	373.8	1,258.0	3,304.2	1,266.6	4,570.8
Operating loss	(146.8)	(85.4)	(232.2)	(342.5)	(199.7)	(542.2)
Other expense (income)	(40.9)	5.4	(35.5)	52.0	4.6	56.6
Interest expense	84.2	16.9	101.1	305.9	79.5	385.4
Equity in (earnings) loss of non-consolidated entities	(1.6)	(0.1)	(1.7)	(4.3)	6.1	1.8
Investment expense	2.7	0.1	2.8	15.0	-	15.0
Total other expense, net	44.4	22.3	66.7	368.6	90.2	458.8
Loss before income taxes	(191.2)	(107.7)	(298.9)	(711.1)	(289.9)	(1,001.0)
Income tax (benefit) provision	0.2	(0.2)	-	0.9	1.8	2.7
Net loss	(191.4)	(107.5)	(298.9)	(712.0)	(291.7)	(1,003.7)
Attendance	33,754	15,830	49,584	141,376	59,589	200,965
Average Screens	7,604	2,483	10,087	7,635	2,483	10,118
Average Ticket Price	\$ 12.22	\$ 10.69	\$ 11.74	\$ 11.62	\$ 10.54	\$ 11.30
Food and Beverage Revenues per patron	\$ 7.76	\$ 4.98	\$ 6.88	\$ 7.47	\$ 4.87	\$ 6.70
Other Revenues per patron	\$ 1.86	\$ 2.54	\$ 2.08	\$ 1.87	\$ 2.50	\$ 2.05

**Select Consolidated Constant Currency Financial Data (see Note 12):**  
**Quarter Ended December 31, 2022**  
(dollars in millions) (unaudited)

	Quarter Ended December 31, 2022		
	Constant Currency (12)		
	US	International	Total
<b>Revenues</b>			
Admissions	\$ 412.6	\$ 162.3	\$ 574.9
Food and beverage	262.0	75.6	337.6
Other theatre	62.8	38.7	101.5
Total revenues	737.4	276.6	1,014.0
<b>Operating costs and expenses</b>			
Film exhibition costs	212.0	63.3	275.3
Food and beverage costs	45.0	19.5	64.5
Operating expense	273.7	117.0	390.7
Rent	164.0	58.3	222.3
General and administrative:			
Merger, acquisition and other costs	1.8	-	1.8
Other	31.1	16.6	47.7
Depreciation and amortization	83.2	21.7	104.9
Impairment of long-lived assets	73.4	63.5	136.9
Operating costs and expenses	884.2	359.9	1,244.1
Operating loss	(146.8)	(83.3)	(230.1)
Other expense (income)	(40.9)	3.9	(37.0)
Interest expense	84.2	16.6	100.8
Equity in (earnings) loss of non-consolidated entities	(1.6)	(0.1)	(1.7)
Investment expense	2.7	-	2.7
Total other expense, net	44.4	20.4	64.8
Loss before income taxes	(191.2)	(103.7)	(294.9)
Income tax provision	0.2	(0.2)	-
Net loss	(191.4)	(103.5)	(294.9)
<b>Attendance</b>			
Attendance	33,754	15,830	49,584
Average Screens	7,604	2,483	10,087
Average Ticket Price	\$ 12.22	\$ 10.25	\$ 11.59
Food and Beverage Revenues per patron	\$ 7.76	\$ 4.78	\$ 6.81
Other Revenues per patron	\$ 1.86	\$ 2.44	\$ 2.05



**Reconciliation of Consolidated Constant Currency Adjusted EBITDA (see Note 11):  
Quarter and Year Ended December 31, 2022**  
(dollars in millions) (unaudited)

	Quarter Ended December 31, 2022	Year Ended December 31, 2022
	Constant Currency (11)	Constant Currency (11)
Net loss	\$ (298.9)	\$ (1,003.7)
Plus:		
Income tax provision	-	2.7
Interest expense	101.1	385.4
Depreciation and amortization	105.9	406.3
Impairment of long-lived assets (2)	138.0	138.0
Certain operating (income) expense (3)	(2.7)	8.0
Equity in (earnings) loss of non-consolidated entities	(1.7)	1.8
Cash distributions from non-consolidated entities (4)	1.6	6.6
Attributable EBITDA (5)	0.3	0.5
Investment expense (6)	2.8	15.0
Other (income) expense (7)	(27.3)	86.2
Other non-cash rent benefit (8)	(6.1)	(26.7)
General and administrative expense-unallocated:		
Merger, acquisition and other costs (9)	1.7	2.0
Stock-based compensation expense (10)	0.2	22.7
Adjusted EBITDA (1)	<u>\$ 14.9</u>	<u>\$ 44.8</u>
Adjusted EBITDA (in millions) (1)		
U.S. markets	\$ 7.4	\$ 59.6
International markets	7.5	(14.8)
Total Adjusted EBITDA (1)	<u>\$ 14.9</u>	<u>\$ 44.8</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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. The preceding definition of Adjusted EBITDA is broadly consistent with how Adjusted EBITDA is defined in our debt indentures.

Adjusted EBITDA has important limitations as analytical tools, 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.
- 2) During the year ended December 31, 2022, we recorded non-cash impairment charges related to our long-lived assets of \$73.4 million on 68 theatres in the U.S. markets with 817 screens which were related to property, net and operating lease right-of-use assets, net and \$64.6 million on 53 theatres in the international markets with 456 screens which were related to property, net and operating lease right-of-use assets, net.
  - 3) 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.
  - 4) 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.
  - 5) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of our equity in 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.

#### Reconciliation of Constant Currency Attributable EBITDA

(dollars in millions) (unaudited)

	Quarter Ended December 31, 2022	Year Ended December 31, 2022
	Constant Currency	Constant Currency
Equity in (earnings) loss of non-consolidated entities	\$ (1.7)	\$ 1.8
Less:		
Equity in (earnings) of non-consolidated entities excluding international theatre joint ventures	(2.3)	(5.5)
Equity in (loss) of International theatre joint ventures	(0.6)	(7.3)
Income tax provision	0.1	0.2
Interest expense	-	0.1
Investment income	(0.1)	-
Impairment of long-lived assets	-	4.3
Depreciation and amortization	0.9	3.2
Attributable EBITDA	<u>\$ 0.3</u>	<u>\$ 0.5</u>

- 6) Investment expense during the quarter ended December 31, 2022 includes a decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of \$1.8 million, deterioration in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$1.2 million and a loss on sale of our investment in NCM of \$2.3 million.

Investment expense during the year ended December 31, 2022 includes a decline in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of \$12.5 million and a \$13.5 million loss on sale of our investment in NCM common units, partially offset by \$(6.2) million of appreciation in estimated fair value of the our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation and interest income of

\$(5.8) million.

- 7) Other expense during the quarter ended December 31, 2022, included loss on debt extinguishment of \$4.5 million, partially offset by foreign currency transaction gains of \$(31.8) million.

Other expense during the year ended December 31, 2022, included loss on debt extinguishment of \$100.8 million, partially offset by foreign currency transaction gains of \$(14.5) million.

- 8) Reflects amortization of 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.
- 9) Merger, acquisition and other costs are excluded as it is non-operating in nature.
- 10) Non-cash expense included in General and Administrative: Other.
- 11) The International segment information for the quarter and year ended December 31, 2022 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2021. We translate the results of our International operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our International operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.
- 12) The International segment information for the quarter ended December 31, 2022 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2019. We translate the results of our International operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our International operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.
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**Reconciliation of Adjusted Net Loss and Adjusted Loss Per share:**  
**Quarter and Year Ended December 31, 2022 and December 31, 2021**  
(dollars in millions, except share and per share data)  
(unaudited)

	Quarter Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>Numerator:</b>				
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (287.7)	\$ (134.4)	\$ (973.6)	\$ (1,269.1)
Calculation of adjusted net loss for basic and diluted loss per share:				
Impairment of long-lived assets	133.1	77.2	133.1	77.2
(Gain) Loss on extinguishment of debt	(3.6)	-	92.8	-
Loss on investments	5.3	-	19.8	-
Adjusted net loss for basic and diluted loss per share	\$ (152.9)	\$ (57.2)	\$ (727.9)	\$ (1,191.9)
<b>Denominator (shares in thousands):</b>				
Weighted average shares for basic and diluted loss per share	1,091,109	1,027,648	1,047,689	954,820
Adjusted basic loss per share	\$ (0.14)	\$ (0.06)	\$ (0.69)	\$ (1.25)
Adjusted diluted loss per share	\$ (0.14)	\$ (0.06)	\$ (0.69)	\$ (1.25)

We present adjusted net loss for basic and diluted loss per share and adjusted basic and diluted net loss per share as supplemental measures of our performance. We have included these measures because we believe they provide management and investors with additional information that is helpful when evaluating our underlying performance and comparing our results on a year-over-year normalized basis. Adjusted net loss for basic and diluted loss per share eliminates the impact of certain items that we do not consider indicative of our underlying operating performance. These adjustments are itemized above. Adjusted net loss per (basic and diluted) share is adjusted net loss (for basic and diluted purposes) divided by weighted average basic and diluted shares outstanding. Weighted average shares for diluted purposes include common equivalents for restricted stock units ("RSUs") and performance stock units ("PSUs"). The impact of RSUs and PSUs was anti-dilutive in each period. You are encouraged to evaluate the adjustments itemized above and the reasons we consider them appropriate for supplemental analysis. In evaluating adjusted net loss and adjusted net loss per share, 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 net loss and adjusted net loss per share (basic and diluted) should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted net loss and adjusted net loss per share are non-U.S. GAAP financial measures and should not be construed as alternatives to net loss and loss per share (basic and diluted) as indicators of operating performance (as determined in accordance with U.S. GAAP). Adjusted net loss and adjusted net loss per share (basic and diluted) may not be comparable to similarly titled measures reported by other companies.

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# **EXHIBIT R**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):  
December 22, 2022**

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**001-33892**  
(Commission File Number)

**26-0303916**  
(IRS Employer Identification  
Number)

**One AMC Way**  
**11500 Ash Street, Leawood, KS 66211**  
(Address of principal executive offices, including zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock	AMC	New York Stock Exchange
AMC Preferred Equity Units, each constituting a depositary share representing a 1/100th interest in a share of Series A Convertible Participating Preferred Stock	APE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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## **Item 1.01 Entry into a Material Definitive Agreement**

On December 22, 2022, AMC Entertainment Holdings, Inc. (the “Company” or “AMC”) announced it entered into a forward purchase agreement (the “Forward Purchase Agreement”) with Antara Capital, LP (the “Investor”), pursuant to which the Company will, subject to the satisfaction of certain closing conditions, (i) sell to the Investor 106,595,106 AMC Preferred Equity Units (“APEs”) for an aggregate purchase price of \$75.1 million (the “Forward Purchase APEs”) and (ii) simultaneously purchase from the Investor, on a private basis, \$100 million aggregate principal amount of the Company’s 10%/12% Cash/PIK Toggle Second Lien Notes due 2026 (the “Exchange Notes”) in exchange for 91,026,191 APEs (together with the Forward Purchase APEs, the “Private Placement APEs”).

In addition, immediately prior to entry into the Forward Purchase Agreement, the Investor confirmed a \$34.9 million purchase of 60,000,000 APEs (the “Initial APEs”) under the Company’s at-the-market program (“ATM program”). The sale of the Initial APEs was made, subject to closing, in the ATM program pursuant to the Equity Distribution Agreement, dated September 26, 2022, as amended, and the Company’s shelf registration statement on Form S-3 (File No. 333-266536).

The foregoing transactions reflect a weighted average price of \$0.660 per APE unit. The Company intends to use the net proceeds from the sale of the Initial APEs and the Forward Purchase APEs primarily to further deleverage and/or bolster liquidity.

The obligation of the Company and the Investor to consummate the transactions contemplated by the Forward Purchase Agreement is conditioned upon customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), and the transaction is expected to close on the business day after the applicable waiting period has expired (“Closing”).

Pursuant to the Forward Purchase Agreement, the Company shall hold a special meeting of the Company’s stockholders (the “Special Meeting”) within 90 days of the date of the Forward Purchase Agreement (the “Special Meeting Date”) for a vote to (A) amend the Company’s amended and restated certificate of incorporation to increase the number of authorized shares of the Company’s Class A common stock (“Common Stock”) to a number at least sufficient to permit the full conversion of the then-outstanding shares of Series A Convertible Participating Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock as the Company’s board of directors may determine in its sole discretion and (B) amend the Company’s amended and restated certificate of incorporation to effect a 10 to 1 reverse-stock split of the Common Stock (collectively, the “Charter Amendment”). The Investor has agreed to vote or cause to be voted the Private Placement APEs and Initial APEs and any additional APEs and Common Stock owned or controlled, either directly or indirectly by the Investor or any of its affiliates, in favor of the Charter Amendment.

The Forward Purchase Agreement contains lock-up restrictions restricting the sale, transfer or other disposition, as applicable, of APEs by the Company and the Investor until the earlier of 90 days after the date of the Forward Purchase Agreement or the Special Meeting Date (the “Lock-Up Period”), provided that the Company may issue APEs in an amount not to exceed \$40 million in aggregate net proceeds. In addition, no later than two (2) business days prior to the expiration of the Lock-Up Period, the Company will file a prospectus supplement to its shelf registration statement on Form S-3 (File No. 333-266536) registering the resale of the Private Placement APEs and the Initial APEs.

The Forward Purchase Agreement may be terminated by either party under certain circumstances, including by (i) mutual written consent of the Company and the Investor and (ii) automatically if the Closing does not occur on or prior to 90 days from the date of the Forward Purchase Agreement.

The foregoing is a brief description of the Forward Purchase Agreement and does not purport to be a complete statement of the parties’ rights and obligations under the Forward Purchase Agreement. The foregoing description is qualified in its entirety by reference to the full text of the Forward Purchase Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

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**Item 3.02 Unregistered Sales of Equity Securities**

The information set forth in Item 1.01 above is incorporated herein by reference. The issuance of the Private Placement APEs will be made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

For additional information regarding the APEs, including the convertibility features thereof, see the Company's Form 8-A filed with the Securities and Exchange Commission (the "SEC") on August 4, 2022.

**Item 7.01 Regulation FD Disclosure**

On December 22, 2022, the Company issued a press release announcing entry into the Forward Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 7.01 disclosure is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section. In addition, the information in this Item 7.01 disclosure shall not be incorporated by reference into the filings of AMC under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Additional Information and Where to Find It**

This filing may be deemed solicitation material in respect of the Charter Amendment. This filing does not constitute a solicitation of any vote or approval. In connection with the Charter Amendment, the Company plans to file with the SEC and mail or otherwise provide to its stockholders a proxy statement regarding the Charter Amendment. The Company may also file other documents with the SEC regarding the Charter Amendment. This document is not a substitute for the proxy statement or any other document that may be filed by the Company with the SEC. BEFORE MAKING ANY VOTING DECISION, THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE CHARTER AMENDMENT OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE CHARTER AMENDMENT. Stockholders may obtain a free copy of the proxy statement and other documents the Company files with the SEC (when available) through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or on the Company's investor relations website at <http://investor.amctheatres.com> as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC.

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## Forward-Looking Statements

This Current Report on Form 8-K includes “forward-looking statements” within the meaning of the federal securities laws, including the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding the conditions to the closing of the Forward Purchase Agreement, the impact of COVID-19, future attendance and box office levels, our liquidity, and the potential conversion of our AMC Preferred Equity Units. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: the risk of not being able to obtain Hart-Scott-Rodino approval; AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result with AMC seeking an in-court or out-of-court restructuring of its liabilities; the potential impact of AMC’s existing or potential lease defaults; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general; the seasonality of AMC’s revenue and working capital; the continued recovery of the North American and international box office; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; supply chain disruptions, labor shortages, increased cost and inflation; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in AMC’s Form 10-K for the year ended December 31, 2021 and Form 10-Q for the quarter ended September 30, 2022 filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<b>Exhibit Number</b>	<b>Exhibit Description</b>
<a href="#">10.1</a>	<a href="#">Forward Purchase Agreement, dated as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. and Antara Capital LP</a>
<a href="#">99.1</a>	<a href="#">Press Release, dated December 22, 2022</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

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**SIGNATURE**

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 hereunto duly authorized.

Date: December 22, 2022

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Sean D. Goodman

Name: Sean D. Goodman

Title: Executive Vice President and Chief Financial Officer

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# **EXHIBIT S**



**INVESTOR RELATIONS:**  
John Merriwether, 866-248-3872  
[InvestorRelations@amctheatres.com](mailto:InvestorRelations@amctheatres.com)

**MEDIA CONTACTS:**  
Ryan Noonan, (913) 213-2183  
[noonan@amctheatres.com](mailto:noonan@amctheatres.com)

**FOR IMMEDIATE RELEASE**

**AMC Entertainment Holdings, Inc. Announces \$110 Million Equity Capital Raise, a \$100 Million Debt for Equity Exchange, and a Proposed Vote to Convert AMC Preferred Equity (“APE”) Units Into AMC Common Shares and Implement a Reverse Stock Split**

- *Raises \$110 million of new equity capital through the sale of APE units to Antara Capital, LP (“Antara”) at a weighted average price of \$0.660 per share. The APE closing price on the NYSE on December 21, 2022 was \$0.685.*
- *Reduces debt by \$100 million principal amount of 2nd Lien Notes due 2026 currently held by Antara in exchange for approximately 91.0 million APE units. This \$100 million principal debt reduction reduces annual interest expense by approximately \$10 million.*
- *Seeks a special shareholder meeting to vote on the following AMC Board of Directors proposals:*
  - o *To convert APE units into AMC common shares.*
  - o *To reverse-split the number of AMC common shares at a 1:10 ratio*

**LEAWOOD, KANSAS - (December 22, 2022)** -- AMC Entertainment Holdings, Inc. (NYSE: AMC and APE) (“AMC” or “the Company”), today announced it will raise \$110 million of new equity capital through the sale of APE units to Antara Capital, LP (“Antara”) in two tranches at a weighted average price of \$0.660 per share. The APE unit closing price on the New York Stock Exchange on December 21, 2022 was \$0.685.

Under the terms of the agreement, Antara, a current AMC debt holder, will also exchange \$100 million principal amount of 2nd Lien Notes due 2026 for approximately 91.0 million APE units thereby reducing AMC’s outstanding debt by \$100 million. As a result of the \$100 million principal debt reduction, future annual interest expense will be reduced by approximately \$10 million.

The sale of APE units to Antara will be split into two tranches. The first tranche involves the immediate purchase by Antara of 60 million APE units under the Company’s at-the-market program (“ATM program”). The second tranche, for the purchase of approximately 106.6 million APE units, as well as the \$100 million debt exchange, are subject to the completion of the waiting period under Hart-Scott-Rodino (“HSR”).

In addition, AMC’s Board of Directors is seeking to hold a special meeting for holders of both AMC common shares and APE units (voting together) to vote on the following proposals:

- To increase the authorized number of AMC common shares to permit the conversion of APE units into AMC common shares.
  - To affect a reverse-split of AMC common shares at a 1:10 ratio.
-

- To adjust authorized ordinary share capital such that, after giving effect to the above proposals if adopted, AMC would have the same ability to issue additional common equity as it currently has to issue additional APE units.

As part of the agreement, Antara has agreed to hold their APE units for up to 90 days and vote them at the special meeting in favor of the proposals. In addition, AMC will limit the amount of additional equity capital it can raise prior to the special meeting.

Adam Aron, Chairman and CEO of AMC Entertainment commented, “AMC’s ongoing capital raising efforts and balance sheet strengthening continues in earnest. We have agreed with Antara to raise \$110 million dollars of fresh equity capital, taking our total equity capital raised through the sale of APE units to \$272 million of additional cash over the last 90 days. In addition, with this Antara transaction, we also are improving our balance sheet by reducing the principal balance of our debt by yet another \$100 million through a debt for APE unit exchange. This is in addition to the approximate \$180 million of debt reduction already accomplished by AMC in 2022.”

Aron added, “Clearly, the existence of APEs has been achieving exactly their intended purposes. They have let AMC raise much welcomed cash, reduce debt and in so doing deleverage our balance sheet and allow us to explore possible M&A activity. However, given the consistent trading discount that we are routinely seeing in the price of APE units compared to AMC common shares, we believe it is in the best interests of our shareholders for us to simplify our capital structure, thereby eliminating the discount that has been applied to the APE units in the market.”

Aron concluded, “All should know that our liquidity position is now significantly enhanced, and our balance sheet is strengthened. We look forward to a growing industry box office in 2023 and beyond and also look forward to AMC continuing to benefit from our unique leadership position in the movie theatre industry.”

The capital raise and debt exchange are subject to customary closing conditions.

#### **About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 940 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. For more information, visit [www.amctheatres.com](http://www.amctheatres.com).

#### **Website Information**

This press release, along with other news about AMC, is available at [www.amctheatres.com](http://www.amctheatres.com). We routinely post information that may be important to investors in the Investor Relations section of our website, [www.investor.amctheatres.com](http://www.investor.amctheatres.com). We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit [www.investor.amctheatres.com](http://www.investor.amctheatres.com) to sign up for email alerts.

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## Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding completion of the waiting period under Hart-Scott-Rodino, the impact of COVID-19, future attendance and box office levels, our liquidity, and the potential conversion of our AMC Preferred Equity Units. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result with AMC seeking an in-court or out-of-court restructuring of its liabilities; the potential impact of AMC’s existing or potential lease defaults; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general; the seasonality of AMC’s revenue and working capital; the continued recovery of the North American and international box office; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; supply chain disruptions, labor shortages, increased cost and inflation; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in AMC’s Form 10-K for the year ended December 31, 2021 and Form 10-Q for the quarter ended September 30, 2022 filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

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WE MAKE MOVIES BETTER™

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# **EXHIBIT T**

**AMC Preferred Equity unit (“APE”) Dividend  
Frequently Asked Questions**

*The following information about the AMC Preferred Equity unit dividend is qualified in its entirety by reference to the full text of the Company’s current report on Form 8-K filed with the SEC on August 4, 2022 (the first filing on such date) and the accompanying exhibits.*

*We encourage you to review our securities filings about the APE dividend together with our information page, [AMC Preferred Equity Unit Comparison to AMC Common Stock](#), for detailed information about the AMC Preferred Equity units and the dividend.*

**1. What is an AMC Preferred Equity unit?**

- Each AMC Preferred Equity unit (sometimes referred to herein as “APEs”) is designed to have the same economic value as a share of Class A Common Stock (the “common stock”).
- Each AMC Preferred Equity unit is designed to have the same voting rights as a share of common stock.
- The AMC Preferred Equity unit will trade on the New York Stock Exchange under the ticker symbol “APE”.
- An AMC Preferred Equity unit is a depository share with each AMC Preferred Equity unit representing a one one-hundredth (1/100th) interest in a share of AMC’s authorized Series A Convertible Participating Preferred stock.

**2. When is the AMC Preferred Equity unit dividend being issued?**

- Dividend Payment Date: Friday, August 19, 2022 (close of business).
- Important Date: Ex-dividend Date – Monday, August 22, 2022 (first trading day after dividend payment).
- If an investor sells shares of our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity unit dividend on the shares of common stock that are sold.
- If an investor buys our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will be entitled to receive the AMC Preferred Equity unit dividend on the shares of common stock purchased.
- AMC Preferred Equity units will begin trading on the NYSE on the ex-dividend date of August 22, 2022. However, the first initial trade of the AMC Preferred Equity units may not commence exactly with the market opening. We expect the first APE trade will occur on the NYSE sometime between the market opening at 9:30 am EDT and 12:00 pm EDT on August 22, 2022. After the first trade is made, we would expect to see continuous trading thereafter.

**3. Are the AMC Preferred Equity units convertible into common stock? If so, when?**

- Technically yes, the AMC Preferred Equity units can convert into common stock, *but only if* the AMC Board proposes and then investors vote to approve an increase in the number of authorized shares of common stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity units into common stock.
- However, we do not currently expect the AMC Board to make such a proposal any time soon.
- It is more likely than not that the two securities, the common stock and AMC Preferred Equity units will trade as two separate securities for quite some time to come.

**4. Do I need to do anything to receive the AMC Preferred Equity unit dividend?**

- To receive the dividend, you must own shares of common stock at the end of trading on Friday, August 19, 2022.
- If an investor sells our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity unit dividend on the shares of common stock that are sold.
- If an investor buys our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will be entitled to receive the AMC Preferred Equity unit dividend on the shares of common stock purchased.
- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company (“DTC”) who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- In most cases, you will need to take no action, and APEs will automatically go into your account. However, if that does not happen, you should immediately contact your broker.
- Some brokerage firms will deposit your APEs quickly, while others may take several days to do so.
- If you have any questions about the distribution of your AMC Preferred Equity units, please contact your brokerage firm.

**5. Is the AMC Preferred Equity unit dividend a cash dividend?**

- No, the dividend is not a cash dividend.
- AMC will issue one AMC Preferred Equity unit as a dividend for every share of common stock.
- The AMC Preferred Equity unit will trade on the NYSE under the ticker symbol “APE”.
- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company (“DTC”) who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Some investors own an amount of common stock that includes a fraction of a share of common stock. AMC will not deliver any fractional AMC Preferred Equity units.
- If you hold shares of common stock directly in the DRS system of Computershare, you will receive APEs for the whole number of shares you own, plus any fractional shares of common stock will receive cash in lieu of a fractional AMC Preferred Equity unit. (Hypothetically, for example if you own 43.4 shares of common stock, you would receive 43 APEs and cash for the 0.4 shares). Computershare will sell AMC Preferred Equity units on the open market in order to deliver cash to the applicable holders in lieu of any fractional AMC Preferred Equity units.
- If you hold fractional shares of common stock through a broker and have questions about the treatment of your fractional share, please contact your brokerage firm.
- Each broker determines what types of securities it will support on its trading platform.
- If you have any questions about the distribution of your AMC Preferred Equity units, please contact your brokerage firm.

**6. Do the AMC Preferred Equity units have voting rights?**

- Yes, the AMC Preferred Equity units are designed to have the same voting rights as common stock.
- We encourage you to visit the [AMC Preferred Equity unit Comparison to AMC Common Stock](#) page on our investor relations website.

**7. How many AMC Preferred Equity units are there?**



- Theoretically, over the lifetime of the security, the maximum number of AMC Preferred Equity units that could be authorized over time is up to 5 billion (based on a total number of authorized preferred stock of 50 million).
  - However, the AMC Board currently has only authorized the equivalent of 1 billion of these AMC Preferred Equity units that can be issued now. 516,820,595 of these 1 billion AMC Preferred Equity units are being issued this month to shareholders as a dividend.
  - The AMC Board currently has no plan or intention in calendar years 2022 or 2023 to authorize more than this initial 1 billion amount of APEs. However, AMC's Board of directors may authorize additional AMC Preferred Equity units at any time in the future at its sole discretion, including in 2022 or 2023 if it deems such an issuance to be in AMC's best interests.
  - We encourage you to visit the [AMC Preferred Equity unit Comparison to AMC Common Stock](#) page on our investor relations website.
8. **If you are issuing 516,820,595 AMC Preferred Equity units as a dividend, what happens to the other approximately 483.2 million AMC Preferred Equity units?**
- The Preferred Stock underlying AMC Preferred Equity units remaining after issuance of the dividend, approximately 483.2 million AMC Preferred Equity units, will be categorized as authorized but unissued units on AMC's balance sheet.
9. **Can AMC issue the 483.2 million AMC Preferred Equity units in the future without shareholder approval?**
- The shareholders of AMC already approved the creation of AMC preferred equity back in 2013 and delegated its future issuance solely to the AMC Board of Directors.
  - Authorized but unissued AMC Preferred Equity units can be issued in the future in the same way that AMC can issue authorized but unissued shares of common stock. Normal regulations and requirements with respect to share issuances apply, including potential filings with the SEC and public disclosure, along with the circumstances under which shareholder approval is or is not required.
  - AMC Preferred Equity units provide AMC with a currency that can be used in the future to further strengthen our balance sheet, including by reducing our debt and other liabilities. The AMC Preferred Equity units also give AMC the ability to invest in shareholder value-enhancing and transformative M&A investment opportunities. In addition, the flexibility provided by the Company's AMC Preferred Equity units immensely lessens any survival risk as we continue to work our way through the impact of the COVID pandemic towards recovery and transformation.
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10. **When will AMC issue or sell the remaining AMC Preferred Equity units?**

- If and when the Board of Directors chooses to issue or sell a portion of the authorized but unissued AMC Preferred Equity units, AMC will file any required documentation with the SEC and make appropriate public disclosures.
- The mere existence of authorized but unissued AMC Preferred Equity units does not imply anything about the amount or timing of future issuances or sales.

11. **When do the AMC Preferred Equity units start trading and what will the price of the AMC Preferred Equity units be?**

- AMC Preferred Equity units are expected to begin trading on the NYSE on the ex-dividend date of August 22, 2022. The AMC Preferred Equity units are expected to begin trading on the NYSE sometime between the market opening at 9:30am EDT and 12:00pm EDT on August 22, 2022.
- The price of the AMC Preferred Equity units will be determined by buyers and sellers in the open market.
- Because the AMC Preferred Equity unit is designed to have the same economic value and voting rights as a share of common stock, in theory, the common stock and AMC Preferred Equity unit should have similar market values and the impact of the AMC Preferred Equity unit dividend should be similar to a 2/1 stock split.
- An investor owning one share of common stock on August 19, 2022 will hold one share of common stock and one AMC Preferred Equity unit on August 22, 2022.
- An investor should therefore expect that the price of a stand-alone share of common stock logically should at least initially decline, however that investor's economic interest will be the sum of the price of a share of common stock plus the price of an APE.

12. **What happens to option contracts related to AMC after the dividend is paid?**

- AMC is not responsible for the terms or interpretations of option contracts. Please contact your broker for additional information.
- It is our general understanding that the strike price of option contracts related to our common stock should not change. Instead, each contract should apply to an equal number of shares of common stock and AMC Preferred Equity units. For example, a contract on 100 shares of common stock would become a contract on 100 shares of common stock plus 100 AMC Preferred Equity units. However, those trading options should consult with your brokers for more precise information about your situations.

13. **Is there any common stock dilution due to the AMC Preferred Equity unit dividend?**

- The number of shares of common stock outstanding (516,820,595) remains unchanged as a result of the distribution of the AMC Preferred Equity units.
  - In addition to the 516,820,595 shares of common stock outstanding on August 19, 2022 an additional 516,820,595 AMC Preferred Equity units will become outstanding on the ex-dividend date of August 22, 2022.
  - Therefore, because these APEs are all going, and only going, to existing shareholders, there is no dilution from this initial APE dividend.
  - Dilution occurs only when the AMC Board decides that the Company should issue additional AMC Preferred Equity units in the future. AMC expects that it will decide to issue more APEs with the express purpose of debt reduction or repayment, along with other potential uses for additional APEs as has previously been communicated publicly.
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14. **When will I receive the AMC Preferred Equity units in my brokerage account?**

- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Each broker determines what securities it will support on its trading platform.
- Some brokerage firms may deposit your APEs quickly, while others may take several days to do so.
- If you have any questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

15. **I am an international shareholder. Will I receive the AMC Preferred Equity unit dividend?**

- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") for all shareholders who will then deliver them to your broker, regardless of whether you are a U.S. or international shareholder. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Shares of common stock held through a depository receipt program will be subject to the terms of that arrangement.

- AMC does not control how brokers choose to process the dividend.
- Each broker determines what securities it will support on its trading platform.
- If you have questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

**16. Is it accurate that my broker may sell my AMC Preferred Equity units and give me the cash equivalent rather than the AMC Preferred Equity unit dividend?**

- If your shares of common stock are held at a broker, AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company (“DTC”) who will then deliver them to your broker. How each individual broker then handles the dividend is determined by the broker and is governed by your brokerage agreement.
- AMC does not have control over how each broker chooses to process the dividend.
- Each broker determines what types of securities it will support on its trading platform.
- If you have questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

**17. How is the issuance of the AMC Preferred Equity unit dividend taxed?**

- In the United States, the AMC Preferred Equity unit dividend is not expected to be a taxable dividend. However, any investors who receive cash in lieu of a fractional unit may recognize a taxable gain or loss in respect of the receipt of such cash.
- For the AMC Preferred Equity units received in the dividend, the holding period used in determining whether capital gains and losses are short-term or long-term is expected to be the same dates as are used for the common stock on which the AMC Preferred Equity units were distributed.
- An IRS Form 8937 will be published on our website when finalized, which is expected to be by August 31, 2022.
- Tax laws do vary from country to country, and international shareholders should check the laws in their respective countries.
- The above does not constitute tax advice and you should consult with a tax professional.

**18. I am seeing references that people are calling this a spin-off. Are you selling off any part of the company?**

- No, we are paying an AMC Preferred Equity unit dividend.
- The NYSE is categorizing AMC’s payment of the AMC Preferred Equity unit dividend as a spin-off because AMC is issuing a new security that is different from our common stock.

**19. I am still confused about the dividend; can you delay the dividend until the fourth quarter?**

- We encourage you to review our securities filings with respect to the AMC Preferred Equity unit dividend together with our information page, [AMC Preferred Equity Unit Comparison to AMC Common Stock](#), for detailed information about the AMC Preferred Equity units and the dividend.
- The dividend process has begun, the necessary documents have been filed with the SEC, legal notice has been given to the NYSE, and significant numbers of shares of our common stock already have traded in the market informed by the knowledge and expectation that the dividend will issue under the terms announced.
- Therefore, the dividend will and must proceed as outlined in our filings.

**20. What shares will be used in the diluted earnings per share calculation when you report third quarter earnings?**

- The diluted earnings per share calculation for third quarter 2022 earnings will include both common stock and AMC Preferred Equity units.

**21. Can investors short the AMC Preferred Equity units?**

- The AMC Preferred Equity units are expected to trade in a manner similar to other equity securities on the New York Stock Exchange. Short selling is legal in the United States and permitted by the New York Stock Exchange. Therefore, AMC Preferred Equity units can be sold short in the same way that other equity securities on the NYSE can be sold short, and there is no action that AMC can take to prevent short selling.

**22. How can I buy or sell AMC Preferred Equity units after they begin trading?**

- AMC Preferred Equity units will trade on the NYSE under the ticker symbol, “APE”.
- AMC Preferred Equity units can be bought and sold through brokerage firms that offer the AMC Preferred Equity unit security on their trading platform.

**23. Do I need to register my shares of common stock with AMC’s transfer agent, Computershare, in order to receive the dividend?**

- No, you do not need to register your shares of common stock with AMC’s transfer agent, Computershare, in order to receive the dividend.
- AMC will be delivering the AMC Preferred Equity unit dividends via Computershare to the Depository Trust Company (“DTC”) who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Each broker determines what securities it will support on its trading platform.
- If you have any questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

**24. Are the AMC Preferred Equity units automatically direct registered with AMC’s transfer agent, Computershare?**

- No, the AMC Preferred Equity units are not automatically direct registered with AMC’s transfer agent, Computershare, except in the case of common stock that is direct registered.

**25. How do I sign up to get my “I OWN APE” and “I OWN AMC 9/2022” NFTs?**

- To be eligible for the two current NFT offers, you need to sign up as a member of AMC Investor Connect and self-identify as a shareholder by August 31, 2022.
- To become a member, please visit our AMC Investor Connect webpage at: <https://www.amctheatres.com/stockholders>.
- U.S. Investors will need to create a free AMC Stubs account and self-identify as a shareholder by checking the box indicating “I am an AMC Stockholder” in the AMC Stubs Account profile. You will NOT receive an email confirmation.
- International investors may sign up to receive AMC Investor Connect emails by providing their email address and country of residence using the web page link provided above and scrolling down to the international section.
- NFT redemption instruction emails will be sent to eligible AMC Investor Connect members during or before the week of September 19, 2022.
- If you do not have a Wax Wallet, please do not try to open one until you have received the redemption instruction email.

**26. If I am just signing up now for AMC Investor Connect, can I get the past NFTs?**

- Congratulations, you are now eligible to receive future NFTs and other offers that are exclusive to Investor Connect members.
- The very nature of NFT’s is that they are finite in quantity. Therefore, unfortunately, we are not able to issue past NFT offers that

have already expired.

- However, in knowing that those of you who are getting an “I OWN APE” NFT might also want a matching “I OWN AMC” NFT (which was issued in January 2022), we have created a new updated version (dated September 2022) of the original “I OWN AMC” NFT. If you are already a member of AMC Investor Connect, or enroll by August 31, 2022 you will get both of these new NFTs free, with our compliments.

#### **Forward-Looking Statements**

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Statements that are not historical facts, including statements about AMC’s beliefs and expectations, are forward-looking statements. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding future shareholder distributions, the listing of the AMC Preferred Equity Units on the NYSE for trading, the conversion of the AMC Preferred Equity Units into common stock and any future authorization of additional AMC Preferred Equity Units, future balance sheet strengthening, including debt repayments, future capital and investment opportunities, potential shareholder value and potential recovery and transformation.

Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth under the caption “Risk Factors” and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as our other filings with the U.S. Securities and Exchange Commission (the “SEC”), copies of which may be obtained by visiting our Investor Relations website at <http://investor.amctheatres.com> or the SEC’s website at [www.sec.gov](http://www.sec.gov).

