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

FORM 10-Q

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

For the quarterly period ended September 30, 2021

or

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

Commission File Number: 001-33401

CINEMARK HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-5490327**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3900 Dallas Parkway Plano, Texas	**75093**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (972) 665-1000

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $.001 per share	CNK	New York Stock Exchange

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 Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 the 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 29, 2021, 119,626,449 shares of common stock were issued and outstanding.

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

Certain matters within this Quarterly Report on Form 10Q include “forward–looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The “forward-looking statements” may include our current expectations, assumptions, estimates and projections about our business and our industry. They may include statements relating to future revenues, expenses and profitability, the future development and expected growth of our business, projected capital expenditures, attendance at movies generally or in any of the markets in which we operate, the number or diversity of popular movies released and our ability to successfully license and exhibit popular films, national and international growth in our industry, competition from other exhibitors and alternative forms of entertainment and determinations in lawsuits in which we are defendants. Forward-looking statements can be identified by the use of words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict, including, among others, the impacts of COVID-19. Such risks and uncertainties could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. For a description of the risk factors, please review the “Risk Factors” section or other sections, or incorporated by reference to, the Company’s Annual Report on Form 10-K filed February 26, 2021 and the Current Report on Form 8-K filed March 4, 2021. All forward-looking statements are expressly qualified in their entirety by such risk factors. We undertake no obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data, unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 543,013	$ 655,338
Inventories	15,244	12,593
Accounts receivable	36,753	25,265
Current income tax receivable	38,388	165,151
Prepaid expenses and other	35,850	34,400
Total current assets	669,248	892,747
Theatre properties and equipment	3,365,455	3,403,103
Less: accumulated depreciation and amortization	1,929,981	1,788,041
Theatre properties and equipment, net	1,435,474	1,615,062
Operating lease right-of-use assets, net	1,220,898	1,278,191
Other assets		
Goodwill	1,250,135	1,253,840
Intangible assets, net	312,025	314,195
Investment in NCM	139,997	151,962
Investments in affiliates	23,755	23,726
Deferred charges and other assets, net	27,042	33,199
Total other assets	1,752,954	1,776,922
Total assets	$ 5,078,574	$ 5,562,922
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	$ 20,288	$ 18,056
Current portion of operating lease obligations	215,119	208,593
Current portion of finance lease obligations	14,406	16,407
Current income tax payable	—	5,632
Accounts payable and accrued expenses	392,964	357,753
Total current liabilities	642,777	606,441
Long-term liabilities		
Long-term debt, less current portion	2,477,257	2,377,162
Operating lease obligations, less current portion	1,070,432	1,138,142
Finance lease obligations, less current portion	105,688	124,609
Long-term deferred tax liability	38,059	79,525
Long-term liability for uncertain tax positions	40,379	19,225
NCM screen advertising advances	348,212	344,255
Other long-term liabilities	40,813	74,594
Total long-term liabilities	4,120,840	4,157,512
Equity		
Cinemark Holdings, Inc.'s stockholders' equity:		
Common stock, $0.001 par value: 300,000,000 shares authorized, 124,720,207 shares issued and 119,626,627 shares outstanding at September 30, 2021 and 123,627,080 shares issued and 118,576,099 shares outstanding at December 31, 2020	125	124
Additional paid-in-capital	1,188,554	1,245,569
Treasury stock, 5,093,580 and 5,050,981 shares, at cost, at September 30, 2021 and December 31, 2020, respectively	(87,020)	(87,004)
Retained earnings (deficit)	(395,143)	27,937
Accumulated other comprehensive loss	(402,380)	(398,653)
Total Cinemark Holdings, Inc.'s stockholders' equity	304,136	787,973
Noncontrolling interests	10,821	10,996
Total equity	314,957	798,969
Total liabilities and equity	$ 5,078,574	$ 5,562,922