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

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# **EXHIBIT U**

APE US Equity										
Suggested Charts Actions Edit Bar Chart										
08/21/2022 -09/01/2022 Last Px Local CCY Mov Avgs Key Events										
1D 3D 1M 6M YTD 1Y 5Y Max Daily Chart + Related Data Add Data Edit Chart										
APE US Equity										
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100... on Close	SMAVG (200... on Close	Volume	SMAVG (15)	
Th 09/01/2022	5.06	5.077	4.40	4.59				12.135M		
We 08/31/2022	5.12	5.2597	4.721	4.90				16.716M		
Tu 08/30/2022	5.90	6.07	5.16	5.20				17.076M		
Mo 08/29/2022	6.02	6.2791	5.85	6.06				17.603M		
Fr 08/26/2022	6.66	6.83	6.31	6.50				13.878M		
Th 08/25/2022	7.01	7.07	6.33	6.83				23.416M		
We 08/24/2022	7.15	7.68	6.85	7.13				35.892M		
Tu 08/23/2022	6.76	7.64	6.50	7.02				104.447M		
Mo 08/22/2022	6.95	10.50	5.21	6.00				122.7M		

AMC US Equity										Bar Chart	
08/21/2022 - 09/01/2022 Last Px USD										+ Related Data	
1D 3D 1M 6M YTD 1Y 5Y Max Daily Chart										Add Data	
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100... on Close	SMAVG (200... on Close	Volume	SMAVG (15)		
Th 09/01/2022	9.03	9.03	8.30	8.58	10.3456	9.4911	11.855	26.336M	55.474M		
We 08/31/2022	9.11	9.28	8.68	9.12	10.3302	9.5183	11.9443	33.01M	59.007M		
Tu 08/30/2022	9.59	9.6425	9.03	9.27	10.3027	9.5494	12.0227	25.168M	61.084M		
Mo 08/29/2022	9.04	9.61	8.91	9.47	10.2726	9.5831	12.0986	39.603M	63.564M		
Fr 08/26/2022	9.58	9.67	8.96	9.17	10.2294	9.6199	12.1699	36.395M	69.778M		
Th 08/25/2022	9.78	9.94	9.31	9.57	10.2043	9.6726	12.2478	31.596M	75.737M		
We 08/24/2022	9.59	9.90	9.23	9.58	10.1606	9.7213	12.3396	50.478M	78.07M		
Tu 08/23/2022	10.72	10.94	9.47	9.56	10.1113	9.7783	12.4209	80.188M	77.501M		
Mo 08/22/2022	11.33	13.05	10.30	10.46	10.0742	9.8418	12.4973	151.159M	75.004M		
Fr 08/19/2022	11.1812	11.7515	10.8466	11.1688	10.0235	9.9197	12.5714	52.461M	66.522M		
Th 08/18/2022	13.5489	13.6914	11.8506	11.956	9.9677	9.9898		50.429M	64.239M		
We 08/17/2022	15.241	15.774	13.1894	13.239	9.8906	9.9957		59.412M	62.518M		
Tu 08/16/2022	14.8815	16.2133	14.5034	15.3773	9.7739	9.9887		72.301M	60.104M		
Mo 08/15/2022	14.9187	15.179	14.0509	15.0054	9.6207	9.9635		50.183M	56.705M		
Fr 08/12/2022	16.6975	16.8586	14.8505	15.148	9.4855	9.9266		73.386M	54.738M		
Th 08/11/2022	14.9187	16.1645	14.6769	15.7802	9.3413	9.8734		79.338M	51.944M		
We 08/10/2022	14.4972	14.749	12.8485	14.6707	9.2035	9.8135		64.157M	49.278M		

APE US Equity										Bar Chart	
02/21/2023 - 02/21/2023 Last Px Local CCY										Add Data	
1D 3D 1M 6M YTD 1Y 5Y Max Daily Chart										+ Related Data	
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100... on Close	SMAVG (200... on Close	Volume	SMAVG (15)		
Tu 02/21/2023	2.30	2.4701	2.15	2.21	1.7323	1.748		46.124M	38.697M		
Fr 02/17/2023	2.45	2.50	2.36	2.40	1.7043	1.7597		17.106M	40.286M		
Th 02/16/2023	2.41	2.61	2.36	2.42	1.6741	1.7694		23.31M	41.069M		
We 02/15/2023	2.385	2.56	2.36	2.45	1.6447	1.781		48.421M	40.236M		
Tu 02/14/2023	2.40	2.50	2.26	2.34	1.6156	1.7923		27.76M	38.177M		
Mo 02/13/2023	2.32	2.58	2.18	2.42	1.5885	1.8087		28.213M	37.597M		
Fr 02/10/2023	2.43	2.53	2.245	2.30	1.5595	1.8268		26.931M	37.447M		
Th 02/09/2023	2.90	2.99	2.65	2.72	1.5345	1.8505		26.755M	37.101M		
We 02/08/2023	3.01	3.10	2.78	2.87	1.5029	1.8723		31.65M	36.747M		
Tu 02/07/2023	3.15	3.275	2.95	3.11	1.4699	1.8976		34.357M	36.625M		
Mo 02/06/2023	3.14	3.36	2.79	3.16	1.4319	1.9201		77.259M	37.079M		
Fr 02/03/2023	2.79	3.09	2.65	3.01	1.3939	1.9416		61.967M	33.371M		
Th 02/02/2023	2.78	2.985	2.73	2.83	1.3591	1.9687		55.807M	31.45M		
We 02/01/2023	2.36	2.61	2.31	2.56	1.3301	1.9957		38.16M	30.241M		
Tu 01/31/2023	2.50	2.50	2.21	2.42	1.3061	2.0212		36.633M	28.701M		
Mo 01/30/2023	2.16	2.44	2.11	2.33	1.2841	2.0478		69.957M	27.261M		

AMC US Equity											Suggested Charts ▾		Actions ▾		Edit ▾		Bar Chart			
02/21/2023 ▾ - 02/21/2023 ▾											Last Px		Local CCY ▾		Mov Avgs ▾		Key Events			
1D 3D 1M 6M YTD 1Y 5Y Max											Daily ▾		Chart		+ Related Data ▾		Add Data		Edit Chart ⚙	
AMC US Equity																				
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100... on Close	SMAVG (200... on Close	Volume	SMAVG (15)											
Tu 02/21/2023	5.47	6.20	5.44	6.10	5.1598	5.9593	7.5867	73.513M	40.824M											
Fr 02/17/2023	5.32	5.53	5.21	5.24	5.1588	5.9728	7.605	27.592M	38.197M											
Th 02/16/2023	5.24	5.49	5.05	5.25	5.189	5.9887		32.085M	38.589M											
We 02/15/2023	4.56	5.27	4.53	5.17	5.233	6.0161		46.713M	37.89M											
Tu 02/14/2023	4.55	4.62	4.39	4.50	5.293	6.0429		36.199M	36.307M											
Mo 02/13/2023	4.75	4.91	4.58	4.68	5.3664	6.0839		26.219M	35.514M											
Fr 02/10/2023	5.21	5.21	4.64	4.90	5.4174	6.1242		38.671M	36.038M											
Th 02/09/2023	5.87	5.88	5.14	5.36	5.468	6.167		29.113M	35.545M											
We 02/08/2023	6.12	6.13	5.61	5.72	5.5074	6.2032		31.424M	35.587M											
Tu 02/07/2023	6.94	6.96	6.05	6.18	5.5432	6.2448		47.411M	37.633M											
Mo 02/06/2023	6.31	7.33	6.05	6.80	5.5724	6.2821		62.514M	38.313M											
Fr 02/03/2023	6.095	6.77	6.03	6.08	5.5828	6.3113		52.353M	35.873M											
Th 02/02/2023	6.28	6.45	5.93	6.08	5.6066	6.3527		49.691M	35.181M											
We 02/01/2023	5.30	5.795	5.27	5.71	5.6368	6.3891		36.971M	35.468M											
Tu 01/31/2023	5.10	5.35	5.00	5.35	5.6704	6.4184		21.881M	33.859M											
Mo 01/30/2023	5.28	5.34	4.95	5.01	5.714	6.4488		34.117M	33.545M											



APE US Equity											Bar Chart
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APE US Equity											
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100...) on Close	SMAVG (200...) on Close	Volume	SMAVG (15)		
Fr 04/14/2023	1.59	1.71	1.55	1.66	1.8996	1.6149		24.729M	23.886M		
Th 04/13/2023	1.54	1.60	1.54	1.57	1.9176	1.6119		5.858M	22.883M		
We 04/12/2023	1.52	1.59	1.51	1.53	1.9346	1.6094		11.069M	23.669M		
Tu 04/11/2023	1.54	1.545	1.49	1.52	1.9506	1.6084		14.063M	24.057M		
Mo 04/10/2023	1.50	1.54	1.50	1.51	1.9586	1.6075		14.427M	24.002M		
Th 04/06/2023	1.51	1.58	1.46	1.49	1.9642	1.6085		41.019M	24.045M		
We 04/05/2023	1.69	1.73	1.63	1.71	1.9694	1.6076		25.803M	22.782M		
Tu 04/04/2023	1.76	1.78	1.58	1.68	1.9692	1.6035		89.325M	23.903M		
Mo 04/03/2023	1.46	1.51	1.45	1.48	1.9722	1.6027		29.396M	25.217M		
Fr 03/31/2023	1.39	1.50	1.37	1.47	1.9774	1.603		13.111M	24.529M		
Th 03/30/2023	1.44	1.46	1.39	1.40	1.9796	1.604		9.399M	24.994M		
We 03/29/2023	1.47	1.52	1.43	1.45	1.9838	1.6063		11.097M	25.173M		
Tu 03/28/2023	1.38	1.58	1.36	1.47	1.9888	1.6089		49.663M	25.186M		
Mo 03/27/2023	1.45	1.45	1.35	1.41	1.9898	1.6131		9.981M	22.635M		
Fr 03/24/2023	1.44	1.49	1.40	1.45	1.9928	1.6195		9.343M	23.232M		
Th 03/23/2023	1.45	1.50	1.43	1.45	1.9922	1.626		9.696M	23.975M		
We 03/22/2023	1.55	1.56	1.43	1.44	1.991	1.633		17.637M	25.124M		

AMC US Equity											99) Suggested Charts ▾		90) Actions ▾		97) Edit ▾		Bar Chart			
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AMC US Equity																				
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100...) on Close	SMAVG (200...) on Close	Volume	SMAVG (15)											
Fr 04/14/2023	5.74	5.76	4.90	5.12	5.3592	5.498	7.13	35.998M	41.435M											
Th 04/13/2023	5.48	5.66	5.39	5.46	5.371	5.5207	7.1459	20.485M	40.332M											
We 04/12/2023	5.62	5.74	5.34	5.34	5.3688	5.5414		33.621M	41.063M											
Tu 04/11/2023	5.45	5.63	5.25	5.43	5.3622	5.5675		36.63M	40.211M											
Mo 04/10/2023	4.77	5.37	4.74	5.24	5.3638	5.5866		50.576M	38.941M											
Th 04/06/2023	4.4501	5.1557	4.31	4.90	5.3646	5.6062		101.555M	37.398M											
We 04/05/2023	4.07	4.09	3.94	4.05	5.3732	5.6185		30.657M	32.509M											
Tu 04/04/2023	4.08	4.45	3.88	3.91	5.4022	5.6299		90.4M	32.887M											
Mo 04/03/2023	4.99	5.145	4.94	5.11	5.4372	5.647		33.617M	31.185M											
Fr 03/31/2023	4.91	5.055	4.87	5.01	5.4454	5.6492		19.003M	29.979M											
Th 03/30/2023	5.11	5.16	4.865	4.97	5.4556	5.6556		20.234M	29.75M											
We 03/29/2023	5.14	5.2084	4.83	5.00	5.4692	5.6629		28.098M	29.48M											
Tu 03/28/2023	4.51	5.50	4.46	5.15	5.4906	5.671		89.811M	28.931M											
Mo 03/27/2023	4.51	4.58	4.30	4.55	5.4888	5.681		20.314M	24.025M											
Fr 03/24/2023	4.40	4.54	4.38	4.47	5.4982	5.7021		10.528M	24.42M											
Th 03/23/2023	4.44	4.68	4.34	4.47	5.5072	5.7225		19.452M	25.99M											
We 03/22/2023	4.73	4.75	4.31	4.34	5.499	5.7429		31.447M	26.583M											

APE US Equity									
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05/03/2023 ▾ 05/04/2023 ▾ Last Px Local CCY ▾ <input checked="" type="checkbox"/> Mov Avgs <input type="checkbox"/> Key Events									
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APE US Equity									
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100... on Close	SMAVG (200... on Close	Volume	
Th 05/04/2023									
We 05/03/2023	1.52	1.57	1.50	1.52	1.6074	1.6698		9.841M	
Tu 05/02/2023	1.55	1.56	1.48	1.52	1.6212	1.6628		7.089M	
Mo 05/01/2023	1.49	1.57	1.4803	1.57	1.6388	1.6565		8.943M	
Fr 04/28/2023	1.45	1.54	1.44	1.50	1.6558	1.6503		6.638M	
Th 04/27/2023	1.36	1.48	1.355	1.47	1.6748	1.6452		13.785M	
We 04/26/2023	1.44	1.45	1.38	1.39	1.6922	1.6403		8.554M	
Tu 04/25/2023	1.52	1.54	1.41	1.42	1.7128	1.6362		27.023M	
Mo 04/24/2023	1.55	1.61	1.51	1.52	1.7304	1.6325		17.404M	
Fr 04/21/2023	1.50	1.61	1.50	1.55	1.7544	1.6287		13.582M	
Th 04/20/2023	1.53	1.545	1.50	1.50	1.7808	1.6254		5.867M	
We 04/19/2023	1.49	1.57	1.48	1.53	1.813	1.6225		10.209M	
Tu 04/18/2023	1.63	1.63	1.48	1.51	1.8456	1.6198		14.952M	
Mo 04/17/2023	1.62	1.655	1.57	1.63	1.8756	1.6174		10.103M	
Fr 04/14/2023	1.59	1.71	1.55	1.66	1.8996	1.6149		24.729M	

AMC US Equity										Bar Chart	
05/03/2023 - 05/04/2023 Last Px Local CCY										Key Events	
1D 3D 1M 6M YTD 1Y 5Y Max Daily										Chart	+ Related Data Add Data
AMC US Equity											
Date	Open	High	Low	Close	SMAVG (50) on Close	SMAVG (100...) on Close	SMAVG (200...) on Close	Volume			
Th 05/04/2023											
We 05/03/2023	5.41	5.82	5.41	5.74	5.2854	5.2226	7.76	25.057M			
Tu 05/02/2023	5.67	5.74	5.3201	5.50	5.2926	5.2257	7.8141	16.24M			
Mo 05/01/2023	5.53	5.69	5.375	5.65	5.2874	5.2382		20.341M			
Fr 04/28/2023	5.46	5.54	5.34	5.50	5.2794	5.2562		18.976M			
Th 04/27/2023	5.22	5.56	5.162	5.37	5.2728	5.2829		21.015M			
We 04/26/2023	5.18	5.32	5.05	5.19	5.2554	5.3109		14.275M			
Tu 04/25/2023	4.94	5.34	4.92	5.15	5.2452	5.3313		33.038M			
Mo 04/24/2023	4.90	5.03	4.64	4.96	5.2402	5.3541		22.384M			
Fr 04/21/2023	4.94	5.07	4.91	4.99	5.2482	5.3778		13.973M			
Th 04/20/2023	5.00	5.02	4.885	4.97	5.2628	5.403		10.296M			
We 04/19/2023	4.95	5.17	4.92	5.10	5.287	5.4297		12.814M			
Tu 04/18/2023	5.23	5.23	4.98	5.05	5.321	5.4519		13.732M			
Mo 04/17/2023	5.24	5.30	5.13	5.20	5.3416	5.4741		16.213M			
Fr 04/14/2023	5.74	5.76	4.90	5.12	5.3592	5.498		35.998M			
Th 04/13/2023	5.48	5.66	5.39	5.46	5.371	5.5207		20.485M			

# **EXHIBIT V**

Opinion  
Matt Levine

# FTX Friends Flip on SBF

Also AMC's APE-collapsing plans.

By Matt Levine

December 22, 2022 at 2:44 PM EST

**Programming note:** *This is the last Money Stuff of 2022. We'll be back the first week of January. Happy holidays!*

## FTX

Of course there will be several FTX movies, and maybe the most cinematic scene in the whole story is the meeting that Caroline Ellison, the chief executive officer of Alameda Research, FTX's affiliated trading firm, held to tell her employees that they'd been stealing FTX customer money. Imagine! Imagine coming into the company all-hands meeting at the lucrative trading firm you work at, in the Bahamas, far away from your friends and family and competitors, in a slightly cult-like environment where your every need is catered to out of the firm's enormous profits. And then your 28-year-old boss is like "so guys, a little bad news, actually we're a Ponzi? Sorry if I didn't mention that earlier." Everyone quit immediately, but much too late.

That meeting happened on Nov. 9, the day after FTX death-spiraled and tried to sell itself to Binance, and has been reported before. But now Ellison is cooperating with prosecutors and regulators, so we have their version of her version of the meeting and, oof. Here is how the US Commodity Futures Trading Commission describes it:

On the morning of November 9 at approximately 10 AM ET, after the announcement of the then-contemplated Binance acquisition, Ellison held an "all-hands" meeting with Alameda staff. In that meeting, Ellison acknowledged that earlier that year, she, Bankman-Fried and other individuals had decided to use FTX customer assets to pay Alameda's debts, and that Wang and another FTX executive were aware of this. Specifically, in that meeting, Ellison stated that, "starting last year" Alameda was "borrowing a bunch of money by open term loans" and used those assets to "make very illiquid investments." Ellison further explained that following the widespread decline of digital asset prices most of Alameda's loans had been recalled and, in order to meet those recalls, Alameda borrowed "a bunch of funds" from FTX, which in turn "led to FTX having a shortfall in user funds." Ellison informed Alameda staff that FTX had "always allowed" Alameda to borrow customer assets, and did not require collateral for those loans. She also explained that Alameda could access user assets without requiring FTX's approval as the "structure" allowed Alameda to

“go negative in coins.” In response to an employee question, Ellison also acknowledged that her November 6 tweet to the Binance CEO offering to buy his FTT holdings at \$22 per token was “kind of a misleading thing to tweet” and expressed remorse. Shortly after this meeting, most of Alameda’s staff resigned.

“Go negative in coins” is an incredible euphemism, really. The idea is that Alameda could deposit, say, 1,000 Bitcoin at FTX, and then it would have a balance of 1,000 Bitcoin. And then it could withdraw, say, 3,000 Bitcoin from FTX, and then it would have a balance of -2,000 Bitcoin. If you have a negative balance at your bank, bad things happen. When Alameda had a negative balance at FTX, that was just fine. Until it wasn’t.

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**First Republic Calls In a Favor**

Ellison and Gary Wang, the former chief technology officer of FTX, have agreed to plead guilty to federal fraud charges for their role in the FTX implosion. (The plea agreements say that Ellison and Wang face maximum sentences of 110 and 50 years in prison, respectively, though presumably they will end up with substantial discounts for cooperating.) Last night, Sam Bankman-Fried, the founder of FTX and Alameda, landed in New York to face similar charges. There is something of a prisoner’s-dilemma situation here, in that there was *in theory* the possibility that everyone at FTX and Alameda could have stuck together and said “what, we never did anything wrong,” and that they might have persuaded a jury of that. The odds were always low, but it is the approach that Bankman-Fried has taken in public interviews. Bloomberg’s Zeke Faux reported earlier this month:

Part of FTX’s appeal was that it was mostly a derivatives exchange, which allowed customers to trade “on margin,” meaning with borrowed money. That’s a key to his defense. Bankman-Fried argues no one should be surprised that big traders on FTX, including Alameda, were borrowing from the exchange, and that his fund’s position just somehow got out of hand. “Everyone was borrowing and lending,” he says. “That’s been its calling card.” But FTX’s normal margin system, crypto traders tell me, would never have permitted anyone to accumulate a debt that looked like

Alameda's. When I ask if Alameda had to follow the same margin rules as other traders, he admits the fund did not. "There was more leeway," he says. ...

Ellison said that she, Bankman-Fried and his two top lieutenants—Gary Wang and Nishad Singh—had discussed the shortfall. Instead of admitting Alameda's failure, they decided to use FTX customer funds to cover it, according to the people. If that's true, all four executives would've knowingly committed fraud. ...

"So, it's not how I remember what happened," Bankman-Fried says. But he surprises me by acknowledging that there had been a meeting, post-Luna crash, where they debated what to do about Alameda's debts. The way he tells it, he was packing for a trip to DC and "only kibitzing on parts of the discussion." It didn't seem like a crisis, he says. It was a matter of extending a bit more credit to a fund that already traded on margin and still had a pile of collateral worth way more than enough to cover the loan.

This is a story in which FTX was operating its legitimate business – extending margin leverage to traders on its exchange – and made some mistakes. The mistakes were very bad – they involved giving billions of dollars to Alameda, which it could not pay back, blowing up FTX and taking customer money with it – and also *very suspicious*, in that FTX gave this generous credit only to its own affiliated trading firm, secured largely by tokens that FTX had invented, and Alameda was lending a lot of that money to FTX/Alameda's principals for their own personal purposes. And, as I have argued, even if this story was true, it is not much of a defense to fraud charges, because FTX was going around telling everyone that it had good automated risk systems that would prevent it from doing exactly this sort of dumb thing, and lying about that is itself fraud. Again, I don't think this would have worked. But I suppose if you got a bunch of smart earnest 20-somethings up on the witness stand and they all said "yes we were extending credit to a margin customer, ordinary-course stuff, but then the market blew up and the loans defaulted," there was a *chance*.

But now Ellison and Wang will get up on the witness stand and, I assume, say something like "oh obviously we knew that was fraud, we were just doing it to steal customer money, we talked about that all the time." It's hard to see how Bankman-Fried could rebut that. Just on paper the facts are very bad, but when you add the testimony of his friends they become impossible.

The other new news from Ellison and Wang's cooperation is about the alleged manipulation of FTT tokens. <sup>[1]</sup> The US Securities and Exchange Commission explains:

Beyond its "line of credit" with FTX, Ellison, at Bankman-Fried's direction, caused Alameda to borrow billions of dollars from third party lenders. Those loans were backed in significant part by Alameda's holdings of FTT—an illiquid crypto asset security that was issued by FTX and provided to Alameda at no cost. Ellison, acting at the direction of Bankman-Fried, engaged in automated



purchases of FTT tokens on various platforms in order to increase the price of those tokens and inflate the value of Alameda's collateral, which allowed Alameda to borrow even more money from external lenders at increased risk to the lenders and to FTX's investors and customers, all in furtherance of the scheme.

And:

In July 2019, when FTX launched FTT, Alameda received a substantial portion of the 350 million FTT tokens that were minted, including all of the "company tokens" that were allocated to FTX. Alameda did not pay for these tokens.

Alameda programmed its automated trading tools (or "bots") to conduct trades and execute transactions to purchase FTT at specific prices. On more than one occasion, Alameda and Ellison, at Bankman-Fried's direction, actively engaged in the trading of FTT with the goal of supporting the price of the token. On these occasions, Alameda adjusted the trading parameters of its trading bots in order to support the price of FTT.

For example, in 2019, there was downward pressure on the price of FTT as the token was being unlocked for early-stage investors. Bankman-Fried became concerned about, among other things, the psychological effect of the price of FTT dropping below a specific threshold, and instructed Ellison to have Alameda purchase FTT to support the price and avoid that outcome. In another instance in 2021, the price of FTT was again facing downward pressure from external events, this time related to substantial sales of FTT by a third party. Bankman-Fried again instructed Ellison to have Alameda purchase FTT on trading platforms to support the price.

Here again you *might* be able to get around the objective facts, which are basically that Alameda, a crypto market maker, was buying FTT tokens when other people were selling. But if the CEO of Alameda gets on the stand and says "yes Sam Bankman-Fried told me to buy FTT tokens to manipulate the price up so that we could continue to borrow billions of dollars against the inflated token we invented," that is harder to explain away.

The question I always have in situations like this is: How did they *think* this would go? What was the *good* outcome here? Why *do* all this? Many financial crimes have essentially the shape of Ponzi schemes, which by their nature snowball: You take some money from new customers to pay fake returns to old customers, which requires you to take even more money from newer customers to keep paying the fake returns, etc., until the hole gets too big and you go to prison. If you start by stealing \$1,000, pretty soon you need to steal \$10,000, and then \$100,000, and then you find yourself running a billion-dollar Ponzi. And there's rarely a way to come back from that. It is hard to make back a billion dollars at the roulette tables.

You can keep this *going* for a while, if you are good and lucky; Bernie Madoff ran a huge Ponzi for years. But that doesn't really *help*. The longer you run the Ponzi, the deeper the hole gets; being respectable and trusted for decades doesn't really get you the billions of dollars you need to plug the hole. It is hard to grow your way out of it; growth mostly makes the problem worse.

But there is something different about running a crypto exchange, taking out margin loans against tokens that you made up to invest in crypto venture capital projects. The asset that you are borrowing against is essentially *confidence in you*: in your exchange, in crypto generally, in your role as a leading figure in crypto. If that collapses, then your finances collapse and you find yourself in a Bahamian jail cell. But what if it doesn't? If you go on long enough, then those FTT tokens that you made up – that entitle customers to discounts on FTX trading fees and a share of FTX revenue – become more and more valuable, and your decision to lend money against them looks fine. (Your decision to *manipulate* them looks fine, too, because in hindsight you can say “of course we bought when people were selling, we thought they were a bargain, and we were right.”) Ultimately maybe those tokens become so valuable that they dwarf the customer money that you, uh, misplaced, and you can easily plug the hole with the tokens.

Earlier this year, we talked a lot about Terra, a crypto project that collapsed when its TerraUSD stablecoin spiraled to zero. The *plan*, with Terra, was for it to become so popular and widely accepted that people would pay a lot of money for Luna, its native token, and then Terra's promoters would sell a bunch of Luna to raise money to make TerraUSD a fully backed stablecoin. “The basic structure of the trade,” I wrote, “is (1) Ponzi, (2) acceptance, (3) diversification, (4) permanence.” This did not work, because before Terra could complete its diversification it lost market confidence, and everything went to zero. But I don't think it was a terrible plan. If Terra *had* managed to be widely accepted for long enough, it could have *printed its own money*, and then *exchanged that for real money*, and then everything would have been great. So close!

FTX, too, printed its own money, and treated it as money. At the end, as FTX was spiraling into bankruptcy, as the Binance bailout was falling apart, as Caroline Ellison was telling employees about the missing customer money, Sam Bankman-Fried was pitching potential rescuers with a spreadsheet showing that FTX was still solvent. That spreadsheet relied on billions of dollars of tokens – FTT but also weirder things like Serum and Maps – that FTX had made up, that it owned most of, and that had no real independent market value. They were worth billions as long as everyone believed in FTX, and nothing otherwise. By the time Bankman-Fried was circulating the spreadsheet, they were worth nothing. But he only needed to find one person who believed.

I keep quoting it because it is such cinematic foreshadowing, but last year Bankman-Fried said to me on a podcast:

You start with a company that builds a box and in practice this box, they probably dress it up to look like a life-changing, you know, world-altering protocol that's gonna replace all the big banks in

38 days or whatever. Maybe for now actually ignore what it does or pretend it does literally nothing. It's just a box. So what this protocol is, it's called 'Protocol X,' it's a box, and you take a token. ...

So you've got this box and it's kind of dumb, but like what's the end game, right? This box is worth zero obviously. ... But on the other hand, if everyone kind of now thinks that this box token is worth about a billion dollar market cap, that's what people are pricing it at and sort of has that market cap.

He went on in a cynical vein:

In fact, you can even finance this, right? You put X token in a borrow lending protocol and borrow dollars with it. If you think it's worth like less than two thirds of that, you could even just like put some in there, take the dollars out. Never, you know, give the dollars back. You just get liquidated eventually.

And that is what happened: FTX got liquidated eventually, and now he's facing fraud charges. But it was not obvious, in advance, that that was how it had to go. Maybe the box *was* life-changing, a world-altering protocol that was gonna replace all the big banks. Maybe you never get liquidated; maybe everyone will keep believing in the box until it becomes real.

### **APE!**

Honestly the APE thing is pretty clever. AMC Entertainment Holdings Inc. has one incredible advantage and one bizarre constraint. The advantage is that AMC is really really good at raising equity: It rode last year's meme-stock wave more expertly than anyone else, using retail investors' enthusiasm for its stock to sell lots of stock at attractive prices to pay down debt.

The constraint is that, like most public companies, AMC has a corporate charter that limits the number of shares it can issue, and it is basically all out of shares. To get more shares, it needs to get a majority of its shareholders to approve an amendment to the corporate charter authorizing more shares, and this is hard, for two reasons:

1. Some shareholders seem to dislike the idea of being "diluted" if AMC issues more shares. This strikes me as misguided – if a company sells stock at a price that is too high, that's accretive! – but people worry.
2. More important, AMC has tons of retail shareholders, and retail shareholders, stereotypically, don't vote. It needs a majority of all shares to vote in favor of the charter amendment, and it's hard to do that if many of your shareholders don't vote at all.

And so AMC came up with a novel idea. It couldn't sell any more common shares, so it would sell APE shares, "AMC Preferred Equity units," a weird new instrument designed to look like common stock. The APE shares are not common stock, so they are not covered by the cap in the certificate of incorporation, but they are *like* common stock in most important ways. They are listed on the stock exchange and they have the same economic rights (to dividends, etc.) as the common stock does. Also, crucially, they *vote* with the common stock: Anything that needs shareholder approval is submitted to a combined vote of the common and APE shares; each share, common or APE, gets one vote.

AMC did not start by selling APEs; it started by giving them away. It distributed APEs to its existing common shareholders, one APE per common share; the result was basically like a stock split, where if you previously had 100 shares now you had 200, except half of them were APEs. This created a market for the APEs – now people had them, they were bought and sold on the stock exchange. And *then* AMC started selling APEs to raise money. It was out of common shares, but it still had APEs.

In theory there were three ways this could go:

1. The APEs and common shares, being more or less identical, would trade at more or less the same price. It would be like any other company with dual-class shares. AMC would keep issuing more APEs to raise financing, and would get about as much money for the APEs as it would for its common stock. Nobody would worry about the small differences between APEs and common shares.
2. The APEs would be worth *more* than the common stock, because they are funny? The ticker is APE. They are preferred stock, which you might think makes them preferable to the common stock. In this case, AMC would keep issuing APEs to raise financing, and would get more money for the APEs than it would for common stock, and would have created some value out of nothing. Or, rather, would have created some value out of leaning into the meme-stock thing, which is how it creates value generally.
3. The APEs would be worth *less* than the common stock, because common stock is a normal obvious standard thing, while a weird preferred unit is weird. In this case, AMC would have no choice but to keep issuing APEs to raise financing – it can't sell more common shares! – but would get less for those APEs than it would for its common stock. The APE financings would be dilutive: AMC would sell APEs for less than the price of common stock, but the APEs would have the same economic rights as common stock. This would be bad.

Option 3 was the most likely, and it is in fact what happened. When APEs started trading in August, they were worth about \$6 or \$7 per share, while the common stock was around \$9 or \$10. Yesterday the common stock closed at \$5.30; the APEs closed at \$0.685, an 87% discount. That's bad. If your common stock is worth \$5.30, selling basically-common-stock for \$0.685 is a bad corporate finance move.

But this problem comes with its own solution. AMC can still go back to shareholders anytime and ask them to vote to collapse this back into a normal single-share structure, by authorizing more common shares and converting the APE shares into common shares. If a majority of shareholders approve, then each APE will turn into a common share, closing the discount. Maybe the common shares will maintain their value and the APEs will go up to \$5.30, or maybe they'll both end up worth, say, \$3, but in any case they'll all be the same thing and trade at the same price.

And, when AMC puts that proposition to a vote, the common shareholders and the APE holders will all vote together. There will be *more* APE shares than common shares: Originally the APEs were distributed to common shareholders 1 for 1, creating an equal number of APEs and common shares, and since then AMC has sold more APEs while the common share supply is capped. So the majority of voting shares belong to the APEs, which trade at a discount to the common. The APEs have every reason to vote to collapse their APEs back into common stock to close the discount. The bigger the discount is, the more incentive they have to vote. And, the bigger the discount is, the more likely it is that some *professional* investor – a hedge fund, etc. – will buy up the APEs *in order to* vote: You can pay \$0.685 for APEs, and then vote to turn them into common shares worth \$5.30.

Meanwhile presumably some number of common shareholders will *dislike* this, because closing the discount probably means lowering the value of the common shares, so they might vote against it. But (1) there are more APEs than common shares, and (2) the APEs are much more motivated to vote – and much less likely to be held by retail – than the common. So AMC should be able to get shareholder approval to collapse the two classes of stock.

Also AMC can just sell more APEs directly to hedge funds who promise to vote to collapse the structure, helping the vote along. Anyway:

AMC Entertainment Holdings, Inc. (NYSE: AMC and APE) (“AMC” or “the Company”), today announced it will raise \$110 million of new equity capital through the sale of APE units to Antara Capital, LP (“Antara”) in two tranches at a weighted average price of \$0.660 per share. The APE unit closing price on the New York Stock Exchange on December 21, 2022 was \$0.685.

Under the terms of the agreement, Antara, a current AMC debt holder, will also exchange \$100 million principal amount of 2nd Lien Notes due 2026 for approximately 91.0 million APE units thereby reducing AMC’s outstanding debt by \$100 million. As a result of the \$100 million principal debt reduction, future annual interest expense will be reduced by approximately \$10 million. ...

In addition, AMC’s Board of Directors is seeking to hold a special meeting for holders of both AMC common shares and APE units (voting together) to vote on the following proposals:

- To increase the authorized number of AMC common shares to permit the conversion of APE units into AMC common shares.
- To affect a reverse-split of AMC common shares at a 1:10 ratio.
- To adjust authorized ordinary share capital such that, after giving effect to the above proposals if adopted, AMC would have the same ability to issue additional common equity as it currently has to issue additional APE units.

As part of the agreement, Antara has agreed to hold their APE units for up to 90 days and vote them at the special meeting in favor of the proposals.

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I don't know! It's a very elegant trade. I suppose if you wanted to quibble, you could argue that AMC's shareholders *didn't want* it to issue more shares, so it found sort of a clever back-door way to rig the vote to allow it to issue more shares. If you are a shareholder who plans to vote no, you might be annoyed. But I tend to think that selling tons of shares into a meme-stock market was the best possible move for AMC, and its great corporate finance innovation. AMC's management may not be giving shareholders exactly what they want, but it's giving them what they *should* want, and that really is management's job.

### **Things happen**

JPMorgan's Credit-Trading Loss Hinged on [Internal Valuations](#). Sam Bankman-Fried's \$250 Million [Bail Bond](#) Approved by Judge in NY. Behind a [Wall Street headhunter's](#) rapid ascent lie accusations of harassment and abuse. Elon Musk's Campaign to Win Back [Twitter Advertisers](#) Isn't Going Well. Musk's Frequent Twitter Polls Are at Risk of [Bot Manipulation](#). Fired Twitter Manager Sues Over [Stock-](#)



Option Cancellation. “What’s specifically addictive about Twitter is it tells you what the void thinks.” You can sue a movie studio for deceptive trailers. Giant Laser From ‘Star Trek’ to Be Tested in Fusion Breakthrough. ‘Die Hard’ Tower in Los Angeles Lacks Christmas Cheer Ahead of Its Debt Deadline. “Unlike traditional cryptocurrencies, like Bitcoin and Ethereum, which are completely digital, usually without physical form, Manischewitz Crypto Gelt is made from milk chocolate, in packaging that mirrors the most well-known logos of popular cryptocurrency.”

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1 Also that the SEC explicitly argues that FTT is a security, which seems pretty obvious to me – the SEC thinks everything is a security, and FTT is obviously sort of a stock substitute for FTX.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

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To contact the editor responsible for this story:

Brooke Sample at bsample1@bloomberg.net

# **EXHIBIT W**



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

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**AMC ENTERTAINMENT HOLDINGS, INC.**

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee paid previously with preliminary materials.
  - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.
-



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## AMC ENTERTAINMENT HOLDINGS, INC.

One AMC Way  
11500 Ash Street  
Leawood, Kansas 66211

*Re: Special Meeting to Increase the Number of Authorized Shares of Common Stock and Authorize a 1 for 10 Reverse Stock Split of our Common Stock to Enable Conversion of AMC Preferred Equity Units into Shares of Common Stock*

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders (the "Special Meeting") of AMC Entertainment Holdings, Inc. (the "AMC", the "Company," "we", "our" or "us"), to be held on March 14, 2023 at 11:00 a.m. (Central Time), at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, unless postponed or adjourned to a later date.

The purpose of the Special Meeting is to vote on amendments to the Company's Certificate of Incorporation that, together, if approved will enable the Company's AMC Preferred Equity Units ("APEs") to convert into shares of the Company's Class A Common Stock, par value \$0.01 per share (the "Common Stock") as a result of an increase the number of authorized shares of Common Stock and a reverse split of our Common Stock.

### **Background**

On August 19, 2022, the Company paid a special dividend of one APE for each share of Common Stock outstanding at the close of business on August 15, 2022. Each APE is a depository share and represents an interest in one one-hundredth (1/100th) of a share of Series A Convertible Participating Preferred Stock, par value \$0.01 (the "Series A Preferred Stock"). Each APE is designed to have the same economic and voting rights as a share of Common Stock, as described in its governing instruments.

Since the special dividend, the Company has issued additional APEs to raise additional equity capital to strengthen its balance sheet, including debt repayments. However, given the consistent trading discount that we are routinely seeing in the price of APEs compared to the Common Stock, we believe it is in the best interests of our stockholders for us to simplify our capital structure, thereby eliminating the discount that has been applied to the APEs in the market and reducing our cost of capital. Further, our ability recently to raise significant additional capital through APEs has been conditioned on our seeking a stockholder vote to cause the conversion of APEs into Common Stock.

Under the terms of the APEs, the Company may seek to cause the conversion of APEs into equivalent shares of Common Stock by seeking authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which the Series A Convertible Participating Preferred Stock (and, by virtue of such conversion, APEs) can convert in full, in which case the APEs would become Common Stock and cease to trade as a separate security. Under the terms of the APEs, the Company may seek this authorization at any time, including seeking an increase of a higher number of authorized shares of Common Stock beyond what is needed to convert all outstanding APEs (which additional shares may be issued for any purpose) as the Company's Board of Directors may determine in its sole discretion.

On December 22, 2022, the Company entered into an agreement (the "Purchase Agreement") with Antara Capital LP ("Antara"), pursuant to which the Company agreed to (i) sell to Antara 106,595,106 APEs for an aggregate purchase price of \$75.1 million and (ii) simultaneously purchase from Antara \$100 million aggregate principal amount of the Company's Second

Lien Notes due in 2026 in exchange for 91,026,191 APEs. The foregoing transactions closed on February 7, 2023. Immediately prior to entry into the Purchase Agreement, Antara confirmed a \$34.9 million purchase of 60,000,000 APEs under the Company's at-the-market program. The Company's ability to enter into that transaction to raise additional capital was conditioned upon the Company's agreement to seek stockholder approval of an increase in authorized Common Stock that would result in all of the outstanding APEs converting into Common Stock with such additional authorized Common Stock as the Board may determine. After careful consideration of all relevant factors, the AMC Board of Directors has determined to seek approval of such an increase through the Proposals described below.

### **The Proposals**

The Company is holding the Special Meeting for the following purposes, as more fully described in the accompanying proxy statement:

1. Proposal No. 1: To approve an amendment to our Third Amended and Restated Certificate of Incorporation (our "Certificate of Incorporation") to increase the total number of authorized shares of Common Stock from 524,173,073 shares of Common Stock to 550,000,000 shares of Common Stock (the "Share Increase Proposal");
2. Proposal No. 2: To approve an amendment to our Certificate of Incorporation to effectuate a reverse stock split at a ratio of one share of Common Stock for every ten shares of Common Stock, which together with the Share Increase Proposal, shall permit the full conversion of all outstanding shares of Series A Preferred Stock into shares of Common Stock (the "Reverse Split Proposal" and collectively with the Authorized Share Increase Proposal, the "Charter Amendment Proposals"); and
3. Proposal No. 3: To approve one or more adjournments of the Special Meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to approve and adopt the Charter Amendment Proposals (the "Adjournment Proposal").

Each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

**In order to effect the conversion of APEs into Common Stock, stockholders must approve BOTH the Share Increase Proposal and the Reverse Split Proposal. The Share Increase Proposal alone will not create sufficient authorized Common Stock, without the Reverse Split Proposal, to enable the conversion to occur. Nor will the Reverse Split Proposal alone satisfy the terms of the Series A Preferred Stock to enable the conversion to occur.**

Details regarding how to attend the Special Meeting and the Share Increase Proposal, the Reverse Split Proposal and the Adjournment Proposal are more fully described in the accompanying notice of special meeting of stockholders and proxy statement. **The Company encourages you to read the entire proxy statement, and the other annexes to the proxy statement, carefully and in their entirety.**

After careful consideration of all relevant factors, the AMC Board of Directors has determined that the Share Increase Proposal, the Reverse Split Proposal and the Adjournment Proposal are in the best interests of AMC and its stockholders and unanimously recommends that you vote **FOR** each proposal.

Antara has agreed to vote or cause to be voted any APEs and shares of Common Stock owned or controlled, either directly or indirectly by Antara or any of its affiliates, in favor of Proposals 1 and 2.

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES OF COMMON STOCK AND/OR SERIES A PREFERRED STOCK (OR APES REPRESENTING SUCH SHARES OF SERIES A PREFERRED STOCK) YOU OWN.** Regardless of whether you plan to attend the Special Meeting, it is important that your shares of Common Stock and/or Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) be represented and voted at the Special Meeting, and we hope you will vote as soon as possible. You may vote by submitting a proxy over the internet or by telephone, or by mailing the enclosed proxy or voting instruction card pursuant to the instructions provided in the accompanying proxy statement (as applicable), or by attending the Special Meeting in person.

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We intend to hold the Special Meeting in person. However, we are sensitive to the public health and travel concerns our stockholders may have. Your contributions are valued by the Company, however, stockholders and holders of APEs are strongly encouraged to vote by proxy as the preferred means of fully and safely exercising their rights. Personal attendance at the meeting may present a health risk to stockholders and others. In addition, we request that individuals who are experiencing a fever, cough, difficulty breathing, or cold- or flu-like symptoms, refrain from attending the Special Meeting in person.

We plan to provide a listen-only webcast of the Special Meeting for those who are unable to attend in person. The webcast will be accessible through the Investor Relations section of our website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com). Stockholders and interested parties should go to the website at least 15 minutes before the Special Meeting time to register and/or download any necessary audio software. The webcast will only provide an opportunity to listen to the proceedings; it will not be considered attendance at the meeting and you will not be able to vote via the webcast.

Only those holders of record of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) at the close of business on February 8, 2023, the record date for the Special Meeting, will be entitled to vote at the Special Meeting or any adjournment or postponement thereof.

If you have any questions regarding the accompanying proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 859-8511 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

Thank you for your ongoing support of, and continued interest in, AMC Entertainment Holdings, Inc.

Sincerely,



Mr. Kevin M. Connor  
Senior Vice President, General Counsel and Secretary  
Leawood, Kansas  
February 14, 2023

The accompanying proxy statement is dated February 14, 2023, and is first being mailed on or about February 14, 2023.

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## AMC ENTERTAINMENT HOLDINGS, INC.

One AMC Way  
11500 Ash Street  
Leawood, Kansas 66211

### NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

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NOTICE HEREBY IS GIVEN that the Special Meeting of Stockholders (the "Special Meeting") of AMC Entertainment Holdings, Inc. (the "Company") will be held at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, on Tuesday, March 14, 2023, at 11:00 a.m. (Central Time), for the following purposes:

1. Proposal No. 1: Approving an amendment to our Third Amended and Restated Certificate of Incorporation (our "Certificate of Incorporation") to increase the total number of authorized shares of our Class A Common Stock, par value \$0.01 per share (the "Common Stock") from 524,173,073 shares of Common Stock to 550,000,000 shares of Common Stock (the "Share Increase Proposal");
2. Proposal No. 2: Approving an amendment to our Certificate of Incorporation to effectuate a reverse stock split of the Common Stock at a ratio of one share of Common Stock for every ten shares of Common Stock, which, together with the Share Increase Proposal, shall permit the full conversion of all of our outstanding shares of Series A Convertible Participating Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock") into shares of Common Stock (the "Reverse Split Proposal" and collectively with the Share Increase Proposal, the "Charter Amendment Proposals"); and
3. Proposal No. 3: Approving a proposal to approve one or more adjournments of the Special Meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to approve and adopt the Charter Amendment Proposals (the "Adjournment Proposal").

The Company will transact no other business at the Special Meeting except such business as may properly be brought before the Special Meeting or any adjournment or postponement thereof. The Share Increase Proposal and the Reverse Split Proposal are cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

Information relating to the above matters is set forth in the attached proxy statement. Only those holders of record of shares of Common Stock and registered holders of Series A Preferred Stock on the books of Computershare Trust Company, N.A. (the "Depositary") (or AMC Preferred Equity Units ("APEs") representing such shares of Series A Preferred Stock) at the close of business on February 8, 2023, the record date for the Special Meeting, will be entitled to vote at the Special Meeting or any adjournment or postponement thereof. At the close of business on the record date, the Company had 517,580,416 shares of Common Stock and 9,298,497 shares of Series A Preferred Stock (with 929,849,612 APEs representing such shares of Series A Preferred Stock) outstanding and entitled to vote.

If you hold APEs, you may instruct the Depositary, either directly or through your broker, bank or other nominee, how to vote the Series A Preferred Stock underlying your APEs. If you wish to have your votes cast at the Special Meeting, you must obtain, complete and timely return a voting instruction form from the Depositary, if you are a registered holder of APEs, or from your broker, bank or other nominee in accordance with any instructions provided therefrom.

**Your vote is important, regardless of the number of shares of Common Stock and/or Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) that you own.** Whether or not you plan to attend the Special Meeting in person, please vote your proxy as soon as possible to assure a quorum. You may vote by submitting a proxy over the internet or by telephone, by mailing the enclosed proxy or voting instruction card pursuant to the instructions provided in the accompanying proxy statement or by attending the Special Meeting in person.

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We intend to hold the Special Meeting in person. However, we are sensitive to the public health and travel concerns our stockholders may have. Your contributions are valued by the Company, however, stockholders and holders of APEs are strongly encouraged to vote by proxy as the preferred means of fully and safely exercising their rights. Personal attendance at the meeting may present a health risk to stockholders and others. We request that individuals who are experiencing a fever, cough, difficulty breathing, or cold- or flu-like symptoms, refrain from attending the meeting in person.

We plan to provide a listen-only webcast of the Special Meeting for those who are unable to attend in person. The webcast will be accessible through the Investor Relations section of our website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com). Stockholders and interested parties should go to the website at least 15 minutes before the Special Meeting time to register and/or download any necessary audio software. The webcast will only provide an opportunity to listen to the proceedings; it will not be considered attendance at the meeting and you will not be able to vote via the webcast.

For specific instructions on how to vote your shares, please refer to the section entitled "Questions and Answers About the Proxy Materials and Special Meeting" in the accompanying proxy statement. If you have any questions about how to vote, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 859-8511 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

By order of the Board of Directors of AMC Entertainment Holdings, Inc.,



Mr. Kevin M. Connor  
Senior Vice President, General Counsel and Secretary  
Leawood, Kansas  
February 14, 2023

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## AMC ENTERTAINMENT HOLDINGS, INC.

One AMC Way  
11500 Ash Street  
Leawood, Kansas 66211

### PROXY STATEMENT FOR A SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON MARCH 14, 2023

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This proxy statement contains information related to the Special Meeting of Stockholders (the "Special Meeting") of AMC Entertainment Holdings, Inc., a Delaware corporation ("AMC," the "Company," "we," "our" or "us") to be held on March 14, 2023 at 11:00 a.m. (Central Time) at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, and at any adjournments or postponements thereof. This proxy statement, along with the accompanying Notice of Special Meeting of Stockholders and a form of proxy or voting instruction card, summarizes the information you need to know to vote by proxy or in person at the Special Meeting and are being mailed to (i) all holders of shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") and (ii) holders of shares of Series A Convertible Preferred Stock, par value \$0.01 per share, of the Company ("Series A Preferred Stock") on the books of Computershare Trust Company, N.A. (or AMC Preferred Equity Units ("APEs") representing such shares of Series A Preferred Stock), each of whom are entitled to vote at the Special Meeting. Below are answers to certain questions that you may have regarding the Special Meeting. We urge you to read carefully the remainder of this proxy statement because the information in this section may not provide all the information that you may consider important in determining how to vote.

This proxy statement is first being mailed to holders of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) beginning on or about February 14, 2023. The costs of this proxy solicitation will be borne by the Company, which maintains its principal executive offices at One AMC Way, 11500 Ash Street, Leawood, KS 66211.

If you have any questions regarding the proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 859-8511 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).