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Revenues				
Admissions	$ 225,464	$ 14,901	$ 435,064	$ 307,400
Concession	164,258	9,116	313,560	199,596
Other	45,099	11,461	95,210	81,072
Total revenues	434,821	35,478	843,834	588,068
Cost of operations				
Film rentals and advertising	117,047	8,257	216,839	165,262
Concession supplies	28,208	2,688	54,195	39,879
Salaries and wages	67,630	20,181	149,203	116,589
Facility lease expense	68,767	67,047	200,809	214,490
Utilities and other	81,723	43,412	192,052	178,806
General and administrative expenses	38,584	30,342	111,774	99,361
Depreciation and amortization	67,208	62,543	202,288	191,380
Impairment of long-lived assets	7,480	24,595	7,480	41,214
Restructuring costs	(340)	524	(1,288)	20,062
(Gain) loss on disposal of assets and other	1,020	(13,327)	7,883	(10,997)
Total cost of operations	477,327	246,262	1,141,235	1,056,046
Operating loss	(42,506)	(210,784)	(297,401)	(467,978)
Other income (expense)				
Interest expense	(37,993)	(36,577)	(111,580)	(92,284)
Interest income	861	1,348	5,335	4,235
Loss on extinguishment of debt	—	—	(6,527)	—
Foreign currency exchange loss	(273)	(2,251)	(920)	(6,183)
Distributions from NCM	—	1,061	77	6,975
Distributions from DCIP	6,534	—	6,534	—
Interest expense - NCM	(5,926)	(5,901)	(17,723)	(17,726)
Equity in loss of affiliates	(7,146)	(16,077)	(22,061)	(27,711)
Total other expense	(43,943)	(58,397)	(146,865)	(132,694)
Loss before income taxes	(86,449)	(269,181)	(444,266)	(600,672)
Income taxes	(8,876)	(121,145)	(15,569)	(222,398)
Net loss	$ (77,573)	$ (148,036)	$ (428,697)	$ (378,274)
Less: Net income (loss) attributable to noncontrolling interests	241	(444)	(175)	(702)
Net loss attributable to Cinemark Holdings, Inc.	$ (77,814)	$ (147,592)	$ (428,522)	$ (377,572)
Weighted average shares outstanding				
Basic	117,274	116,707	117,226	116,552
Diluted	117,274	116,707	117,226	116,552
Loss per share attributable to Cinemark Holdings, Inc.'s common stockholders				
Basic	$ (0.65)	$ (1.25)	$ (3.59)	$ (3.22)
Diluted	$ (0.65)	$ (1.25)	$ (3.59)	$ (3.22)

The accompanying notes are an integral part of the condensed consolidated financial statements.

CINEMARK HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands, unaudited)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net loss	$ (77,573)	$ (148,036)	$ (428,697)	$ (378,274)
Other comprehensive income (loss), net of tax				
Unrealized gain (loss) due to fair value adjustments on interest rate swap agreements, net of taxes of $835, $5,677, $3,682 and $3,696, net of settlements	1,462	6,528	7,912	(16,794)
Foreign currency translation adjustments	(13,804)	(1,503)	(15,010)	(62,830)
Total other comprehensive income (loss), net of tax	(12,342)	5,025	(7,098)	(79,624)
Total comprehensive loss, net of tax	(89,915)	(143,011)	(435,795)	(457,898)
Comprehensive (income) loss attributable to noncontrolling interests	(241)	444	175	702
Comprehensive loss attributable to Cinemark Holdings, Inc.	$ (90,156)	$ (142,567)	$ (435,620)	$ (457,196)

The accompanying notes are an integral part of the condensed consolidated financial statements.

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating activities		
Net loss	$ (428,697)	$ (378,274)
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation	200,262	187,748
Amortization of intangible and other assets	2,026	3,632
Amortization of debt issue costs	7,994	4,942
Non-cash accretion on convertible notes	—	1,739
Interest accrued on NCM screen advertising advances	17,723	17,726
Amortization of NCM screen advertising advances and other deferred revenues	(24,253)	(23,647)
Amortization of accumulated losses for amended swap agreements	3,371	5,338
Impairment of long-lived assets	7,480	41,214
Share based awards compensation expense	16,589	12,859
(Gain) loss on disposal of assets and other	7,883	(10,997)
Loss on extinguishment of debt	6,527	—
Non-cash rent expense	(1,803)	1,649
Equity in loss of affiliates	22,061	27,711
Deferred income tax expenses	(21,059)	(29,941)
Distributions from equity investees	156	25,430
Changes in assets and liabilities and other	141,537	(54,782)
Net cash used for operating activities	(42,203)	(167,653)
Investing activities		
Additions to theatre properties and equipment	(57,244)	(67,618)
Proceeds from sale of theatre properties and equipment and other	2,192	212
Investment in joint ventures and other, net	—	(50)
Net cash used for investing activities	(55,052)	(67,456)
Financing activities		
Dividends paid to stockholders	—	(42,311)
Payroll taxes paid as a result of stock withholdings	(16)	(2,865)
Proceeds from issuance of convertible notes	—	460,000
Proceeds from issuance of senior notes	1,170,000	250,000
Proceeds from other borrowings	9,706	7,167
Redemption of senior notes	(1,155,000)	—
Repayments of long-term debt	(7,220)	(4,947)
Payment of debt issue costs	(17,272)	(24,981)
Fees paid related to debt refinancing	(2,058)	—
Purchase of convertible note hedges	—	(142,094)
Proceeds from warrants issued	—	89,424
Payments on finance leases	(11,045)	(11,497)
Other	—	(392)
Net cash provided by (used for) financing activities	(12,905)	577,504
Effect of exchange rate changes on cash and cash equivalents	(2,165)	(5,002)
Increase (decrease) in cash and cash equivalents	(112,325)	337,393
Cash and cash equivalents:		
Beginning of period	655,338	488,313
End of period	$ 543,013	$ 825,706

The accompanying notes are an integral part of the condensed consolidated financial statements.

1. The Company and Basis of Presentation

The Company and its subsidiaries operate in the motion picture exhibition industry, with theatres in the United States (“U.S.”), Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, Curacao and Paraguay.

The accompanying condensed consolidated balance sheet as of December 31, 2020, 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 (“U.S. GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates. Majority-owned subsidiaries of which the Company has control are consolidated while those affiliates of which the Company owns between 20% and 50% and does not control are accounted for under the equity method. Those affiliates of which the Company owns less than 20% are generally accounted for under the cost method, unless the Company is deemed to have the ability to exercise significant influence over the affiliate, in which case the Company would account for its investment under the equity method. The results of these subsidiaries and affiliates are included in the condensed consolidated financial statements effective with their formation or from their dates of acquisition. Intercompany balances and transactions are eliminated in consolidation.

These condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2020, included in the Annual Report on Form 10-K filed February 26, 2021 by the Company under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Operating results for the three and nine months ended September 30, 2021 are not necessarily indicative of the results to be achieved for the full year.

2. Impact of COVID-19 Pandemic

As the Company has previously disclosed, the COVID-19 pandemic has had an unprecedented impact on the world and the movie exhibition industry. The social and economic effects have been widespread. As a movie exhibitor that operates spaces where patrons gather in close proximity, the Company continues to be impacted by the pandemic. To comply with government mandates at the initial outbreak of the COVID-19 pandemic, the Company temporarily closed all of its theatres in the U.S. and Latin America in March of 2020, implemented temporary personnel and salary reductions, halted non-essential operating and capital expenditures, and negotiated modified timing and/or abatement of contractual payments with landlords and other major suppliers until its theatres reopened. In addition, the Company suspended its quarterly dividend.

As of September 30, 2021, all of the Company's domestic and international theatres were open. Theatre staffing levels remain reduced as compared to pre-COVID levels due to reduced operating hours in certain locations as well as the Company’s focus on initiatives to enhance productivity. The Company continues to limit capital expenditures to essential activities and projects. The Company worked with landlords and other vendors during the nine months ended September 30, 2021 to extend payment terms as it reopened theatres and continues to recover from the impacts of the COVID-19 pandemic.

Based on the Company’s current estimates of recovery, it believes it has, and will generate, sufficient cash to sustain operations. Nonetheless, the COVID-19 pandemic has had, and continues to have, adverse effects on the Company’s business, results of operations, cash flows and financial condition.

Restructuring Charges

During June 2020, Company management approved and announced a restructuring plan to realign its operations to create a more efficient cost structure (referred to herein as the “Restructuring Plan”). The Restructuring Plan primarily included a permanent headcount reduction at its domestic corporate office and the permanent closure of certain domestic and international theatres.