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## QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND SPECIAL MEETING

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### Why am I receiving these materials?

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by the AMC Board of Directors (the "Board") for use at the Special Meeting and any postponements or adjournments thereof. Holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) are requested to vote on the items of business described in this proxy statement. The proxy statement is being mailed on or about February 14, 2023 to all holders of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) entitled to vote at the Special Meeting.

### What is the effect of the Charter Amendment Proposals on the Common Stock?

If the Reverse Stock Split is approved and implemented, every 10 shares of issued and outstanding Common Stock you own will be automatically converted into one share of Common Stock.

On an aggregate basis, the number of our outstanding shares of Common Stock as of February 8, 2023, the record date for the Special Meeting, would decrease from 517,580,416 to approximately 51,758,042 shares of Common Stock. In addition if the Charter Amendment Proposals are approved, 9,298,497 shares of Series A Preferred Stock (represented by 929,849,612 APEs), as of the record date, will convert into 92,984,970 shares of Common Stock, resulting in a combined total of approximately 144,743,012 shares of Common Stock. Subject to the approval of the Share Increase Proposal, our total number of shares of Common Stock authorized for issuance would be 550,000,000 shares of Common Stock.

No fractional shares of Common Stock will be issued as a result of the Reverse Stock Split. Stockholders of record who would otherwise be entitled to receive a fractional share will receive a cash payment in lieu thereof. Stockholders holding Common Stock in "street name" through a bank, broker, or other nominee should note that such banks, brokers, or other nominees may have different procedures for processing the Reverse Stock Split and making payment for fractional shares than those that would be put in place by us for registered stockholders. If you hold your shares with such a bank, broker, or other nominee and if you have questions in this regard, you are encouraged to contact such bank, broker or nominee.

### Will the new Common Stock be issued under a new CUSIP?

Yes. If the Reverse Stock Split is approved and implemented, every 10 shares of issued and outstanding Common Stock you own will be automatically converted into one share of Common Stock issued under a new CUSIP, and new shares of Common Stock issued upon conversion of Series A Preferred Stock and APEs will be also issued under that same new CUSIP.

### What is the effect of the Charter Amendment Proposals on the Series A Preferred Stock and APEs?

Each APE currently represents 1/100th of a share of Series A Preferred Stock. Each share of Series A Preferred Stock in turn is currently, subject to the terms thereof, convertible into 100 shares of Common Stock and is entitled to vote on the same basis as 100 shares of Common Stock. Accordingly, 1/100th of a share of Series A Preferred Stock is currently entitled to one vote (equating to one vote per APE). As of February 8, 2023, 9,298,497 shares of Series A Preferred Stock were outstanding, of which all 9,298,497 shares were represented by 929,849,612 APEs.

Each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect. After giving effect to the Reverse Stock Split, each APE, which currently represents a 1/100th interest in the equivalent of 100 shares of Common Stock upon conversion of each share of Series A Preferred Stock (or one share of Common Stock for each APE), will represent a 1/100th interest in 10 shares of Common Stock (or 1/10th (0.10) of a share of Common Stock for each APE). If both the Share Increase Proposal and the Reverse Split Proposal are approved and implemented, each issued and outstanding share of Series A Preferred Stock that was previously convertible into 100 shares of Common Stock will automatically convert in full with no action on the part of holders into the split adjusted ten (10) shares of Common Stock (thereby causing each APE to automatically convert into the split adjusted 0.10 of a share of Common Stock), and the Series A Preferred Stock (and APEs) will cease to exist.

**Current Status**

100 APEs = 1 share of Series A Preferred Stock = 100 shares of Common Stock

1 APE = 1 share of Common Stock

**After Approval of the Charter Amendment Proposals**

100 APEs = 1 share of Series A Preferred Stock = 10 shares of Common Stock

1 APE = 1/10 of a share of Common Stock

After delivery of shares of Common Stock by the transfer agent to the Depositary following conversion of the Series A Preferred Stock, the Depositary will distribute the proportional number of shares of Common Stock (at the automatically adjusted post-split rate of 0.10 shares of Common Stock for one (1) APE) to the holders of APEs by book-entry transfer through the Depositary Trust Company or, if such holders' interests are held through the book-entry settlement system of the Depositary, by book-entry transfer through the Depositary for such number of shares of Common Stock (the "APEs Conversion"). The Depositary will not deliver fractional shares of Common Stock. In the case of APEs registered directly on the books of Computershare only, in the event that the holders of APEs would be entitled to receive fractional shares of Common Stock, the Depositary will aggregate and sell and any fractional shares and pay to such holders a portion of cash proceeds in lieu (rounded to the nearest cent) of such fractional shares. Holders of APEs in "street name" through a bank, broker, or other nominee should note that such banks, brokers, or other nominees may have different procedures for processing the APEs Conversion and making payment for fractional APEs than those that would be put in place by us for registered APE holders. If you hold your APEs with such a bank, broker, or other nominee and if you have questions in this regard, you are encouraged to contact such bank, broker or nominee.

For example, if you hold 100 shares of Common Stock and 100 APEs when the Charter Amendment Proposals become effective, you will automatically thereafter hold an aggregate 20 shares of Common Stock (10 post-split shares of Common Stock issued for the 100 pre-split shares of Common Stock and 10 post-split shares of Common Stock issued for the 100 APEs).

We expect the APEs to cease trading and be delisted from the New York Stock Exchange (the "NYSE") shortly after the effective time of the Charter Amendment Proposals. If the Charter Amendment Proposals are approved, we currently expect the last day of trading of the APEs to be March 14, 2023.

**Will fractional shares of Common Stock be delivered following the Reverse Stock Split or the conversion of APEs to Common Stock?**

No. Neither the Company nor the Depositary will distribute fractional shares of Common Stock.

In the case of Common Stock or APEs registered directly on the books of Computershare only, in the event that the holders of Common Stock or APEs would be entitled to receive fractional shares of Common Stock, Computershare or the Depositary, as the case may be, will aggregate and sell and any fractional shares and pay to such holders a portion of cash proceeds in lieu (rounded to the nearest cent) of such fractional shares.

In the case of Common Stock or APEs held through a broker, bank or nominee, your broker, bank or nominee will determine the process for dealing with any entitlements to fractional shares of Common stock, which may include allocation of fractional shares at the account level.

**Who may vote at the Special Meeting?**

Only holders of record of shares of the Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) at the close of business on February 8, 2023 (the "Record Date") are entitled to notice of, and to vote at, the Special Meeting.

If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the "beneficial owner" of shares held in "street name," and these proxy materials were forwarded to you by that

organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Special Meeting. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account. See “Q. *Can I vote my shares without attending the Special Meeting?*” below for more information.

If you are a registered holder of the APEs on the books of Depositary as of the Record Date, then you may provide instructions to the Depositary as to how to vote the shares of Series A Preferred Stock underlying your APEs on the issues set forth in this proxy statement. The Depositary will mail you a proxy card if you hold APEs in your own name on the Depositary’s share register. If, however, on the Record Date you held your APEs through a bank, broker, custodian or other nominee/agent, it is anticipated that such bank, broker, custodian or nominee/agent will forward voting instruction forms to you. See “Q. *Can I vote my shares without attending the Special Meeting?*” below for more information.

As of the close of business on February 8, 2023, there were 517,580,416 shares of our Common Stock issued and outstanding, held by 16,683 holders of record, and 9,298,497 shares of Series A Preferred Stock were outstanding, of which 100% were represented by 929,849,612 APEs, held by 14,823 holders of record.

### **When and where will the Special Meeting be held?**

The Special Meeting will be held on March 14, 2023 at 11:00 a.m. (Central Time) at AMC Theatre Support Center, located at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211.

We intend to hold the Special Meeting in person. However, we are sensitive to the public health and travel concerns our stockholders may have. Your contributions are valued by the Company. However, stockholders and holders of APEs are strongly encouraged to vote by proxy as the preferred means of fully and safely exercising their rights. Personal attendance at the meeting may present a health risk to stockholders and others. In addition, we request that individuals who are experiencing a fever, cough, difficulty breathing, or cold- or flu-like symptoms, refrain from attending the meeting in person.

We plan to provide a listen-only webcast of the Special Meeting for those who are unable to attend in person. The webcast will be accessible through the Investor Relations section of our website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com). Stockholders and interested parties should go to the website at least 15 minutes before the Special Meeting time to register and/or download any necessary audio software. The webcast will only provide an opportunity to listen to the proceedings; it will not be considered attendance at the meeting and you will not be able to vote via the webcast.

### **How do I gain admission to the Special Meeting or vote my shares at the Special Meeting?**

You are entitled to attend the Special Meeting only if you were a stockholder of record (or record holder of APEs) as of the Record Date for the Special Meeting, or you hold a valid proxy for the Special Meeting.

#### **Registered Stockholders or Record holders of APEs**

If you hold your shares of Common Stock or APEs in your own name as a holder of record with our transfer agent or Depositary, as applicable, you may vote by proxy over the Internet, by telephone, or by mail by following the instructions on the proxy card. Voting over the Internet or by written proxy will ensure your representation at the Special Meeting regardless of whether you attend the Special Meeting. Of course, you can always come to the Special Meeting and vote your shares in person.

#### **Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Nominee**

Beneficial holders of shares of Common Stock or APEs who wish to attend the Special Meeting must obtain a legal proxy by contacting their account representative at the bank, broker, or other nominee that holds their shares or APEs and e-mail a copy (a legible photograph is sufficient) of their legal proxy to our proxy solicitor at [AMCattend@dfking.com](mailto:AMCattend@dfking.com). If you want to vote in person, you must obtain a legal proxy from your broker, bank or other nominee and bring it to the meeting.

### **Can I vote my shares without attending the Special Meeting?**

#### **Stockholder of Record: Shares Registered in Your Name**

Stockholders of record may vote their shares by Internet, by telephone, or by mail. Whether or not you plan to attend the Special Meeting, we urge you to vote by proxy to ensure your vote is counted. You may choose one of the following voting methods to cast your vote.

To vote by Internet, follow the instructions on the proxy card. Internet voting prior to the Special Meeting is available 24 hours a day, 7 days a week, until 11:59 p.m. (Central Time) on March 13, 2023.

To vote by telephone, follow the instructions on the proxy card. Telephone voting prior to the Special Meeting is available 24 hours a day, 7 days a week, until 11:59 p.m. (Central Time) on March 13, 2023.

To vote by mail, simply mark your proxy, date and sign it, and return it to the Company in the postage-paid envelope provided.

The method by which you vote in advance of the Special Meeting will not limit your right to vote at the Special Meeting if you later decide to attend in person.

***Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Nominee***

If your shares of Common Stock are held in “street name” through a broker, bank or other nominee, your broker, bank or other nominee will send you separate instructions describing the procedure for voting your shares. Simply complete, sign and date your voting instruction card and return it in the postage-paid envelope provided to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker, bank or other nominee.

As discussed above, if you are a beneficial owner, you may not vote your shares at the Special Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

***APE Holders***

If you are a holder of APEs, you may give voting instructions to the Depositary or your broker, bank, or other nominee, as applicable, with respect to the shares of Series A Preferred Stock underlying your APEs. If you held APEs as of the Record Date, you have the right to instruct the Depositary-if you held your APEs directly-or the right to instruct your broker, bank, or other nominee-if you held your APEs through such intermediary-how to vote. So long as the Depositary receives your voting instructions on or prior to 11:59 p.m. (Central Time), on March 13, 2023, it will, to the extent practicable and subject to Delaware law and the terms of the deposit agreement, vote the underlying Series A Preferred Stock as you instruct. If your APEs are held through a broker, bank, or other nominee, such intermediary will provide you with instructions on how you may give voting instructions with respect to the Series A Preferred Stock underlying your APEs. Please check with your broker, bank, or other nominee, as applicable, and carefully follow the voting procedures provided to you.

If you have any questions about how to vote, you may contact our proxy solicitor at:

D.F. King & Co, Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Call Toll-Free: (800) 859-8511  
Banks and Brokers Call: (212) 269-5550  
AMC@dfking.com

***What am I voting on at the Special Meeting?***

You are being asked to vote on the proposed amendments of our Certificate of Incorporation (i) to increase the total number of shares of Common Stock such that the Company shall have the authority to issue by 25,826,927 shares to a total of 550,000,000 shares of Common Stock (the “Share Increase Proposal”) and (ii) to effectuate a reverse stock split (the “Reverse Stock Split”) of the Common Stock at a ratio of one share of Common Stock for every ten shares of Common Stock (the “Reverse Split Proposal”) and together with the Share Increase Proposal, the “Charter Amendment Proposals”). You are also being asked to vote on the approval of one or more adjournments of the Special Meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to approve and adopt the Charter Amendment Proposals (the “Adjournment Proposal”).

### What if other matters are properly brought before the Special Meeting?

As of the date of this proxy statement, we are not aware of any other matters that will be presented for consideration at the Special Meeting. If any other matters are properly brought before the Special Meeting, the persons named as proxies will be authorized to vote or otherwise act on those matters in accordance with their judgment.

### How does the Board recommend that I vote?

The Board recommends that you vote your shares “FOR” the Share Increase Proposal, “FOR” the Reverse Split Proposal and “FOR” the Adjournment Proposal.

**In order to effect the conversion of APEs into Common Stock, stockholders must approve BOTH the Share Increase Proposal and the Reverse Split Proposal. The Share Increase Proposal alone will not create sufficient authorized Common Stock, without the Reverse Split Proposal, to enable the conversion to occur. Nor will the Reverse Split Proposal alone satisfy the terms of the Series A Preferred Stock to enable the conversion to occur.** Accordingly, each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

### Are the proposals conditioned on one another?

Each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect. **In order to effect the conversion of APEs into Common Stock, stockholders must approve BOTH the Share Increase Proposal and the Reverse Split Proposal. The Share Increase Proposal alone will not create sufficient authorized Common Stock, without the Reverse Split Proposal, to enable the conversion to occur. Nor will the Reverse Split Proposal alone satisfy the terms of the Series A Preferred Stock to enable the conversion to occur.** The Adjournment Proposal is not conditioned upon the approval of any other proposal. If, based upon the tabulated vote at the time of the Special Meeting, there are insufficient votes from the holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) to approve the Share Increase Proposal and the Reverse Split Proposal, we may move to adjourn the Special Meeting to such later date or dates to permit further solicitation and vote of proxies. In this event, at the Special Meeting, we will ask our stockholders to vote only upon the Adjournment Proposal and not on the Charter Amendment Proposals. If the Charter Amendment Proposals are approved at the Special Meeting, the Adjournment Proposal will not be presented.

### How will Antara Capital LP vote?

On the Record Date, Antara Capital LP (the “Antara”) owned and was entitled to vote an aggregate of 258,439,472 APEs, representing 17.8% of AMC’s issued and outstanding shares of Common Stock and APEs (with each APE representing 1/100 of a share of Series A Preferred Stock), and plans to vote in favor of the Share Increase Proposal and the Reverse Split Proposal, and, if presented, we also anticipate they will also vote in favor of the Adjournment Proposal.

### Can I change my vote or revoke my proxy?

#### **Stockholder of Record: Shares Registered in Your Name.**

If you are a stockholder of record, you can change your vote or revoke your proxy at any time before the Special Meeting by:

- entering a new vote by Internet (until the applicable deadline as set forth above);
- submitting a new vote by telephone (until the applicable deadline as set forth above);
- returning a later-dated proxy card (which automatically revokes the earlier proxy prior to the deadline);
- providing a written notice of revocation prior to the deadline to our corporate secretary at AMC Entertainment Holdings, Inc. at One AMC Way, 11500 Ash Street, Leawood, KS 66211, Attn: Corporate Secretary; or

- attending the Special Meeting and voting.

#### ***Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Nominee.***

If you are the beneficial owner of your shares of Common Stock, you must contact the broker, bank or other nominee holding your shares and follow their instructions to change your vote or revoke your proxy.

#### ***APE Holders***

If you hold APEs, directly or through a broker, bank, or other nominee, you must follow the instructions provided by the Depository or such broker, bank, or other nominee if you wish to revoke your proxy and change your vote. The last instructions you submit prior to the deadline indicated by the Depository or the broker, bank, or other nominee, as applicable, will be used to instruct the Depository how to vote the shares of Series A Preferred Stock underlying your APEs.

#### ***What is the effect of giving a proxy?***

Our Board is soliciting proxies for use at the Special Meeting by means of the proxy materials. When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Special Meeting in accordance with the instruction of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendation of our Board as described above and, if any other matters are properly brought before the Special Meeting, the shares will be voted in accordance with the proxies' judgment.

#### ***How many votes do I have?***

The only voting securities of the Company are its shares of Common Stock and Series A Preferred Stock. The holders of our Common Stock are entitled to one vote per share and the holders of our Class A Preferred Stock are entitled to one hundred votes per share. Each APE is a depository share and represents an interest in one one-hundredth (1/100th) of a share of Series A Preferred Stock, thereby entitling each APE to one vote per unit. The holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) will vote as one class at the Special Meeting.

#### ***What is the quorum requirement for the Special Meeting?***

A quorum is the minimum number of shares required to transact business at our Special Meeting for the meeting to be properly held under our bylaws and Delaware law. The presence, in person or by proxy, of one-third of the outstanding shares of our Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) voting together as one class is necessary to constitute a quorum at the Special Meeting. Stockholders of record holding shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) constituting one-third of the shares of Common Stock and Series A Preferred Stock issued and outstanding and entitled to vote at the Special Meeting shall constitute a quorum (i.e., one-third of all issued and outstanding shares of Common Stock and APEs voting together, with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). If you have returned valid proxy instructions or attend the meeting in person (as applicable), your shares will be counted as present and entitled to vote for the purpose of determining the presence or absence of a quorum, even if you abstain from voting on some or all matters introduced at the meeting.

As of the close of business on February 8, 2023, there were 517,580,416 shares of our Common Stock issued and outstanding, held by 16,683 holders of record, and 9,298,497 shares of Series A Preferred Stock (represented by 929,849,612 APEs), held by 14,823 holders of record. Thus, the holders of at least 482,476,706 shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) in the aggregate must be present in person or represented by proxy (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote) at the Special Meeting to constitute a quorum.

#### ***What are the effects of abstentions?***

An abstention represents an affirmative choice to decline to vote on a proposal. If a stockholder (or APEs holder) indicates on its proxy or voting instruction card that it wishes to abstain from voting its shares (or APEs), or if a broker, bank or



other nominee holding its customers' shares (or APEs) of record causes abstentions to be recorded for shares (or APEs), those shares (or APEs) will be considered present and entitled to vote at the Special Meeting. As a result, abstentions will be counted for purposes of determining the presence or absence of a quorum and will have the same effect as votes against the Share Increase Proposal, the Reverse Split Proposal, and the Adjournment Proposal.

#### What is the voting requirement to approve the proposals?

Proposal 1, regarding the Share Increase Proposal, requires the approval of at least a majority of the shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) entitled to vote, voting together as one class (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote "FOR," "AGAINST," or "ABSTAIN" on the Share Increase Proposal. Abstentions will count towards the quorum requirement for the Special Meeting and will have the same effect as a vote against Proposal 1.

Proposal 2, regarding the Stock Split Proposal, requires the approval of at least a majority of the shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) entitled to vote voting together as one class (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote "FOR," "AGAINST," or "ABSTAIN" on Proposal 2. Abstentions will count towards the quorum requirement for the Special Meeting and will have the same effect as a vote against Proposal 2.

Proposal 3, regarding the Adjournment Proposal, requires the approval of at least a majority of the shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock), voting together as one class, present in person or represented by proxy at the Special Meeting and entitled to vote on Proposal 3 (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote "FOR," "AGAINST," or "ABSTAIN" on Proposal 3. Abstentions will count towards the quorum requirement for the Special Meeting and will have the same effect as a vote against Proposal 3.

#### What if I do not specify how my shares are to be voted or fail to provide timely directions to my broker, bank or other nominee?

*Stockholder of Record: Shares Registered in Your Name.* If you are a stockholder of record and you submit a proxy but you do not provide voting instructions, your shares will be voted "FOR" the Share Increase Proposal, the Reverse Split Proposal and the Adjournment Proposal.

In addition, if any other matters are properly brought before the Special Meeting, the persons named as proxies will be authorized to vote or otherwise act on those matters in accordance with their judgment.

*Beneficial Owner of Shares of Common Stock: Shares Registered in the Name of a Broker, Bank or Other Nominee.* If you are a beneficial owner and hold your shares of Common Stock in street name and do not provide your bank, broker or other nominee that holds your shares of Common Stock with voting instructions, the bank, broker or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under rules of the NYSE, brokers may not vote on "non-routine" proposals unless they have received voting instructions from the beneficial owner, and to the extent that they have not received voting instructions, brokers report such number of shares as "non-votes." Your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. It is expected that all proposals to be voted on at the Special Meeting will be treated as "non-routine" matters. Your bank, broker, or other nominee can vote your shares of Common Stock only if you provide instructions on how to vote. You should instruct your bank, broker or other nominee to vote your shares of Common Stock in accordance with directions you provide.

#### APEs and Series A Preferred Stock Holders

Under the terms of the deposit agreement, if the Depositary does not receive timely voting instructions with respect to any Series A Preferred Stock represented by APEs, including broker "non-votes," the Depositary will vote the Series A Preferred Stock represented by such non-voting APEs proportionately with votes cast "FOR," "AGAINST," or "ABSTAIN" pursuant to instructions received from the other APE holders.

### What is the effect of a broker non-vote?

Brokers, banks or other nominees who hold shares of our Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) for a beneficial owner have the discretion to vote on routine proposals when they have not received voting instructions from the beneficial owner at least ten days prior to the Special Meeting. A broker non-vote occurs when a broker, bank or other nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. Broker non-votes of our Common Stock will not be counted for purposes of calculating whether a quorum is present at the Special Meeting and will have the same effect as votes against the Share Increase Proposal and the Reverse Split Proposal, and will have no effect of the Adjournment Proposal. A broker or other nominee cannot vote without instructions on non-routine matters. Broker non-votes of APEs will be treated by the Depositary as not having been voted, and under the terms of the deposit agreement, the Depositary will vote the Series A Preferred Stock represented by such non-voting APEs proportionately with votes cast pursuant to instructions received from the other APE holders.

### How can I contact the Company's transfer agent and the Depositary for the APEs?

You may contact our transfer agent by writing to Computershare Trust Company, N.A., Computershare Investor Services, P.O. Box 43006 Providence RI 02940-3006. You may also contact our transfer agent via email at [web.queries@computershare.com](mailto:web.queries@computershare.com) or by telephone at 800-962-4284.

### How are proxies solicited for the Special Meeting, and who is paying for such solicitation?

Our Board is soliciting proxies for use at the Special Meeting by means of the proxy materials. Our Board has engaged D.F. King & Co., Inc. to assist in the solicitation of proxies for the Special Meeting. We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. AMC will pay D.F. King & Co., Inc., a fee of \$15,000. AMC will also reimburse D.F. King & Co., Inc. for reasonable out-of-pocket expenses and will indemnify D.F. King & Co., Inc. and its affiliates against certain claims, liabilities, losses, damages and expenses. Copies of solicitation materials will also be made available upon request to brokers, banks and other nominees to forward to the beneficial owners of the shares held of record by such brokers, banks or other nominees. The original solicitation of proxies may be supplemented by solicitation by telephone, electronic communication, or other means by our directors, officers or employees. No additional compensation will be paid to these individuals for any such services, although we may reimburse such individuals for their reasonable out-of-pocket expenses in connection with such solicitation.

If you choose to access the proxy materials and/or vote over the Internet, you are responsible for any Internet access charges you may incur.

### Where can I find the voting results of the Special Meeting?

We will announce preliminary voting results at the Special Meeting. We will also disclose voting results on a Current Report on Form 8-K (an "8-K") filed with the SEC within four business days after the Special Meeting. If final voting results are not available to us in time to file an 8-K within four business days after the Special Meeting, we will file an 8-K to publish preliminary results and, within four business days after final results are known, file an additional 8-K to publish the final results.

### What does it mean if I receive more than one set of printed materials?

If you receive more than one set of printed materials, your shares may be registered in more than one name and/or are registered in different accounts. Or you may hold both Common Stock and APEs and have received one set for each. Please follow the voting instructions on each set of printed materials to ensure that all of your shares are voted.

### I share an address with another stockholder or holder of APEs, and we received only one printed copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders or holders of APEs sharing



the same address by delivering a proxy statement addressed to those stockholders or holders of APEs. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with accounts will be householding our proxy materials to the extent stockholders or holders of APEs have given their prior express or implied consent in accordance with SEC rules. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent, which is deemed to be given unless you inform the broker otherwise when you receive the original notice of householding. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker to discontinue householding and direct your written request to receive separate materials to the Company at: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211, or by calling (913) 213-4000. Stockholders or holders of APEs who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

**Whom should I contact if I have any questions about the proxy materials or voting?**

If you have any questions regarding the accompanying proxy statement, you may contact D.F. King & Co., Inc., our proxy solicitor, toll-free at (800) 859-8511 or collect at (212) 269-5550 or email at [AMC@dfking.com](mailto:AMC@dfking.com).

**What if I have questions about my shares of Common Stock or Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) need to change my mailing address?**

You may contact our transfer agent by writing to Computershare Trust Company, N.A., Computershare Investor Services, P.O. Box 43006 Providence RI 02940-3006. You may also contact our transfer agent via email at [web.queries@computershare.com](mailto:web.queries@computershare.com) or by telephone at 800-962-4284. If you hold your shares or APEs with a bank, broker, or other nominee and if you have questions or wish to change your mailing address, please contact such bank, broker or nominee.

## PROPOSAL NUMBER 1

# APPROVAL OF AMENDMENT TO OUR CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

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We are submitting this proposal for approval to holders of our Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock), in combination with Reverse Stock Split, to permit the conversion of our outstanding Series A Preferred Stock and APEs into Common and to provide authorized Common Stock to permit additional shares of Common Stock to be issued in the future. At the Special Meeting, we will ask holders of our Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) to approve a proposal to amend our Certificate of Incorporation, in the form set forth in *Annex A* to this proxy statement, to increase the number of authorized shares of our Common Stock to a total of 550,000,000 shares of Common Stock.

### Background of the Charter Amendment Proposals; Reasons for Seeking Stockholder Approval

#### *Issuance of AMC Preferred Equity Units*

On August 4, 2022, the Company announced that its Board declared a special dividend of one APE for each share of Common Stock outstanding at the close of business on August 15, 2022, and on August 19, 2022, the Company issued on a pro rata basis 516,820,595 APEs to holders of Common Stocks (the "Special Dividend"). On August 22, 2022, the APEs commenced trading on the NYSE under the ticker "APE". The Series A Preferred Stock is not listed on any exchange.

Each APE is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Series A Preferred Stock, and is designed to have the same economic and voting rights as a share of Common Stock, as set forth in their governing instruments. The APEs are evidenced by a depositary receipt pursuant to a deposit agreement among the Company, the Depositary, and holders of APEs. The Company deposited the underlying shares of Series A Preferred Stock with the Depositary pursuant to the deposit agreement. Subject to the terms of the deposit agreement, the APEs are entitled to all the rights and preferences of Series A Preferred Stock, as applicable, in proportion to the fraction of a share of Series A Preferred Stock the APE represents.

Each APE, by virtue of its interest in the underlying Series A Preferred Stock:

- is automatically convertible into one (1) share of Common Stock upon effectiveness of an amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Series A Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock (which may be issued for any purpose) as the Board may determine in its sole discretion (the "Conversion Trigger"), subject to any adjustments described in the Certificate of Designations of Series A Preferred Stock (the "Series A Preferred COD"). Upon effectiveness of the Conversion Trigger, each share of Series A Preferred Stock will convert into one hundred (100) shares of Common Stock and each APE in turn will represent an interest in one (1) share of Common Stock and such shares of Common Stock will be distributed upon conversion to holders of the APEs on a one-to-one basis, subject to the terms described in the deposit agreement and any adjustments described in the Series A Preferred COD;
- participates in any dividends on an as-converted basis;
- votes together with the Common Stock, as one class, on certain matters; and
- represents a liquidation value of \$0.01 in preference to the Common Stock.

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which Series A Preferred Stock (and, by virtue of such conversion, APEs) can convert in full, the Company is required to obtain the requisite stockholder approval, at such time or times as the Board in its sole discretion shall determine, of an amendment to its Certificate of Incorporation to increase the number of authorized shares of Common Stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Series A Preferred Stock into Common

Stock, or to such higher number of authorized shares of Common Stock (which may be issued for any purpose) as the Board may determine in its sole discretion. Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company's outstanding capital stock is required for stockholder approval of such an amendment to the Certificate of Incorporation, and the holders of the APEs are entitled to vote thereon (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote).

### ***Antara Transaction***

On December 22, 2022, the Company entered into an agreement (the "Purchase Agreement") with Antara Capital LP ("Antara"), pursuant to which the Company agreed to (i) sell to Antara 106,595,106 AMC APEs for an aggregate purchase price of \$75.1 million and (ii) simultaneously purchase from Antara \$100 million aggregate principal amount of the Company's Second Lien Notes due 2026 in exchange for 91,026,191 APEs. The foregoing transactions closed on February 7, 2023. Immediately prior to entry into the Purchase Agreement, Antara confirmed a \$34.9 million purchase of 60,000,000 APEs under the Company's at-the-market program.

The Company's ability to enter into that transaction to raise additional capital was conditioned upon the Company's agreement to seek stockholder approval of an increase in authorized Common Stock, which would result in the APEs converting into Common Stock.

### ***Factors Considered by the Board in its Recommendation***

Since the Special Dividend, the Company has issued additional APEs to raise additional equity capital to strengthen its balance sheet, including debt repayment. However, given the consistent trading discount that we are routinely seeing in the price of APEs compared to the Common Stock, we believe it is in the best interests of our shareholders for us to simplify our capital structure, thereby eliminating the discount that has been applied to the APEs in the market and reducing our cost of capital. For example, prior to the announcement of the entry into the Purchase Agreement and the corresponding agreement to call this Special Meeting, the closing price of an APE on the NYSE was \$0.68 and the closing price of share of Common Stock was \$5.30 (and over the 30 trading days prior to that date, the average closing price of an APE was \$1.06 and the average closing price of a share of Common Stock was \$6.20).

Additionally, our ability recently to raise significant additional capital through APEs has been conditioned in the Purchase Agreement on our seeking a stockholder vote to cause the conversion of APEs into Common Stock. The Board therefore entered into the Purchase Agreement and believes it is in the best interest of stockholders to approve the Share Increase Proposal, and subject to approval of the Reverse Split Proposal and effectuating the Reverse Stock Split, cause the full conversion of the then-outstanding shares of Series A Preferred Stock into Common Stock and simultaneously therewith the APEs Conversion. Each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

Antara has also agreed to vote or cause to be voted the APEs and shares of Common Stock it owned or controlled, either directly or indirectly by its affiliates, in favor of the Charter Amendment Proposals.

We believe that the additional shares of authorized Common Stock that will be available if the Charter Amendments Proposals are approved are also necessary to provide us with appropriate flexibility to utilize equity for business and financial purposes that the Board determines to be in the Company's best interests on a timely basis without the expense and delay of a stockholders' meeting. The Board believes that the additional authorized shares of Common Stock will provide us with essential flexibility to use our Common Stock, without further stockholder approval (except to the extent such approval may be required by law or by applicable exchange listing standards) for any proper corporate purposes, including, without limitation, raising capital through one or more future public offerings or private placements of equity securities, expanding our business, acquisition transactions, entering into strategic relationships, providing equity-based compensation and/or incentives to employees, consultants, officers and directors, effecting stock dividends or for other general corporate purposes. Having an increased number of authorized but unissued shares of Common Stock would allow us to take prompt action with respect to corporate opportunities that develop, without the delay and expense of convening a special meeting of stockholders for the purpose of approving an increase in our capitalization. The Board will determine whether, when and on what terms the issuance of shares of Common Stock may be warranted in connection with any of the foregoing purposes.

### Impact on Outstanding and Authorized Shares

If the Share Increase Proposal is approved, our total number of shares of Common Stock authorized for issuance would increase from 524,173,073 shares of Common Stock to 550,000,000 shares of Common Stock. If the Charter Amendment Proposals are adopted and implemented, on an aggregate basis, the number of our outstanding shares of Common Stock as of February 8, 2023, the record date for the Special Meeting, would decrease from 517,580,416 to approximately 51,758,042 shares of Common Stock, and the 9,298,497 shares of Series A Preferred Stock (represented by 929,849,612 APEs), as of the record date, will convert into 92,984,970 shares of Common Stock, resulting in a combined total of approximately 144,743,012 shares of Common Stock outstanding.

### Rights of Additional Authorized Shares

Any newly authorized shares of Common Stock will be identical to the shares of Common Stock now authorized and outstanding. The Share Increase Proposal will not affect the rights of current holders of Common Stock, none of whom have preemptive or similar rights to acquire the newly authorized shares.

### Potential Adverse Effects of the Amendment

Adoption of the Share Increase Proposal, and the approval of the Reverse Split Proposal, will have no immediate dilutive effect on the proportionate voting power or other rights of the Company's existing stockholders. However, any future issuance of additional authorized shares of our Common Stock, at the future direction of the Board (and generally without the requirement of stockholder approval, unless specifically required by applicable law or NYSE regulation) may, among other things, dilute the earnings per share of Common Stock and the equity and voting rights of those holding Common Stock at the time such additional shares are issued. However, we believe this flexibility to issue additional Common Stock is in the best interests of stockholders, because, among other things, additional equity capital may be the only practical means of raising additional capital to strengthen our balance sheet, including the repayment of debt, or to finance other value-creating acquisitions, both of which we believe are beneficial to stockholders.

### Potential Anti-Takeover Effects

The Charter Amendment Proposals could adversely affect the ability of third parties to effect a takeover or a change in control by, for example, permitting issuances that would dilute the ownership of a person seeking to effect a change in the composition of the Board or contemplating a tender offer or other transaction that the Board determines is not in our best interests or in the best interests of our stockholders. The ability of the Board to issue substantial amounts of Common Stock without the need for stockholder approval, except as may be required by law or NYSE regulation, upon such terms and conditions as the Board may determine from time to time in the exercise of its business judgment, may, among other things, be used to create voting impediments with respect to a change in control or to dilute the stock ownership of stockholders seeking to obtain control of the Company. The issuance of Common Stock, while providing desirable flexibility in connection with potential financings and other corporate transactions, may have the effect of discouraging, delaying or preventing a change in control of the Company. The Board, however, does not intend or view the Share Issuance Proposal as an anti-takeover measure, nor does it contemplate its use in this manner at any time in the foreseeable future and is not aware of any attempt or plan to obtain control of the Company.

### Dissenters' or Appraisal Rights

Pursuant to the Delaware General Corporation Law, stockholders are not entitled to any dissenters' or appraisal rights with respect to the Share Increase Amendment and we will not independently provide stockholders with any such right.

### Effectiveness of Amendment

If the Share Increase Amendment is adopted, it will become effective upon the filing of a certificate of amendment to our Certificate of Incorporation with the Secretary of State of the State of Delaware.

### If the Share Increase Proposal Is Not Approved

If, based upon the tabulated vote at the time of the Special Meeting, there are insufficient votes from the holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) to approve

the Share Increase Proposal, the Company may put the Adjournment Proposal to a vote in order to seek additional time to obtain sufficient votes in support of the Share Increase Proposal. If the Adjournment Proposal is not approved by AMC's stockholders, the Board may not be able to adjourn the Special Meeting to a later date or dates in the event that there are insufficient votes from the holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) at the time of the Special Meeting to approve the Share Increase Proposal. In addition, each of the Share Increase Proposal and the Reverse Split Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect.

#### **Required Vote**

The Share Increase Proposal requires the affirmative "**FOR**" vote of at least a majority of the outstanding Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock), voting together as one class (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote "**FOR**," "**AGAINST**," or "**ABSTAIN**" on this proposal. Abstentions have the same effect as a vote against the proposal.

In addition, Antara has disclosed that it owns and is entitled to vote an aggregate of 258,439,472 APEs and 0 shares of Common Stock, representing 17.8% of AMC's issued and outstanding combined shares of Common Stock and APEs (each APE representing 1/100 of a share of Series A Preferred Stock), and plans to vote in favor of the Share Increase Proposal and the Reverse Split Proposal, and, if presented, the Adjournment Proposal.

#### **Board Recommendation**

**Our Board recommends a vote "FOR" the Share Increase Proposal.**

## PROPOSAL NUMBER 2

### AMENDMENT TO OUR CERTIFICATE OF INCORPORATION TO EFFECTUATE A REVERSE STOCK SPLIT OF THE COMMON STOCK AT A RATIO OF ONE SHARE OF COMMON STOCK FOR EVERY TEN SHARES OF COMMON STOCK

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At the Special Meeting, we will ask our stockholders to approve a proposal to amend our Certificate of Incorporation, in the form set forth in *Annex A* to this proxy statement, to effectuate the Reverse Stock Split. On January 27, 2023, the Board approved a proposal to effectuate a one for ten reverse-stock split of the Common Stock pursuant to which every ten shares of Common Stock issued and outstanding will be automatically cancelled and reclassified into one share of Common Stock. Subject to stockholder approval, this will occur simultaneously with the number of authorized shares of Common Stock being increased as described above in the Share Increase Proposal. A vote for this Reverse Split Proposal will constitute approval of the Reverse Stock Split that will combine ten shares of our Common Stock into one share of our Common Stock. Subject to stockholder approval and implementation, the Reverse Stock Split will have the effect of decreasing the number of issued and outstanding shares of Common Stock and will cause the automatic conversion of each outstanding share of Series A Preferred Stock into a split-adjusted ten (10) shares of Common Stock (and the corresponding automatic conversion of each outstanding APE into a split-adjusted rate of 0.10 shares of Common Stock).

Together with the Share Increase Proposal, the Reverse Stock Split creates authorized Common Stock in an amount that will enable the conversion of the Series A Preferred Stock into Common Stock and provide additional authorized Common Stock for issuance in the future, as discussed above.

In addition, our Board believes that the Reverse Stock Split will provide for a higher stock price that will attract greater interest and sponsorship from institutional investors. Accordingly, stockholders are asked to adopt and approve the Reverse Split Proposal to effectuate the Reverse Stock Split.

Subject to stockholder approval and implementation of the Charter Amendment Proposals and upon the effectiveness of the Reverse Stock Split and the APEs Conversion, we expect to have approximately 144,743,012 shares of Common Stock issued and outstanding, leaving a balance of 405,256,988 shares of Common Stock authorized and not reserved for any specific purpose (other than approximately 1,283,131 shares of Common Stock reserved for issuance under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, as amended (the "2013 Plan")).

#### Background and Reasons for the Reverse Stock Split

For a description of the APEs and Purchase Agreement, see the section "*Background of the Charter Amendment Proposals; Reasons for Seeking Shareholder Approval*" of the Share Increase Proposal above. The rationale provided above applies equally to the Reverse Stock Split.

In addition, the Reverse Stock Split will allow our Common Stock to trade at prices within a higher range than would prevail in the absence of the Reverse Stock Split. We believe that a higher stock price trading range may increase the acceptability of our Common Stock to a number of long-term investors who may not find our shares attractive at their current prices due to the trading volatility often associated with stocks below certain prices. We understand that many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers or by restricting or limiting the ability to purchase such stocks on margin. Similarly, low-priced stock may fail to meet applicable stock exchange requirements and lead to de-listing.

#### Potential Adverse Effects of the Reverse Stock Split

While the Board believes that Common Stock would trade at higher prices after the effectuation of the Reverse Stock Split, there can be no assurance that the increase in the trading price will occur, or, if it does occur, that it will equal or exceed ten times the market price of the Common Stock prior to the Reverse Stock Split. In some cases, the total market value of a company following a reverse stock split is lower, and may be substantially lower, than the total market value before the reverse stock split. In addition, the fewer number of shares that will be available to trade could possibly cause the trading

market of the Common Stock to become less liquid, which could have an adverse effect on the price of the Common Stock. The market price of the Common Stock is based on our performance and other factors, including trading dynamics and substantial volatility, which are likely unrelated to the number of our shares outstanding. In addition, there can be no assurance that the Reverse Stock Split will result in a per share price that will attract brokers and investors who do not trade in lower priced stock.

An increase in the number of authorized but unissued shares of Common Stock relative to the number of outstanding shares of Common Stock may also, under certain circumstances, be construed as having an anti-takeover effect. Although not designed or intended for such purposes, the effect of the proposed Reverse Stock Split might be to render more difficult or to discourage a merger, tender offer, proxy contest or change in control of us and the removal of management, which stockholders might otherwise deem favorable. For example, the authority of the Board to issue Common Stock might be used to create voting impediments or to frustrate an attempt by another person or entity to effect a takeover or otherwise gain control of us because the issuance of additional common stock would dilute the voting power of the common stock and preferred stock then outstanding. Our Common Stock could also be issued to purchasers who would support the Board in opposing a takeover bid, which our board determines not to be in our best interests and those of our stockholders. The Board is not presently aware of any attempt, or contemplated attempt, to acquire control of us and the Reverse Split Proposal is not part of any plan by the Board to recommend or implement a series of anti-takeover measures.

The Reverse Stock Split will not affect the par value per share of Common Stock, which will remain unchanged at \$0.01 per share, or the number of authorized shares of Common Stock, which following the Share Increase Proposal will be increased to 550,000,000. As a result of the Reverse Stock Split, at the effective time, the stated capital on our balance sheet attributable to the Common Stock, which consists of the par value per share of the Common Stock multiplied by the aggregate number of shares of the Common Stock issued and outstanding, will be reduced in proportion to the ratio of the Reverse Stock Split. Correspondingly, the additional paid-in capital account, which consists of the difference between the stated capital and the aggregate amount paid upon issuance of all currently outstanding shares of Common Stock, will be credited with the amount by which the stated capital is reduced. The stockholders' equity, in the aggregate, will remain unchanged. In addition, the per share net income or loss of Common Stock, for all periods, will be restated because there will be fewer outstanding shares of Common Stock.

### **Mechanics of the Reverse Stock Split**

#### **No Fractional Shares**

Neither the Company nor the Depositary will distribute fractional shares of Common Stock.

In the case of Common Stock or APEs registered directly on the books of Computershare only, in the event that the holders of Common Stock or APEs would be entitled to receive fractional shares of Common Stock, Computershare or the Depositary, as the case may be, will aggregate and sell and any fractional shares and pay to such holders a portion of cash proceeds in lieu (rounded to the nearest cent) of such fractional shares.

In the case of Common Stock or APEs held through a broker, bank or nominee, your broker, bank or nominee will determine the process for dealing with any entitlements to fractional shares of Common stock.

#### *Effect on Beneficial Holders of Common Stock (i.e., stockholders who hold in "street name")*

Upon the effectiveness of the Reverse Stock Split, we intend to treat shares of Common Stock held by stockholders in "street name," through a bank, broker or other nominee, in the same manner as registered stockholders whose shares of Common Stock are registered in their names. Banks, brokers or other nominees will be instructed to effect the Reverse Stock Split for their beneficial holders holding the Common Stock in "street name." However, these banks, brokers or other nominees may have different procedures than registered stockholders for processing the Reverse Stock Split and making payment for fractional shares. If a stockholder holds shares of Common Stock with a bank, broker or other nominee and has any questions in this regard, stockholders are encouraged to contact their bank, broker or other nominee.

*Effect on Registered "Book-Entry" Holders of Common Stock (i.e., stockholders that are registered on the transfer agent's books and records)*



All of our registered holders of Common Stock hold their shares electronically in book-entry form with our transfer agent. They are provided with a statement reflecting the number of shares registered in their accounts.

If a stockholder holds registered shares in book-entry form with the transfer agent, no action needs to be taken to receive post-Reverse Stock Split shares or cash payment in lieu of any fractional share interest, if applicable. If a stockholder is entitled to post-Reverse Stock Split shares, a transaction statement will automatically be sent to the stockholder's address of record indicating the number of shares of Common Stock held following the Reverse Stock Split.

If a stockholder is entitled to a cash payment in lieu of any fractional share interest, a check will be mailed to the stockholder's registered address as soon as practicable after the effective date of the Reverse Stock Split. By signing and cashing the check, stockholders will warrant that they owned the shares of Common Stock for which they received a cash payment. The cash payment is subject to applicable federal and state income tax and state abandoned property laws.

#### **Effect on Series A Preferred Stock and APEs**

Currently, each issued and outstanding share of Series A Preferred Stock is convertible into 100 shares of Common Stock (and correspondingly each APE is convertible into one share of Common Stock). At the effectiveness of the Reverse Stock Split and in accordance with the Series A Preferred COD, each share of Series A Preferred Stock will be convertible into ten (10) shares of Common Stock (and correspondingly each APE will be convertible into 1/10th or 0.10 shares of Common Stock).

Further, subject to stockholder approval and implementation of the Charter Amendment Proposals, at 9:30 a.m., New York City time, on the first business day following the effectiveness of the Reverse Stock Split, each issued and outstanding share of Series A Preferred Stock will automatically convert in full with no action on the part of holders into the split adjusted 10 shares of Common Stock and the Series A Preferred Stock will cease to exist. After delivery of Common Stock by the transfer agent to the Depository following conversion of the Series A Preferred Stock, the Depository will distribute the proportional number of shares of Common Stock (at the automatically adjusted post-split rate 0.10 shares of Common Stock for each APE) to the holders of APEs by book-entry transfer through the Depository Trust Company or, if such holders' interests are held through the book-entry settlement system of the Depository, by book-entry transfer through the Depository for such number of shares of Common Stock. The Depository will not deliver fractional shares of Common Stock. In the case of APEs registered directly on the books of Computershare only, in the event that the holders of APEs would be entitled to receive fractional shares of Common Stock, the Depository will aggregate and sell any fractional shares and pay to such holders a portion of cash proceeds in lieu (rounded to the nearest cent) of such fractional shares. Following the APEs Conversion, we also expect the APEs to cease trading and be delisted from the NYSE shortly after the effective time of the Charter Amendment Proposals. If the Charter Amendment Proposals are approved, we currently expect the last day of trading of the APEs to be March 14, 2023. In the case of APEs held through a broker, bank or nominee, your broker, bank or nominee will determine the process for dealing with any entitlements to fractional shares of Common stock.

#### **Effect on Equity Incentive Plans**

As of February 8, 2023, we had 6,546,533 shares of Common Stock and 6,284,769 APEs reserved for issuance pursuant to the vesting of outstanding equity awards issued under the 2013 Plan, as well as 4,348,700 shares of Common Stock and 4,086,936 APEs available for issuance under the 2013 Plan (assuming attainment of performance at target levels). Pursuant to the terms of the 2013 Plan, the Compensation Committee of the Board will adjust the number of shares of Common Stock and APEs subject to vesting under outstanding RSUs and PSUs, subject to our treatment of fractional shares. Furthermore, the number of shares available for future grant under the 2013 Plan will be similarly adjusted.

#### **Dissenters' or Appraisal Rights**

Pursuant to the Delaware General Corporation Law, stockholders are not entitled to any dissenters' or appraisal rights with respect to the Reverse Split Proposal, and we will not independently provide stockholders with any such right.

#### **Effectiveness of Amendment**

If the Reverse Split Proposal is adopted, it will become effective upon the filing of a certificate of amendment to our Certificate of Incorporation with the Secretary of State of the State of Delaware.



### If the Reverse Split Proposal Is Not Approved

If, based upon the tabulated vote at the time of the Special Meeting, there are insufficient votes from the holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) to approve the Reverse Split Proposal, the Company may put the Adjournment Proposal to a vote in order to seek additional time to obtain sufficient votes in support of the Reverse Split Proposal. If the Adjournment Proposal is not approved by AMC's stockholders, the Board may not be able to adjourn the Special Meeting to a later date or dates in the event that there are insufficient votes from the holders of shares of Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) at the time of the Special Meeting to approve the Share Increase Proposal. In addition, each of the Reverse Split Proposal and the Share Increase Proposal is cross-conditioned on the approval of the other, such that approval of both proposals is required for each of them to take effect and effectuate the APEs Conversion.

### Material U.S. Federal Income Tax Consequences

The following is a general discussion of the material U.S. federal income tax consequences of (i) the Reverse Stock Split and (ii) the conversion of APEs into Common Stock (the "Conversion"). This discussion does not provide a complete analysis of all potential U.S. federal income tax considerations relating thereto. This description is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code") and existing and proposed U.S. Treasury regulations promulgated thereunder, administrative pronouncements, judicial decisions, and interpretations of the foregoing, all as of the date hereof and all of which are subject to change, possibly with retroactive effect.

This discussion addresses only APEs and Common Stock held as capital assets within the meaning of Section 1221 of the Code (generally for investment) by U.S. holders (defined below).

Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to you in light of your particular circumstances, including the alternative minimum tax, the Medicare tax on certain investment income or any state, local or foreign tax laws or any U.S. federal tax laws other than U.S. federal income tax laws, nor does it discuss special tax provisions, which may apply to you if you are subject to special treatment under U.S. federal income tax laws, such as for:

- certain financial institutions or financial services entities,
- insurance companies,
- tax-exempt entities,
- tax-qualified retirement plans,
- dealers in securities or currencies,
- entities that are treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and partners or beneficial owners therein),
- foreign branches,
- corporations that accumulate earnings to avoid U.S. federal income tax,
- regulated investment companies,
- real estate investment trusts,
- persons deemed to sell Common Stock or APEs under the constructive sale provisions of the Code, and
- persons that hold Common Stock or APEs as part of a straddle, hedge, conversion transaction, or other integrated investment.

You are urged to consult your own tax advisor concerning the U.S. federal income tax consequences of the Reverse Stock Split and the Conversion, as well as the application of any state, local, foreign income and other tax laws.

As used in this discussion, a “U.S. holder” is a beneficial owner of Common Stock or APEs that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

If a partnership or other entity or arrangement treated as a pass-through entity for U.S. federal income tax purposes is a beneficial owner of Common Stock or APEs, the tax treatment of a partner in the partnership or an owner of the other pass-through entity or arrangement generally will depend upon the status of the partner or owner and the activities of the partnership or other pass-through entity or arrangement. Any partnership, partner in such a partnership or owner of another pass-through entity or arrangement holding Common Stock or APEs should consult its own tax advisor as to the particular U.S. federal income tax consequences applicable to it.

**STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF OTHER FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND APPLICABLE TAX TREATIES.**

A U.S. holder generally will not recognize gain or loss upon the Reverse Stock Split or the Conversion, except that such U.S. holder’s receipt of cash (if any) in respect of a fractional share of Common Stock will be treated as a sale or disposition of such fractional Common Share, as described below. In the aggregate, a U.S. holder’s basis in the Common Stock received upon the Reverse Stock Split and the Conversion generally will equal the basis of the U.S. holder’s surrendered Common Stock and converted APEs (excluding the portion of the basis that is allocable to any fractional share) and the holding period of the Common Stock received upon the Reverse Stock Split and the Conversion generally will include the holding period of the surrendered Common Stock and converted APEs.

U.S. holders that have acquired different blocks of Common Stock or APEs at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated basis among, and the holding period of, the Common Stock received in the Reverse Stock Split and the Conversion.

A U.S. holder who receives cash in lieu of a fractional share of Common Stock as a result of the Reverse Stock Split or the Conversion generally will recognize gain or loss equal to the difference, if any, between the amount of the cash received in lieu of the fractional share and the portion of the U.S. holder’s adjusted tax basis allocable to the fractional share. This gain or loss generally will be capital gain or loss and the capital gain or loss generally will be long-term capital gain or loss if, at the time of the Reverse Stock Split or the Conversion, the U.S. holder has a holding period of more than one year. Long-term capital gains of non-corporate U.S. holders are subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

Information returns generally will be required to be filed with the Internal Revenue Service with respect to the payment of cash in lieu of a fractional share made pursuant to the Reverse Stock Split or the Conversion unless such U.S. holder is an exempt recipient and timely and properly establishes the exemption. In addition, payments of cash in lieu of a fractional share made pursuant to the Reverse Stock Split or the Conversion may, under certain circumstances, be subject to backup withholding if a U.S. holder fails to provide a correct taxpayer identification number or otherwise comply with the applicable requirements of the backup withholding rules and such U.S. holder does not otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules should be refunded by the Internal Revenue Service or credited against the U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

**THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH STOCKHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT AND THE CONVERSION, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS AND TREATIES.**

#### **Required Vote**

The Reverse Split Proposal requires the affirmative "**FOR**" vote of at least a majority of the outstanding Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock), voting together as one class (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote "**FOR**," "**AGAINST**," or "**ABSTAIN**" on this proposal. Abstentions have the same effect as a vote against the proposal.

In addition, Antara owned and was entitled to vote an aggregate of 258,439,472 APEs, representing 17.8% of AMC's issued and outstanding shares of Common Stock and APEs (with each APE representing 1/100 of a share of Series A Preferred Stock), and plans to vote in favor of the Share Increase Proposal and the Reverse Split Proposal, and, if presented, the Adjournment Proposal.

#### **Board Recommendation**

**Our Board recommends a vote "FOR" the amendment of our Certificate of Incorporation to effectuate a Reverse Stock Split of the Common Stock at the ratio of one share of Common Stock for every ten shares of Common Stock.**

## PROPOSAL NUMBER 3

### ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO PERMIT FURTHER SOLICITATION OF ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO APPROVE THE CHARTER AMENDMENT PROPOSALS

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If at the Special Meeting, the number of shares of Class A Common Stock and Series A Preferred Stock present or represented and voting in favor of the Charter Amendment Proposals is insufficient to approve the proposals, our management may move to adjourn the Special Meeting in order to enable our Board to continue to solicit additional proxies in favor of the Charter Amendment Proposals. In that event, you will be asked to vote only upon the adjournment, postponement or continuation proposal and not on any other proposals.

In this proposal, we are asking you to authorize the holder of any proxy solicited by our Board to vote in favor of adjourning, postponing or continuing the Special Meeting and any later adjournments. If our stockholders approve the adjournment, postponement or continuation proposal, we could adjourn, postpone or continue the Special Meeting, and any adjourned session of the Special Meeting, to use the additional time to solicit additional proxies in favor of the Charter Amendment Proposals, including the solicitation of proxies from stockholders that have previously voted against the proposals. Among other things, approval of the adjournment, postponement or continuation proposal could mean that, even if proxies representing a sufficient number of votes against the Charter Amendment Proposals have been received, we could adjourn, postpone or continue the Special Meeting without a vote on the Charter Amendment Proposals and seek to convince the holders of those shares to change their votes to votes in favor of the approval of the Charter Amendment Proposals.

#### Required Vote

Approval of any adjournment of the Special Meeting, if necessary or appropriate, to permit further solicitation of additional proxies if there are not sufficient votes at the time of the Special Meeting to approve Charter Amendment Proposals requires the affirmative **"FOR"** vote of a majority of the outstanding Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock), voting together as one class, present in person or represented by proxy at the Special Meeting and entitled to vote on the proposal (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). You may vote **"FOR," "AGAINST,"** or **"ABSTAIN"** on this proposal. Abstentions have the same effect as a vote against the proposal.

#### Board Recommendation

**Our Board recommends a vote "FOR" the adjournment of the Special Meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the Charter Amendment Proposals.**

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The table below sets forth certain information concerning the ownership of the Company's Common Stock and APEs (each representing 1/100 of a share of Series A Preferred Stock) as of the Record Date by: (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's Common Stock and APEs (each representing 1/100 of a share of Series A Preferred Stock), respectively; (ii) all directors and named executive officers ("NEOs"); and (iii) all directors and executive officers of the Company as a group. The notes accompanying the information in the table below are necessary for a complete understanding of the figures provided below. As of the close of business on February 8, 2023, there were 517,580,416 shares of our Common Stock outstanding and 929,849,612 APEs (each representing 1/100 of a share of Series A Preferred Stock) outstanding.

The beneficial ownership of shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or the right to receive the economic benefit of ownership. For purposes of the table below, we deem shares subject to options that are currently exercisable or exercisable within 60 days of February 8, 2023, to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person.

The address for each of our directors and NEOs is c/o AMC Entertainment Holdings, Inc., One AMC Way, 11500 Ash Street, Leawood, Kansas 66211. Each person has sole voting and dispositive power over shares held by them, except as described below.

Name	Common Stock		APEs (each representing 1/100 of a share of Series A Preferred Stock)	
	Number	Percentage of Class Outstanding	Number	Percentage of Class Outstanding
<b>5% Beneficial Owners:</b>				
The Vanguard Group(1)	51,297,509	9.9%	-	-
Antara Capital LP(2)	-	-	258,439,472	27.8%
<b>Directors, Director Nominees and NEOs:</b>				
Adam M. Aron	1,097,199	*	1,348,138	*
Denise Clark	-	-	-	-
Kevin Connor	28,292	*	30,070	*
Sean D. Goodman	4,420	*	4,420	*
Dan Ellis	29,789	*	31,548	*
Elizabeth Frank	35,739	*	37,499	*
Howard W. "Hawk" Koch., Jr.	23,672	*	23,672	*
Philip Lader	23,672	*	23,672	*
Gary F. Locke	23,672	*	23,672	*
Keri Putnam	-	-	-	-
Kathleen M. Pawlus	23,672	*	23,672	*
Anthony J. Saich	23,672	*	23,672	*
Adam J. Sussman	23,672	*	23,672	*
All directors and executive officers as a group (16 persons)	1,529,407	*	1,783,742	*

\* Less than 1%

(1) Based on a Schedule 13G filed February 9, 2023, by The Vanguard Group. The Vanguard Group lists its address as 100 Vanguard Blvd., Malvern, PA 19355. The Schedule 13G indicates sole voting power over 0 shares and sole dispositive power over 50,375,642 shares and shared voting power over 155,415 shares and shared dispositive power over 921,867 shares.

(2) Based on a Schedule 13D filed February 9, 2023, the address of Antara Capital LP, and related reporting persons Antara Capital Master Fund LP, Antara Capital Fund GP LLC, Antara Capital GP LLC and Mr. Himanshu Gulati, is 55 Hudson Yards, 47th Floor, Suite C, New York, New York 10001.

## PROPOSALS OF STOCKHOLDERS FOR 2023 ANNUAL MEETING

### Stockholder Proposals for Inclusion in Proxy Statement

The deadline for submission of stockholder proposals for inclusion in the proxy materials for the 2023 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act ("Rule 14a-8") was December 30, 2022. Any such stockholder proposal must have been in writing, complied with the requirements of Rule 14a-8 and have been received by the Corporate Secretary at the Company's principal offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211, no later than 5:00 pm Central Time on such date.

### Stockholder Proposals and Director Nominations Not for Inclusion in Proxy Statement

In accordance with the advance notice provisions of the Third Amended and Restated Bylaws of the Company, as amended (the "Bylaws"), any stockholder proposal submitted to us for consideration at the 2023 annual meeting but which is not intended to be included in the related proxy statement, or any director nomination, must be received between April 17, 2023, and May 17, 2023; otherwise, the proposal or nomination will be considered by us to be untimely and not properly brought before the meeting. In addition to satisfying the foregoing requirements under the Company's Bylaws, to comply with the universal proxy rules, shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than April 17, 2023.

## FORWARD LOOKING STATEMENTS

This proxy statement contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be made directly in this proxy statement, and they may also be made a part of this proxy statement by reference to other information filed with the SEC, which is known as "incorporation by reference."

Words such as "may," "will," "forecast," "estimate," "project," "intend," "plan," "expect," "should," "believe" and words of and terms of similar substance used in connection with any discussion of future operating or financial performance, or any potential transaction, identify forward looking statements. All forward-looking statements are management's present estimates of future events and are subject to a number of factors and uncertainties. Such statements involve a number of risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from those anticipated.

Our stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this proxy statement or as of the date of any document incorporated by reference in this proxy statement, as applicable. We are under no obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

## OTHER MATTERS

We know of no other matters to be submitted at the Special Meeting. If any other matters properly come before the Special Meeting, it is the intention of the persons named in the proxy to vote the shares they represent as the Board may recommend. Discretionary authority with respect to such other matters is granted by a properly submitted proxy.

It is important that your shares be represented at the Special Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote as promptly as possible to ensure your vote is recorded.

### Delivery of Stockholder Documents

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with accounts will be householding our proxy materials to the extent stockholders have given their prior express or implied consent in accordance with SEC rules. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent, which is deemed to be given unless you inform the broker otherwise when you receive the original notice of householding. If, at any time, you no longer wish to participate in householding and would prefer to receive separate proxy materials, please notify your broker to discontinue householding and direct your written request to receive separate materials to the Company at: AMC Entertainment Holdings, Inc., Attention: Investor Relations, One AMC Way, 11500 Ash Street, Leawood, KS 66211, or by calling (913) 213-4000. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request householding of their communications should contact their broker.

### Company Website

We maintain a website at [www.amctheatres.com](http://www.amctheatres.com). Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement.

THE BOARD OF DIRECTORS OF  
AMC ENTERTAINMENT HOLDINGS, INC.



Mr. Kevin M. Connor  
Senior Vice President, General Counsel and Secretary  
Leawood, Kansas  
February 14, 2023

## Annex A

**Certificate of Amendment to the  
Third Amended and Restated Certificate of Incorporation  
of  
AMC Entertainment Holdings, Inc.**

AMC Entertainment Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

1. This Certificate of Amendment amends the Third Amended and Restated Certificate of Incorporation of the Corporation, as amended by the Certificate of Amendment dated July 29, 2020, and as further amended by the Certificate of Amendment dated January 22, 2021 (as amended, the "Certificate of Incorporation") as follows:
  - i. Section A of Article IV of the Certificate of Incorporation is hereby replaced in its entirety with the following:

"A. The total number of shares of capital stock that the Corporation has authority to issue is 600,000,000 shares, consisting of (i) 550,000,000 shares of Class A Common Stock, par value \$0.01 per share (the "Common Stock") and (ii) 50,000,000 shares of Preferred Stock, par value \$0.01 per share (the "Preferred Stock")."
  - ii. That Article IV of the Certificate of Incorporation is hereby amended by a new Section P stating the following:

"P. REVERSE SPLIT. Upon the effectiveness of this Certificate of Amendment (the "Effective Time"), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that every ten (10) shares of Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock (the "Reverse Stock Split"). No fractional shares of Common Stock will be issued in connection with the Reverse Stock Split. In lieu of any fractional share of Common Stock that a stockholder would otherwise be entitled to receive as a result of the Reverse Stock Split, the Corporation shall arrange for the disposition of fractional interests by causing the transfer agent to (i) aggregate and sell such fractional interests and (ii) allocate and distribute the net proceeds from such sale among the holders of fractional interests as their respective interests appear on the records books of the Corporation."
2. The foregoing amendments to the Certificate of Incorporation were duly adopted in accordance with the provisions of Section 242 of General Corporation Law of the State of Delaware.
3. The foregoing amendments to the Certificate of Incorporation shall become effective at 12:01 a.m. (New York City time) on [•], 2023.

**IN WITNESS WHEREOF**, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by the undersigned officer, duly authorized, as of the [•] day of [•], 2023.

**AMC ENTERTAINMENT HOLDINGS, INC.**

By: \_\_\_\_\_

Name: Kevin M. Connor  
Title: Senior Vice President, General Counsel & Secretary







### Special Meeting Admission Ticket

Special Meeting of  
AMC Entertainment Holdings, Inc. Stockholders



Tuesday, March 14, 2023, 11:00 A.M. Central Time

AMC Theatre Support Center, located at  
One AMC Way, 11500 Ash Street, Leawood, Kansas 66211

Upon arrival, please present this admission ticket and photo identification at the registration desk.

#### Important notice regarding the Availability of Proxy Materials for the Special Stockholder Meeting To Be Held on March 14, 2023:

The materials are available on  
the Internet at: [www.envisionreports.com/amc](http://www.envisionreports.com/amc)  
without charge.

	<p><b>Small steps make an impact.</b></p> <p>Help the environment by consenting to receive electronic delivery, sign up at <a href="http://www.envisionreports.com/AMC">www.envisionreports.com/AMC</a></p>	
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▼ IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

### Proxy – AMC Entertainment Holdings, Inc.



Special Meeting of Stockholders  
AMC Theatre Support Center, located at  
One AMC Way, 11500 Ash Street, Leawood, Kansas 66211  
Proxy Solicited by Board of Directors for Special Meeting – March 14, 2023

If applicable, Sean Goodman and Kevin Connor, or either of them, each with full power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Special Meeting of Stockholders of AMC Entertainment Holdings, Inc. to be held on March 14, 2023 or at any postponement or adjournment thereof.

Further, if applicable, Sean Goodman and Kevin Connor, or either of them, each with full power of substitution, are hereby authorized to instruct Computershare Inc. and Computershare Trust Company, N.A., jointly as Depository, to vote or cause to be voted the amount of shares of Series A Convertible Preferred Stock of AMC Entertainment Holdings, Inc. represented by the receipts evidencing AMC Preferred Equity Units registered in the name of the undersigned on the books of the Depository at the Special Meeting of Stockholders of AMC Entertainment Holdings, Inc. to be held on March 14, 2023 or at any adjournment or postponement thereof.

Shares and/or receipts represented by this proxy will be voted as directed by the holder thereof. If no such directions are indicated, the Proxies will vote the shares FOR Proposals 1, 2 and 3 and the receipts proportionately with the votes cast by other holders of receipts.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.  
(Items to be voted appear on reverse side.)

#### **B** Authorized Signatures – This section must be completed for your vote to be counted. Date and sign below.

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) – Please print date below.

Signature 1 – Please keep signature within the box.

Signature 2 – Please keep signature within the box.

#### **C** Non-Voting Items

Change of Address – Please print new address below.

Comments – Please print your comments below.

#### Meeting Attendance

Mark box to the right if  
you plan to attend the  
Special Meeting.



# **EXHIBIT X**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 14, 2023**

**AMC ENTERTAINMENT HOLDINGS, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**001-33892**  
(Commission File Number)

**26-0303916**  
(I.R.S. Employer Identification  
Number)

**One AMC Way**  
**11500 Ash Street, Leawood, KS 66211**  
(Address of Principal Executive Offices, including Zip Code)

**(913) 213-2000**  
(Registrant's Telephone Number, including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A common stock	AMC	New York Stock Exchange
AMC Preferred Equity Units, each constituting a depositary share representing 1/100th interest in a share of Series A Convertible Participating Preferred Stock	APE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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**Item 5.07. Submission of Matters to a Vote of Security Holders.**

On March 14, 2023, AMC Entertainment Holdings, Inc. (the “Company”) held a special meeting of stockholders (the “Special Meeting”).

A total of 182,342,728 out of 517,580,416 eligible shares of the Company’s Class A common stock (“Common Stock”) were present in person or represented by proxy at the Special Meeting, and a total of 182,342,728 shares of Common Stock were voted after excluding broker non-votes.

A total of 583,297,321 out of 929,849,612 eligible AMC Preferred Equity Units (“APEs”), each constituting a depositary share representing 1/100th interest in a share of the Company’s Series A Convertible Participating Preferred Stock (the “Series A Preferred Stock”), were present in person or represented by proxy at the Special Meeting. All shares of Series A Preferred Stock held by Computershare Inc. and Computershare Trust Company, N.A. jointly as Depositary (the “Depositary”) representing 929,849,612 votes were present and were voted pursuant to specific instructions by APEs at the Special Meeting or proportionally pursuant to the terms of the deposit agreement (the “Deposit Agreement”) governing the APEs.

At the Special Meeting, the Company’s stockholders were asked to vote on the following items: (i) a proposal to amend our certificate of incorporation (the “Charter”) to increase the number of authorized shares of Common Stock (the “Share Increase Proposal”), (ii) a proposal to amend the Charter to effectuate a reverse stock split of the Common Stock at a ratio of one share of Common Stock for every ten shares of Common Stock (the “Reverse Split Proposal”, together with the Share Increase Proposal, the “Charter Amendment Proposals”), and (iii) a proposal to adjourn the Special Meeting, if necessary or appropriate, to permit further solicitation of additional proxies if there are not sufficient votes at the time of the Special Meeting to approve the Charter Amendment Proposals (the “Adjournment Proposal”). The Share Increase Proposal and the Reverse Split Proposal each required the affirmative vote of at least a majority of the outstanding Common Stock and Series A Preferred Stock (or APEs representing such shares of Series A Preferred Stock) entitled to vote, voting together as one class (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote). The Adjournment Proposal required the affirmative vote of a majority of the outstanding Common Stock and Series A Preferred Stock (or APEs representing such share of Series A Preferred Stock), voting together as one class, present in person or represented by proxy at the Special Meeting and entitled to vote on the proposal (with each outstanding share of Common Stock entitled to one vote and each outstanding APE entitled to one vote).

The voting results for matters submitted to stockholders at the Special Meeting are set forth below.

**Proposal 1: Share Increase Proposal**

The Share Increase Proposal was approved.

Type of Securities	For	Against	Abstain	Broker Non-Votes
Common Stock	132,182,944	47,356,993	2,802,791	0
Preferred Stock:				
APEs <sup>(1)</sup>	530,779,405	48,317,581	4,200,335	
Depositary Proportional Votes <sup>(2)</sup>	315,350,015	28,706,747	2,495,529	
Total Preferred Stock	846,129,420	77,024,328	6,695,864	
Total	978,312,364	124,381,321	9,498,655	0

<sup>(1)</sup> Represents votes by the Depositary as holder of Series A Preferred Stock pursuant to specific instructions by holders of APEs.

<sup>(2)</sup> Represents votes by the Depositary as holder of Series A Preferred Stock in proportion to APE instructions pursuant to terms of the Deposit Agreement.

### Proposal 2: Reverse Split Proposal

The Reverse Split Proposal was approved.

Type of Securities	For	Against	Abstain	Broker Non-Votes
Common Stock	128,344,709	51,388,638	2,609,383	0
Preferred Stock:				
APEs <sup>(1)</sup>	528,679,900	50,542,176	4,075,245	
Depository Proportional Votes <sup>(2)</sup>	314,102,644	30,028,437	2,421,210	
Total Preferred Stock	842,782,544	80,570,613	6,496,455	
Total	971,127,253	131,959,251	9,105,838	0

<sup>(1)</sup> Represents votes by the Depository as holder of Series A Preferred Stock pursuant to specific instructions by holders of APEs.

<sup>(2)</sup> Represents votes by the Depository as holder of Series A Preferred Stock in proportion to APE instructions pursuant to terms of the Deposit Agreement.

### Proposal 3: Adjournment Proposal

As sufficient shares of Common Stock and Series A Preferred Stock were voted in favor of the Charter Amendment Proposals, the Adjournment Proposal was not voted upon at the Special Meeting. However, based on proxies received, tabulation for this proposal would have been as follows:

Type of Securities	For	Against	Abstain	Broker Non-Votes
Common Stock	127,895,117	50,231,454	4,216,158	0
Preferred Stock:				
APEs <sup>(1)</sup>	528,525,708	49,181,216	5,590,397	
Depository Proportional Votes <sup>(2)</sup>	314,011,034	29,219,855	3,321,402	
Total Preferred Stock	842,536,742	78,401,071	8,911,799	
Total	970,431,859	128,632,525	13,127,957	0

<sup>(1)</sup> Represents votes by the Depository as holder of Series A Preferred Stock pursuant to specific instructions by holders of APEs.

<sup>(2)</sup> Represents votes by the Depository as holder of Series A Preferred Stock in proportion to APE instructions pursuant to terms of the Deposit Agreement.

\* \* \*

As previously disclosed, on February 27, 2023, in connection with litigation instituted by purported stockholders of the Company, the Delaware Court of Chancery entered a status quo order that (i) allowed the vote on the Charter Amendment Proposals at the Special Meeting to proceed, but precludes the Company from implementing the Charter Amendment Proposals pending a ruling by the court on the plaintiffs' to-be-filed preliminary injunction motion, and (ii) scheduled a hearing on the plaintiffs' to-be-filed preliminary injunction motion for April 27, 2023.

**SIGNATURES**

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

AMC ENTERTAINMENT HOLDINGS, INC.

Date: March 14, 2023

By: /s/ Kevin M. Connor

Name: Kevin M. Connor

Title: Senior Vice President, General Counsel and Secretary

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# **EXHIBIT Y**





**INVESTOR RELATIONS:**  
John Merriwether, 866-248-3872  
InvestorRelations@amctheatres.com

**MEDIA CONTACTS:**  
Ryan Noonan, (913) 213-2183  
rnoonan@amctheatres.com

**FOR IMMEDIATE RELEASE**

## **AMC Entertainment Holdings, Inc. Reports Third Quarter 2022 Results**

**LEAWOOD, KANSAS - (November 8, 2022)** -- AMC Entertainment Holdings, Inc. (NYSE: AMC and APE) ("AMC" or "the Company"), today reported results for the third quarter ended September 30, 2022.

### **Third Quarter Summary**

- Total revenues grew to \$968.4 million compared to \$763.2 million for the third quarter of 2021.
- Net loss increased to \$226.9 million compared to a net loss of \$224.2 million for the third quarter of 2021.
- Adjusted EBITDA decreased by \$7.5 million to a loss of \$12.9 million compared to a loss of \$5.4 million for the third quarter of 2021.
- Net cash used in operating activities for the quarter was \$(223.6) million.
- Operating Cash Burn<sup>1</sup> for the quarter was \$(179.2) million.
- Available liquidity at September 30, 2022 was \$895.8 million, including \$211.2 million of undrawn capacity under the Company's revolving credit facility.

Adam Aron, Chairman and CEO of AMC Entertainment commented, "Exactly as anticipated and foreshadowed on our last quarterly earnings call, our third quarter results were impacted by a particularly soft industry-wide box office in the latter two-thirds of the 2022 third quarter, but encouragingly our overall per-patron metrics for both admissions revenue and food and beverage spending remain well above pre-pandemic levels, growing a sizable 12.0% and 30.0%, respectively, compared to the third quarter of 2019. Our recovery continues, and we look forward with enthusiasm to a return to a more robust film slate in the fourth quarter of 2022, which has already started strong with the release of BLACK ADAM. That movie had the highest opening weekend box office of all-time for a film starring Dwayne Johnson. Successive blockbusters to be released in the fourth quarter include this coming weekend's highly anticipated BLACK PANTHER: WAKANDA FOREVER, whose advanced ticket sales have surpassed expectations, STRANGE WORLD and AVATAR: THE WAY OF WATER."

Aron added, "Beyond our ongoing operating recovery, AMC has been strengthened by our recent capital markets activities, notably debt reduction, debt refinancing, and equity capital raising. These actions bolster our agility and allow us to pursue strategic opportunities, like our recently announced Zoom Rooms at AMC, to transform our company in a post-pandemic environment. We expect to make more business development announcements in the coming weeks and months, which along with an improving movie theatre sector positions AMC Entertainment to create value for all our stakeholders."

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<sup>1</sup> Operating Cash Burn is a non-GAAP metric that represents cash burned before debt servicing costs and before deferred rent payback

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**Key Financial Results** (presented in millions, except operating data)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
<b>GAAP Results</b>						
Revenue	\$ 968.4	\$ 763.2	26.9 %	\$ 2,920.5	\$ 1,356.2	** %
Net loss	\$ (226.9)	\$ (224.2)	\$ (2.7)	\$ (685.9)	\$ (1,135.4)	\$ 449.5
Net cash used in operating activities	\$ (223.6)	\$ (113.9)	\$ (109.7)	\$ (595.2)	\$ (660.6)	\$ 65.4
Net loss for basic and diluted loss per share	\$ (0.22)	\$ (0.22)	\$ -	\$ (0.66)	\$ (1.22)	\$ 0.56
<b>Non-GAAP Results*</b>						
Total revenues (2021 constant currency adjusted)	\$ 1,005.3	\$ 763.2	31.7 %	\$ 3,002.8	\$ 1,356.2	** %
Adjusted EBITDA	\$ (12.9)	\$ (5.4)	** %	\$ 32.1	\$ (450.9)	** %
Adjusted EBITDA (2021 constant currency adjusted)	\$ (15.7)	\$ (5.4)	** %	\$ 29.9	\$ (450.9)	** %
Free cash flow	\$ (278.1)	\$ (138.0)	\$ (140.1)	\$ (724.9)	\$ (714.5)	\$ (10.4)
Adjusted diluted loss per share	\$ (0.20)	\$ (0.22)	\$ 0.02	\$ (0.56)	\$ (1.22)	\$ 0.66
<b>Operating Metrics</b>						
Attendance (in thousands)	53,177	39,999	32.9 %	151,381	68,864	** %
U.S. markets attendance (in thousands)	38,329	26,698	43.6 %	107,622	50,738	** %
International markets attendance (in thousands)	14,848	13,301	11.6 %	43,759	18,126	** %
Average screens	10,138	10,151	(0.1)%	10,128	8,601	17.8 %

\* Please refer to the tables included later in this press release for definitions and full reconciliations of non-U.S. GAAP financial measures.

\*\* Percentage change in excess of 100%.

## **Balance Sheet, Cash and Liquidity**

On October 20, 2022, AMC completed a private offering of \$400.0 million aggregate principal amount of 12.750% senior secured notes due 2027 at an issue price of 92.00%.

AMC and its Odeon subsidiaries used the proceeds from the offering, together with cash on hand, to fund the repayment in full of Odeon's existing term loan facilities which had a principal amount of \$471.1 million at September 30, 2022 (based on the currency exchange rates as of such date) and to pay related fees, costs, premiums and expenses.

This refinancing reduced the principal amount of our debt, based on currency exchange rates as of September 30, 2022, by \$71.1 million, bringing the total principal debt reduction during 2022 to \$143.6 million. This refinancing also extends AMC's maturities by four years from 2023 to 2027.

Cash at September 30, 2022 was \$684.6 million excluding restricted cash of \$211.2 million. AMC currently has liquidity availability of \$895.8 million (including cash and undrawn capacity under the Company's revolving credit facility).

## **AMC Preferred Equity Unit At-The-Market Equity Program**

In September 2022, AMC launched an at-the-market ("ATM") equity program to sell up to 425 million shares of its AMC Preferred Equity Units (NYSE: APE). As of November 8, 2022, AMC has sold approximately 14.9 million shares of its AMC Preferred Equity Units and has raised net proceeds of approximately \$36.4 million.

## **Webcast Information**

The Company will host a webcast for investors and other interested parties beginning at 4:00 p.m. CST/5:00 p.m. EST on Tuesday, November 8, 2022. To listen to the webcast, please visit the investor relations section of the AMC website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) for a link. Investors and interested parties should go to the website at least 15 minutes prior to the call to register, and/or download and install any necessary audio software.

An archive of the webcast will be available on the Company's website after the call for a limited time.

## **About AMC Entertainment Holdings, Inc.**

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 940 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. For more information, visit [www.amctheatres.com](http://www.amctheatres.com).

## **Website Information**

This press release, along with other news about AMC, is available at [www.amctheatres.com](http://www.amctheatres.com). We routinely post information that may be important to investors in the Investor Relations section of our website, [www.investor.amctheatres.com](http://www.investor.amctheatres.com). We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit [www.investor.amctheatres.com](http://www.investor.amctheatres.com) to sign up for email alerts.

## **Forward-Looking Statements**

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This press release includes “forward-looking statements” within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance and box office levels, our liquidity, and the dividend of AMC Preferred Equity Units, the market therefor and potential conversion thereof. Any forward-looking statement speaks only as of the date on which it is made. These forward-looking statements may include, among other things, statements related to AMC’s current expectations regarding the performance of its business, financial results, liquidity and capital resources, and the impact to its business and financial condition of, and measures being taken in response to, the COVID-19 virus, and are based on information available at the time the statements are made and/or management’s good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: AMC’s ability to obtain additional liquidity, which if not realized or insufficient to generate the material amounts of additional liquidity that will be required unless it is able to achieve more normalized levels of operating revenues, likely would result with AMC seeking an in-court or out-of-court restructuring of its liabilities; the potential impact of AMC’s existing or potential lease defaults; the impact of the COVID-19 virus on AMC, the motion picture exhibition industry, and the economy in general; the seasonality of AMC’s revenue and working capital; the continued recovery of the North American and international box office; AMC’s significant indebtedness, including its borrowing capacity and its ability to meet its financial maintenance and other covenants; motion picture production and performance; AMC’s lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release window; AMC Stubs A-List not meeting anticipated revenue projections; general and international economic, political, regulatory and other risks; limitations on the availability of capital; AMC’s ability to refinance its indebtedness on favorable terms; availability of financing upon favorable terms or at all; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; supply chain disruptions, labor shortages, increased cost and inflation; and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled “Risk Factors” in AMC’s Form 10-K for the year ended December 31, 2021 and Form 10-Q for the quarter ended September 30, 2022 filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

(Tables follow)

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**AMC Entertainment Holdings, Inc.**  
**Consolidated Statements of Operations**  
**For the Three and Nine Months Ended September 30, 2022 and September 30, 2021**

(dollars in millions, except share and per share data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Admissions	\$ 545.3	\$ 425.1	\$ 1,640.1	\$ 727.6
Food and beverage	333.3	265.2	982.5	476.8
Other theatre	89.8	72.9	297.9	151.8
<b>Total revenues</b>	<b>968.4</b>	<b>763.2</b>	<b>2,920.5</b>	<b>1,356.2</b>
<b>Operating costs and expenses</b>				
Film exhibition costs	263.2	176.5	781.7	297.4
Food and beverage costs	58.5	42.9	165.7	78.9
Operating expense, excluding depreciation and amortization below	400.6	321.5	1,147.6	747.4
Rent	223.2	214.9	668.8	612.5
General and administrative:				
Merger, acquisition and other costs	0.3	1.4	0.4	12.4
Other, excluding depreciation and amortization below	40.6	47.5	161.2	153.7
Depreciation and amortization	96.9	103.7	293.0	323.5
<b>Operating costs and expenses</b>	<b>1,083.3</b>	<b>908.4</b>	<b>3,218.4</b>	<b>2,225.8</b>
<b>Operating loss</b>	<b>(114.9)</b>	<b>(145.2)</b>	<b>(297.9)</b>	<b>(869.6)</b>
<b>Other expense (income):</b>				
Other expense (income)	(1.0)	(11.7)	91.6	(71.8)
<b>Interest expense:</b>				
Corporate borrowings	85.1	88.7	246.6	328.3
Finance lease obligations	1.0	1.2	3.2	4.0
Non-cash NCM exhibitor services agreement	9.6	9.4	28.6	28.7
Equity in (earnings) loss of non-consolidated entities	(2.8)	(6.7)	3.3	(1.2)
Investment expense (income)	18.3	-	12.2	(8.3)
<b>Total other expense, net</b>	<b>110.2</b>	<b>80.9</b>	<b>385.5</b>	<b>279.7</b>
<b>Net loss before income taxes</b>	<b>(225.1)</b>	<b>(226.1)</b>	<b>(683.4)</b>	<b>(1,149.3)</b>
Income tax provision (benefit)	1.8	(1.9)	2.5	(13.9)
<b>Net loss</b>	<b>(226.9)</b>	<b>(224.2)</b>	<b>(685.9)</b>	<b>(1,135.4)</b>
Less: Net loss attributable to noncontrolling interests	-	-	-	(0.7)
<b>Net loss attributable to AMC Entertainment Holdings, Inc.</b>	<b>\$ (226.9)</b>	<b>\$ (224.2)</b>	<b>\$ (685.9)</b>	<b>\$ (1,134.7)</b>
<b>Diluted loss per share</b>	<b>\$ (0.22)</b>	<b>\$ (0.22)</b>	<b>\$ (0.66)</b>	<b>\$ (1.22)</b>
<b>Average shares outstanding diluted (in thousands)</b>	<b>1,033,686</b>	<b>1,026,660</b>	<b>1,033,056</b>	<b>930,278</b>

**Consolidated Balance Sheet Data (at period end):**

(dollars in millions)

(unaudited)

	As of September 30, 2022	As of December 31, 2021
Cash and cash equivalents	\$ 684.6	\$ 1,592.5
Corporate borrowings	5,325.3	5,428.0
Other long-term liabilities	125.7	165.0
Finance lease liabilities	56.2	72.7
Total AMC Entertainment Holdings, Inc.'s stockholders' deficit	(2,579.0)	(1,789.5)
Total assets	9,206.1	10,821.5

**Consolidated Other Data:**

(in millions, except operating data)

(unaudited)

Consolidated	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash used in operating activities	\$ (223.6)	\$ (113.9)	\$ (595.2)	\$ (660.6)
Net cash used in investing activities	\$ (50.8)	\$ (28.8)	\$ (153.7)	\$ (31.3)
Net cash provided by (used in) financing activities	\$ 0.5	\$ (48.3)	\$ (135.5)	\$ 2,018.6
Free cash flow	\$ (278.1)	\$ (138.0)	\$ (724.9)	\$ (714.5)
Capital expenditures	\$ (54.5)	\$ (24.1)	\$ (129.7)	\$ (53.9)
Screen additions	-	2	37	53
Screen acquisitions	19	78	129	140
Screen dispositions	70	37	224	139
Construction openings (closures), net	17	9	14	7
Average screens	10,138	10,151	10,128	8,601
Number of screens operated	10,518	10,575	10,518	10,575
Number of theatres operated	943	947	943	947
Number of circuit screens	10,518	10,604	10,518	10,604
Number of circuit theatres	943	951	943	951
Circuit Screens per theatre	11.2	11.2	11.2	11.2
Attendance (in thousands)	53,177	39,999	151,381	68,864

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**Segment Other Data:**(in millions, except per patron amounts and operating data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Other operating data:</b>				
<b>Attendance (patrons, in thousands):</b>				
U.S. markets	38,329	26,698	107,622	50,738
International markets	14,848	13,301	43,759	18,126
Consolidated	<u>53,177</u>	<u>39,999</u>	<u>151,381</u>	<u>68,864</u>
<b>Average ticket price (in dollars):</b>				
U.S. markets	\$ 10.90	\$ 10.98	\$ 11.43	\$ 10.88
International markets	\$ 8.60	\$ 9.92	\$ 9.38	\$ 9.68
Consolidated	\$ 10.25	\$ 10.63	\$ 10.83	\$ 10.57
<b>Food and beverage revenues per patron (in dollars):</b>				
U.S. markets	\$ 7.11	\$ 7.41	\$ 7.37	\$ 7.61
International markets	\$ 4.10	\$ 5.07	\$ 4.31	\$ 5.00
Consolidated	\$ 6.27	\$ 6.63	\$ 6.49	\$ 6.92
<b>Average Screen Count (month end average):</b>				
U.S. markets	7,652	7,668	7,646	7,222
International markets	2,486	2,483	2,482	1,379
Consolidated	<u>10,138</u>	<u>10,151</u>	<u>10,128</u>	<u>8,601</u>

**Segment Information:**

(unaudited, in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
U.S. markets	\$ 753.3	\$ 537.9	\$ 2,224.3	\$ 1,049.9
International markets	215.1	225.3	696.2	306.3
Consolidated	<u>\$ 968.4</u>	<u>\$ 763.2</u>	<u>\$ 2,920.5</u>	<u>\$ 1,356.2</u>
<b>Adjusted EBITDA</b>				
U.S. markets	\$ 1.2	\$ (30.1)	\$ 52.2	\$ (348.5)
International markets	(14.1)	24.7	(20.1)	(102.4)
Consolidated	<u>\$ (12.9)</u>	<u>\$ (5.4)</u>	<u>\$ 32.1</u>	<u>\$ (450.9)</u>
<b>Capital Expenditures</b>				
U.S. markets	\$ 40.1	\$ 20.2	\$ 91.5	\$ 40.6
International markets	14.4	3.9	38.2	13.3
Consolidated	<u>\$ 54.5</u>	<u>\$ 24.1</u>	<u>\$ 129.7</u>	<u>\$ 53.9</u>

**Reconciliation of Adjusted EBITDA (1):**  
(dollars in millions)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	\$ (226.9)	\$ (224.2)	\$ (685.9)	\$ (1,135.4)
Plus:				
Income tax provision (benefit)	1.8	(1.9)	2.5	(13.9)
Interest expense	95.7	99.3	278.4	361.0
Depreciation and amortization	96.9	103.7	293.0	323.5
Certain operating expense (income) (2)	4.3	(0.3)	10.5	(2.0)
Equity in (earnings) loss of non-consolidated entities	(2.8)	(6.7)	3.3	(1.2)
Cash distributions from non-consolidated entities (3)	3.4	6.1	5.0	6.4
Attributable EBITDA (4)	0.1	1.5	0.1	1.4
Investment expense (income) (5)	18.3	-	12.2	(8.3)
Other expense (6)	6.2	13.7	110.9	8.6
Other non-cash rent benefit (7)	(6.6)	(3.0)	(20.6)	(22.2)
General and administrative expense-unallocated:				
Merger, acquisition and other costs (8)	0.3	1.4	0.4	12.4
Stock-based compensation expense (9)	(3.6)	5.0	22.3	18.8
Adjusted EBITDA (1)	<u>\$ (12.9)</u>	<u>\$ (5.4)</u>	<u>\$ 32.1</u>	<u>\$ (450.9)</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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.