In thousands, except share and per share data

The following table summarizes activity recorded during the nine months ended September 30, 2021:

	U.S. Operating Segment			International Operating Segment			Consolidated		
	Employee-related Costs	Facility Closure Costs	Total Charges	Employee-related Costs	Facility Closure Costs	Total Charges	Employee-related Costs	Facility Closure Costs	Total Charges
Balance at December 31, 2020	$ 840	$ 5,740	$ 6,580	$ —	$ 161	$ 161	$ 840	$ 5,901	$ 6,741
Amounts paid	(350)	—	(350)	—	—	—	(350)	—	(350)
Reserve adjustments	—	(208)	(208)	—	—	—	—	(208)	(208)
Balance at March 31, 2021	$ 490	$ 5,532	$ 6,022	$ —	$ 161	$ 161	$ 490	$ 5,693	$ 6,183
Amounts paid	—	(200)	(200)	—	—	—	—	(200)	(200)
Reserve adjustments	(60)	(680)	(740)	—	—	—	(60)	(680)	(740)
Balance at June 30, 2021	$ 430	$ 4,652	$ 5,082	$ —	$ 161	$ 161	$ 430	$ 4,813	$ 5,243
Reserve adjustments	—	(305)	(305)	—	(35)	(35)	—	(340)	(340)
Balance at September 30, 2021	$ 430	$ 4,347	$ 4,777	$ —	$ 126	$ 126	$ 430	$ 4,473	$ 4,903

The remaining accrued restructuring costs of $4,903 are reflected in accounts payable and accrued expenses on the condensed consolidated balance sheet as of September 30, 2021.

3. New Accounting Pronouncements

Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, ("ASU 2020-04") and ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*, ("ASU 2021-01"). The purpose of ASU 2020-04 is to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. More specifically, the amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in ASU 2021-01 clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The amendments in ASU 2020-04 and ASU 2021-01 are effective as of March 12, 2020 through December 31, 2022. The Company is evaluating the impact of ASU 2020-04 and ASU 2021-01 and their impact on its condensed consolidated financial statements.

4. Lease Accounting

Lease Deferrals and Abatements

Upon the temporary closure of theatres in March 2020, the Company initiated discussions with landlords to negotiate the deferral of rent and other lease-related payments with certain of its landlords. The amendments signed with the landlords involved varying concessions, including the abatement of rent payments during closure, alternative rent terms during closure, deferral of all or a portion of rent payments to later periods and deferrals of rent payments to later periods combined with an early exercise of an existing renewal option or extension of the lease term. In some cases, the Company was entitled to rent-free periods while theatres were closed due to local regulations in certain locations.

In April 2020, the FASB staff released guidance indicating that in response to the COVID-19 crisis, an entity would not have to analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and can elect to apply or not apply the lease modification guidance in Topic 842 to those contracts. The election is available for concessions related to the effects of the COVID-19 pandemic that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. For example, this election is available for concessions that result in the total payments required by the modified contract being substantially the same as or less than total payments required by the original contract.

The Company elected to not remeasure the related lease liabilities and right-of-use assets for those leases where the concessions and deferrals did not result in a significant change in total payments under the lease and where the remaining lease term did not change as a result of the negotiation. For those leases that were renewed or extended as a result of the negotiation to defer rent payments, the Company recalculated the related lease liability and right-of-use asset based on the new terms. Total remaining deferred payments as of September 30, 2021 were $42,954, of which $37,587 were included in accounts payable and accrued expenses and $5,367 were included in other long-term liabilities in the condensed consolidated balance sheet.

In thousands, except share and per share data

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

Lease Cost	Classification	Three Months Ended September 30 2021	Three Months Ended September 30 2020	Nine Months Ended September 30 2021	Nine Months Ended September 30 2020
Operating lease costs					
Equipment (1)	Utilities and other	$ 699	$ 823	$ 1,567	$ 2,495
Real Estate (2)(3)	Facility lease expense	69,492	65,970	200,930	211,088
Total operating lease costs		$ 70,191	$ 66,793	$ 202,497	$ 213,583
Finance lease costs					
Amortization of leased assets	Depreciation and amortization	$ 3,142	$ 3,665	$ 9,533	$ 11,052
Interest on lease liabilities	Interest expense	1,449	1,725	4,510	5,333
Total finance lease costs		$ 4,591	$ 5,390	$ 14,043	$ 16,385