- 2) 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.
- 3) 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.
- 4) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of our equity in 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.

### Reconciliation of Attributable EBITDA

(dollars in millions)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Equity in (earnings) loss of non-consolidated entities	\$ (2.8)	\$ (6.7)	\$ 3.3	\$ (1.2)
Less:				
Equity in (earnings) of non-consolidated entities excluding				
International theatre joint ventures	(3.5)	(6.4)	(3.1)	(4.9)
Equity in earnings (loss) of International theatre joint ventures	(0.7)	0.3	(6.4)	(3.7)
Income tax provision	0.1	0.2	0.1	0.1
Investment expense	-	-	0.2	-
Interest expense	-	-	-	0.2
Impairment of long-lived assets	-	-	4.2	-
Depreciation and amortization	0.7	1.0	2.0	4.6
Other expense	-	-	-	0.2
Attributable EBITDA	<u>\$ 0.1</u>	<u>\$ 1.5</u>	<u>\$ 0.1</u>	<u>\$ 1.4</u>

- 5) Investment expense (income) during the three months ended September 30, 2022 includes deterioration in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of \$11.8 million and deterioration in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$7.7 million. During the three months ended September 30, 2022, investment expense (income) includes deterioration in estimated fair value of our investment in NCM of \$1.6 million.

Investment expense (income) during the nine months ended September 30, 2022 includes deterioration in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$10.8 million and appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding corporation of \$(7.4) million. During the nine months ended September 30, 2022, investment expense (income) includes deterioration in estimated fair value of the Company's investment in NCM of \$11.1 million.

- 6) Other expense during the three months ended September 30, 2022, includes foreign currency transaction losses of \$6.3 million. During the three months ended September 30, 2021, other expense (income) included loss on debt extinguishment of \$14.4 million, partially offset by foreign currency transaction gains of \$(0.7) million.

Other expense during the nine months ended September 30, 2022, included loss on debt extinguishment of \$96.4 million and foreign currency transaction losses of \$14.7 million. During the nine months ended September 30, 2021, other expense (income) consisted of a loss on debt extinguishment of \$14.4 million and financing fees of \$1.0 million, partially offset by credit income related to contingent lease guarantees of \$(5.7) million and foreign currency

transaction gains of \$(1.1) million.

- 7) 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.
- 8) Merger, acquisition and other costs are excluded as they are non-operating in nature.
- 9) Non-cash expense included in General and Administrative: Other.

### Reconciliation of Operating Cash Burn (1) and Free Cash Flow (1)

(dollars in millions)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash used in operating activities	\$ (223.6)	\$ (113.9)	\$ (595.2)	\$ (660.6)
Plus: total capital expenditures	(54.5)	(24.1)	(129.7)	(53.9)
Less: Cash interest paid	75.8	17.9	254.5	116.6
Non-recurring lease prepayments (3)	-	44.2	-	44.2
Repayment of deferred lease amounts (2)	23.1	44.7	119.3	74.1
Operating cash burn (1)	<u>\$ (179.2)</u>	<u>\$ (31.2)</u>	<u>\$ (351.1)</u>	<u>\$ (479.6)</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash used in operating activities	\$ (223.6)	\$ (113.9)	\$ (595.2)	\$ (660.6)
Plus: total capital expenditures	(54.5)	(24.1)	(129.7)	(53.9)
Free cash flow (1)	<u>\$ (278.1)</u>	<u>\$ (138.0)</u>	<u>\$ (724.9)</u>	<u>\$ (714.5)</u>

#### Reconciliation of Capital Expenditures:

Capital expenditures				
Growth capital expenditures (5)	\$ 31.9	\$ 7.7	\$ 60.1	\$ 15.0
Maintenance capital expenditures (4)	25.2	16.7	62.7	36.5
Change in construction payables (6)	(2.6)	(0.3)	6.9	2.4
Total capital expenditures	<u>\$ 54.5</u>	<u>\$ 24.1</u>	<u>\$ 129.7</u>	<u>\$ 53.9</u>

- 1) We present "Operating Cash Burn" and "Free Cash Flow" as supplemental measures of our liquidity. Free Cash Flow is an important financial measure for use in evaluating our liquidity, as it measures our ability to generate additional cash from our business operations. Free Cash Flow should be considered in addition to, rather than as a substitute for, net cash used in operating activities as a measure of our liquidity. Additionally, our definition of Operating Cash Burn is limited and does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for interest expense and the deferral or repayment of lease amounts that were due and not paid during the COVID-19 pandemic. Therefore, we believe it is important to view operating cash burn and free cash flow as supplemental to our entire statement of cash flows. The term Operating Cash Burn and Free Cash Flow may differ from similar measures reported by other companies.
- 2) Repayment of deferred lease amounts represent those lease amounts that were due and not paid during the COVID-19 pandemic. Their impact is excluded from operating cash burn to provide a more normalized cash rent payment stream.

- 3) Non-recurring lease prepayments represent the prepayments of future lease obligations during the three months ended September 30, 2021. Their impact is excluded from Operating Cash Burn to provide a more normalized cash rent payment stream.
  - 4) Maintenance capital expenditures are amounts required to keep our existing theatres in compliance with regulatory requirements and in a sustainable good operating condition, including expenditures for repair of HVAC, sight and sound systems, compliance with ADA requirements and technology upgrades of existing systems.
  - 5) Growth capital expenditures are investments that enhance the guest experience and grow revenues and profits and include initiatives such as theatre remodels, acquisitions, newly built theatres, premium large formats, enhanced food and beverage offerings and service models and technology that enable efficiencies and additional revenue opportunities.
  - 6) Change in construction payables are changes in amounts accrued for capital expenditures that fluctuate significantly from period to period based on the timing of actual payments.
-

**Select Consolidated Constant Currency Financial Data (see Note 10):**  
**Three and Nine Months Ended September 30, 2022**  
(dollars in millions) (unaudited)

	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	Constant Currency (10)			Constant Currency (10)		
	US	International	Total	US	International	Total
<b>Revenues</b>						
Admissions	\$ 417.6	\$ 149.4	\$ 567.0	\$ 1,229.6	\$ 458.9	\$ 1,688.5
Food and beverage	272.4	71.3	343.7	793.7	211.1	1,004.8
Other theatre	63.3	31.3	94.6	201.0	108.5	309.5
Total revenues	753.3	252.0	1,005.3	2,224.3	778.5	3,002.8
<b>Operating costs and expenses</b>						
Film exhibition costs	212.0	59.9	271.9	619.4	181.7	801.1
Food and beverage costs	43.6	17.4	61.0	120.1	51.0	171.1
Operating expense	300.4	117.6	418.0	836.8	347.4	1,184.2
Rent	169.1	63.6	232.7	502.5	186.2	688.7
General and administrative:						
Merger, acquisition and other costs	0.3	-	0.3	0.9	(0.6)	0.3
Other	26.6	16.6	43.2	111.3	55.7	167.0
Depreciation and amortization	77.1	23.2	100.3	229.0	71.4	300.4
Operating costs and expenses	829.1	298.3	1,127.4	2,420.0	892.8	3,312.8
Operating loss	(75.8)	(46.3)	(122.1)	(195.7)	(114.3)	(310.0)
Other expense (income)	(2.0)	1.5	(0.5)	92.9	(0.8)	92.1
Interest expense	77.6	21.3	98.9	221.7	62.6	284.3
Equity in (earnings) loss of non-consolidated entities	(3.5)	0.8	(2.7)	(2.7)	6.2	3.5
Investment expense (income)	18.4	(0.1)	18.3	12.3	(0.1)	12.2
Total other expense, net	90.5	23.5	114.0	324.2	67.9	392.1
Loss before income taxes	(166.3)	(69.8)	(236.1)	(519.9)	(182.2)	(702.1)
Income tax provision	0.4	1.5	1.9	0.7	2.0	2.7
Net loss	(166.7)	(71.3)	(238.0)	(520.6)	(184.2)	(704.8)
Attendance	38,329	14,848	53,177	107,622	43,759	151,381
Average Screens	7,652	2,486	10,138	7,646	2,482	10,128
Average Ticket Price	\$ 10.90	\$ 10.06	\$ 10.66	\$ 11.43	\$ 10.49	\$ 11.15
Food and Beverage Revenues per patron	\$ 7.11	\$ 4.80	\$ 6.46	\$ 7.37	\$ 4.82	\$ 6.64
Other Revenues per patron	\$ 1.65	\$ 2.11	\$ 1.78	\$ 1.87	\$ 2.48	\$ 2.04

**Select Consolidated Constant Currency Financial Data (see Note 11):**  
**Three Months Ended September 30, 2022**  
(dollars in millions) (unaudited)

	Three Months Ended September 30, 2022		
	Constant Currency (11)		
	US	International	Total
<b>Revenues</b>			
Admissions	\$ 417.6	\$ 137.8	\$ 555.4
Food and beverage	272.4	65.8	338.2
Other theatre	63.3	28.6	91.9
Total revenues	753.3	232.2	985.5
<b>Operating costs and expenses</b>			
Film exhibition costs	212.0	55.3	267.3
Food and beverage costs	43.6	16.1	59.7
Operating expense	300.4	108.2	408.6
Rent	169.1	58.6	227.7
General and administrative:			
Merger, acquisition and other costs	0.3	-	0.3
Other	26.6	15.0	41.6
Depreciation and amortization	77.1	21.3	98.4
Operating costs and expenses	829.1	274.5	1,103.6
Operating loss	(75.8)	(42.3)	(118.1)
Other expense (income)	(2.0)	1.0	(1.0)
Interest expense	77.6	19.0	96.6
Equity in (earnings) loss of non-consolidated entities	(3.5)	0.7	(2.8)
Investment expense (income)	18.4	(0.1)	18.3
Total other expense, net	90.5	20.6	111.1
Loss before income taxes	(166.3)	(62.9)	(229.2)
Income tax provision	0.4	1.5	1.9
Net loss	(166.7)	(64.4)	(231.1)
<b>Attendance</b>			
Attendance	38,329	14,848	53,177
Average Screens	7,652	2,486	10,138
Average Ticket Price	\$ 10.90	\$ 9.28	\$ 10.44
Food and Beverage Revenues per patron	\$ 7.11	\$ 4.43	\$ 6.36
Other Revenues per patron	\$ 1.65	\$ 1.93	\$ 1.73

**Reconciliation of Consolidated Constant Currency Adjusted EBITDA (see Note 10):  
Three and Nine Months Ended September 30, 2022**  
(dollars in millions) (unaudited)

	Three Months Ended September 30, 2022 Constant Currency (10)	Nine Months Ended September 30, 2022 Constant Currency (10)
Net loss	\$ (238.0)	\$ (704.8)
Plus:		
Income tax provision	1.9	2.7
Interest expense	98.9	284.3
Depreciation and amortization	100.3	300.4
Certain operating expense (2)	4.4	10.7
Equity in (earnings) loss of non-consolidated entities	(2.7)	3.5
Cash distributions from non-consolidated entities (3)	3.4	5.0
Attributable EBITDA (4)	0.1	0.2
Investment expense (5)	18.3	12.2
Other expense (6)	7.7	113.5
Other non-cash rent benefit (7)	(6.6)	(20.6)
General and administrative expense-unallocated:		
Merger, acquisition and other costs (8)	0.3	0.3
Stock-based compensation expense (9)	(3.7)	22.5
Adjusted EBITDA (1)	<u>\$ (15.7)</u>	<u>\$ 29.9</u>
Adjusted EBITDA (in millions) (1)		
U.S. markets	\$ 1.2	\$ 52.2
International markets	(16.9)	(22.3)
Total Adjusted EBITDA (1)	<u>\$ (15.7)</u>	<u>\$ 29.9</u>

- 1) 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 above. 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. Adjusted EBITDA is a non-U.S. 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 analytical tools, 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.
  - 2) 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.
  - 3) 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.
  - 4) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain International markets. See below for a reconciliation of our equity in 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.

### Reconciliation of Constant Currency Attributable EBITDA

(dollars in millions) (unaudited)

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
	Constant Currency	Constant Currency
Equity in (earnings) loss of non-consolidated entities	\$ (2.7)	\$ 3.5
Less:		
Equity in (earnings) of non-consolidated entities excluding international theatre joint ventures	(3.5)	(3.2)
Equity in (loss) of International theatre joint ventures	(0.8)	(6.7)
Income tax provision	0.1	0.1
Interest expense	0.1	0.1
Investment expense (income)	(0.2)	0.1
Impairment of long-lived assets	-	4.3
Depreciation and amortization	0.9	2.3
Attributable EBITDA	<u>\$ 0.1</u>	<u>\$ 0.2</u>

- 5) Investment expense during the three months ended September 30, 2022 includes deterioration in estimated fair value of our investment in common shares of Hycroft Mining Holding Corporation of \$11.8 million and deterioration in estimated fair value of our investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$7.7 million. During the three months ended September 30, 2022, investment expense includes deterioration in estimated fair value of our investment in NCM of \$1.6 million.

Investment expense during the nine months ended September 30, 2022 includes appreciation in estimated fair value of the Company's investment in common shares of Hycroft Mining Holding Corporation of \$10.8 million and appreciation in estimated fair value of the Company's investment in warrants to purchase common shares of Hycroft Mining Holding Corporation of \$(7.4) million. During the nine months ended September 30, 2022, investment expense includes deterioration in estimated fair value of the Company's investment in NCM of \$11.1 million.

- 6) Other expense during the three months ended September 30, 2022, included foreign currency transaction losses of \$7.7 million.

Other expense during the nine months ended September 30, 2022, included loss on debt extinguishment of \$96.4

million and foreign currency transaction losses of \$17.2 million.

- 7) Reflects amortization of 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.
  - 8) Merger, acquisition and other costs are excluded as it is non-operating in nature.
  - 9) Non-cash expense included in General and Administrative: Other.
  - 10) The International segment information for the three and nine months ended September 30, 2022 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2021. We translate the results of our International operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our International operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.
  - 11) The International segment information for the three months ended September 30, 2022 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2019. We translate the results of our International operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our International operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.
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**Reconciliation of Adjusted Net Loss and Adjusted Loss Per Common share:  
For the Three and Nine Months Ended September 30, 2022 and September 30, 2021**  
(dollars in millions, except share and per share data)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Numerator:</b>				
Net loss attributable to AMC Entertainment Holdings, Inc.	\$ (226.9)	\$ (224.2)	\$ (685.9)	\$ (1,134.7)
Calculation of adjusted net loss for basic and diluted loss per share:				
Loss on extinguishment of debt	-	-	96.4	-
Marked-to-market loss on investments	21.1	-	14.5	-
Adjusted net loss for basic and diluted loss per share	\$ (205.8)	\$ (224.2)	\$ (575.0)	\$ (1,134.7)
<b>Denominator (shares in thousands):</b>				
Weighted average shares for basic and diluted loss per common share	1,033,686	1,026,660	1,033,056	930,278
Adjusted basic loss per common share	\$ (0.20)	\$ (0.22)	\$ (0.56)	\$ (1.22)
Adjusted diluted loss per common share	\$ (0.20)	\$ (0.22)	\$ (0.56)	\$ (1.22)

We present adjusted net loss for basic and diluted loss per share and adjusted basic and diluted net loss per common share as supplemental measures of our performance. We have included these measures because we believe they provide management and investors with additional information that is helpful when evaluating our underlying performance and comparing our results on a year-over-year normalized basis. Adjusted net loss for basic and diluted loss per share eliminates the impact of certain items that we do not consider indicative of our underlying operating performance. These adjustments are itemized above. Adjusted net loss per (basic and diluted) common share is adjusted net loss (for basic and diluted purposes) divided by weighted average basic and diluted shares outstanding. Weighted average shares for diluted purposes include common equivalents for restricted stock units ("RSUs"), performance stock units ("PSUs"), and special performance stock units ("SPSUs"). The impact of RSUs, PSUs, and SPSUs was anti-dilutive in each period. You are encouraged to evaluate the adjustments itemized above and the reasons we consider them appropriate for supplemental analysis. In evaluating adjusted net loss and adjusted net loss per common share, 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 net loss and adjusted net loss per common share (basic and diluted) should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted net loss and adjusted net loss per common share are non-U.S. GAAP financial measures and should not be construed as alternatives to net loss and loss per common share (basic and diluted) as indicators of operating performance (as determined in accordance with U.S. GAAP). Adjusted net loss and adjusted net loss per common share (basic and diluted) may not be comparable to similarly titled measures reported by other companies.

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# **EXHIBIT Z**

# Delaware

PAGE 1

*The First State*

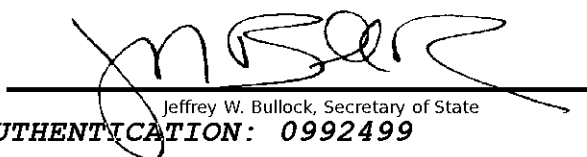
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "AMC ENTERTAINMENT HOLDINGS, INC.", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF DECEMBER, A.D. 2013, AT 9:44 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

4365546 8100

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Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 0992499

DATE: 12-18-13

**THIRD AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
AMC ENTERTAINMENT HOLDINGS, INC.**

AMC Entertainment Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (hereinafter, the "Corporation"), hereby certifies as follows:

FIRST: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware (the "Secretary of State") on June 6, 2007. An Amended and Restated Certificate of Incorporation was filed with the Secretary of State on June 11, 2007, a Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State on August 30, 2012 and a Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State on December 21, 2012.

SECOND: This Third Amended and Restated Certificate of Incorporation has been duly adopted by the board of directors of the Corporation (the "Board of Directors") and by the stockholders in accordance with Sections 228, 242 and 245 of the Delaware General Corporation Law and amends and restates the provisions of the existing Amended and Restated Certificate of Incorporation of the Corporation.

THIRD: The text of the Second Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

**ARTICLE I  
NAME**

The name of the Corporation is AMC Entertainment Holdings, Inc. (the "Corporation").

**ARTICLE II  
REGISTERED OFFICE**

The address of the Corporation's registered office in the State of Delaware is to be located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and the name of its registered agent at such address is The Corporation Trust Company.

**ARTICLE III  
PURPOSE**

The purpose or purposes of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (the "DGCL").

#### ARTICLE IV CAPITAL STOCK

A. The total number of shares of capital stock that the Corporation has authority to issue is 650,000,000 shares, consisting of (i) 524,173,073 shares of Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock"), (ii) 75,826,927 shares of Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock"), together with the Class A Common Stock, the "Common Stock", and (iii) 50,000,000 shares of Preferred Stock, par value \$0.01 per share (the "Preferred Stock").

B. Except as otherwise provided by law or as set forth herein, the shares of stock of the Corporation, regardless of class, may be issued by the Corporation from time to time in such amounts, for such consideration and for such corporate purposes as the Board of Directors may from time to time determine.

C. The Board of Directors is hereby expressly authorized, by resolution or resolutions, to establish, out of the unissued shares of Preferred Stock, one or more series of Preferred Stock and to determine, with respect to each such series, the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

D. The number of authorized shares of any of the Common Stock or the Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

E. Each holder of record of Class A Common Stock shall have one vote for each share of Class A Common Stock that is outstanding in his, her or its name on the books of the Corporation and which is entitled to vote. Each holder of record of Class B Common stock shall have three votes for each share of Class B Common Stock that is outstanding in his, her or its name on the books of the Corporation and which is entitled to vote. Except as otherwise provided in this Third Amended and Restated Certificate of Incorporation or by applicable law, the holders of shares of Class A Common Stock and Class B Common Stock shall at all times vote together as one class on all matters submitted to a vote or for the consent of the stockholders of the Corporation.

F. In the election of directors, stockholders shall be entitled to cast for any one candidate no greater number of votes than the number of shares held by such stockholder; no stockholder shall be entitled to cumulate votes on behalf of any candidate. Except as otherwise required by law, holders of record of Common Stock shall not be entitled to vote on any amendment to this Third Amended and Restated Certificate of Incorporation (including any

certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Third Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

G. Subject to applicable law and rights, if any, of the holders of any outstanding shares of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends, dividends may be declared and paid on the Common Stock at such times and in such amounts as the Board of Directors in its discretion shall determine.

H. Upon the liquidation, dissolution, distribution of assets or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders in proportion to the number of shares held by them.

I. This Third Amended and Restated Certificate of Incorporation shall become effective immediately upon the filing of this Third Amended and Restated Certificate of Incorporation in accordance with the DGCL (such time of effectiveness, the "Effective Time"). Upon the Effective Time, (i) each share of Class A Common Stock, par value \$0.01 per share ("Class A Stock"), if any, of the Corporation issued and outstanding immediately prior to the Effective Time shall be automatically reclassified as and converted into 49.514 validly issued, fully paid and nonassessable shares of Class B Common Stock and (ii) each share of Class N Common Stock and par value \$0.01 per share ("Class N Stock" and, together with the Class A Stock, "Old Common Stock"), if any, of the Corporation issued and outstanding immediately prior to the Effective Time shall be automatically reclassified as and converted into 49.514 validly issued, fully paid and nonassessable shares of Class A Common Stock (together with the Class B Common Stock, the "New Common Stock").

J. Each holder of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of Old Common Stock (the "Old Certificates", whether one or more) shall be entitled to receive upon surrender of such Old Certificates to the Corporation for cancellation, a certificate or certificates (the "New Certificates", whether one or more) representing the number of shares of New Common Stock and the right to receive New Certificates pursuant to the provisions hereof, unless such shares are uncertificated. No certificates or scrip representing fractional share interests in New Common Stock will be issued, and no such fractional share interest will entitle the holder thereof to vote, or to any rights of a stockholder of the Corporation. In lieu of any fraction of a share, the Corporation shall pay to the Corporation's transfer agent (the "Transfer Agent") or its nominees as soon as practicable after the Effective Time, as agent for the accounts of all holders of Common Stock otherwise entitled to have a fraction of a share issued to them in connection with the stock split, the amount equal to the fair market value of the aggregate of all fractional shares otherwise issuable (the "Fractional Share Amount"). The fair market value shall be determined based upon the price that would be paid by a

willing buyer of the assets or shares at issue, in a sale process designed to attract all possible participants and to maximize value. The determination of fair market value shall be made by the Board of Directors.

K. After the Effective Time and the receipt of payment by the Corporation of the Fractional Share Amount, the Transfer Agent shall pay to the stockholders entitled to a fraction of a share their pro rata share of the Fractional Share Amount upon surrender of their Old Certificates. If more than one Old Certificate shall be surrendered at one time for the account of the same stockholder, the number of full shares of New Common Stock for which New Certificates shall be issued, unless such shares are uncertificated, shall be computed on the basis of the aggregate number of shares represented by Old Certificates surrendered. In the event that the holder surrenders Old Certificates after the Effective Time but prior to the date on which the Fractional Share Amount is determined and paid to the Transfer Agent, the Transfer Agent shall carry forward any fractional share of such holder until the Fractional Share Amount is paid to the Transfer Agent. In the event that the Corporation's Transfer Agent determines that a holder of Old Certificates has not tendered all of his certificates for exchange the Transfer Agent shall carry forward any fractional share until all certificates of the holder have been presented for exchange so that the payment for fractional shares to any one person shall not exceed the value of one share. If any New Certificate is to be issued in a name other than that in which the Old Certificates surrendered for exchange are issued, the Old Certificates so surrendered shall be properly endorsed and otherwise in proper form for transfer, and the person or persons requesting such exchange shall affix any requisite stock transfer stamps to the Old Certificates surrendered, or provide funds for their purchase, or establish to the satisfaction of the Transfer Agent that such taxes are not payable.

L. If the Corporation in any manner subdivides or combines by any split, dividend, reclassification, recapitalization or otherwise, or combines by reverse split, reclassification, recapitalization or otherwise, the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

M. Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation. Before any holder of Class B Common Stock shall be entitled to voluntarily convert any shares of such Class B Common Stock, such holder shall surrender the certificate or certificates therefor (if any), duly endorsed, at the principal corporate office of the Corporation or of any transfer agent for the Class B Common Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names (i) in which the certificate or certificates representing the shares of Class A Common Stock into which the shares of Class B Common Stock are so converted are to be issued if such shares are certificated or (ii) in which such shares are to be registered in book entry if such shares are uncertificated. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class B Common Stock, or to the nominee or nominees of such holder, a certificate or certificates representing the number of shares of Class A Common Stock to which such holder shall be entitled as aforesaid (if such shares are certificated) or, if such shares are uncertificated, register such shares in book-entry form. Such conversion shall be deemed to have been made immediately prior to the close of

business on the date of such surrender of the shares of Class B Common Stock to be converted following or contemporaneously with the written notice of such holder's election to convert required by this section, and the person or persons entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class A Common Stock as of such date. Each share of Class B Common Stock that is converted pursuant to this section shall be retired by the corporation and shall not be available for reissuance.

N. Each share of Class B Common Stock shall (a) automatically, without further action by the holder thereof, be converted into one fully paid and nonassessable share of Class A Common Stock upon the occurrence of a Transfer, other than a Permitted Transfer, of such share of Class B Common Stock, and (b) all shares of Class B Common Stock shall automatically, without further action by any holder thereof, be converted into an identical number of shares of fully paid and nonassessable Class A Common Stock if, on the record date for any meeting of stockholders of the Corporation, Wanda or its affiliates holds less than 30% of the aggregate number of shares of Common Stock then outstanding, as determined by the Board of Directors of the Corporation (a "Conversion Event"). Each outstanding stock certificate that, immediately prior to a Conversion Event, represented one or more shares of Class B Common Stock subject to such Conversion Event shall, upon such Conversion Event, be deemed to represent an equal number of shares of Class A Common Stock, without the need for surrender or exchange thereof. The Corporation shall, upon the request of any holder whose shares of Class B Common Stock have been converted into shares of Class A Common Stock as a result of a Conversion Event and upon surrender by such holder to the Corporation of the outstanding certificate(s) formerly representing such holder's shares of Class B Common Stock (if any), issue and deliver to such holder certificate(s) representing the shares of Class A Common Stock into which such holder's shares of Class B Common Stock were converted as a result of such Conversion Event (if such shares are certificated) or, if such shares are uncertificated, register such shares in book-entry form. Each share of Class B Common Stock that is converted pursuant to this section shall thereupon be retired by the Corporation and shall not be available for reissuance.

O. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

## **ARTICLE V BOARD OF DIRECTORS**

The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation and for the purpose of creating, defining, limiting and regulating the powers of the Corporation and its directors and stockholders:

A. The directors of the Corporation, subject to any rights of the holders of shares of any class or series of Preferred Stock to elect directors, shall be classified with respect to the time for which they severally hold office into three classes, as nearly equal in number as possible. One



class's initial term will expire at the first annual meeting of the stockholders following the effectiveness of this Third Amended and Restated Certificate of Incorporation, another class's initial term will expire at the second annual meeting of the stockholders following the effectiveness of this Third Amended and Restated Certificate of Incorporation and another class's initial term will expire at the third annual meeting of stockholders following the effectiveness of this Third Amended and Restated Certificate of Incorporation, with directors of each class to hold office until their successors are duly elected and qualified; provided that the term of each director shall continue until the election and qualification of a successor and be subject to such director's earlier death, resignation or removal. At each annual meeting of stockholders of the Corporation beginning with the first annual meeting of stockholders following the filing of this Third Amended and Restated Certificate of Incorporation, subject to any rights of the holders of shares of any class or series of Preferred Stock, the successors of the directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. In the case of any increase or decrease, from time to time, in the number of directors of the Corporation, the number of directors in each class shall be apportioned as nearly equal as possible. No decrease in the number of directors shall shorten the term of any incumbent director.

B. The numbers of directors shall be no less than three and no more than 15. Subject to any special rights of any holders of any class or series of Preferred Stock to elect directors, the precise number of directors of the Corporation within the limitations specified in the preceding sentence shall be fixed, and may be altered from time to time, only by resolution of the Board of Directors.

C. Subject to this Article V, the election of directors may be conducted in any manner approved by the officer of the Corporation presiding at a meeting of the stockholders or the directors, as the case may be, at the time when the election is held and need not be by written ballot.

D. Any or all directors of the Corporation (other than the directors, if any, elected by the holders of any series of Preferred Stock, voting separately as one or more series, as the case may be) may be removed at any time either with or without cause by the affirmative vote of holders of at least a majority of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting as a single class.

E. Subject to any rights of the holders of shares of any class or series of Preferred Stock, if any, to elect additional directors under specified circumstances, any vacancy in the Board of Directors that results from an increase in the number of directors, from the death, disability, resignation, disqualification, removal of any director or from any other cause shall be filled solely by a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director.

F. All corporate powers and authority of the Corporation (except as at the time otherwise provided by law, by this Third Amended and Restated Certificate of Incorporation or by the bylaws of the Corporation) shall be vested in and exercised by the Board of Directors.

**ARTICLE VI  
ACTION BY STOCKHOLDERS**

A. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however, that if at any time Wanda or its affiliates no longer beneficial owns, in the aggregate, more than 50.0% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, then any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of such stockholders and may no longer be effected by any consent in writing.

B. Except as otherwise required by law and subject to the rights, if any, of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time pursuant to a resolution of the Board of Directors (and the Chairman of the Board of Directors, the Chief Executive Officer or Secretary of the Corporation shall call the meeting pursuant to such resolution), and special meetings of stockholders of the Corporation may not be called by any other person or persons.

C. The books of the Corporation may (subject to any statutory requirements) be kept outside the State of Delaware as may be designated by the Board of Directors or in the bylaws of the Corporation. Meetings of stockholders may be held within or outside the state of Delaware, as the bylaws of the Corporation may provide.

**ARTICLE VII  
DGCL SECTION 203**

The Corporation shall not be governed by Section 203 of the DGCL ("Section 203"), and the restrictions contained in Section 203 shall not apply to the Corporation.

**ARTICLE VIII  
CORPORATE OPPORTUNITIES**

To the fullest extent permitted by Section 122(17) of the DGCL and except as may be otherwise expressly agreed in writing by the Corporation and Wanda, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities, that are from time to time presented to Wanda or any of its respective officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than the Corporation and its subsidiaries), even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the

opportunity to do so and no such person shall be liable to the Corporation or any of its subsidiaries for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries unless, in the case of any such person who is a director or officer of the Corporation, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Corporation. Any person purchasing or otherwise acquiring any interest in any shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VIII. Neither the alteration, amendment or repeal of this Article VIII nor the adoption of any provision of this Third Amended and Restated Certificate of Incorporation inconsistent with this Article VIII shall eliminate or reduce the effect of this Article VIII in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article VIII, would accrue or arise, prior to such alteration, amendment, repeal or adoption.

#### **ARTICLE IX INDEMNIFICATION; LIMITATION OF LIABILITY**

A. The personal liability of the directors for monetary damages for breach of fiduciary duty as a director of the Corporation is hereby eliminated to the fullest extent permitted by the DGCL. Any repeal or modification of this Article IX shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

B. Each person who was or is a party or is made a party, threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (any such person, an "Indemnitee"), whether the basis of such Proceeding is alleged action in an official capacity as a director, officer or representative or in any other capacity while serving as a director, officer or representative, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment to the fullest extent permitted by law, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expenses, liability and loss (including attorneys' fees, judgments, fines, Employee Retirement Income Security Act of 1974, as amended, excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection therewith and such indemnification shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors, and administrators. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such Proceeding in advance of its final disposition; provided, however, if the DGCL requires, the payment of such expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such person to repay all

amounts so advanced if it should be determined ultimately by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified under this Article IX or otherwise. Unless otherwise required by law, the burden of proving that the Indemnitee is not entitled to be indemnified or to such advancement of expenses under this Article IX shall be on the Corporation. The Corporation may, by action of the Board, provide indemnification to employees and/or agents with the same scope and effect as the foregoing indemnification of directors and officers. Notwithstanding anything to the contrary in this Article IX and except as provided in paragraph (C) of this Article IX with respect to Proceedings to enforce rights to indemnification, the Corporation shall not be required to indemnify any Indemnitee against expenses incurred in connection with a Proceeding (or part thereof) initiated by such Indemnitee unless the initiation of the Proceeding (or part thereof) was approved by the Board of Directors.

C. If a claim under this Article IX is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful, in whole or in part, the Indemnitee shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any Proceeding in advance of its final disposition where the undertaking, if any is required, has been tendered to the Corporation) that the Indemnitee has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the Indemnitee for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the Indemnitee had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee had not met the applicable standard of conduct.

D. Any amendment, alteration or repeal of this Article IX that adversely affects any right of an Indemnitee or his or her successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

E. The rights conferred by this Article IX shall not be exclusive of any other right which such Indemnitees may have or hereafter acquire under any statute, provision, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

F. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, or representative against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify him against such expense, liability or loss under the DGCL.

**ARTICLE X  
DEFINITIONS**

For purposes of this Third Amended and Restated Certificate of Incorporation:

- A. “affiliate” has the same meaning given to that term under Rule 12b-2 promulgated under the Exchange Act.
- B. “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- C. “Permitted Transfer” shall mean any of the following: (A) any Transfer of shares of Class B Common Stock to a broker or other nominee; provided that the transferor, immediately following such Transfer, retains (1) Voting Control, (2) control over the disposition of such shares, and (3) the economic consequences of ownership of such shares; and (B) any Transfer of shares of Class B Common Stock between or among affiliates of Wanda.
- D. “Transfer” of a share of Class B Common Stock shall mean, directly or indirectly, any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law (including by merger, consolidation or otherwise), including, without limitation, the transfer of, or entering into a binding agreement with respect to, Voting Control over such share, by proxy or otherwise. A “Transfer” shall also be deemed to have occurred with respect to a share of Class B Common Stock if such share of Class B Common Stock is beneficially held by a Person that is not Wanda or its affiliates for any reason.
- E. “Voting Control” shall mean, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.
- F. “Wanda” means Dalian Wanda Group Co., Ltd, company organized under the laws of the People’s Republic of China.

**ARTICLE XI  
AMENDMENT**

- A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Third Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed by the DGCL, and all rights conferred upon stockholders herein are granted subject to this reservation.
- B. In furtherance and not in limitation of the power conferred upon the Board of Directors by law, the Board of Directors shall have the power without the assent or vote of the stockholders to adopt, amend, alter or repeal the bylaws of the Corporation.

IN WITNESS WHEREOF, the undersigned has caused this Third Amended and Restated Certificate of Incorporation to be executed by a duly authorized officer of the Corporation, this 17<sup>th</sup> day of December 2013.

**AMC ENTERTAINMENT HOLDINGS, INC.**

By: Kevin M. Connor

Name: Kevin M. Connor

Title: Senior Vice President,  
General Counsel and Secretary

# **EXHIBIT AA**

PROSPECTUS SUPPLEMENT  
(To Prospectus dated August 4, 2022)Up to 425,000,000  
AMC Preferred Equity Units

We have entered into an equity distribution agreement (the "Distribution Agreement") with Citigroup Global Markets Inc. as our sales agent (the "sales agent"), relating to the depository shares (the "depository shares" or "AMC Preferred Equity Units"), each representing a 1/100th fractional interest in a share of Series A Convertible Participating Preferred Stock (the "Preferred Stock"), offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the Distribution Agreement, we may, through our sales agent, offer and sell from time to time up to 425,000,000 AMC Preferred Equity Units. The sales agent may act as agent on our behalf or purchase AMC Preferred Equity Units as principal.

Each AMC Preferred Equity Unit is designed to provide the same economic and voting rights as one (1) share of our Class A common stock (the "Class A common stock"), as described in more detail herein. Subject to the terms described herein, the Preferred Stock and the AMC Preferred Equity Units (by virtue of their interest in the Preferred Stock) will convert into shares of our Class A common stock at the then-applicable conversion rate if we obtain stockholder approval to increase the number of authorized shares of our Class A common stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Class A common stock, or such higher amount as our board of directors may determine (the "common stock amendment"). The initial conversion rate is one hundred (100) shares of Class A common stock for each share of Preferred Stock or one (1) share of Class A common stock for each AMC Preferred Equity Unit. If the common stock amendment is adopted, each AMC Preferred Equity Unit will effectively convert into one (1) share of our Class A common stock and such Class A common stock will be distributed to holders of AMC Preferred Equity Units upon conversion on a one-to-one basis.

Sales, if any, of AMC Preferred Equity Units, under this prospectus supplement and the accompanying prospectus may be made in sales deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), including by sales made directly on or through the New York Stock Exchange ("NYSE") or another market for AMC Preferred Equity Units, sales made to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices prevailing at the time of sale or at negotiated prices, through a combination of any such methods of sale, or as otherwise agreed with the applicable sales agents. The sales agent may also sell our Class A common stock by any other method permitted by law. We will submit orders to only one (1) sales agent relating to the sale of AMC Preferred Equity Units on any given day. Subject to the terms and conditions of the Distribution Agreement, the sales agent will use its commercially reasonable efforts, consistent with its normal trading and sales practices, to sell on our behalf the designated AMC Preferred Equity Units. We may instruct the sales agent not to sell any AMC Preferred Equity Units if the sales cannot be effected at or above the price designated by us in any such instruction.

We also may sell AMC Preferred Equity Units to the sales agent, as principal for its own account, including a block trade, at a price per AMC Preferred Equity Unit agreed upon at the time of sale. If we sell AMC Preferred Equity Units to the sales agent, as principal, we will enter into a separate terms agreement with the sales agent, and we will describe the agreement in a separate prospectus supplement or pricing supplement.

We will pay the sales agent compensation of 2.5% of the gross sales price per AMC Preferred Equity Unit sold through them as our agent under the Distribution Agreement up to \$250,000,000 of gross sales proceeds and 1.5% of the gross sales price per AMC Preferred Equity Unit sold through them as our agent under the Distribution Agreement of an additional \$250,000,000 of gross sales proceeds and thereafter at a rate mutually agreed by us and the sales agent. In connection with the sale of AMC Preferred Equity Units on our behalf, the sales agent will be deemed to be an "underwriter" within the meaning of the Securities Act, and the compensation paid to the sales agent will be deemed to be underwriting commissions or discounts.

The AMC Preferred Equity Units are listed on the NYSE under the symbol "APE". Since the AMC Preferred Equity Units began trading on the NYSE on August 22, 2022, the market price of the AMC Preferred Equity Units has fluctuated from an intra-day low on the NYSE of \$3.36 per share on September 23, 2022 to an intra-day high on the NYSE of \$10.50 on August 22, 2022, and the last reported sale price of our AMC Preferred Equity Units on the NYSE on September 23, 2022, was \$3.58 per unit.

Our Class A common stock is listed on the NYSE under the symbol "AMC". The market prices and trading volume of our shares of Class A common stock has been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. Because each AMC Preferred Equity Unit initially represents the right to receive one (1) share of our Class A common stock upon effectiveness of the common stock amendment, and is otherwise designed to bear equivalent economic and voting rights as described herein, the market price of the AMC Preferred Equity Units may be correlated with the market price of our Class A common stock. The market prices and trading volume of our shares of Class A common stock have experienced, and may continue to experience, extreme volatility, which could cause purchasers of AMC Preferred Equity Units to incur substantial losses. During 2022 to date, the market price of our Class A common stock has fluctuated from an intra-day low on the NYSE of \$7.66 per share on September 23, 2022 to an intra-day high on the NYSE of \$34.33 on March 29, 2022, and the last reported sale price of our Class A common stock on the NYSE on September 23, 2022, was \$7.99 per share.

During 2022 to date, according to the NYSE, daily trading volume for our Class A common stock ranged from approximately 16,708,581 to 226,704,834 shares. Daily trading volume for our AMC Preferred Equity Units ranged from approximately 5,921,774 to 122,699,834 AMC Preferred Equity Units. These extreme fluctuations in the market price of our Class A common stock and AMC Preferred Equity Units have been accompanied by reports of strong and atypical retail investor interest, including on social media and online forums. While the market prices of our Class A common stock and AMC Preferred Equity Units may respond to developments regarding our liquidity, operating performance and prospects, developments regarding COVID-19 and vaccination progress, and developments regarding our industry, we believe that volatility and our current market prices reflect market and trading dynamics unrelated to our underlying business, or macro or industry fundamentals, and we do not know how long these dynamics will last. Within the last seven business days, the market price of our Class A common stock has fluctuated from an intra-day low on the NYSE of \$7.66 on September 23, 2022 to an intra-day high of \$10.39 on September 15, 2022, and the market price of our AMC Preferred Equity Units has fluctuated from an intra-day low of \$3.36 on September 23, 2022 to an intra-day high of \$5.69 on September 15, 2022. We have made no disclosure regarding a change to our underlying business during that period. **Under the circumstances, we caution you against investing in our AMC Preferred Equity Units, unless you are prepared to incur the risk of losing all or a substantial portion of your investment.** See "Risk Factors - Risks Related to This Offering."

Settlement of any sales of our AMC Preferred Equity Units will occur on the second business day following the date on which such sales were made (or such earlier day as is industry practice for regular-way trading). There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of our AMC Preferred Equity Units as contemplated in this prospectus supplement will be settled through the facilities of The Depository Trust Company ("DTC") or by such other means as we and the sales agent may agree.

**Investing in our AMC Preferred Equity Units is highly speculative and involves risks. You should carefully read and consider the risk factors included in this prospectus supplement, in our periodic reports, in the accompanying prospectus and in any other documents we file with the U.S. Securities Exchange Commissions (the "SEC"). See the sections entitled "Risk Factors" below on page S-9, in our other filings with the SEC and in the accompanying prospectus.**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

**Citigroup**

The date of this prospectus supplement is September 26, 2022.



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### ABOUT THIS PROSPECTUS SUPPLEMENT

On August 4, 2022, we filed with the SEC a registration statement on Form S-3 utilizing a shelf registration process related to the securities described in this prospectus supplement, which was automatically declared effective upon filing.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. In this prospectus supplement, as permitted by law, we “incorporate by reference” information from other documents that we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information included or incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information in the accompanying prospectus or incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference herein as described under “Where You Can Find More Information; Incorporation of Documents by Reference,” and any free writing prospectus that we prepare and distribute.

**We have not, and the sales agent has not, authorized anyone to provide you with information other than that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus related hereto that we may authorize to be delivered to you. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We may only offer to sell, and seek offers to buy any securities in jurisdictions where offers and sales are permitted.**

This prospectus supplement and the accompanying prospectus supplement or other offering materials do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, therefore, file reports and other information with the SEC. Statements contained in this prospectus supplement and the accompanying prospectus or other offering materials about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

**You should assume that the information in this prospectus supplement, the accompanying prospectus or any other offering materials is only accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless otherwise indicated. Our business, financial condition, results of operations and prospects may have changed since such date.**

*Unless we state otherwise, references to “we,” “us,” “our,” the “Company” or “AMC” refer to AMC Entertainment Holdings, Inc. and its consolidated subsidiaries.*

**WHERE YOU CAN FIND MORE INFORMATION;  
INCORPORATION OF DOCUMENTS BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains our reports, proxy and other information regarding us and other issuers that file electronically with the SEC, at <http://www.sec.gov>. Our SEC filings are also available free of charge at our website ([www.amctheatres.com](http://www.amctheatres.com)). However, except for our filings with the SEC that are incorporated by reference into this prospectus supplement, the information on our website is not, and should not be deemed to be, a part of, or incorporated by reference into this prospectus supplement.

This prospectus supplement contains summaries of certain of our agreements. The descriptions contained in this prospectus supplement of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements.

The SEC allows “incorporation by reference” into this prospectus supplement of information that we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus supplement and any information filed by us with the SEC subsequent to the date of this prospectus supplement automatically will be deemed to update and supersede this information. We incorporate by reference the following documents which we have filed with the SEC (excluding any documents or portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act):

- [our annual report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 1, 2022 \(the “Annual Report”\);](#)
- our quarterly reports on Form 10-Q for the quarterly period ended March 31, 2022 filed with the SEC on [May 9, 2022](#) and for the quarterly period ended June 30, 2022, filed with the SEC on [August 4, 2022](#) (the “Quarterly Reports”);
- [our Proxy Statement on Schedule 14A, filed with the SEC on April 29, 2022 \(but only to the extent incorporated by reference in Part III of our Annual Report\);](#)
- our current reports on Form 8-K filed with the SEC on [February 03, 2022](#), [February 07, 2022](#), [February 14, 2022](#), March 1, 2022 (the [first](#) and [second](#) 8-K filings on such date), [June 17, 2022](#), [July 1, 2022](#) and August 4, 2022 (the [first](#) 8-K filing on such date) (the “Current Reports”);
- [the description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on December 17, 2013, pursuant to the Exchange Act, and any amendment or report filed for the purpose of further updating such description; and](#)
- [the description of our AMC Preferred Equity Units and our Preferred Stock contained in our Registration Statement on Form 8-A filed with the SEC on August 4, 2022, pursuant to the Exchange Act, and any amendment or report filed for the purpose of further updating such description.](#)

We incorporate by reference any filings made by us with the SEC in accordance with Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and the date all of the securities offered hereby are sold or the offering is otherwise terminated, with the exception of any information furnished under Item 2.02 and Item 7.01 (including any financial statements or exhibits relating thereto furnished pursuant to Item 9.01) of Form 8-K, which is not deemed filed and which is not incorporated by reference herein. Any such filings shall be deemed to be incorporated by reference and to be a part of this prospectus supplement from the respective dates of filing of those documents.

This prospectus supplement and any accompanying prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Statements in this prospectus supplement or any accompanying prospectus supplement or free writing prospectus about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC’s website, as provided above.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus supplement but not delivered with this prospectus supplement, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus supplement. You should direct requests for documents to:

**AMC Entertainment Holdings, Inc.**  
**One AMC Way**  
**11500 Ash Street**  
**Leawood, Kansas 66211**  
**(913) 213-2000**

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus supplement, the documents that are incorporated by reference in this prospectus supplement and other written or oral statements made by or on behalf of AMC may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Exchange Act. 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. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance levels, the sufficiency of future cash flows and our liquidity. 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. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in “Risk Factors”, 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. The 11.25% Odeon Term Loan due 2023 matures on August 19, 2023 during the third fiscal quarter of the Company’s next calendar year. The Company is currently negotiating terms of new debt intended to refinance the existing £147.6 million and €312.2 million aggregate principal amounts of Odeon Term Loan due 2023. While the Company intends to fully refinance the 11.25% Odeon Term Loan due 2023 and extend current maturity dates, there are no assurances that the Company will be able to do so. If the Company is unable to refinance these amounts, the principal amounts will be reported as current maturities which may increase uncertainty regarding its ability to meet future commitments. In order to achieve net positive operating cash flows and long-term profitability, box office revenues will need to increase significantly compared to aggregate 2021 and the combined first and second quarter of 2022 to levels in line with pre COVID-19 box office revenues. Domestic industry box office grosses increased significantly to approximately \$3.7 billion during the first six months of 2022, compared to the first six months of 2021 of \$1.1 billion, and were approximately 66% of domestic box office grosses of \$5.6 billion during the first six months 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 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 Class A common stock and other securities would likely suffer a total loss of their investment; the impact of COVID-19 variant strains on us, the motion picture exhibition industry, and the economy in general, including our response to 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, and the theatrical release of fewer movies;

- 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, including the AMC Preferred Equity Units, could dilute the voting power of the common stockholders and adversely affect the market value of our Class A common stock and AMC Preferred Equity Units;
- limitations on the authorized number of shares of Class A common stock prevents us from raising additional capital through Class A 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 sales of our Class A common stock and potential future sales of AMC Preferred Equity Units could adversely affect the market price of the Class A common stock and AMC Preferred Equity Units;
- the market price and trading volume of our shares of Class A common stock has been and may continue to be volatile and such volatility may also apply to our AMC Preferred Equity Units, and purchasers of our securities could incur substantial losses;
- future offerings of debt, which would be senior to our Class A common stock and AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our Class A common stock and AMC Preferred Equity Units;
- 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) completed accession talks at NATO headquarters in Brussels on July 4, 2022 and NATO ambassadors signed the accession protocols on July 5, 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, or widespread health emergencies, such as 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 and uncertainties identified in this prospectus supplement and in the documents incorporated herein by reference.

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.

Consider these factors carefully in evaluating the forward-looking statements. Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth in this prospectus supplement under “Risk Factors”, as well as those set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 1A. Risk Factors” in the Annual Report (as defined in “Where You Can Find More Information; Incorporation of Documents By Reference” in this prospectus supplement), in “Item 1A. Risk Factors” in our Quarterly Report on Form 10-Q for the period ended June 30, 2022 and subsequent reports filed by us with the SEC, including on Form 8-K. Because of the foregoing, you are cautioned against relying on forward-looking statements, which speak only as of the date hereof. We do not undertake to update any of these statements in light of new information or future events, except as required by applicable law.

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary sets forth the material terms of this offering, but does not contain all of the information you should consider before investing in our AMC Preferred Equity Units. You should read carefully this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision to purchase our AMC Preferred Equity Units, especially the risks of investing in our AMC Preferred Equity Units discussed in the section titled "Risk Factors" in this prospectus supplement as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus.*

**THE COMPANY**

We are the world's largest theatrical exhibition company and an industry leader in innovation and operational excellence. Over the course of our nearly 100-year history, we have pioneered many of the theatrical exhibition industry's most important innovations. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Most recently, we continued to innovate and evolve the movie-going experience with the deployment of our theatre renovations featuring plush, powered recliner seating and the launch of our U.S. subscription loyalty tier, AMC Stubs<sup>®</sup> A-List. Our growth has been driven by a combination of organic growth through reinvestment in our existing assets and through the acquisition of some of the most respected companies in the theatrical exhibition industry.

We were incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 and our telephone number is (913) 213-2000. Our corporate website address is [www.amctheatres.com](http://www.amctheatres.com). Our website and the information contained on, or that can be accessed through, the website is not incorporated by reference in, and is not part of, this prospectus supplement. You should not rely on any such information in making your decision whether to purchase our AMC Preferred Equity Units.



	<b>THE OFFERING</b>
Issuer	AMC Entertainment Holdings, Inc.
Securities Offered by Us	Up to 425,000,000 AMC Preferred Equity Units.
AMC Preferred Equity Units to be Outstanding after this Offering	Up to 941,820,595 AMC Preferred Equity Units..
Manner of Offering	“At the market offering” that may be made from time to time through our sales agent, Citigroup Global Markets Inc. See “Plan of Distribution” on page S-33.
Use of Proceeds	We intend to use the net proceeds, if any, from the sale of our AMC Preferred Equity Units offered by this prospectus supplement primarily to repay, refinance, redeem or repurchase our existing indebtedness (including expenses, accrued interest and premium, if any) and otherwise for general corporate purposes. See “Use of Proceeds” on page S-15.
Material U.S. Federal Income Tax Consequences	For a discussion of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of AMC Preferred Equity Units and the acquisition, ownership and disposition of shares of our Class A common stock received upon conversion of AMC Preferred Equity Units, see “Material U.S. Federal Income Tax Consequences” on page S-28.
Risk Factors	Investing in AMC Preferred Equity Units is highly speculative and involves a high degree of risk. See “Risk Factors” beginning on page S-9, as well as the other information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of risks you should carefully consider before investing in AMC Preferred Equity Units.
NYSE Symbol	The AMC Preferred Equity Units are listed on the NYSE under the symbol “APE.”

## RISK FACTORS

*Investing in our AMC Preferred Equity Units is highly speculative and involves a high degree of risk. You should carefully consider the risk factors described in Part I, Item 1A, "Risk Factors" in our Annual Report and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports and Current Reports, all of which is incorporated by reference into this prospectus supplement, the accompanying prospectus by reference and in any other documents incorporated into this prospectus supplement or the accompanying prospectus by reference. We expect to update these Risk Factors from time to time in the periodic and current reports that we file with the SEC after the date of this prospectus supplement. These updated risk factors will be incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making any investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus supplement or in the accompanying prospectus or free writing prospectus. For more information, see the section entitled "Where You Can Find More Information; Incorporation of Documents by Reference" above. These risks could materially affect our business, results of operations or financial condition and affect the value of our AMC Preferred Equity Units. You could lose all or part of your investment. Additionally, the risks and uncertainties discussed in this prospectus supplement or in any document incorporated by reference into this prospectus supplement are not the only risks and uncertainties that we face, and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations or financial condition.*

### Risks Related to This Offering

***The market prices and trading volume of our shares of Class A common stock and AMC Preferred Equity Units have experienced, and may continue to experience, extreme volatility, which could cause purchasers of our AMC Preferred Equity Units to incur substantial losses.***

The market prices and trading volume of our shares of Class A common stock and AMC Preferred Equity Units have been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. Because each AMC Preferred Equity Unit initially represents the right to receive one (1) share of our Class A common stock upon effectiveness of the common stock amendment, and is otherwise designed to bear equivalent economic and voting rights as described herein, the market price of the AMC Preferred Equity Units may be correlated with the market price of our Class A common stock. The market prices and trading volume of our shares of Class A common stock have experienced, and may continue to experience, extreme volatility, which could cause purchasers of AMC Preferred Equity Units to incur substantial losses. During 2022 to date, the market price of our Class A common stock has fluctuated from an intra-day low on the NYSE of \$7.66 per share on September 23, 2022 to an intra-day high of \$34.33 on March 29, 2022, and the last reported sale price of our Class A common stock on September 23, 2022, was \$7.99 per share. During 2022 to date, the market price of our AMC Preferred Equity Units has fluctuated from an intra-day low of \$3.36 per AMC Preferred Equity Unit on September 23, 2022 to an intra-day high of \$10.50 on August 22, 2022 and the last reported sale price of our AMC Preferred Equity Units on September 23, 2022, was \$3.58 per Preferred Equity Unit. During 2022 to date, daily trading volume ranged from approximately 16,708,581 to 226,704,130 shares of our Class A common stock and 5,921,774 to 122,699,834 AMC Preferred Equity Units. Within the last seven business days, the market price of our Class A common stock has fluctuated from an intra-day low of \$7.66 on September 23, 2022 to an intra-day high of \$10.39 on September 15, 2022 and the market price of our AMC Preferred Equity Units has fluctuated from an intra-day low of \$3.36 on September 23, 2022 to an intra-day high of \$5.69 on September 15, 2022, and we have made no disclosure regarding a change to our underlying business during that period.

We believe that the volatility and our current market prices reflect market and trading dynamics not necessarily related to our underlying business, or macro or industry fundamentals, and we do not know how long these dynamics will last. **Under the circumstances, we caution you against investing in our AMC Preferred Equity Units, unless you are prepared to incur the risk of losing all or a substantial portion of your investment.**

Extreme fluctuations in the market price of our Class A common stock and AMC Preferred Equity Units have been accompanied by reports of strong and atypical retail investor interest, including on social media and online forums. The market volatility and trading patterns we have experienced create several risks for investors, including the following:

- the market prices of our Class A common stock and AMC Preferred Equity Units have experienced and may continue to experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals, and substantial increases may be significantly inconsistent with the risks and uncertainties that we continue to face;
- factors in the public trading market for our Class A common stock and AMC Preferred Equity Units include the sentiment of retail investors (including as may be expressed on financial trading and other social media sites and online forums), the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our Class A common stock and AMC Preferred Equity Units and any related hedging and other trading factors;
- our market capitalization, as implied by various trading prices, currently reflects valuations that diverge significantly from those seen prior to recent volatility and that are significantly higher than our market capitalization immediately prior to the COVID-19 pandemic, and to the extent these valuations reflect trading dynamics unrelated to our financial performance or prospects, purchasers of our Class A common stock and AMC Preferred Equity Units could incur substantial losses if there are declines in market prices driven by a return to earlier valuations;
- to the extent volatility in our Class A common stock and AMC Preferred Equity Units is caused, or may from time to time be caused, as has widely been reported, by a “short squeeze” in which coordinated trading activity causes a spike in the market price of our Class A common stock and AMC Preferred Equity Units as traders with a short position make market purchases to avoid or to mitigate potential losses, investors purchase at inflated prices unrelated to our financial performance or prospects, and may thereafter suffer substantial losses as prices decline once the level of short-covering purchases has abated; and
- if the market prices of our Class A common stock or AMC Preferred Equity Units decline, you may be unable to resell your shares of Class A common stock or AMC Preferred Equity Units at or above the price at which you acquired them. We cannot assure you that the equity issuance of our Class A common stock or the issuance of our AMC Preferred Equity Units will not fluctuate or decline significantly in the future, in which case you could incur substantial losses.

We may continue to incur rapid and substantial increases or decreases in the market prices of our Class A common stock and AMC Preferred Equity Units in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market prices of our shares of Class A common stock and AMC Preferred Equity Units may fluctuate dramatically, and may decline rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market prices of our Class A common stock and AMC Preferred Equity Units or result in fluctuations in the price or trading volume of our Class A common stock, including:

- the ongoing impacts and developments relating to the COVID-19 pandemic;
- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our earnings;
- current limitations on our ability to pay dividends or other distributions;
- publication of research reports by analysts or others about us or the motion picture exhibition industry, which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;
- changes in market interest rates that may cause purchasers of our shares to demand a different yield;
- changes in market valuations of similar companies;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;

- additions or departures of key personnel;
- actions by institutional or significant stockholders;
- short interest in our securities and the market response to such short interest;
- changes in the number of individual holders of our Class A common stock and AMC Preferred Equity Units and their participation in social media platforms targeted at speculative investing;
- speculation in the press or investment community about our company or industry;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business, our industry, including positions taken by the Internal Revenue Service (“IRS”);
- investigations, proceedings, or litigation that involve or affect us;
- the occurrence of any of the other risk factors included or incorporated by reference in our Annual Report; and
- general market and economic conditions.

***There has been significant dilution of our Class A common stock and there may be significant dilution of our AMC Preferred Equity Units in the future, which could adversely affect the market price of shares of our Class A common stock and the AMC Preferred Equity Units. The risks of future dilution must also be weighed against the risks of failing to be able to issue equity in the future, which could also adversely affect the market price of shares of our Class A common stock and the AMC Preferred Equity Units.***

From January 1, 2020 through September 1, 2022, we have issued 464,740,518 shares of our Class A common stock in a combination of at-the-market sales, conversion of Class B common stock, conversion of notes, exchanges of notes, transaction fee payments, and equity grant vesting. As of September 23, 2022, there were 516,820,595 shares of Class A common stock issued and outstanding. The dilutive effect of these issuances was partially offset by the cancellation of 51,769,784 shares of our Class B common stock. On August 19, 2022, the Company issued a dividend of one (1) AMC Preferred Equity Unit for each share of Class A common stock outstanding at the close of business on August 15, 2022, which resulted in the issuance of 516,920,595 AMC Preferred Equity Units. This offering will increase our outstanding AMC Preferred Equity Units by up to 425,000,000 additional AMC Preferred Equity Units. We may issue additional AMC Preferred Equity Units in the future and subject to shareholder approval of the common stock amendment, we may issue additional shares of Class A common stock, in each case, to raise cash to bolster our liquidity, to refinance indebtedness, for working capital, to finance strategic initiatives and future acquisitions or for other purposes. We may also issue securities convertible into, or exchangeable for, or that represent the right to receive, shares of Class A common stock or AMC Preferred Equity Units. We may also acquire interests in other companies or other assets, or reduce outstanding indebtedness, by using a combination of cash and AMC Preferred Equity Units or just AMC Preferred Equity Units. Any of these events may dilute the ownership interests of current stockholders, reduce our earnings per share or have an adverse effect on the price of our shares of Class A common stock or AMC Preferred Equity Units.

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Class A common stock into which the Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company may, but is not required to, seek to obtain the requisite stockholder approval, at such time or times as the board of directors shall determine, of an amendment to its amended and restated certificate of incorporation to increase the number of authorized shares of Class A common stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Class A common stock, or to such higher number of authorized shares of Class A common stock (which may be issued for any purpose) as the Company’s board of directors may determine. Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company’s outstanding capital stock will be required for stockholder approval of the common stock amendment. The holders of the AMC Preferred Equity Units will be entitled to vote on the common stock amendment. Therefore, if the common stock amendment is approved by our stockholders, we may issue an increased number of shares of Class A common stock relative to the number of shares

currently authorized by our amended and restated certificate of incorporation and relative to the number of new shares issued to holders of AMC Preferred Equity Units in connection with the conversion of the Preferred Stock into Class A common stock. These future issuances may be dilutive to your investment and result in a decline in the market price of our Class A common stock and AMC Preferred Equity Units.

This risk of future dilution must be weighed against the risk that we are unable to issue equity in the future, which could have an adverse effect on the price of our shares of Class A common stock and AMC Preferred Equity Units, including:

- we will be unable to issue equity to bolster our liquidity and respond to future challenges, including if attendance levels do not return on the timing and to the levels assumed;
- for future financing, we may be required to issue additional debt, which may be unavailable on favorable terms or at all, or which would exacerbate the challenges created by our high leverage;
- we will be unable to issue equity in deleveraging transactions, including exchanges, redemptions or buy-backs of debt, which will limit our flexibility to delever; and
- we will be unable to issue equity as currency in strategic transactions, including acquisitions, joint ventures or in connection with landlord negotiations, which may prevent us from entering into transactions that could increase shareholder value.

*A “short squeeze” due to a sudden increase in demand for shares of our Class A common stock that largely exceeds supply and/or focused investor trading in anticipation of a potential short squeeze have led to, may be currently leading to, and could again lead to, extreme price volatility in shares of our Class A common stock and the price of the AMC Preferred Equity Units may also be subject to similar dynamics and volatility.*

Investors may purchase shares of our Class A common stock and our AMC Preferred Equity Units to hedge existing exposure or to speculate on the price of our Class A common stock and AMC Preferred Equity Units. Speculation on the price of our Class A common stock and AMC Preferred Equity Units may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our Class A common stock and/or AMC Preferred Equity Units available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our Class A common stock and/or AMC Preferred Equity Units for delivery to lenders of our Class A common stock and/or AMC Preferred Equity Units. Those repurchases may, in turn, dramatically increase the price of shares of our Class A common stock and/or our AMC Preferred Equity Units until additional shares of our Class A common stock and/or AMC Preferred Equity Units are available for trading or borrowing. This is often referred to as a “short squeeze.” A large proportion of our Class A common stock has been in the past and may be traded in the future by short sellers, which may increase the likelihood that our Class A common stock or AMC Preferred Equity Units will be the target of a short squeeze, and there is widespread speculation that the trading price of our Class A common stock is or has been from time to time the result of a short squeeze. A short squeeze and/or focused investor trading in anticipation of a short squeeze have led to, may be currently leading to, and could again lead to volatile price movements in shares of our Class A common stock and may have a similar impact on the price of the AMC Preferred Equity Units that may be unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our Class A common stock and/or AMC Preferred Equity Units necessary to cover their short positions, or if investors no longer believe a short squeeze is viable, the price of our Class A common stock and AMC Preferred Equity Units may rapidly decline. Investors that purchase shares of our Class A common stock or AMC Preferred Equity Units during a short squeeze may lose a significant portion of their investment. **Under the circumstances, we caution you against investing in our AMC Preferred Equity Units, unless you are prepared to incur the risk of losing all or a substantial portion of your investment.**

*The AMC Preferred Equity Units are listed under the ticker symbol “APE”. APEs is also the name by which some of our retail stockholders refer to themselves. There is no guarantee that these stockholders will continue to support AMC in the future, and negative sentiment among AMC’s retail stockholder base in the future could have a material adverse impact on the market prices of the Class A common stock and AMC Preferred Equity Units and your investment therein.*

Some of our retail investors have referred to themselves as “Apes” on social media and in other forums. Our “APE” ticker symbol, although an acronym for AMC Preferred Equity Unit, is also a reference to this

stockholder base who has in the past been perceived as having supported AMC. Self-proclaimed “Apes” are widely viewed as playing a significant role in the market dynamics that have resulted in substantial increases and volatility in the market prices of AMC’s Class A common stock and other so-called “meme” stocks. See “- The market prices and trading volume of our shares of Class A common stock and AMC Preferred Equity Units have experienced, and may continue to experience, extreme volatility, which could cause purchasers of our AMC Preferred Equity Units to incur substantial losses.” While AMC and its management have actively sought to foster positive relationships with its significant retail stockholder base as the owners of AMC, and while AMC’s retail stockholder base has been credited favorably with assisting AMC in raising significant capital in the past, there is no guarantee that AMC will be able to continue to benefit from support from its retail stockholder base in the future. If investor sentiment turns negative, including as a result of this at-the-market offering or this prospectus supplement, this could have a material adverse impact on the market price of our Class A common stock and AMC Preferred Equity Units.

***Information available in public media that is published by third parties, including blogs, articles, online forums, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate.***

We have received, and may continue to receive, a high degree of media coverage that is published or otherwise disseminated by third parties, including blogs, articles, online forums, message boards and social and other media. This includes coverage that is not attributable to statements made by our directors, officers or employees. You should read carefully, evaluate and rely only on the information contained in this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus or incorporated documents filed with the SEC in determining whether to purchase our shares of Class A common stock or AMC Preferred Equity Units. Information provided by third parties may not be reliable or accurate and could materially impact the trading price of our Class A common stock and our AMC Preferred Equity Units which could cause losses to your investments.

***Future offerings of debt, which would be senior to our AMC Preferred Equity Units upon liquidation, and/or other preferred equity securities, which may be senior to our AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our AMC Preferred Equity Units.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including convertible or non-convertible senior or subordinated notes, convertible or non-convertible preferred stock, medium-term notes and trust preferred securities. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings may receive distributions of our available assets prior to the holders of our AMC Preferred Equity Units. In addition, any additional preferred stock we may issue could have a preference on liquidating distributions or a preference on distribution payments senior to the Preferred Stock underlying the AMC Preferred Equity Units. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings potentially reducing the market price of our AMC Preferred Equity Units.

***The AMC Preferred Equity Units offered hereby will be sold in “at the market offerings”, and investors who buy units at different times will likely pay different prices.***

Investors who purchase AMC Preferred Equity Units in this offering at different times will likely pay different prices, and so may experience different outcomes in their investment results. We will have discretion, subject to market demand, to vary the timing, prices, and numbers of AMC Preferred Equity Units sold, if any, and there is no minimum or maximum sales price. Investors may experience a decline in the value of their AMC Preferred Equity Units as a result of sales made at prices lower than the prices they paid.

***The actual number of AMC Preferred Equity Units we will issue under the Distribution Agreement, at any one time or in total, is uncertain.***

Subject to certain limitations in the Distribution Agreement and compliance with applicable law, we have the discretion to deliver a sales notice to the sales agent at any time throughout the term of the

Distribution Agreement. The number of AMC Preferred Equity Units that are sold by the sales agent after delivering a sales notice will fluctuate based on the market price of the AMC Preferred Equity Units during the sales period and limits we set with the sales agent and therefore, it is not possible at this stage to predict the number of AMC Preferred Equity Units that will be ultimately issued.

***Stockholders may not approve the common stock amendment and the AMC Preferred Equity Units may never convert into Class A common stock.***

Unless the Company proposes, and stockholders approve an amendment to our amended and restated certificate of incorporation to increase the number of authorized shares of Class A common stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Class A common stock, the Preferred Stock and AMC Preferred Equity Units will remain outstanding and will not convert into shares of Class A common stock. The Company does not currently have a plan to make such a proposal, and it may be some time before any such proposal is made, although such determination may be made by the Company's board of directors at any time in the future at its sole discretion. If and when the board of directors proposes the common stock amendment, given the significant percentage of our Class A common stock and AMC Preferred Equity Units held by a very high number of retail stockholders, there is no guarantee that stockholders will approve the common stock amendment.

***Increases in market interest rates may cause potential investors to seek higher returns and therefore reduce demand for our AMC Preferred Equity Units, which could result in a decline in the market price of our AMC Preferred Equity Units.***

One of the factors that may influence the price of our AMC Preferred Equity Units is the return on our AMC Preferred Equity Units (i.e., the amount of distributions or price appreciation as a percentage of the price of our AMC Preferred Equity Units) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our AMC Preferred Equity Units to expect a return, which we may be unable or choose not to provide. Further, higher interest rates would likely increase our borrowing costs and potentially decrease the cash available for distribution. Thus, higher market interest rates could cause the market price of our AMC Preferred Equity Units to decline.

***Our management team may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a significant return.***

Our management will have broad discretion over the use of any proceeds from this offering. We intend to use the net proceeds, if any, from the sale of our AMC Preferred Equity Units pursuant to this offering primarily to repay, refinance, redeem or repurchase our existing indebtedness (including expenses, accrued interest and premium, if any) and otherwise for general corporate purposes. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or enhance the value of our AMC Preferred Equity Units.

**USE OF PROCEEDS**

The amount of proceeds from this offering will depend upon the number of AMC Preferred Equity Units sold, if any, and the market price at which they are sold. There can be no assurance that we will be able to sell any units under or fully utilize the Distribution Agreement as a source of financing. We intend to use the net proceeds, if any, from the sale of our AMC Preferred Equity Units offered by this prospectus supplement primarily to repay, refinance, redeem or repurchase our existing indebtedness (including expenses, accrued interest and premium, if any) and otherwise for general corporate purposes.



**DESCRIPTION OF AMC PREFERRED EQUITY UNITS****General**

Each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Preferred Stock and will be evidenced by a depositary receipt. The Company will deposit the underlying shares of the Preferred Stock with the Depositary (as defined below) pursuant to a Deposit Agreement among the Company, Computershare Inc. and Computershare Inc.'s wholly-owned subsidiary Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the "Depositary"), dated August 4, 2022 (the "Deposit Agreement"). Subject to the terms of the Deposit Agreement, the depositary shares will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock those depositary shares represent.

**Listing**

Our AMC Preferred Equity Units are listed on the NYSE under the symbol "APE". The underlying Preferred Stock will not be listed.

**Automatic Conversion**

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Class A common stock into which the Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company may seek to obtain the requisite stockholder approval, at such time or times as the board of directors in its sole discretion shall determine, of an amendment to its amended and restated certificate of incorporation to increase the number of authorized shares of Class A common stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Class A common stock, or to such higher number of authorized shares of Class A common stock (which may be issued for any purpose) as the Company's board of directors may determine in its sole discretion.

Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company's outstanding capital stock will be required for stockholder approval of the common stock amendment. The holders of the AMC Preferred Equity Units will be entitled to vote on the common stock amendment.

Upon the terms and in the manner described below under "Description of the Preferred Stock - Conversion Procedures," at 9:30 a.m., New York City time, on the first business day following the effectiveness of the common stock amendment, all of the issued and outstanding shares of Preferred Stock will automatically convert in full with no action on the part of holders into Class A common stock at the then-applicable conversion rate and the Preferred Stock will cease to exist.

Because each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of Preferred Stock, and upon conversion one (1) share of Preferred Stock is convertible into one-hundred (100) shares of Class A common stock, each AMC Preferred Equity Unit would represent an interest in one (1) share of Class A common stock upon conversion and such Class A common stock will be deliverable upon conversion in respect of each AMC Preferred Equity Unit, in each case subject to adjustments as described herein. After delivery of Class A common stock by the transfer agent to the Depositary following conversion of the Preferred Stock, the Depositary will transfer the proportional number of shares of Class A common stock to the holders of AMC Preferred Equity Units by book-entry transfer through DTC or, if such holders' interests are in certificated depositary receipts or held through the book-entry settlement system of the Depositary, by delivery of common stock certificates or book-entry transfer through the Depositary, as applicable, for such number of shares of Class A common stock. In the event that the holders of AMC Preferred Equity Units would be entitled to receive fractional shares of Class A common stock, the Depositary will pay such holders cash in lieu of such fractional shares, as described under "Description of the Preferred Stock - Fractional Shares" below.

**Dividends and Other Distributions**

Holders of AMC Preferred Equity Units will receive dividends only to the extent such dividends are declared on the Preferred Stock. Each dividend on an AMC Preferred Equity Unit will be in an amount

equal to the dividend on one share of Class A common stock, or one one-hundredth (1/100th) of any dividend declared on the related share of the Preferred Stock, subject to adjustment.

The Depositary will distribute all cash dividends and other cash distributions received on the Preferred Stock to the holders of record of the depositary receipts in proportion, as nearly as practicable, to the number of AMC Preferred Equity Units held by each holder. In the event of a distribution other than in cash, rights, preferences or privileges upon the Preferred Stock, the Depositary will, at the direction of the Company, distribute such amounts of securities or property received by it to the holders of record of the depositary receipts in proportion to the number of AMC Preferred Equity Units held by each holder, unless the Depositary determines that this distribution is not feasible, in which case the Depositary may, with the Company's approval, adopt a method of distribution that it deems practicable, including the sale of the property and distribution of the net proceeds of that sale to the holders of the depositary receipts.

Record dates for the payment of dividends and other matters relating to the AMC Preferred Equity Units will be the same as the corresponding record dates for the Preferred Stock.

The amount paid as dividends or otherwise distributable by the Depositary with respect to the AMC Preferred Equity Units or the underlying Preferred Stock will be reduced by any amounts required to be withheld by the Company or the Depositary on account of taxes or other governmental charges. The Depositary may refuse to make any payment or distribution, or any transfer, exchange, or withdrawal of any AMC Preferred Equity Units or the shares of the Preferred Stock until such taxes or other governmental charges are paid.

#### **Voting Rights**

Because each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Preferred Stock, and holders of the Preferred Stock will initially be entitled to one hundred (100) votes per share and will vote together with the holders of Class A common stock on an as-converted basis, each AMC Preferred Equity Unit represents the equivalent of one (1) vote under those circumstances in which holders of the Preferred Stock are entitled to a vote, as described under "Description of the Preferred Stock - Voting Rights" below.

When the Depositary receives notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the Depositary will, if requested in writing, as soon as practicable thereafter, mail or transmit a notice prepared by the Company which will contain (i) the information contained in the notice to the record holders of the AMC Preferred Equity Units relating to the Preferred Stock, (ii) a statement that such holders may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the shares of the Preferred Stock represented by their respective AMC Preferred Equity Units, and (iii) a brief statement as to the manner in which such instructions may be given. Each record holder of the AMC Preferred Equity Units on the record date, which will be the same date as the record date for the Preferred Stock, may instruct the Depositary to vote the amount of the Preferred Stock represented by the holder's AMC Preferred Equity Units. Insofar as practicable, the Depositary will vote the amount of the Preferred Stock represented by AMC Preferred Equity Units in accordance with the instructions it receives. The Company will agree to take all reasonable actions that the Depositary determines are necessary to enable the Depositary to vote as instructed. In the absence of specific instructions from holders of AMC Preferred Equity Units, the Depositary will vote the Preferred Stock represented by the AMC Preferred Equity Units evidenced by the receipts of such holders proportionately with votes cast pursuant to instructions received from the other holders of AMC Preferred Equity Units.

#### **Additional AMC Preferred Equity Units**

The Company without the consent of holders of AMC Preferred Equity Units may issue from time to time additional AMC Preferred Equity Units that will form part of the same series of security.

#### **Redemption**

The AMC Preferred Equity Units will not be redeemable or subject to any sinking fund or similar provision.

**Preemptive Rights**

The AMC Preferred Equity Units will not have any preemptive rights.

**Withdrawal**

Any holder of an AMC Preferred Equity Unit may withdraw the number of whole shares of the Preferred Stock and all money and other property, if any, represented thereby by surrendering the receipts evidencing the AMC Preferred Equity Units at the Depository's principal office or at such other offices as the Depository may designate. Only whole shares of Preferred Stock may be withdrawn. If the AMC Preferred Equity Units surrendered by the holder in connection with withdrawal exceed the number of AMC Preferred Equity Units that represent the number of whole shares of Preferred Stock to be withdrawn, the Depository will deliver to that holder at the same time a new depositary receipt evidencing the excess number of AMC Preferred Equity Units. Notwithstanding any fractional interests in Preferred Stock underlying the AMC Preferred Equity Units delivered to a holder, in no event will fractional shares of Preferred Stock (or any cash payment in lieu thereof) be delivered by the Depository upon a withdrawal of shares of Preferred Stock.

**Amendment and Termination of the Deposit Agreement**

The Company may amend the form of depositary receipt evidencing the AMC Preferred Equity Units and any provision of the Deposit Agreement at any time and from time to time by agreement with the Depository without the consent of the holders of depositary receipts. However, any amendment that will materially and adversely alter the rights of the holders of depositary receipts will not be effective unless the holders of a majority of the affected AMC Preferred Equity Units then outstanding approve the amendment. Every holder of an outstanding depositary receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such depositary receipts, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby.

The Company will make no amendment that impairs the right of any holder of AMC Preferred Equity Units to receive shares of the Preferred Stock and any money or other property represented by those AMC Preferred Equity Units, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency, or commission, or applicable securities exchange.

The Deposit Agreement may be terminated:

- if all outstanding AMC Preferred Equity Units issued under the Deposit Agreement have been cancelled, upon conversion of the Preferred Stock or otherwise;
- if there shall have been a final distribution made in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of depositary receipts representing AMC Preferred Equity Units pursuant to the terms of the Deposit agreement; or
- upon the consent of holders of depositary receipts representing in the aggregate not less than two-thirds of the AMC Preferred Equity Units outstanding.

**Resignation and Removal of Depository**

The Depository may resign at any time by delivering to the Company written notice of its election to do so at least forty-five (45) days prior to such resignation. The Company also may, at any time, remove the Depository by providing at least forty-five (45) days prior written notice. The Company will use its reasonable best efforts to appoint the successor depository within forty-five (45) days after delivery of the notice of resignation or removal. The successor depository must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50 million.

**Form and Notices**

The Preferred Stock will be issued in registered form to the Depository, and the AMC Preferred Equity Units will be issued in book-entry only form through DTC, as described under "Registration and

Settlement - Book Entry System” below. The Depositary will forward to the holders of AMC Preferred Equity Units all reports, notices, and communications from the Company that are delivered to the Depositary and that the Company is required to furnish to the holders of the Preferred Stock.

**Miscellaneous**

The descriptions of the terms of the Deposit Agreement and the AMC Preferred Equity Units set forth herein are qualified in their entirety by reference to the full text of the Deposit Agreement, which is included as Exhibit 4.1 to the Company’s registration statement on Form 8-A and are incorporated by reference herein.

## DESCRIPTION OF PREFERRED STOCK

### Effect of Stockholder Approval

If we obtain the requisite stockholder approval of the common stock amendment, then upon the terms and in the manner described below under “- Conversion Procedures,” at 9:30 a.m., New York City time, on the first business day following the effectiveness of the common stock amendment, all of the issued and outstanding shares of Preferred Stock will automatically convert in full with no action on the part of holders into Class A common stock at the then-applicable conversion rate and the Preferred Stock will cease to exist.

### Automatic Conversion of Preferred Stock

Upon the terms and in the manner described below under “- Conversion Procedures,” each issued and outstanding share of Preferred Stock will automatically convert in full into shares of Class A common stock at the then-applicable conversion rate, with no action on the part of holders, at 9:30 a.m., New York City time, on the first business day following the effectiveness of the common stock amendment (the “Conversion Date”). The initial conversion rate is one hundred (100) shares of Class A common stock for each share of Preferred Stock (or one (1) share of Class A common stock for each AMC Preferred Equity Unit). Such conversion rate is subject to adjustment as described below under “- Anti-Dilution Adjustments.” Cash will be paid in lieu of any fractional shares of Class A common stock that would be issued on conversion as described below under “- Fractional Shares.”

### General

The Preferred Stock will be a series (Series A) of the Company’s authorized preferred stock. The Depository will be the sole holder of shares of the Preferred Stock. The holders of AMC Preferred Equity Units will be required to exercise their proportional rights in the Preferred Stock through the Depository.

### Conversion Procedures

As promptly as practicable after the Conversion Date, the Company shall provide written notice of the conversion to each holder of Preferred Stock stating the Conversion Date and the number of shares of Class A common stock issued upon conversion of each share of Preferred Stock held of record by such holder and subject to conversion. Immediately upon conversion, the rights of the holder of Preferred Stock with respect to the shares of Preferred Stock so converted shall cease and the persons entitled to receive the shares of Class A common stock upon the conversion of such shares of Preferred Stock shall be treated for all purposes as having become the record and beneficial owners of such shares of Class A common stock. In the event that a holder of Preferred Stock shall not by written notice designate the name in which shares of Class A common stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Company shall be entitled to register and deliver such shares, and make such payment, in the name of such holder and in the manner shown on the records of the Company.

The Company shall not be required to reserve or keep available, out of its authorized but unissued shares of Class A common stock, or to have sufficient authorized shares of Class A common stock to cover, the number of shares of Class A common stock that would be required to effect the conversion of all of the then-outstanding shares of Preferred Stock prior to the approval of the common stock amendment.

All shares of Class A common stock which may be issued upon conversion of the shares of Preferred Stock will, upon issuance by the Company, be validly issued, fully paid and non-assessable.

Effective immediately prior to the Conversion Date, dividends shall no longer be declared on the shares of Preferred Stock and such shares of Preferred Stock shall cease to be outstanding, in each case, subject to the rights of holders of Preferred Stock to receive any declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled to as further described herein and in the Certificate of Designations.

**Fractional Shares**

No fractional shares of Class A common stock shall be issued upon conversion of shares of Preferred Stock. If more than one share of Preferred Stock shall be surrendered for conversion at any one time by the same holder of Preferred Stock, the number of full shares of Class A common stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Preferred Stock so surrendered. Instead of any fractional shares of Class A common stock which would otherwise be issuable upon conversion of any shares of Preferred Stock, the Company shall pay an amount in cash (rounded to the nearest cent) equal to the interest in the net proceeds from the sale in the open market by the applicable conversion agent of the aggregate fractional shares of Class A common stock that otherwise would have been issuable upon conversion of the Preferred Stock.

**Dividends**

Dividends on the Preferred Stock will not be mandatory. Holders of the Preferred Stock will be entitled to receive, when, as, and if declared by the Company's board of directors or any duly authorized committee of the Company's board of directors, but only out of assets legally available therefor, all cash dividends or distributions (including, but not limited to, regular quarterly dividends) declared and paid or made in respect of the shares of Common Stock, at the same time and on the same terms as holders of Class A common stock, in an amount per share of Preferred Stock equal to the product of (x) the then-applicable conversion rate then in effect and (y) any per share dividend or distribution, as applicable, declared and paid or made in respect of each share of Class A common stock (the "Common Equivalent Dividend Amount"), and (ii) the Board or any duly authorized committee thereof may not declare and pay any such cash dividend or make any such cash distribution in respect of Class A common stock unless the Board or any duly authorized committee of the Board declares and pays to the holders of Preferred Stock, at the same time and on the same terms as holders of Class A common stock, the Common Equivalent Dividend Amount per share of Preferred Stock. Notwithstanding any provision to the contrary in the Certificate of Designations with respect to dividends, the holders of Preferred Stock shall not be entitled to receive any cash dividend or distribution made with respect to the Class A common stock after the issuance of the Preferred Stock where the record date for determination of holders of Class A common stock entitled to receive such dividend or distribution occurs prior to the issuance of the Preferred Stock.

Each dividend or distribution declared and paid as described hereunder will be payable to holders of record of Preferred Stock as they appear in the records of the Company at the close of business on the same day as the record date for the corresponding dividend or distribution to the holders of shares of Class A common stock.

Except as set forth in the Certificate of Designations, the Company shall have no obligation to pay, and the holders of Preferred Stock shall have no right to receive, dividends at any time, including with respect to dividends with respect to Parity Securities (as defined herein) or any other class or series of authorized preferred stock of the Company. To the extent the Company declares dividends on the Preferred Stock and on any Parity Securities but does not make full payment of such declared dividends, the Company will allocate the dividend payments on a pro rata basis among the holders of the shares of Preferred Stock and the holders of any Parity Securities then outstanding. For purposes of calculating the allocation of partial dividend payments, the Company will allocate dividend payments on a pro rata basis among the holders of Preferred Stock and the holders of any Parity Securities so that the amount of dividends paid per share on the Preferred Stock and such Parity Securities shall in all cases bear to each other the same ratio that payable dividends per share on the shares of the Preferred Stock and such Parity Securities (but without, in the case of any noncumulative preferred stock, accumulation of dividends for prior dividend periods) bear to each other. The foregoing right shall not be cumulative and shall not in any way create any claim or right in favor of holders of Preferred Stock in the event that dividends have not been declared or paid in respect of any prior calendar quarter.