(1) Includes approximately $566 and $(267) of short-term lease payments for the three months ended September 30, 2021 and 2020, respectively. Includes approximately $1,194 and $(839) of short-term lease payments for the nine months ended September 30, 2021 and 2020, respectively.
(2) Includes approximately $1,862 and $(191) of variable lease payments based on a change in index, such as CPI or inflation, variable payments based on revenues or attendance and variable common area maintenance costs for the three months ended September 30, 2021 and 2020, respectively. Includes approximately $(81) and $9,146 of variable lease payments based on a change in index, such as CPI or inflation, variable payments based on revenues or attendance and variable common area maintenance costs for the nine months ended September 30, 2021 and 2020, respectively.
(3) Approximately $318 and $335 of lease payments are included in general and administrative expenses primarily related to office leases for the three months ended September 30, 2021 and 2020, respectively. Approximately $967 and $1,122 of lease payments are included in general and administrative expenses primarily related to office leases for the nine months ended September 30, 2021 and 2020, respectively.

The following table represents the minimum cash lease payments recorded as lease expense, interest expense and a reduction of lease liabilities, as well as the non-cash addition of lease assets for the periods indicated.

Other Information	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Contractual cash payments included in the measurement of lease liabilities(1)		
Cash outflows for operating leases	$ 201,384	$ 205,276
Cash outflows for finance leases - operating activities	$ 4,504	$ 5,304
Cash outflows for finance leases - financing activities	$ 11,045	$ 11,497
Non-cash amount of leased assets obtained in exchange for:		
Operating lease liability additions, net	$ 109,088	$ 84,241

(1) As discussed above at *Lease Deferrals and Abatements*, the Company negotiated certain lease amendments to defer and/or abate contractual payments as a result of the COVID-19 pandemic and temporary closure of theatres. In accordance with FASB Staff guidance, the Company did not recalculate lease liabilities and right of use assets for amendments that did not result in a substantial increase in the rights of the lessor or the obligations of the lessee. Contractual payment amounts for the nine months ended September 30, 2021 above are prior to the impact of deferred or abated rent amounts.

As of September 30, 2021, the Company had signed lease agreements with total contractual minimum lease payments of approximately $144,845 related to theatre leases that had not yet commenced. The timing of lease commencement is dependent on the completion of construction of the related theatre facility. Additionally, these amounts are often based on estimated square footage and costs to construct each facility and may be subject to adjustment upon final completion of each construction project. In accordance with ASC Topic 842, fixed minimum lease payments related to these theatre leases which have not yet commenced are excluded from the right-of-use assets and lease liabilities as of September 30, 2021.

In thousands, except share and per share data

5. Revenue Recognition

The Company's patrons have the option to purchase movie tickets well in advance of a movie showtime or right before the movie showtime, or at any point in between those two timeframes depending on seat availability. The Company recognizes such admissions revenues when the showtime for a purchased movie ticket has passed. Concession revenues are recognized when products are sold to the consumer. Other revenues primarily consist of screen advertising and screen rental revenues, promotional income, studio trailer placements and transactional fees. Except for NCM screen advertising advances discussed below in Note 9, these revenues are generally recognized when the Company has performed the related services. The Company sells gift cards and discount ticket vouchers, the proceeds from which are recorded as deferred revenues. Deferred revenues for gift cards and discount ticket vouchers are recognized when they are redeemed for concession items or, if redeemed for movie tickets, when the showtime has passed. The Company offers a subscription program in the U.S. whereby patrons can pay a monthly fee to receive a monthly credit for use towards a future movie ticket purchase. The Company records the monthly subscription program fees as deferred revenues and records admissions revenues when the showtime for a movie ticket purchased with a credit has passed. The Company has loyalty programs in the U.S. and many of its international locations that either have a prepaid annual membership fee or award points to customers as purchases are made. For those loyalty programs that have an annual membership fee, the Company recognizes the fee collected as other revenues on a straight-line basis over the term of the membership. For those loyalty programs that award points to customers based on their purchases, the Company records a portion of the original transaction proceeds as deferred revenues based on the number of reward points issued to customers and recognizes the deferred revenues when the customer redeems such points. The value of loyalty points issued is based on the estimated fair value of the rewards offered. The Company generally records breakage revenue on gift cards and discount ticket vouchers based on redemption activity and historical experience with unused balances. The Company also records breakage revenue generally upon the expiration of loyalty points and subscription credits. Advances collected on concession and other contracts are deferred and recognized during the period in which the Company satisfies the related performance obligations, which may differ from the period in which the advances are collected.

Accounts receivable as of September 30, 2021 and December 31, 2020 included approximately $11,151 and $6,232, respectively, of receivables related to contracts with customers. The Company did not record any assets related to the costs to obtain or fulfill a contract with customers during the nine months ended September 30, 2021.

Disaggregation of Revenue

The following tables present revenues for the three and nine months ended September 30, 2021 and 2020, disaggregated based on major type of good or service and by reportable operating segment and disaggregated based on timing of revenue recognition.

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
Major Goods/Services	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**
Admissions revenues	$ 195,307	$ 30,157	$ 225,464	$ 384,361	$ 50,703	$ 435,064
Concession revenues	142,634	21,624	164,258	275,032	38,528	313,560
Screen advertising, screen rental and promotional revenues (2)	18,054	4,845	22,899	44,543	7,628	52,171
Other revenues	19,532	2,668	22,200	37,941	5,098	43,039
Total revenues	$ 375,527	$ 59,294	$ 434,821	$ 741,877	$ 101,957	$ 843,834

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
Major Goods/Services	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**
Admissions revenues	$ 14,794	$ 107	$ 14,901	$ 247,157	$ 60,243	$ 307,400
Concession revenues	8,861	255	9,116	161,674	37,922	199,596
Screen advertising, screen rental and promotional revenues (2)	9,227	513	9,740	35,319	13,437	48,756
Other revenues	1,527	194	1,721	25,857	6,459	32,316
Total revenues	$ 34,409	$ 1,069	$ 35,478	$ 470,007	$ 118,061	$ 588,068

In thousands, except share and per share data

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
Timing of Recognition	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**
Goods and services transferred at a point in time	$ 348,484	$ 53,306	$ 401,790	$ 678,445	$ 91,519	$ 769,964
Goods and services transferred over time (2)	27,043	5,988	33,031	63,432	10,438	73,870
Total	$ 375,527	$ 59,294	$ 434,821	$ 741,877	$ 101,957	$ 843,834

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
Timing of Recognition	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**	**U.S. Operating Segment (1)**	**International Operating Segment**	**Consolidated**
Goods and services transferred at a point in time	$ 24,945	$ 352	$ 25,297	$ 426,476	$ 101,681	$ 528,157
Goods and services transferred over time (2)	9,464	717	10,181	43,531	16,380	59,911
Total	$ 34,409	$ 1,069	$ 35,478	$ 470,007	$ 118,061	$ 588,068

(1) U.S. segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 17 for additional information on intercompany eliminations.
(2) Amount includes amortization of NCM screen advertising advances. See *Deferred Revenues* below.

Deferred Revenues

The following table presents changes in the Company's NCM screen advertising advances and deferred revenues for the nine months ended September 30, 2021.

	NCM screen advertising advances (1)	**Other Deferred Revenues (2)**
Balance at January 1, 2021	$ 344,255	$ 138,830
Amounts recognized as accounts receivable	—	3,409
Cash received from customers in advance	—	58,256
Common units received from NCM	10,237	—
Interest accrued related to significant financing component	17,723	—
Revenue recognized during period	(24,003)	(64,625)
Foreign currency translation adjustments	—	(1,253)
Balance at September 30, 2021	$ 348,212	$ 134,617

(1) See Note 9 for the maturity of NCM screen advertising advances as of September 30, 2021.
(2) Includes liabilities associated with outstanding gift cards and discount ticket vouchers, points or rebates outstanding under the Company's loyalty and membership programs and revenues not yet recognized for screen advertising, screen rental and other promotional activities. Classified as accounts payable and accrued expenses or other long-term liabilities on the condensed consolidated balance sheet.

The table below summarizes the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of September 30, 2021 and when the Company expects to recognize this revenue.