No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on Preferred Stock or on such Parity Securities that may be in arrears.

Holders of Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Preferred Stock as specified hereunder.

Notwithstanding any provision in the Certificate of Designations to the contrary, holders of Preferred Stock shall not be entitled to receive any dividends for any calendar quarter in which the Conversion Date occurs, except to the extent that any such dividends have been declared by the Company's board of directors or any duly authorized committee of the Company's board of directors and the record date for such dividend occurs prior to the Conversion Date.

A holder of an AMC Preferred Equity Unit, which is a depositary share in the Preferred Stock, will not be entitled to receive dividends on the Preferred Stock declared by the Company's board of directors unless such holder is a holder of record of the depositary share as of the close of business on the record date for such dividend.

#### **Voting Rights**

The holders of the Preferred Stock will vote together with the holders of the Class A common stock (and any other securities that vote together or that may in the future vote together with the holders of the Class A common stock) on all matters upon which the holders of Common Stock are entitled to vote, including the common stock amendment, except for those matters which under the Certificate of Incorporation or Delaware law would require the vote of the Preferred Stock or the Common Stock voting as a separate voting group. Holders of the Preferred Stock will be entitled to one hundred (100) votes per share (or one (1) vote per AMC Preferred Equity Unit), or such other number of votes per share equal to the number of shares of Common Stock into which a share of Preferred Stock (and AMC Preferred Equity Units) would convert at the then-applicable conversion rate, subject to adjustments as described herein. The Preferred Stock will not otherwise have voting rights except as specifically required by Delaware law.

Holders of Preferred Stock shall not be entitled to vote together with the Common Stock with respect to any matter at a meeting of the stockholders of the Company, which under applicable law or the Certificate of Incorporation requires a separate class vote.

#### **Ranking and Liquidation Rights**

With respect to any dividends or distributions (including, but not limited to, regular quarterly dividends) declared by the Company's board of directors, the Preferred Stock shall rank (i) senior to any class or series of capital stock of the Company hereafter created specifically ranking by its terms junior to any Preferred Stock ("Junior Securities"); (ii) on parity with the Class A common stock and any class or series of capital stock of the Company created specifically ranking by its terms on parity with the Preferred Stock ("Parity Securities"); and (iii) junior to any class or series of capital stock of the Company hereafter created specifically ranking by its terms senior to any Preferred Stock ("Senior Securities"). With respect to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily, except as set forth in (b) below, the Preferred Stock shall rank (i) senior to all of the Class A common stock; (ii) senior to any class or series of Junior Securities; (iii) on parity with any class or series of Parity Securities; and (iv) junior to any class or series of Senior Securities.

Subject to any superior liquidation rights of the holders of any Senior Securities of the Company and the rights of the Company's existing and future creditors, upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, each holder of the Preferred Stock shall be entitled to be paid out of the assets of the Company legally available for distribution to stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Class A common stock and Junior Securities and *pari passu* with any distribution to the holders of Parity Securities: (i) an amount equal to the sum of the Liquidation Preference for each share of Preferred Stock held by such holder and an amount equal to any dividends declared but unpaid thereon plus (ii) the amount the holders of Preferred Stock would have received if, immediately prior to such voluntary or involuntary liquidation, dissolution or winding up of the Company, the Preferred Stock had converted into Class A common stock (based on the then-applicable conversion rate and without giving effect to any limitations on conversion set forth herein) and if such amount exceeds the amount set forth in (i) above, minus the amount set forth in (i) above, which shall be paid out *pari passu* with any distribution to holders of the Class A common stock and Parity Securities. Holders shall not be entitled to any further payments in the event of any such voluntary

or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in the Certification of Designations and will have no right or claim to any of the Company's remaining assets.

The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) or all or substantially all of the property and assets of the Company shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, nor shall the merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person or the merger, consolidation or any other business combination of any other corporation or person into or with the Company be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company.

#### **Anti-Dilution Adjustments**

Initially, each share of Preferred Stock will convert into Class A common stock at a rate of one hundred (100) shares of Class A common stock for each share of Preferred Stock (or one (1) share of Class A common stock for one (1) AMC Preferred Equity Unit), subject to adjustment as set forth herein.

If the Company issues solely shares of Common Stock as a dividend or distribution on all or substantially all shares of the Common Stock, or if the Company effects a stock split, stock combination or other similar recapitalization of the Common Stock (in each case excluding an issuance solely pursuant to a reorganization event), then the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where:

- $CR_0$  = the conversion rate in effect immediately before the close of business on the record date or effective date, as applicable, for such dividend, distribution, stock split, stock combination or other similar recapitalization, as applicable;
- $CR_1$  = the conversion rate in effect immediately after the close of business on such record date or effective date, as applicable of such dividend, distribution, stock split, stock combination or other similar recapitalization event;
- $OS_0$  = the number of shares of Class A common stock outstanding immediately prior to such dividend, distribution, stock split, stock combination or other similar recapitalization; and
- $OS_1$  = the number of shares of Class A common stock outstanding immediately after giving effect to such dividend, distribution, stock split, stock combination or other similar recapitalization.

If any distribution, dividend, stock split, stock combination or other similar recapitalization of the Class A common stock is declared or announced, but not so paid or made, then the conversion rate will be readjusted, effective as of the date the Company's board of directors, or any officer acting pursuant to authority conferred by the Company's board of directors, determines not to pay such distribution or dividend or to effect such stock split, stock combination or other similar recapitalization, to the conversion rate that would then be in effect had such dividend, distribution, stock split, stock combination or similar recapitalization not been declared or announced.

#### **Adjustments**

In the event of:

- the consolidation, merger or conversion of the Company with or into another person in each case pursuant to which the Class A common stock will be converted into cash, securities, or other property of the Company or another person;
- any sale, transfer, lease, or conveyance to another person of all or substantially all of the consolidated assets of the Company and its subsidiaries, taken as a whole, in each case pursuant to which Class A common stock will be converted into cash, securities, or other property; or



- any reclassification of Class A common stock into securities other than Class A common stock,

each of which is referred to as a “reorganization event,” each share of the Preferred Stock outstanding immediately prior to such reorganization event will, without the consent of the holders of the Preferred Stock, automatically convert into the kind of securities, cash, and other property receivable in such reorganization event by a holder of the shares of Class A common stock into which such share of Preferred Stock was convertible immediately prior to such reorganization event in exchange for such shares of Class A common stock. In the event that holders of the shares of Class A common stock have the opportunity to elect the form of consideration to be received in such reorganization event, the consideration that the holders of the Preferred Stock are entitled to receive will be deemed to be the weighted average of the types and amounts of consideration actually received, per share of Class A common stock, by the holders of the Company’s Class A common stock, unless holders of Preferred Stock have the opportunity to elect the form of consideration to be received in such reorganization event.

The Company (or any successor) shall, within 20 days of the occurrence of any reorganization event, provide written notice to the holders of Preferred Stock of such occurrence of such event and of the type and amount of the cash, securities or other property that such holders are entitled to.

Other than with respect to an adjustment as described herein, if at any time prior to the Conversion Date, the Company issues to all holders of the Class A common stock shares of securities or assets of the Company (other than shares of Class A common stock or cash) as a dividend on the Class A common stock, or the Company issues to all holders of the Class A common stock certain rights or warrants entitling them for a period of 60 days or less to purchase shares of Class A common stock at less than the current market value of the Class A common stock at that time, or the Company purchases shares of Class A common stock pursuant to a tender offer or exchange offer generally available to holders of Class A common stock (subject to customary securities laws limitations) at above the current market value of the Class A common stock at that time, and in each such case the record date with respect to such event (or the date such event is effective, as the case may be) occurs on or after the date of issuance of the Preferred Stock and prior to the Conversion Date (each, an “Adjustment Event”), then the Company will make such provision (i) to extend such tender offer or exchange offer on equivalent terms to holders of Preferred Stock or (ii) as is necessary so that the holder of Preferred Stock receives (upon cancellation of such shares of Preferred Stock in the event of a tender offer or exchange offer) the same dividend or other asset or property, if any, as it would have received in connection with such Adjustment Event if it had been the holder on the record date (or the date such event is effective, as the case may be) of the number of shares of Class A common stock into which the shares of Preferred Stock held by such holder are then convertible, or, to the extent that it is not reasonably practicable for the Company to make such provision, the then-applicable conversion rate or other terms of the Preferred Stock shall be adjusted to provide such holder with an economic benefit comparable to that which it would have received had such provision been made. The foregoing shall not apply to the extent that any holder of Preferred Stock participates, or is permitted to participate, on a pro rata as-converted basis with the holders of Class A common stock. Amounts resulting from any calculation as described under “- Anti-Dilution Adjustments” or this “- Conversion Procedures” will be rounded to the nearest 1/10,000th.

#### **Redemption**

The Preferred Stock will not be redeemable or subject to any sinking fund or similar provision.

#### **Preemptive Rights**

The Preferred Stock will not have any preemptive rights.

#### **Anti-Takeover Effects of Certain Provisions of the Certificate of Incorporation, the Bylaws, and Delaware Law**

Certain provisions of our amended and restated certificate of incorporation and our Third Amended and Restated Bylaws (the “Bylaws”) may be considered to have an anti-takeover effect and may delay or prevent a tender offer or other corporate transaction that a stockholder might consider to be in its best interest, including those transactions that might result in payment of a premium over the market price for our

shares. These provisions are designed to discourage certain types of transactions that may involve an actual or threatened change of control of the Company without prior approval of the Company's board of directors. These provisions are meant to encourage persons interested in acquiring control of the Company to first consult with the Company's board of directors to negotiate terms of a potential business combination or offer. For example, our amended and restated certificate of incorporation and Bylaws:

- provide for a classified board of directors, pursuant to which the Company's board of directors is divided into three classes whose members serve three-year staggered terms;
- provide that the size of the Company's board of directors will be set by members of the board of directors, and any vacancy on the board of directors, including a vacancy resulting from an enlargement of the board of directors, may be filled only by vote of a majority of the directors then in office;
- do not permit stockholders to take action by written consent;
- provide that, except as otherwise required by law, special meetings of stockholders can only be called by the Company's board of directors;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to the Company's board of directors;
- limit consideration by stockholders at annual meetings to only those proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Company's board of directors or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting;
- authorize the issuance of "blank check" preferred stock that could be issued by the Company's board of directors to increase the number of outstanding shares or establish a stockholders rights plan making a takeover more difficult and expensive; and
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates.

The amended and restated certificate of incorporation expressly states that the Company has elected not to be governed by Section 203 of the Delaware General Corporate Law, which prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time the stockholder became an interested stockholder, subject to certain exceptions, including if, prior to such time, the board of such corporation approved the business combination or the transaction which resulted in the stockholder becoming an interested stockholder. "Business combinations" include mergers, asset sales and other transactions resulting in a financial benefit to the "interested stockholder." Subject to various exceptions, an "interested stockholder" is a person who, together with his or her affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These restrictions generally prohibit or delay the accomplishment of mergers or other takeover or change-in-control attempts that are not approved by a company's board. Although the Company has elected to opt out of the statute's provisions, the Company could elect to be subject to Section 203 in the future.

#### **Common Stock Rights**

For a description of the rights of holders of Class A common stock to be delivered upon conversion of the Preferred Stock, see "Description of Capital Stock" included in the "Description of the registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934" filed as Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

#### **Miscellaneous**

The Company shall not be required to reserve or keep available, out of the authorized but unissued Class A common stock, or have sufficient authorized Class A common stock to cover, the shares of Class A common stock issuable upon the conversion of the Preferred Stock prior to the applicable conversion

date. Any shares of the Preferred Stock converted into shares of Class A common stock or otherwise reacquired by the Company shall resume the status of authorized and unissued preferred shares, undesignated as to series, and shall be available for subsequent issuance.

The descriptions of the terms of the Preferred Stock set forth herein are qualified in their entirety by reference to the full text of the Certificate of Designations, which is included as Exhibit 3.4 to this Registration Statement on Form 8-A and are incorporated by reference herein.

#### **Additional Shares of Preferred Stock and Classes or Series of Stock**

Notwithstanding anything to the contrary set forth in our amended and restated certificate of incorporation or the Certificate of Designations, the Company's board of directors or any authorized committee of the board of directors, without the vote of the holders of Preferred Stock (including the holders of the related AMC Preferred Equity Units), may increase or decrease the number of authorized shares of Preferred Stock or other stock ranking junior or senior to, or on parity with, the Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

#### **Registration and Settlement**

##### **Book-Entry System**

The Preferred Stock will be issued in book-entry only form to Computershare Trust Company, N.A., as depository and sole holder of the Preferred Stock. Individual Preferred Stock certificates will not be issued to each holder of Preferred Stock.

Owners of beneficial interests in the AMC Preferred Equity Units will hold their AMC Preferred Equity Units through the book-entry settlement system of DTC, and if requested by the Company or DTC, such AMC Preferred Equity Units may be represented by a global depository receipt, deposited with and held in the name of DTC, or its nominee. The AMC Preferred Equity Units of record holders will be deposited with and held in an account at Computershare Trust Company, N.A. In order to own a beneficial interest in the AMC Preferred Equity Units, a holder must be an organization that participates in DTC or have an account with an organization that so participates, including Euroclear Bank, SA/NV, as operator of the Euroclear System, and Clearstream Banking, société anonyme, Luxembourg.

Owners of beneficial interests in AMC Preferred Equity Units held through DTC, or its nominee, if applicable, will not be entitled to have AMC Preferred Equity Units registered in their names, nor will such owners receive or be entitled to receive physical delivery of the AMC Preferred Equity Units in definitive form, or be considered the owners or holders of AMC Preferred Equity Units under the Deposit Agreement including for purposes of receiving any reports or notices delivered by the Company unless DTC ceases to make its book-entry settlement system available as described below. Accordingly, each person owning a beneficial interest in such AMC Preferred Equity Units, must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its beneficial interest, in order to exercise or sell any rights of a holder of AMC Preferred Equity Units.

If DTC ceases to make its book-entry settlement system available, the Company will instruct the Depository to make other arrangements for book-entry settlement. If the AMC Preferred Equity Units are not eligible for book-entry form, the Depository shall provide AMC Preferred Equity Units in certificated form registered in the names of the beneficial owners. Once AMC Preferred Equity Units in certificated form are issued, the underlying Preferred Stock may be withdrawn from the depository arrangement upon surrender of AMC Preferred Equity Units at the corporate trust office of the Depository and upon payment of the taxes, charges, and fees provided for in the Deposit Agreement. Subject to the Deposit Agreement, the holders of such AMC Preferred Equity Units will receive the appropriate number of shares of Preferred Stock and any money or property represented by the AMC Preferred Equity Units.

Only whole shares of the Preferred Stock may be withdrawn. If a holder holds an amount other than a whole multiple of one-hundred (100) AMC Preferred Equity Units, the Depository will deliver, along with the withdrawn shares of the Preferred Stock, a new depository receipt evidencing the excess number of AMC

Preferred Equity Units. Holders of withdrawn shares of the Preferred Stock will not be entitled to redeposit those shares or to receive a new depositary receipt evidencing AMC Preferred Equity Units therefor.

**Same Day Settlement**

As long as the AMC Preferred Equity Units are held through DTC, or its nominee, if applicable, the AMC Preferred Equity Units will trade in the DTC Same-Day Funds Settlement System. DTC requires secondary market trading activity in the AMC Preferred Equity Units to settle in immediately available funds. This requirement may affect trading activity in the AMC Preferred Equity Units.

**Payment of Dividends**

The Company will pay dividends, if any, on the Preferred Stock represented by AMC Preferred Equity Units in book-entry form to the Depositary. In turn, the Depositary will deliver the dividends to record holders, including DTC, or its nominee, in accordance with the arrangements then in place between the Depositary and DTC. Generally, DTC will be responsible for crediting the dividend payments it receives from the depositary to the accounts of DTC participants, and each participant will be responsible for disbursing the dividend payment for which it is credited to the holders that it represents. As long as the AMC Preferred Equity Units, are held through DTC, or its nominee, if applicable, the Company will make all dividend payments in immediately available funds. Computershare will pay record holders directly.

In the event the AMC Preferred Equity Units are issued in certificated form, dividends generally will be paid by check mailed to the holders on the applicable record date at the address appearing on the security register.

**Notices**

Any notices required to be delivered to a holder of AMC Preferred Equity Units will be delivered by the Company to the Depositary, and the Depositary will, upon the Company's written instruction, transmit such notice to record holders. Notices to holders of AMC Preferred Equity Units held through DTC, or its nominee, if applicable, will be given by the Depositary to DTC for communication to its participants.

If the Preferred Stock are issued as individual Preferred Stock certificates or the depositary receipts are issued in certificated form, notices to each holder will be given, as applicable, by mail to the addresses of the respective holders as they appear on the security register.

### MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences of (i) the purchase, ownership and disposition of AMC Preferred Equity Units and (ii) the acquisition, ownership and disposition of shares of our Class A common stock received upon conversion of AMC Preferred Equity Units. This discussion does not provide a complete analysis of all potential U.S. federal income tax considerations relating thereto. This description is based on the Code and existing and proposed U.S. Treasury regulations promulgated thereunder, administrative pronouncements, judicial decisions, and interpretations of the foregoing, all as of the date hereof and all of which are subject to change, possibly with retroactive effect.

This discussion addresses only AMC Preferred Equity Units and shares of our Class A common stock held as capital assets within the meaning of Section 1221 of the Code (generally for investment).

Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to you in light of your particular circumstances, including the alternative minimum tax, the Medicare tax on certain investment income or any state, local or foreign tax laws or any U.S. federal tax laws other than U.S. federal income tax laws, nor does it discuss special tax provisions, which may apply to you if you are subject to special treatment under U.S. federal income tax laws, such as for:

- certain financial institutions or financial services entities,
- insurance companies,
- tax-exempt entities,
- tax-qualified retirement plans,
- “qualified foreign pension funds” (and entities all of the interests of which are held by qualified foreign pension funds),
- dealers in securities or currencies,
- entities that are treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and partners or beneficial owners therein),
- foreign branches,
- “controlled foreign corporations,”
- “passive foreign investment companies,”
- former U.S. citizens or long-term residents,
- corporations that accumulate earnings to avoid U.S. federal income tax,
- regulated investment companies,
- real estate investment trusts,
- persons deemed to sell Class A common stock or AMC Preferred Equity Units under the constructive sale provisions of the Code, and
- persons that hold Class A common stock or AMC Preferred Equity Units as part of a straddle, hedge, conversion transaction, or other integrated investment.

You are urged to consult your own tax advisor concerning the U.S. federal income tax consequences of purchasing, owning and disposing of our Class A common stock or AMC Preferred Equity Units, as well as the application of any state, local, foreign income and other tax laws and tax treaties.

As used in this section, a “U.S. holder” is a beneficial owner of our Class A common stock or AMC Preferred Equity Units that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

The term “non-U.S. holder” means a beneficial owner of AMC Preferred Equity Units or our Class A common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

If a partnership or other entity or arrangement treated as a pass-through entity for U.S. federal income tax purposes is a beneficial owner of AMC Preferred Equity Units or our Class A common stock, the tax treatment of a partner in the partnership or an owner of the other pass-through entity or arrangement generally will depend upon the status of the partner or owner and the activities of the partnership or other pass-through entity or arrangement. Any partnership, partner in such a partnership or owner of another pass-through entity or arrangement holding AMC Preferred Equity Units or shares of our Class A common stock should consult its own tax advisor as to the particular U.S. federal income tax consequences applicable to it.

**INVESTORS CONSIDERING THE PURCHASE OF AMC PREFERRED EQUITY UNITS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF OTHER FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND APPLICABLE TAX TREATIES.**

#### **U.S. Holders**

##### *Distributions on Class A Common Stock and AMC Preferred Equity Units*

In general, distributions of cash or property with respect to Class A common stock or AMC Preferred Equity Units, as applicable (other than certain pro rata distributions of our stock), will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital to the extent of a U.S. holder’s adjusted tax basis in its shares of Class A common stock or AMC Preferred Equity Units and will reduce (but not below zero) such U.S. holder’s adjusted tax basis in its shares of Class A common stock or AMC Preferred Equity Units. Any remaining excess will be treated as gain from a disposition of shares of our Class A common stock or AMC Preferred Equity Units subject to the tax treatment described below in “- Sales or Other Dispositions of Shares of Class A Common Stock or AMC Preferred Equity Units.”

Non-corporate U.S. holders will generally be eligible for reduced rates of taxation on any dividend paid out of current or accumulated earnings and profits, provided that certain holding period and other requirements are satisfied. Corporate U.S. holders will generally be eligible for a 50% dividends received deduction on any dividend paid out of current or accumulated earnings and profits, provided that certain holding period and other requirements are satisfied.

The foregoing discussion is subject to the discussion below under “- Backup Withholding and Information Reporting”.

U.S. holders are urged to consult their own tax advisors regarding the availability of the reduced dividend tax rate or the dividends-received deduction in light of their particular circumstances.

##### *Conversion of AMC Preferred Equity Units into Class A Common Stock*

A U.S. holder generally will not recognize gain or loss upon the conversion of the AMC Preferred Equity Units into Class A common stock, except that such U.S. holder’s receipt of cash (if any) in respect of a fractional share of Class A common stock will be treated as a sale or disposition of such fractional

common share, as described below under “Sales or Other Dispositions of Class A Common Stock or AMC Preferred Equity Units.” A U.S. holder’s basis in shares of Class A common stock received upon conversion of AMC Preferred Equity Units will generally equal the basis of the converted AMC Preferred Equity Units and the holding period of such shares of Class A common stock will include the holding period of the converted AMC Preferred Equity Units.

*Sales or Other Dispositions of Class A Common Stock or AMC Preferred Equity Units*

A U.S. holder will generally recognize gain or loss on the sale, exchange, or other taxable disposition of its shares of Class A common stock or AMC Preferred Equity Units equal to the difference between the amount realized and such U.S. holder’s adjusted tax basis in such shares. This gain or loss generally will be capital gain or loss and the capital gain or loss will be long-term capital gain or loss if, at the time of the disposition, a U.S. holder has held the shares for more than one year. Long-term capital gains of non-corporate U.S. holders are subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

*Backup Withholding and Information Reporting*

Any distributions that are paid to a U.S. holder must be reported annually to the IRS and to the U.S. holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. Dividends paid on our Class A common stock or AMC Preferred Equity Units and the gross proceeds from a taxable disposition of our Class A common stock or AMC Preferred Equity Units may be subject to U.S. federal backup withholding if a U.S. holder fails to provide a correct taxpayer identification number or otherwise comply with the applicable requirements of the backup withholding rules and such U.S. holder does not otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules should be refunded by the IRS or credited against the U.S. holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

**Non-U.S. Holders**

*Distributions on Class A Common Stock and AMC Preferred Equity Units*

If we pay distributions on shares of our Class A common stock or AMC Preferred Equity Units, such distributions should constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits should constitute a return of capital that is applied against and reduces, but not below zero, a non-U.S. holder’s adjusted tax basis in shares of our Class A common stock or AMC Preferred Equity Units. Any remaining excess should be treated as gain realized on the sale or other disposition of our Class A common stock or AMC Preferred Equity Units. See “Sales or Other Dispositions of Class A Common Stock and AMC Preferred Equity Units.”

Subject to the discussion below regarding effectively connected income, any dividend paid to a non-U.S. holder on our Class A common stock or AMC Preferred Equity Units should generally be subject to U.S. federal withholding tax at a 30% rate. The withholding tax might not apply, however, or might apply at a reduced rate, under the terms of an applicable income tax treaty. You are urged to consult your own tax advisor regarding your entitlement to benefits under a relevant income tax treaty. Generally, in order for us or our paying agent to withhold tax at a lower treaty rate, a non-U.S. holder must certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification requirement by providing a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form or documentation), as applicable, to us or our paying agent. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the holder’s behalf, the holder should be required to provide appropriate documentation to the agent. Even if our current or accumulated earnings or profits are less than the amount of the distribution, the applicable withholding agent may elect to treat the entire distribution as a dividend for U.S. federal withholding tax purposes. A non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dividends received by a non-U.S. holder that are effectively connected with a U.S. trade or business conducted by the non-U.S. holder and, if required by an applicable income tax treaty, are attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States, are generally not subject to such withholding tax. To obtain this exemption, a non-U.S. holder must provide us or the paying agent with a valid IRS Form W-8ECI properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax (provided certain certification and disclosure requirements are satisfied), are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition to the graduated tax described above, such effectively connected dividends received by corporate non-U.S. holders may also be subject to a branch profits tax at a rate of 30%, as adjusted for certain items, or such lower rate as may be specified by an applicable income tax treaty.

#### *Conversion of AMC Preferred Equity Units into Class A Common Stock*

A non-U.S. holder generally will not recognize gain or loss upon the conversion of AMC Preferred Equity Units into Class A common stock, except that such non-U.S. holder's receipt of cash (if any) in respect of a fractional share of Class A common stock will be treated as a sale or disposition of such fractional common share, as described below under "Sales or Other Dispositions of Shares of Class A Common Stock and AMC Preferred Equity Units."

A non-U.S. holder's basis in shares of Class A common stock received upon conversion of AMC Preferred Equity Units will generally equal the basis of the converted AMC Preferred Equity Units and the holding period of such shares of Class A common stock will include the holding period of the converted AMC Preferred Equity Units.

#### *Sales or Other Dispositions of Class A Common Stock and AMC Preferred Equity Units*

Subject to the discussion below on backup withholding and other withholding taxes, gain realized by a non-U.S. holder on a sale, exchange or other disposition of our Class A common stock or AMC Preferred Equity Units generally should not be subject to U.S. federal income or withholding tax, unless:

- the gain (i) is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business and (ii) if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States (in which case the special rules described below apply);
- the non-U.S. holder is an individual who is present in the United States for 183 or more days in the taxable year of such disposition and certain other conditions are met (in which case the gain would be subject to a flat 30% tax, or such reduced rate as may be specified by an applicable income tax treaty, which may be offset by certain U.S. source capital losses, provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses); or
- we are, or become, a "United States real property holding corporation" (a "USRPHC"), for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of our Class A common stock or AMC Preferred Equity Units and the non-U.S. holder's holding period for our Class A common stock or AMC Preferred Equity Units.

Generally, a corporation is a USRPHC if the fair market value of its "United States real property interests" equals 50% or more of the sum of the fair market value of (a) its worldwide real property interests and (b) its other assets used or held for use in a trade or business. The tax relating to dispositions of stock in a USRPHC does not apply to a non-U.S. holder whose holdings, actual and constructive, amount to 5% or less of our Class A common stock and AMC Preferred Equity Units at all times during the applicable period, provided that our Class A common stock and AMC Preferred Equity Units are regularly traded on an established securities market. No assurance can be provided that our Class A common stock and AMC Preferred Equity Units will be regularly traded on an established securities market at all times for purposes of the rules described above. Although there can be no assurances in this regard, we believe we have not been and are not currently a USRPHC, and do not anticipate being a USRPHC in the future. You are urged to consult your own tax advisor about the consequences that could result if we are, or become, a USRPHC.



If any gain from the sale, exchange or other disposition of our Class A common stock or AMC Preferred Equity Units, (1) is effectively connected with a U.S. trade or business conducted by a non-U.S. holder and (2) if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individuals, a fixed base) maintained by such non-U.S. holder in the United States, then the gain generally should be subject to U.S. federal income tax at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If the non-U.S. holder is a corporation, under certain circumstances, that portion of its earnings and profits that is effectively connected with its U.S. trade or business, subject to certain adjustments, generally would also be subject to a “branch profits tax.” The branch profits tax rate is generally 30%, although an applicable income tax treaty might provide for a lower rate.

#### *Backup Withholding and Information Reporting*

Any distributions that are paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. Copies of these information returns also may be made available to the tax authorities of the country in which the non-U.S. holder resides under the provisions of various treaties or agreements for the exchange of information. Dividends paid on our Class A common stock or AMC Preferred Equity Units and the gross proceeds from a taxable disposition of our Class A common stock or AMC Preferred Equity Units may be subject to additional information reporting and may also be subject to U.S. federal backup withholding if such non-U.S. holder fails to comply with applicable U.S. information reporting and certification requirements. Provision of an IRS Form W-8 appropriate to the non-U.S. holder’s circumstances should generally satisfy the certification requirements necessary to avoid the additional information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules should be refunded by the IRS or credited against the non-U.S. holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

#### *Other Withholding Taxes*

Provisions commonly referred to as “FATCA” impose withholding (separate and apart from, but without duplication of, the withholding tax described above) at a rate of 30% on payments of U.S.-source dividends (including our dividends) paid to “foreign financial institutions” (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. Withholding imposed by FATCA may also apply to gross proceeds from the sale or other disposition of domestic corporate stock (including our Class A common stock or AMC Preferred Equity Units); although, under proposed U.S. Treasury regulations published on December 18, 2018, no withholding would apply to such gross proceeds. The preamble to the proposed regulations specifies that taxpayers (including withholding agents) are permitted to rely on the proposed regulations pending finalization. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our Class A common stock or AMC Preferred Equity Units are held should affect the determination of whether such withholding is required. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally should be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return containing the required information (which may entail significant administrative burden). Non-U.S. holders are urged to consult their own tax advisors regarding the potential application of these withholding provisions.

**THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR CLASS A COMMON STOCK OR AMC PREFERRED EQUITY UNITS, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS AND TREATIES.**

### PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., as our sales agent, under which we may offer and sell from time to time up to 425,000,000 AMC Preferred Equity Units. The sales agent may act as agent on our behalf or purchase AMC Preferred Equity Units as principal. If we sell AMC Preferred Equity Units to a sales agent as principal, we will enter into a separate terms agreement with that sales agent and we will describe the terms of the offering of those shares in a separate prospectus supplement or pricing supplement.

Sales, if any, of our AMC Preferred Equity Units under the Distribution Agreement may be made in ordinary brokers' transactions, to or through a market maker, on or through the NYSE or any other market venue where the securities may be traded, in the over-the-counter market, in privately negotiated transactions, in block trades, in transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act or through a combination of any such methods of sale. The sales agents may also sell our shares of Class A common stock by any other method permitted by law.

The securities may be sold at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Each time we wish to issue and sell AMC Preferred Equity Units under the Distribution Agreement, we will notify a sales agent of the maximum number of shares to be issued, the dates on which such sales are anticipated to be made, any minimum price below which sales may not be made and other sales parameters as we deem appropriate. Once we have so instructed such sales agent, unless the sales agent declines to accept the terms of the notice, the sales agent has agreed to use its reasonable efforts consistent with its normal trading and sales practices to sell such AMC Preferred Equity Units up to the amount specified on such terms. The obligations of the sales agent under the Distribution Agreement to sell our AMC Preferred Equity Units is subject to a number of conditions that we must meet. We may instruct the sales agents not to sell any AMC Preferred Equity Units if the sales cannot be effected at or above the price designated by us in any such instruction. We or any sales agent, with respect to itself only, may suspend the offering of our AMC Preferred Equity Units by notifying the other party.

The sales agent will provide to us written confirmation following the close of trading on the NYSE each day on which AMC Preferred Equity Units are sold under the Distribution Agreement. Each confirmation will include the number of AMC Preferred Equity Units sold on such day, the aggregate gross sales proceeds, the net proceeds to the Company, and the compensation payable by us to such sales agent with respect to such sales. We will report at least quarterly the number of AMC Preferred Equity Units sold through the sales agents under the Distribution Agreement, the net proceeds to us (before expenses) and the compensation paid by us to the sales agents in connection with the sales of the AMC Preferred Equity Units.

We will pay the sales agent compensation of 2.5% of the gross sales price per AMC Preferred Equity Unit sold through the sales agent under the Distribution Agreement up to \$250,000,000 of gross sales proceeds and 1.5% of the gross sales price per AMC Preferred Equity Unit sold through the sales agent as our agent under the Distribution Agreement of an additional \$250,000,000 of gross sales proceeds and thereafter at a rate mutually agreed by us and the sales agent. At the sales agent's election, such compensation shall either be (A) set forth and invoiced in periodic statements from such sales agent to the Company, with payment to be made by the Company promptly after its receipt thereof or (B) deducted by the sales agent from the payment of the gross sales proceeds to the Company. We have also agreed to reimburse the sales agent for certain of its expenses and disbursements of their its counsel in an amount not to exceed \$175,000, in addition to \$20,000 per quarter thereafter for any quarter in which AMC Preferred Equity Units are sold under the Distribution Agreement. The foregoing rate of compensation shall not apply when a sales agent acts as principal.

Settlement of any sales of our AMC Preferred Equity Units will occur on the second business day following the date on which such sales were made. Settlement for AMC Preferred Equity Units sold as contemplated in this prospectus supplement will be effected by free delivery through the facilities of The Depository Trust Company or to such sales agent's account in return for payments in same day funds delivered to the account designated by us. If we or our transfer agent (if applicable) shall default on our

obligation to deliver the AMC Preferred Equity Units on any settlement date, we shall (A) indemnify and hold each applicable sales agents harmless against any loss, claim or damage arising from or as a result of such default and (B) pay the applicable sales agent any commission to which it would otherwise be entitled absent such default.

The offering of our AMC Preferred Equity Units pursuant to the Distribution Agreement will terminate upon the earlier of (i) the sale of all of our AMC Preferred Equity Units subject to the Distribution Agreement or (ii) termination of the Distribution Agreement by us or by the sales agents as provided therein.

In connection with the sale of the AMC Preferred Equity Units on our behalf, each of the sales agents will be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation paid to each of the sales agents will be deemed to be underwriting commissions or discounts.

We have agreed to provide indemnification and contribution to the several sales agents against certain liabilities, including civil liabilities under the Securities Act.

If we or any of the managers have reason to believe that our Class A common stock is no longer an “actively-traded security” as defined under Rule 101(c)(1) of Regulation M under the Exchange Act, that party will promptly notify the others and sales of our AMC Preferred Equity Units pursuant to the Distribution Agreement or any terms agreement will be suspended until Rule 101(c)(1) or another exemptive provision has been satisfied in the judgement of each party.

The sales agents and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the sales agents and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the sales agents and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The sales agents and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

#### LEGAL MATTERS

The validity of the AMC Preferred Equity Units being offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters in connection with the offering of AMC Preferred Equity Units will be passed upon for the sales agents by Latham & Watkins LLP.

#### EXPERTS

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries appearing in AMC Entertainment Holdings, Inc. and subsidiaries' [Annual Report \(Form 10-K\) for the year ended December 31, 2021](#), and the effectiveness of AMC Entertainment Holdings, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021 have been audited by Ernst & Young, LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon such reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the Securities and Exchange Commission) given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries for the year ended December 31, 2019 have been incorporated by reference herein, in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. AMC Entertainment Holdings, Inc. has agreed to indemnify and hold KPMG LLP harmless against and from any and all legal costs and expenses incurred by KPMG LLP in successful defense of any legal action or proceeding that arises as a result of KPMG LLP's consent to the incorporation by reference of its audit report on the Company's past financial statements incorporated by reference in this registration statement.

PROSPECTUS

**AMC Entertainment Holdings, Inc.**

**Common Stock**

**Preferred Stock**

**Subscription Rights**

**Depository Shares**

**Warrants**

**Units**

We may offer and sell, from time to time in one or more offerings, shares of our Class A common stock, par value \$0.01 (the “common stock”), preferred stock, subscription rights, depository shares, warrants and units, in amounts, at prices and on terms determined at the time of offering. This prospectus describes some of the general terms of these securities and the general matter in which these securities will be offered. Each time securities are offered pursuant to this prospectus, we will file a prospectus supplement and attach it to this prospectus. We also may provide investors with a free writing prospectus. The prospectus supplement or any free writing prospectus will contain more specific information about the offering and, if applicable, prices and terms of the securities. Such supplements or free writing prospectus may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the applicable prospectus supplement or free writing prospectus, as well as the documents incorporated by reference herein or therein, before you invest in any of our securities.

In addition, the selling stockholders to be named in a supplement to this prospectus may from time to time offer or sell one or more of the securities registered herein. To the extent that any selling stockholders resell any securities, the selling stockholders may be required to provide you with this prospectus and a prospectus supplement identifying and containing specific information about the selling stockholders and the amount and terms of the securities being offered. We will not receive any proceeds from the sale of securities by the selling stockholders.

This prospectus may not be used to offer and sell shares of our securities unless accompanied by a prospectus supplement or a free writing prospectus.

The securities may be sold at fixed prices, prevailing market prices at the times of sale, prices related to the prevailing market prices and varying prices determined at the times of sale or negotiated prices. The securities offered by this prospectus and the accompanying prospectus supplement or free writing prospectus may be offered by us or the selling stockholders directly to investors or to or through underwriters, dealers or other agents. The prospectus supplement for each offering will describe in detail the plan of distribution for that offering and will set forth the names of any underwriters, dealers or agents involved in the offering and any applicable fees, commissions or discount arrangements.

Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “AMC.” Each prospectus supplement will indicate whether the securities offered thereby will be listed on any securities exchange.

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**Investing in our securities involves risks. You should carefully read and consider the risk factors included in this prospectus, in our periodic reports, in any applicable prospectus supplement relating to a specific offering of securities and in any other documents we file with the Securities and Exchange Commission (“SEC”). See the sections entitled “Risk Factors” below on page 8, in our other filings with the Securities and Exchange Commission and in the applicable prospectus supplement, if any.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is August 4, 2022.

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## ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the SEC, as a “well-known seasoned issuer” as defined in Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”). Under the automatic shelf registration process, we or the selling stockholders to be named in a prospectus supplement or free writing prospectus may offer and sell, from time to time, in one or more offerings, the securities described in this prospectus. This prospectus provides you with a general description of our securities that we may offer. To the extent required by applicable law, each time we or the selling stockholders sell securities, we will provide you with this prospectus and, to the extent required, a prospectus supplement that will contain more information about the specific terms of the offering. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. Each such prospectus supplement (and any related free writing prospectus that we may authorize to be provided to you), if any, may also add, update or change information contained in this prospectus or in documents incorporated by reference into this prospectus. We urge you to carefully read this prospectus, any applicable prospectus supplement, if any, and any related free writing prospectus, together with the information incorporated herein and therein by reference as described under the headings “Where You Can Find Additional Information; Incorporation of Documents by Reference” before buying any of the shares of our securities being offered. If there is any inconsistency between the information in this prospectus and any prospectus supplement or free writing prospectus, you should rely on the information provided in the prospectus supplement or free writing prospectus, as applicable.

You should rely only on the information contained in this prospectus, and any accompanying prospectus supplement, including the information incorporated by reference herein as described under “Where You Can Find More Information; Incorporation of Documents by Reference”, and any free writing prospectus that we prepare and distribute.

Neither we nor the selling stockholders or any of our their respective affiliates have authorized anyone to provide you with information other than that contained in or incorporated by reference into this prospectus, any accompanying prospectus supplement or any free writing prospectus related hereto that we may authorize to be delivered to you. If given or made, any such other information or representation should not be relied upon as having been authorized by us or any selling stockholders. We and the selling stockholders may only offer to sell, and seek offers to buy any securities in jurisdictions where offers and sales are permitted.

This prospectus and any accompanying prospectus supplement or other offering materials do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, therefore, file reports and other information with the SEC. Statements contained in this prospectus and any accompanying prospectus supplement or other offering materials about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for its complete contents.

You should assume that the information in this prospectus, any accompanying prospectus supplement or any other offering materials is only accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless otherwise indicated. Our business, financial condition, results of operations and prospects may have changed since such date.

Unless we state otherwise, references to “we,” “us,” “our,” the “Company” or “AMC” refer to AMC Entertainment Holdings, Inc. and its consolidated subsidiaries.

**THIS PROSPECTUS MAY NOT BE USED TO SELL ANY SHARES OF OUR SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT OR A FREE WRITING PROSPECTUS.**

**WHERE YOU CAN FIND MORE INFORMATION;  
INCORPORATION OF DOCUMENTS BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an Internet site that contains our reports, proxy and other information regarding us and other issuers that file electronically with the SEC, at <http://www.sec.gov>. Our SEC filings are also available free of charge at our website ([www.amctheatres.com](http://www.amctheatres.com)). However, except for our filings with the SEC that are incorporated by reference into this prospectus, the information on our website is not, and should not be deemed to be, a part of, or incorporated by reference into this prospectus.

The SEC allows “incorporation by reference” into this prospectus of information that we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced this way is considered to be a part of this prospectus and any information filed by us with the SEC subsequent to the date of this prospectus automatically will be deemed to update and supersede this information. We incorporate by reference the following documents which we have filed with the SEC (excluding any documents or portions of such documents that have been “furnished” but not “filed” for purposes of the Exchange Act):

- [our annual report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 01, 2022 \(the “Annual Report”\);](#)
- our quarterly reports on [Form 10-Q for the quarterly period ended March 31, 2022 filed with the SEC on May 9, 2022](#) and for the quarterly period ended June 30, 2022, filed with the SEC on [August 4, 2022](#) (the “Quarterly Reports”);
- our [Proxy Statement on Schedule 14A, filed with the SEC on April 29, 2022](#) (but only to the extent incorporated by reference in Part III of our [annual report on Form 10-K for the year ended December 31, 2021](#));
- our current reports on Form 8-K filed with the SEC on [February 03, 2022](#), [February 07, 2022](#), [February 14, 2022](#), March 1, 2022 (the [first](#) and [second](#) 8-K filings on such date), [June 17, 2022](#), [July 01, 2022](#) and [August 4, 2022](#) (the first 8-K filing on such date) (the “Current Reports”); and
- the description of our common stock contained in our Registration Statement on [Form 8-A filed with the SEC on December 17, 2013](#), pursuant to the Exchange Act, and any amendment or report filed for the purpose of further updating such description.

We incorporate by reference any filings made by us with the SEC in accordance with Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and the date all of the securities offered hereby are sold or the offering is otherwise terminated, with the exception of any information furnished under Item 2.02 and Item 7.01 (including any financial statements or exhibits relating thereto furnished pursuant to Item 9.01) of Form 8-K, which is not deemed filed and which is not incorporated by reference herein. Any such filings shall be deemed to be incorporated by reference and to be a part of this prospectus from the respective dates of filing of those documents.

This prospectus and any accompanying prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as provided below. Statements in this prospectus or any accompanying prospectus supplement or free writing prospectus about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC’s website, as provided above.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide to each person, including any beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request, a copy of any or all of the documents that are incorporated



by reference into this prospectus but not delivered with this prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus. You should direct requests for documents to:

**AMC Entertainment Holdings, Inc.**  
**One AMC Way**  
**11500 Ash Street**  
**Leawood, Kansas 66211**  
**(913) 213-2000**

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this prospectus, the documents that are incorporated by reference in this prospectus and other written or oral statements made by or on behalf of AMC may constitute “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 our 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 combined first and second quarter of 2022. Domestic industry box office grosses increased significantly to approximately \$3.7 billion during the first six months of 2022, compared to the first six months of 2021 of \$1.1 billion, and were approximately 66% of domestic box office grosses of \$5.6 billion during the first six months 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 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 COVID-19 variant strains on us, the motion picture exhibition industry, and the economy in general, including our response to 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, and the theatrical release of fewer movies;
- 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, including the AMC Preferred Equity Units, could dilute the voting power of the common stockholders and adversely affect the market value of our common stock and AMC Preferred Equity Units;
- 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 and AMC Preferred Equity Units could adversely affect the market price of the common stock and AMC Preferred Equity Units;
- the market price and trading volume of our shares of common stock has been and may continue to be volatile and such volatility may also apply to our AMC Preferred Equity Units, and purchasers of our securities could incur substantial losses;

- future offerings of debt, which would be senior to our common stock and AMC Preferred Equity Units for purposes of distributions or upon liquidation, could adversely affect the market price of our common stock and AMC Preferred Equity Units;
- 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) completed accession talks at NATO headquarters in Brussels on July 4, 2022 and NATO ambassadors signed the accession protocols on July 5, 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, or widespread health emergencies, such as 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.

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 “Risk Factors” in the Annual Report on Form 10-K for the year ended December 31, 2021 and subsequent reports filed by us with the SEC, including on Form 8-K.

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 hereof, 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.

## THE COMPANY

We are the world's largest theatrical exhibition company and an industry leader in innovation and operational excellence. Over the course of our nearly 100-year history, we have pioneered many of the theatrical exhibition industry's most important innovations. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Most recently, we continued to innovate and evolve the movie-going experience with the deployment of our theatre renovations featuring plush, powered recliner seating and the launch of our U.S. subscription loyalty tier, AMC Stubs<sup>®</sup> A-List. Our growth has been driven by a combination of organic growth through reinvestment in our existing assets and through the acquisition of some of the most respected companies in the theatrical exhibition industry.

We were incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211 and our telephone number is (913) 213-2000. Our corporate website address is [www.amctheatres.com](http://www.amctheatres.com). Our website and the information contained on, or that can be accessed through, the website is not incorporated by reference in, and is not part of, this prospectus. You should not rely on any such information in making your decision whether to purchase our securities.

## **RISK FACTORS**

Investing in our securities involves risks. You should carefully consider the risk factors set forth below and the risk factors described under the heading “Risk Factors” in our Annual Report and any updates to those risk factors or new risk factors contained in our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which is incorporated by reference into this prospectus, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act, as well as any prospectus supplement relating to a specific offering or resale. Before making any investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus or in any applicable prospectus supplement or free writing prospectus. For more information, see the section entitled “Where You Can Find More Information; Incorporation of Documents by Reference” in this prospectus. These risks could materially affect our business, results of operations or financial condition and affect the value of our securities. You could lose all or part of your investment. Additionally, the risks and uncertainties discussed in this prospectus or in any document incorporated by reference into this prospectus are not the only risks and uncertainties that we face, and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations or financial condition.

**USE OF PROCEEDS**

Except as otherwise provided in a prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness or capital stock, working capital, capital expenditures and other investments. We will not receive any proceeds from any sale of our securities by any selling stockholders. Additional information on the use of net proceeds from the sale of securities offered by this prospectus may be set forth in the prospectus supplement relating to that offering.

## DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is summarized from and qualified in its entirety by reference to Delaware law, our amended and restated certificate of incorporation (the “certificate of incorporation”) and our amended and restated bylaws (the “bylaws”), each of which has been publicly filed with the SEC. See the section entitled “Where You Can Find More Information; Incorporation of Documents by Reference”.

Our authorized capital stock consists of 524,173,073 shares of common stock and 50,000,000 shares of preferred stock, par value \$0.01 per share. As of August 4, 2022, there were 516,820,595 shares of common stock outstanding and no shares of preferred stock outstanding. We retired the Class B common stock authorized by our certificate of incorporation in connection with the conversion of the Class B common stock for our Class A common stock. Our common stock is listed on the NYSE under the symbol “AMC”. The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

### Voting Rights

Holders of common stock are entitled to one vote per share. Our directors are elected by all of the common stockholders voting together as a single class.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of our outstanding voting power. Except as otherwise required by the Delaware General Corporation Law (the “DGCL”), our certificate of incorporation or voting rights granted to any subsequently issued preferred stock, the holders of outstanding shares of our common stock and our preferred stock entitled to vote thereon, if any, vote as one class with respect to all matters to be voted on by our stockholders. Under the DGCL, amendments to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

### Conversion

The common stock is not convertible into any other shares of our capital stock.

No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

### Dividends

Holders of common stock share ratably (based on the number of shares of common stock held) in any dividend declared by the AMC Board, subject to any preferential rights of any outstanding preferred stock.

### Other Rights

Upon liquidation, dissolution or winding up, after payment in full of the amounts required to be paid to holders of preferred stock, if any, all holders of common stock, regardless of class, will be entitled to share ratably in any assets available for distribution to holders of shares of common stock. No shares of any class of common stock are subject to redemption or have preemptive rights to purchase additional shares of common stock.

### Preferred Stock

AMC’s certificate of incorporation authorizes the AMC Board to issue from time to time up to an aggregate of 50,000,000 shares of preferred stock in one or more series without further stockholder approval. The AMC Board is authorized, without further stockholder approval, to establish one or more series of preferred stock and to determine, with respect to each such series, the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any



series or designations of such series. On August 4, 2022, the Company filed a Certificate of Designations (the “Certificate of Designations”) with the Secretary of State of the State of Delaware designating 10,000,000 shares of the Company’s authorized preferred stock as Series A Convertible Participating Preferred Stock, par value \$0.01 (the “Series A Preferred Stock”) with the preferences, limitations, voting powers and relative rights as set forth in the Certificate of Designations. A copy of the Certificate of Designations, which became effective upon filing on August 4, 2022, is filed as Exhibit 3.1 to the Current Report on Form 8-K filed on August 4, 2022, and is incorporated by reference herein. Particular terms of any Series A Preferred Stock we offer will be described in the prospectus supplement relating to such offering. The issuance of our preferred stock, including the Series A Preferred Stock, could have the effect of decreasing the trading price of our common stock, restricting dividends on our capital stock, diluting the voting power of our common stock, impairing the liquidation rights of our capital stock, or delaying or preventing a change in control of our Company.

#### **Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws**

Certain provisions of our certificate of incorporation and bylaws may be considered to have an anti-takeover effect and may delay or prevent a tender offer or other corporate transaction that a stockholder might consider to be in its best interest, including those transactions that might result in payment of a premium over the market price for our shares. These provisions are designed to discourage certain types of transactions that may involve an actual or threatened change of control of AMC without prior approval of the AMC Board. These provisions are meant to encourage persons interested in acquiring control of AMC to first consult with the AMC Board to negotiate terms of a potential business combination or offer. For example, the certificate of incorporation and bylaws:

- provide for a classified board of directors, pursuant to which the AMC Board is divided into three classes whose members serve three-year staggered terms;
- provide that the size of the AMC Board will be set by members of the AMC Board, and any vacancy on the AMC Board, including a vacancy resulting from an enlargement of the AMC Board, may be filled only by vote of a majority of the directors then in office;
- do not permit stockholders to take action by written consent;
- provide that, except as otherwise required by law, special meetings of stockholders can only be called by the AMC Board;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to the AMC Board;
- limit consideration by stockholders at annual meetings to only those proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the AMC Board or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder’s intention to bring such business before the meeting;
- authorize the issuance of “blank check” preferred stock that could be issued by the AMC Board to increase the number of outstanding shares or establish a stockholders rights plan making a takeover more difficult and expensive; and
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates.

The certificate of incorporation expressly states that we have elected not to be governed by Section 203 of the DGCL, which prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the time the stockholder became an interested stockholder, subject to certain exceptions, including if, prior to such time, the board of such corporation approved the business combination or the transaction which resulted in the stockholder becoming an interested stockholder. “Business combinations” include mergers, asset sales and other transactions resulting in a financial benefit to the “interested stockholder.” Subject to various exceptions, an “interested stockholder” is a person who, together with his or her affiliates and associates, owns, or within

three years did own, 15% or more of the corporation's outstanding voting stock. These restrictions generally prohibit or delay the accomplishment of mergers or other takeover or change-in-control attempts that are not approved by a company's board. Although we have elected to opt out of the statute's provisions, we could elect to be subject to Section 203 in the future.

The bylaws state that unless AMC consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of AMC, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of AMC to AMC or AMC's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or the certificate of incorporation or bylaws, or (iv) any action asserting a claim against AMC governed by the internal affairs doctrine; provided, however, that this provision of the bylaws does not apply to any actions arising under the Securities Act or the Exchange Act.

#### **Special Meeting of Stockholders**

Special meetings of our stockholders may be called only by a majority of our directors.

#### **No Actions by Written Consent**

Stockholder action can be taken only at an annual or special meeting of stockholders.

#### **Advance Notice Requirements for Stockholder Proposals and Director Nominations**

The bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing. To be timely, a stockholder's notice generally must be delivered to and received at our principal executive offices, not less than 30 days nor more than 60 days prior to the first anniversary of the preceding year's annual meeting; provided, that in the event that the date of such meeting is advanced more than 30 days prior to, or delayed by more than 30 days after, the anniversary of the preceding year's annual meeting of our stockholders, a stockholder's notice to be timely must be so delivered not earlier than the close of business on the 60th day prior to such meeting and not later than the close of business on the later of the 30th day prior to such meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

#### **Authorized but Unissued Shares**

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of AMC by means of a proxy contest, tender offer, merger or otherwise.

#### **Amendments to Certificate of Incorporation or Bylaws**

The certificate of incorporation provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend the certificate of incorporation. In addition, under the DGCL, an amendment to the certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class. Subject to the bylaws, the AMC Board may from time to time make, amend, supplement or repeal the bylaws by vote of a majority of the AMC Board.

### **Registration Rights**

Pursuant to a registration rights agreement dated December 23, 2013, we have agreed, subject to certain conditions, to use our best efforts to effect registered offerings upon request from Wanda and have granted incidental or “piggyback” registration rights with respect to our common stock held by Wanda. These registration rights of our stockholders could impair the prevailing market price and impair our ability to raise capital by depressing the price at which we could sell our common stock.

### **Limitation of Liability and Indemnification of Directors and Officers**

As permitted by the DGCL, we have adopted provisions in the certificate of incorporation that limit or eliminate the personal liability of our directors and officers for monetary damages for a breach of their fiduciary duty of care as a director or officer. The duty of care generally requires that, when acting on behalf of the corporation, directors and officers exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director or officer will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability for:

- any breach of the person’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the person derived an improper personal benefit.

These limitations of liability do not generally affect the availability of equitable remedies such as injunctive relief or rescission.

As permitted by the DGCL, the certificate of incorporation and bylaws provide that:

- we will indemnify our current and former directors and officers and anyone who is or was serving at our request as the director or officer of, or legal representative in, another entity, and may indemnify our current or former employees and other agents, to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- we may purchase and maintain insurance on behalf of our current or former directors, officers, employees or agents against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such.

We currently maintain liability insurance for our directors and officers.

The certificate of incorporation requires us to advance expenses to our directors and officers in connection with a legal proceeding, subject to receiving an undertaking from such director or officer to repay advanced amounts if it is determined he or she is not entitled to indemnification. The bylaws provide that we may advance expenses to our employees and other agents, upon such terms and conditions, if any, as we deems appropriate.

### DESCRIPTION OF SUBSCRIPTION RIGHTS

The following is a general description of the terms of the subscription rights we may issue from time to time. Particular terms of any subscription rights we offer will be described in the prospectus supplement relating to such subscription rights.

We may issue subscription rights to purchase our equity or debt securities. These subscription rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the stockholder receiving the subscription rights in such offering. In connection with any offering of subscription rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

The applicable prospectus supplement will describe the specific terms of any offering of subscription rights for which this prospectus is being delivered, including the following:

- the price, if any, for the subscription rights;
- the exercise price payable for our equity or debt securities upon the exercise of the subscription rights;
- the number of subscription rights issued to each stockholder;
- the amount of our equity or debt securities that may be purchased per each subscription right;
- the extent to which the subscription rights are transferable;
- any other terms of the subscription rights, including the terms, procedures and limitations relating to the exchange and exercise of the subscription rights;
- the date on which the right to exercise the subscription rights shall commence, and the date on which the subscription rights shall expire;
- the extent to which the subscription rights may include an over-subscription privilege with respect to unsubscribed securities; and
- if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of subscription rights.

The description in the applicable prospectus supplement of any subscription rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable subscription rights certificate or subscription rights agreement, which will be filed with the SEC if we offer subscription rights.

### DESCRIPTION OF DEPOSITARY SHARES

The following briefly summarizes the provisions of the depositary shares and depositary receipts that we may issue from time to time and which would be important to holders of depositary shares and depositary receipts, other than pricing and related terms, which will be disclosed in the applicable prospectus supplement. The prospectus supplement will also state whether any of the general provisions summarized below do not apply to the depositary shares or depositary receipts being offered and provide any additional provisions applicable to the depositary shares or depositary receipts being offered. The following description and any description in a prospectus supplement may not be complete and are subject to, and qualified in their entirety by reference to the terms and provisions of the form of deposit agreement filed as an exhibit to the registration statement which contains this prospectus.

#### **Depositary Shares**

We may offer depositary shares evidenced by depositary receipts. Each depositary share represents a fraction or a multiple of a share of a particular series of preferred stock that we issue and deposit with a depository. The fraction or the multiple of a share of preferred stock, which each depositary share represents, will be set forth in the applicable prospectus supplement.

We will deposit the shares of any series of preferred stock represented by depositary shares according to the provisions of a deposit agreement to be entered into between us and a bank or trust company, which we will select as its preferred stock depository. We will name the depository in the applicable prospectus supplement. Each holder of a depositary share will be entitled to all the rights and preferences of the underlying preferred stock in proportion to the applicable fraction or multiple of a share of preferred stock represented by the depositary share. These rights include any applicable dividend, voting, redemption, conversion and liquidation rights. The depository will send the holders of depositary shares all reports and communications that we deliver to the depository and which we are required to furnish to the holders of depositary shares.

#### **Depositary Receipts**

The depositary shares will be evidenced by depositary receipts issued pursuant to the depositary agreement. Depositary receipts will be distributed to anyone who is buying the fractional shares of preferred stock in accordance with the terms of the applicable prospectus supplement.

**DESCRIPTION OF WARRANTS**

The following description of the terms of the warrants sets forth certain general terms and provisions of the warrants to which any prospectus supplement may relate. We may issue warrants for the purchase of debt or equity securities described in this prospectus. Warrants may be issued independently or together with any offered securities and may be attached to or separate from such securities. Each series of warrants will be issued under one or more warrant agreements we will enter into with a warrant agent specified in the agreement. The warrant agent will act solely as our agent in connection with the warrants of that series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The following summary of certain provisions of the warrants does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement that will be filed with the SEC in connection with an offering of our warrants.

A prospectus supplement relating to any series of warrants being offered will include specific terms relating to the offering. They will include, where applicable:

- the title of the warrants;
- the aggregate number of warrants;
- the price or prices at which the warrants will be issued;
- the currencies in which the price or prices of the warrants may be payable;
- the designation, amount and terms of the offered securities purchasable upon exercise of the warrants;
- the designation and terms of the other offered securities, if any, with which the warrants are issued and the number of warrants issued with the security;
- if applicable, the date on and after which the warrants and the offered securities purchasable upon exercise of the warrants will be separately transferable;
- the price or prices at which, and currency or currencies in which, the offered securities purchasable upon exercise of the warrants may be purchased;
- the date on which the right to exercise the warrants shall commence and the date on which the right shall expire;
- the effect of any merger, consolidation, sale or other disposition of our business on the warrant agreement and the warrants;
- the terms of any rights to redeem or call the warrants;
- any minimum or maximum amount of warrants that may be exercised at any one time;
- information with respect to book-entry procedures, if any;
- any listing of warrants on any securities exchange;
- if appropriate, a discussion of U.S. federal income tax consequences; and
- any other material term of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants.

#### DESCRIPTION OF UNITS

As specified in the applicable prospectus supplement, we may issue units consisting of one or more shares of common stock, shares of preferred stock, depositary shares, subscription rights and warrants or any combination of such securities.

The applicable prospectus supplement will specify the following terms of any units in respect of which this prospectus is being delivered:

- the terms of the units and of any of the common stock, preferred stock, depositary shares, subscription rights and comprising the units, including whether and under what circumstances the securities comprising the units may be held or transferred separately;
- a description of the terms of any unit agreement governing the units;
- a description of the provisions for the payment, settlement, transfer or exchange of the units; and
- whether the units will be issued in fully registered or global form.

**SELLING STOCKHOLDERS**

Information regarding the identities of any selling stockholders, any material relationships the selling stockholders have had within the past three years with the Company, the beneficial ownership of our common stock by the selling stockholders, the number of securities to be offered by the selling stockholders and the percentage to be owned by the selling stockholders after completion of the applicable offering will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Exchange Act which are incorporated by reference.



### PLAN OF DISTRIBUTION

We or the selling stockholders may sell the securities offered by this prospectus from time to time in one or more transactions, including without limitation:

- directly to one or more purchasers;
- through one or more agents, including in an “at the market” offering within the meaning of Rule 415(a)(4) under the Securities Act;
- to or through underwriters, brokers or dealers; or
- through a combination of any of these methods of sale.

In addition, the manner in which we or the selling stockholders may sell some or all of the securities covered by this prospectus includes any method permitted by law, including, without limitation, through:

- “at the market” offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange or otherwise;
- block trades in which a broker-dealer will attempt to sell as agent, but may position or resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account;
- ordinary brokerage transactions and transactions in which a broker solicits purchasers; or
- privately negotiated transactions.

We or the selling stockholders may also enter into hedging transactions. For example, we and the selling stockholders may:

- enter into transactions with a broker-dealer or affiliate thereof in connection with which such broker-dealer or affiliate will engage in short sales of the securities pursuant to this prospectus, in which case such broker-dealer or affiliate may use securities received from us or selling stockholders to close out its short positions;
- sell securities short and re-deliver such securities to close out the short positions;
- enter into options or other types of transactions that require us or the selling stockholders to deliver securities to a broker-dealer or an affiliate thereof, who will then resell or transfer the securities under this prospectus; or
- loan or pledge the securities to a broker-dealer or an affiliate thereof, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus.

The securities covered by this prospectus may be sold:

- on a national securities exchange if listed thereunder;
- in the over-the-counter market; or
- in transactions otherwise than on an exchange or in the over-the-counter market, or in combination.

In addition, we or the selling stockholders may enter into derivative or hedging transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. In connection with such a transaction, the third parties may sell securities covered by and pursuant to this prospectus and an applicable prospectus supplement or pricing supplement, as the case may be. If so, the third party may use securities borrowed from us or the selling stockholders or others to settle such sales and may use securities received from us or selling stockholders to close out any related short positions. We or the selling stockholders may also loan or pledge securities covered by this prospectus and an applicable prospectus supplement to third parties, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus and the applicable prospectus supplement or pricing supplement, as the case may be. The third party in such sale transactions may be an underwriter and will be named in the applicable prospectus supplement (or a post effective amendment) to the extent required.

A prospectus supplement with respect to each offering of securities will state the terms of the offering of the securities, including:

- the name or names of any underwriters or agents and the amounts of securities underwritten or purchased by each of them, if any;
- the public offering price or purchase price of the securities and the net proceeds to be received by us or the selling stockholders from the sale;
- any delayed delivery arrangements;
- the method of distribution;
- any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any securities exchange or markets on which the securities may be listed.

The offer and sale of the securities described in this prospectus by us and the selling stockholders, the underwriters or the third parties described above may be effected from time to time in one or more transactions, including privately negotiated transactions, either:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to the prevailing market prices; or
- at negotiated prices.

We will identify the specific plan of distribution, including any underwriters, brokers, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

Direct sales to investors or our stockholders may be accomplished through subscription offerings or through stockholder subscription rights distributed to stockholders. In connection with subscription offerings or the distribution of stockholder subscription rights to stockholders, if all of the underlying securities are not subscribed for, we may sell any unsubscribed securities to third parties directly or through underwriters or agents. In addition, whether or not all of the underlying securities are subscribed for, we may concurrently offer additional securities to third parties directly or through underwriters or agents. If securities are to be sold through stockholder subscription rights, the stockholder subscription rights will be distributed as a dividend to the stockholders for which they will pay no separate consideration. The prospectus supplement with respect to the offer of securities under stockholder purchase rights will set forth the relevant terms of the stockholder subscription rights, including:

- whether common stock, preferred stock, depositary shares or warrants for those securities will be offered under the stockholder subscription rights;
- the number of those securities or warrants that will be offered under the stockholder subscription rights;
- the period during which and the price at which the stockholder subscription rights will be exercisable;
- the number of stockholder subscription rights then outstanding;
- any provisions for changes to or adjustments in the exercise price of the stockholder subscription rights; and
- any other material terms of the stockholder subscription rights.

#### LEGAL MATTERS

The validity of the securities being offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Any underwriters will also be advised about the validity of the securities and other legal matters by their own counsel, which will be named in the applicable prospectus supplement.

#### EXPERTS

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries appearing in AMC Entertainment Holdings, Inc. and subsidiaries' [Annual Report \(Form 10-K\) for the year ended December 31, 2021](#), and the effectiveness of AMC Entertainment Holdings, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021 have been audited by Ernst & Young, LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon such reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the Securities and Exchange Commission) given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of AMC Entertainment Holdings, Inc. and subsidiaries for the year ended December 31, 2019 have been incorporated by reference herein, in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. AMC Entertainment Holdings, Inc. has agreed to indemnify and hold KPMG LLP harmless against and from any and all legal costs and expenses incurred by KPMG LLP in successful defense of any legal action or proceeding that arises as a result of KPMG LLP's consent to the incorporation by reference of its audit report on the Company's past financial statements incorporated by reference in this registration statement.

**Up to 425,000,000**

**AMC Preferred Equity Units**



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**PROSPECTUS SUPPLEMENT**

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**Citigroup**

September 26, 2022

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# **EXHIBIT AB**

**CERTIFICATE OF DESIGNATIONS  
OF  
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK  
OF  
AMC ENTERTAINMENT HOLDINGS, INC.**

Pursuant to Section 151 of the  
General Corporation Law of the State of Delaware

AMC Entertainment Holdings, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify:

That, pursuant to the authority granted to and vested in the Board of Directors of the Corporation (the "Board") in accordance with the provisions of the Corporation's Amended and Restated Certificate of Incorporation and applicable law, the Board by resolution adopted on July 28, 2022: (i) authorized and established, pursuant to Section 151 of the DGCL, a series of preferred stock of the Corporation classified as "Series A Convertible Participating Preferred Stock" and approved the form of Certificate of Designations thereof and (ii) established and designated a pricing committee of the Board (the "Pricing Committee"), pursuant to Section 141(c)(2) of the DGCL, and conferred upon the Pricing Committee the power and authority of the Board, to the fullest extent permitted by law, to, among other things, determine the final terms of the Certificate of Designations of the Series A Convertible Participating Preferred Stock.

That the Pricing Committee, through action by written consent on August 4, 2022, pursuant to the authority conferred upon the Pricing Committee by the Board, adopted the following resolution approving the final terms of the Certificate of Designations in accordance with its delegation by the Board:

**"NOW, THEREFORE, BE IT RESOLVED,** the Certificate of Designations, setting forth the designations, rights, preferences, powers, restrictions and limitations of the Series A Convertible Participating Preferred Stock is hereby authorized and approved and an Authorized Officer (as defined therein) of the Company, any one of whom may act without the joinder of any of the others, be, and each of them hereby is, authorized, empowered and directed to execute and file with the office of the Secretary of State of the State of Delaware the Certificate of Designations, in the form attached hereto as Exhibit A."

**IN WITNESS WHEREOF,** this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 4th day of August, 2022.

**AMC ENTERTAINMENT HOLDINGS, INC.**

/s/ Kevin M. Connor

Name: Kevin M. Connor

Title: Senior Vice President, General Counsel and Secretary

**CERTIFICATE OF DESIGNATIONS  
OF  
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK  
OF  
AMC ENTERTAINMENT HOLDINGS, INC.**

Pursuant to the authority vested in the Board of Directors (the "Board") by the Amended and Restated Certificate of Incorporation (as amended and/or restated from time to time, the "Certificate of Incorporation") of AMC Entertainment Holdings, Inc. (the "Corporation"), the Board does hereby designate, create, authorize and provide for the issue of a series of preferred stock, \$0.01 par value per share, which shall be designated as Series A Convertible Participating Preferred Stock (the "Preferred Stock") consisting of 10,000,000 shares having the following voting powers, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof as follows:

**SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK**

**Section I. Definitions**

"Additional Shares of Common Stock" has the meaning specified in Section VI(c).

"Adjustment Event" has the meaning specified in Section VII(d).

"Amendment" means the Amendment to the Certificate of Incorporation increasing the number of shares of Common Stock that the Corporation is authorized to issue from 524,173,073 to such higher number of authorized shares of Common Stock as the Board may at any time determine in its sole discretion, which amount shall be not less than an amount sufficient to effect the conversion of the then-outstanding shares of Preferred Stock into Common stock.

"Applicable Conversion Rate" means the Initial Conversion Rate, subject to adjustment pursuant to Sections VI and VII for any such event occurring subsequent to the initial determination of such rate.

"Board" has the meaning specified in the preamble.

"Certificate of Incorporation" has the meaning specified in the preamble.

"Closing Date" means the date that the Preferred Stock is first issued.

"Common Equivalent Dividend Amount" has the meaning specified in Section III(a).

"Common Stock" means the Class A common stock, \$0.01 par value per share, of the Corporation.

"Conversion Date" means the first business day following the receipt of Stockholder Approval and the filing, acceptance and effectiveness of the Amendment with the Office of the Secretary of State of the State of Delaware.

"Corporation" has the meaning specified in the preamble.

"Exchange Property" has the meaning specified in Section VII(a).

"Holder" means the Person in whose name the shares of Preferred Stock are registered, which may be treated by the Corporation as the absolute owner of the shares of Preferred Stock for the purpose of making payment and settling conversion and for all other purposes.

"Initial Conversion Rate" means, one-hundred (100) shares of Common Stock for each share of Preferred Stock.

"Junior Securities" shall have the meaning specified in Section V(a).

"Liquidation Preference" means, for each share of Preferred Stock, an amount equal to \$0.01.

"Parity Securities" shall have the meaning specified in Section V(a).

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

“Preferred Stock” has the meaning specified in the preamble.

“Record Date” means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock (or other applicable security) have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock (or other applicable security) entitled to receive such cash, securities or other property (whether such date is fixed by the Board or a duly authorized committee of the Board or by statute, contract or otherwise).

“Reorganization Event” has the meaning specified in Section VII(a).

“Senior Securities” shall have the meaning specified in Section V(a).

“Stockholder Approval” means the requisite approval by the requisite stockholders of the Corporation of the Amendment.

## **Section II. Automatic Conversion**

(a) Upon the terms and in the manner set forth in this Section II, at 9:30 a.m., New York City time, on the Conversion Date, each share of Preferred Stock will automatically convert into an amount of fully-paid and non-assessable shares of Common Stock, without any action on the part of Holders or the Corporation, determined in accordance with the Applicable Conversion Rate. The shares of Preferred Stock so converted will be cancelled as described in paragraph (b) below. The Corporation may seek Stockholder Approval at such time or times as the Board in its sole discretion shall determine.

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(b) As promptly as practicable after the Conversion Date, the Corporation shall provide written notice of the conversion to each Holder stating the Conversion Date and the number of shares of Common Stock issued upon conversion of each share of Preferred Stock held of record by such Holder and subject to conversion. Immediately upon conversion, the rights of the Holders with respect to the shares of Preferred Stock so converted shall cease and the persons entitled to receive the shares of Common Stock upon the conversion of such shares of Preferred Stock shall be treated for all purposes as having become the record and beneficial owners of such shares of Common Stock. In the event that a Holder shall not by written notice designate the name in which shares of Common Stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Corporation shall be entitled to register and deliver such shares, and make such payment, in the name of the Holder and in the manner shown on the records of the Corporation.

(c) No fractional shares of Common Stock shall be issued upon conversion of shares of Preferred Stock. If more than one share of Preferred Stock shall be surrendered for conversion at any one time by the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Preferred Stock so surrendered. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of any shares of Preferred Stock, the Corporation shall pay an amount in cash (rounded to the nearest cent) equal to the interest in the net proceeds from the sale in the open market by the applicable conversion agent of the aggregate fractional shares of Common Stock that otherwise would have been issuable upon conversion of the Preferred Stock.

(d) The Corporation shall not be required to reserve or keep available, out of its authorized but unissued shares of Common Stock, or to have sufficient authorized shares of Common Stock to cover, the number of shares of Common Stock that would be required to effect the conversion of all of the then-outstanding shares of Preferred Stock prior to the Stockholder Approval.

(e) All shares of Common Stock which may be issued upon conversion of the shares of Preferred Stock will, upon issuance by the Corporation, be validly issued, fully paid and non-assessable.

(f) Effective immediately prior to the Conversion Date, dividends shall no longer be declared on the shares of Preferred Stock and such shares of Preferred Stock shall cease to be outstanding, in each case, subject to the rights of Holders to receive any declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled pursuant to Section III or Section VII.

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## **Section III. Dividend Rights**

(a) From and after the Closing Date to but excluding the Conversion Date, (i) the Holders shall be entitled to receive, when, as and if declared by the Board or any duly authorized committee of the Board, but only out of assets legally available therefor, all cash dividends or distributions (including, but not limited to, regular quarterly dividends) declared and paid or made in respect of the shares of Common Stock, at the same time and on the same terms as holders of Common Stock, in an amount per share of Preferred Stock equal to the product of (x) the Applicable Conversion Rate then in effect and (y) any per share dividend or distribution, as applicable, declared and paid or made in respect of each share of Common Stock (the “Common Equivalent Dividend Amount”), and (ii) the Board or any duly authorized committee thereof may not declare and pay any such cash dividend or make any such cash distribution in respect of Common Stock unless the Board or any duly authorized committee of the Board declares and pays to the Holders, at the same time and on the same terms as holders of Common Stock, the Common Equivalent Dividend Amount per share of Preferred Stock. Notwithstanding any provision in this Section III(a) to the contrary, the Holders shall not be entitled to receive any cash dividend or distribution made with respect to the Common Stock after the Closing Date where the Record Date for determination of holders of Common Stock entitled to receive such dividend or distribution occurs prior to the Closing Date.

(b) Each dividend or distribution declared and paid pursuant to paragraph (a) above will be payable to Holders of record of Preferred Stock as they appear in the records of the Corporation at the close of business on the same day as the Record Date for the corresponding dividend or distribution to the holders of shares of Common Stock.

(c) Except as set forth in this Certificate of Designations, the Corporation shall have no obligation to pay, and the holders of Preferred Stock shall have no right to receive, dividends at any time, including with respect to dividends with respect to Parity Securities or any other class or series of authorized preferred stock of the Corporation. To the extent the Corporation declares dividends on the Preferred Stock and on any Parity Securities but does not make full payment of such declared dividends, the Corporation will allocate the dividend payments on a *pro rata* basis among the holders of the shares of Preferred Stock and the holders of any Parity Securities then outstanding. For purposes of calculating the allocation of partial dividend payments, the Corporation will allocate dividend payments on a *pro rata* basis among the Holders and the holders of any Parity Securities so that the amount of dividends paid per share on the Preferred Stock and such Parity Securities shall in all cases bear to each other the same ratio that payable dividends per share on the shares of the Preferred Stock and such Parity Securities (but without, in the case of any noncumulative preferred stock, accumulation of dividends for prior dividend periods) bear to each other. The foregoing right shall not be cumulative and shall not in any way create any claim or right in favor of Holders in the event that dividends have not been declared or paid in respect of any prior calendar quarter.

(d) No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on Preferred Stock or on such Parity Securities that may be in arrears.

(e) Holders shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Preferred Stock as specified in this Certificate of Designations.

Notwithstanding any provision in this Certificate of Designations to the contrary, Holders shall not be entitled to receive any dividends for any calendar quarter in which the Conversion Date occurs, except to the extent that any such dividends have been declared by the Board or any duly authorized committee of the Board and the Record Date for such dividend occurs prior to the Conversion Date.

#### Section IV. Voting

(a) Prior to the Conversion Date, Holders are entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are then convertible based on the Applicable Conversion Rate as of the record date for determining stockholders entitled to vote (i) on all matters presented to the holders of Common Stock for approval, voting together with the holders of Common Stock as one class, or (ii) whenever the approval or other action of Holders is required by applicable law or by the Certificate of Incorporation; *provided, however* that Holders shall not be entitled to vote together with the Common Stock with respect to any matter at a meeting of the stockholders of the Corporation, which under applicable law or the Certificate of Incorporation requires a separate class vote.

#### Section V. Rank; Liquidation

(a) With respect to any dividends or distributions (including, but not limited to, regular quarterly dividends) declared by the Board, the Preferred Stock shall rank (i) senior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms junior to any Preferred Stock ("Junior Securities"); (ii) on parity with the Common Stock and any class or series of capital stock of the Corporation created specifically ranking by its terms on parity with the Preferred Stock ("Parity Securities"); and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms senior to any Preferred Stock ("Senior Securities"). With respect to distributions of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, except as set forth in (b) below, the Preferred Stock shall rank (i) senior to all of the Common Stock; (ii) senior to any class or series of Junior Securities; (iii) on parity with any class or series of Parity Securities; and (iv) junior to any class or series of Senior Securities.

(b) Subject to any superior liquidation rights of the holders of any Senior Securities of the Corporation and the rights of the Corporation's existing and future creditors, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder shall be entitled to be paid out of the assets of the Corporation legally available for distribution to stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock and Junior Securities and *pari passu* with any distribution to the holders of Parity Securities: (i) an amount equal to the sum of the Liquidation Preference for each share of Preferred Stock held by such Holder and an amount equal to any dividends declared but unpaid thereon plus (ii) the amount the Holders would have received if, immediately prior to such voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Preferred Stock had converted into Common Stock (based on the then effective Applicable Conversion Rate and without giving effect to any limitations on conversion set forth herein) and if such amount in this clause (ii) exceeds the amount set forth in (i) above, minus the amount set forth in (i) above, which shall be paid out *pari passu* with any distribution to holders of the Common Stock and Parity Securities. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section V and will have no right or claim to any of the Corporation's remaining assets.

(c) For purposes of this Section V, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) or all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### Section VI. Anti-Dilution Adjustments

(a) In the event the Corporation shall at any time prior to the Conversion Date issue Additional Shares of Common Stock, then the Applicable Conversion Rate shall be adjusted, concurrently with such issue, to a rate determined in accordance with the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

(b) For purposes of the foregoing formula, the following definitions shall apply:

(i) "CR<sub>0</sub>" shall mean the Applicable Conversion Rate in effect immediately before the close of business on the Record Date or effective date, as applicable, for such issuance of Additional Shares of Common Stock;

(ii) "CR<sub>1</sub>" shall mean the Applicable Conversion Rate in effect immediately after the close of business of the Record Date or effective date, as applicable, of such issuance of Additional Shares of Common Stock;

(iii) "OS<sub>0</sub>" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance of Additional Shares of Common Stock; and

(iv) "OS<sub>1</sub>" shall mean the number of shares of Common Stock outstanding immediately following such issuance of Additional Shares of Common Stock.

(c) For the purposes of this Section VI, "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or deemed to be issued) by the Corporation after the Closing Date and prior to the Conversion Date as a distribution, dividend, stock split, stock combination or other similar recapitalization with respect to the Common Stock (in each case excluding an issuance solely pursuant to a Reorganization Event).

(d) Notwithstanding the foregoing, if any distribution, dividend, stock split, stock combination or other similar recapitalization with respect to the Common Stock as described above is declared or announced, but not so paid or made, then the Applicable Conversion Rate in effect will be readjusted, effective as of the date the Board, or any officer acting pursuant to authority conferred by the Board, determines not to pay such distribution or dividend or to effect such stock split or stock combination or other similar recapitalization, to the Applicable Conversion Rate that would then be in effect had such dividend, distribution, stock split, stock combination or similar recapitalization not been declared or announced.

#### Section VII. Adjustments

(a) Upon the occurrence of a Reorganization Event prior to the Conversion Date, each share of Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of Holders, automatically convert into the types and amounts of securities, cash, and other



property that is or was receivable in such Reorganization Event by a holder of the number of shares of Common Stock into which such share of Preferred Stock was convertible immediately prior to such Reorganization Event in exchange for such shares of Common Stock (such securities, cash, and other property, the “Exchange Property”). The Holders shall not have any separate class vote on any Reorganization Event. A “Reorganization Event” shall mean:

- (i) any consolidation, merger, or conversion of the Corporation with or into another person, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property of the Corporation or another person;
  - (ii) any sale, transfer, lease, or conveyance to another person of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property; or
  - (iii) any reclassification of the Common Stock into securities other than the Common Stock.
- (b) In the event that holders of the shares of the Common Stock have the opportunity to elect the form of consideration to be received in such Reorganization Event, the consideration that the Holders are entitled to receive upon conversion shall be deemed to be the weighted average of the types and amounts of consideration actually received, per share of Common Stock, by the Holders, unless the Holders have the opportunity to elect the form of consideration to be received in such Reorganization Event.
- (c) The Corporation (or any successor) shall, within 20 days of the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence of such event and of the type and amount of the cash, securities or other property that constitutes the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section VII.

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(d) Other than with respect to an issuance of Additional Shares of Common Stock pursuant to Section VI, if at any time prior to the Conversion Date, the Corporation issues to all holders of the Common Stock shares of securities or assets of the Corporation (other than shares of Common Stock or cash) as a dividend on the Common Stock, or the Corporation issues to all holders of the Common Stock certain rights or warrants entitling them for a period of 60 days or less to purchase shares of Common Stock at less than the current market value of the Common Stock at that time, or the Corporation purchases shares of Common Stock pursuant to a tender offer or exchange offer generally available to holders of Common Stock (subject to customary securities laws limitations) at above the current market value of the Common Stock at that time, and in each such case the Record Date with respect to such event (or the date such event is effective, as the case may be) occurs on or after the Closing Date and prior to the Conversion Date (each, an “Adjustment Event”), then the Corporation will make such provision (i) to extend such tender offer or exchange offer on equivalent terms to Holders or (ii) as is necessary so that the Holder receives (upon cancellation of such shares of Preferred Stock in the event of a tender offer or exchange offer) the same dividend or other asset or property, if any, as it would have received in connection with such Adjustment Event if it had been the holder on the Record Date (or the date such event is effective, as the case may be) of the number of shares of Common Stock into which the shares of Preferred Stock held by such Holder are then convertible, or, to the extent that it is not reasonably practicable for the Corporation to make such provision, the Applicable Conversion Rate or other terms of the Preferred Stock shall be adjusted to provide the Holder with an economic benefit comparable to that which it would have received had such provision been made; it being understood that this paragraph (c) shall not apply to the extent that any Holder participates, or is permitted to participate, on a *pro rata* as-converted basis with the holders of Common Stock.

#### **Section VIII. Reports as to Adjustments**

Whenever the number of shares of Common Stock into which the shares of the Preferred Stock are convertible is adjusted as provided in Section VI or Section VII, the Corporation shall promptly compute such adjustment and furnish to the Holders a certificate, signed by the principal financial officer or treasurer of the Corporation, setting forth the number of shares of Common Stock into which each share of the Preferred Stock is convertible as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment will become effective. Amounts resulting from any calculation hereunder will be rounded to the nearest 1/10,000th.

#### **Section IX. Exclusion of Other Rights**

Except as may otherwise be required by law, the shares of Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, other than those specifically set forth herein (as this Certificate of Designations may be amended from time to time) and in the Certificate of Incorporation. The shares of Preferred Stock shall have no preemptive or subscription rights.

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#### **Section X. Severability of Provisions**

If any voting powers, preferences or relative, participating, optional or other special rights of the Preferred Stock and qualifications, limitations and restrictions thereof set forth in this Certificate of Designations (as this Certificate of Designations may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other voting powers, preferences and relative, participating, optional and other special rights of Preferred Stock and qualifications, limitations and restrictions thereof set forth in this Certificate of Designations (as so amended) which can be given effect without the invalid, unlawful or unenforceable voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock and qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock or qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock or qualifications, limitations and restrictions thereof unless so expressed herein.

#### **Section XI. Reissuance of Preferred Stock**

Consistent with Section 243 of the DGCL, shares of Preferred Stock that have been issued and reacquired in any manner, including shares purchased by the Corporation or exchanged or converted, may not be reissued and shall (upon compliance with any applicable provisions of the laws of the State of Delaware) be retired and cancelled promptly after acquisition thereof. All such shares shall upon their cancellation have the status of authorized but unissued shares of preferred stock of the Corporation undesignated as to series and may be designated or redesignated and issued or reissued, as the case may be, as part of any series of preferred stock of the Corporation. The Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized number of shares of Preferred Stock.

#### **Section XII. Additional Authorized Shares**

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board or any authorized committee of the Board, without the vote of the Holders, may increase or decrease the number of authorized shares of Preferred Stock or other stock ranking junior or senior to, or on parity with, the Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

#### **Section XIII. Determinations**

The Corporation shall be solely responsible for making all calculations called for hereunder. Absent manifest error, such calculations shall be final and binding on all Holders. The Corporation shall have the power to resolve any ambiguity and its action in so doing, as evidenced by a resolution

of the Board, shall be final and conclusive unless clearly inconsistent with the intent hereof. Amounts resulting from any calculation will be rounded, if necessary, to the nearest one ten-thousandth, with five one-hundred thousandths being rounded upwards.

**Section XIV. No Redemption**

The Corporation may not, at any time, redeem the outstanding shares of the Preferred Stock.

**Section XV. Repurchases**

Subject to the limitations imposed herein, the Corporation may purchase and sell shares of Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board or any duly authorized committee of the Board may determine.

**Section XVI. No Sinking Fund**

Shares of Preferred Stock are not subject to the operation of a sinking fund.

**Section XVII. Notices**

All notices, requests and other communications to each Holder shall be in writing (including facsimile transmission) and shall be given at the address of such Holder as shown on the books of the Corporation. A Holder may waive any notice required hereunder by a writing signed before or after the time required for notice or the action in question.

**Section XVIII. No Share Certificates**

Notwithstanding anything to the contrary contained in this Certificate of Designations, no shares of Preferred Stock shall be issued in physical, certificated form. All shares of Preferred Stock shall be evidenced by book-entry on the books and records of the Computershare Trust Company, N.A. or such other Person as determined by the Corporation.

**Section XIX. Other Amendments**

Notwithstanding anything to the contrary contained herein, while any Preferred Stock is issued and outstanding, the Certificate of Incorporation shall not be amended in any manner, including in a merger or consolidation, which would alter, change or repeal the powers, preferences or special rights of the Preferred Stock so as to affect them materially and adversely without the affirmative vote of the Holders of at least two-thirds of the outstanding shares of Preferred Stock, voting together as a single class.