	Twelve Months Ended September 30,						
Remaining Performance Obligations	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Other deferred revenues	$ 117,093	$ 17,524	$ —	$ —	$ —	$ —	$ 134,617

6. Earnings Per Share

The following table presents computations of basic and diluted loss per share:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Numerator:				
Net loss attributable to Cinemark Holdings, Inc.	$ (77,814)	$ (147,592)	$ (428,522)	$ (377,572)
Loss allocated to participating share-based awards (1)	1,525	1,472	7,583	2,832
Net loss attributable to common stockholders	$ (76,289)	$ (146,120)	$ (420,939)	$ (374,740)
Denominator (shares in thousands):				
Basic weighted average common stock outstanding	117,274	116,707	117,226	116,552
Common equivalent shares for restricted stock units (2)	—	—	—	—
Common equivalent shares for convertible notes and warrants (3)	—	—	—	—
Diluted common equivalent shares	117,274	116,707	117,226	116,552
Basic loss per share attributable to common stockholders	$ (0.65)	$ (1.25)	$ (3.59)	$ (3.22)
Diluted loss per share attributable to common stockholders	$ (0.65)	$ (1.25)	$ (3.59)	$ (3.22)

(1) For the three months ended September 30, 2021 and 2020, a weighted average of approximately 2,344 and 1,175 shares of restricted stock, respectively, were considered participating securities. For the nine months ended September 30, 2021 and 2020, a weighted average of approximately 2,112 and 880 shares of restricted stock, respectively, were considered participating securities.

(2) For the three months ended September 30, 2021 and 2020, approximately 103 and 438, respectively, common equivalent shares for restricted stock units were excluded because they were anti-dilutive. For the nine months ended September 30, 2021 and 2020, approximately 90 and 689, respectively, common equivalent shares for restricted stock units were excluded because they were anti-dilutive.

(3) For the three and nine months ended September 30, 2021 and 2020, diluted loss per share excludes the conversion of the 4.50% Convertible Senior Notes into 32,051 shares of common stock, as well as outstanding warrants, as they would be anti-dilutive. See further discussion below.

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

The impact of the 4.50% Convertible Senior Notes on diluted loss per share is calculated under the if-converted method, which assumes conversion of the notes at the beginning of the period. The if-converted value of the 4.50% Convertible Senior Notes exceeded the aggregate outstanding principal value of the notes by $180,842. The closing price of the Company's common stock did not exceed the strike price of $18.65 per share (130% of the initial exercise price of $14.35 per share) during at least 20 of the last 30 trading days of the nine months ended September 30, 2021 and, therefore, the 4.50% Convertible Senior Notes are not considered convertible during the fourth quarter of 2021.

As stated in Note 13 of the Company's Annual Report on Form 10-K filed February 26, 2021, the Company entered into hedge transactions with, and sold warrants to, counterparties in connection with the issuance of the 4.50% Convertible Senior Notes. The hedge transactions are generally expected to reduce the potential dilution of any conversion of the 4.50% Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted 4.50% Convertible Senior Notes, as the case may be. The warrants could have a dilutive effect on earnings per share to the extent that the price of the Company's common stock during a given measurement period exceeds the strike price (initially $22.08 per share).

7. Long Term Debt Activity

Senior Secured Credit Facility

Cinemark USA, Inc. has a senior secured credit facility that includes a $700,000 term loan and a $100,000 revolving credit line (the "Credit Agreement"). As of September 30, 2021, there was $634,785 outstanding under the term loan and no borrowings were outstanding under the revolving credit line. As of September 30, 2021, $100,000 was available for borrowing under the revolving credit line. Quarterly principal payments of $1,649 are due on the term loan through December 31, 2024, with a final principal payment of $613,351 due on March 29, 2025. As a result of the June 15, 2021 amendment to the Credit Agreement discussed below, the revolving credit line matures on November 28, 2024. The average interest rate applicable to outstanding term loan borrowings under the Credit Agreement as of September 30, 2021 was approximately 3.4% per annum, after giving effect to the interest rate swap agreements discussed below.

On April 17, 2020, in conjunction with the issuance of the 8.750% Secured Notes discussed below, the Company obtained a waiver of the leverage covenant from the majority of revolving lenders under the Credit Agreement for the fiscal quarters ending September 30, 2020 and December 31, 2020. The waiver is subject to certain liquidity thresholds, restrictions on investments and the use of the Applicable Amount.

On August 21, 2020, the Company further amended the waiver of the leverage covenant to extend through the fiscal quarter ending September 30, 2021. The amendment also (i) modifies the leverage covenant calculation beginning with the calculation for the trailing twelve-month period ended December 31, 2021, (ii) for purposes of testing the consolidated net senior secured leverage ratio for the fiscal quarters ending on December 31, 2021, March 31, 2022 and June 30, 2022, permits the Company to substitute Consolidated EBITDA for the first three fiscal quarters of 2019 in lieu of Consolidated EBITDA for the corresponding fiscal quarters of 2021, (iii) modifies the restrictions imposed by the covenant waiver, and (iv) makes such other changes to permit the issuance of the 4.50% Convertible Senior Notes discussed below.

On June 15, 2021, in conjunction with the issuance of the 5.25% Senior Notes discussed below, the Credit Agreement was amended to, among other things, extend the maturity of the revolving credit line from November 28, 2022 to November 28, 2024. The Company incurred debt issue costs of approximately $500 in connection with the extension of the revolving credit line, which are recorded as a reduction of long-term debt on the consolidated balance sheet.

5.875% Senior Notes

On March 16, 2021, Cinemark USA, Inc. issued $405,000 aggregate principal amount of 5.875% senior notes due 2026, at par value (the “5.875% Senior Notes”). Proceeds, after payment of fees, were used to fund a cash tender offer to purchase any and all of Cinemark USA’s 5.125% Senior Notes (the “5.125% Senior Notes”) and to redeem any of the 5.125% Senior Notes that remained outstanding after the tender offer. See further discussion of the tender offer below. Interest on the 5.875% Senior Notes is payable on March 15 and September 15 of each year, beginning September 15, 2021. The 5.875% Senior Notes mature on March 15, 2026. The Company incurred debt issue costs of approximately $5,980 in connection with the issuance, which are recorded as a reduction of long-term debt, less current on the consolidated balance sheet.

The 5.875% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.’s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.’s or a guarantor’s debt. The 5.875% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.’s and its guarantor’s existing and future senior debt and are senior in right of payment to all of Cinemark USA, Inc.’s and its guarantors’ existing and future senior subordinated debt. The 5.875% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.’s and its guarantor’s existing and future secured debt to the extent of the value of the collateral securing such debt, including all borrowings under Cinemark USA, Inc.’s amended senior secured credit facility. The 5.875% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.’s subsidiaries that do not guarantee the 5.875% Senior Notes.

The indenture to the 5.875% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. Upon a change of control, as defined in the indenture, the Company would be required to make an offer to repurchase the 5.875% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 5.875% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if we satisfy the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances.

5.250% Senior Notes

On June 15, 2021, Cinemark USA, Inc. issued $765,000 aggregate principal amount of 5.25% senior notes due 2028, at par value (the “5.25% Senior Notes”). Proceeds, after payment of fees, were used to redeem all of Cinemark USA’s 4.875% $755,000 aggregate principal amount of Senior Notes due 2023 (the “4.875% Senior Notes”). Interest on the 5.25% Senior Notes is payable on January 15 and July 15 of each year, beginning January 15, 2022. The 5.25% Senior Notes mature on July 15, 2028. The Company incurred debt issue costs of approximately $10,684 in connection with the issuance, which are recorded as a reduction of long-term debt on the consolidated balance sheet.

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

The indenture to the 5.25% Senior Notes contains covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. Upon a change of control, as defined in the indenture, the Company would be required to make an offer to repurchase the 5.25% Senior Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indenture governing the 5.25% Senior Notes allows Cinemark USA, Inc. to incur additional indebtedness if we satisfy the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances.

4.875% Senior Notes

On May 21, 2021, Cinemark USA, Inc. issued a conditional notice of optional redemption to redeem the $755,000 outstanding principal amount of the 4.875% Senior Notes. In connection therewith, Cinemark USA deposited with Wells Fargo Bank, N.A., as Trustee for the 4.875% Senior Notes (the "Trustee"), funds sufficient to redeem all 4.875% Senior Notes remaining outstanding on June 21, 2021 (the "Redemption Date"). The redemption payment (the "Redemption Payment") included $755,000 of outstanding principal at the redemption price equal to 100.000% of the principal amount plus accrued and unpaid interest thereon to the Redemption Date. Upon deposit of the Redemption Payment with the Trustee on June 15, 2021, the indenture governing the 4.875% Senior Notes was fully satisfied and discharged.

The Company recorded a loss on extinguishment of debt of $3,919, which included the write-off of $3,301 unamortized debt issuance costs and the payment of $618 in related fees during the nine months ended September 30, 2021.

5.125% Senior Notes

On March 16, 2021, Cinemark USA, Inc. completed a tender offer to purchase its previously outstanding 5.125% Senior Notes, of which $333,990 was tendered at the expiration of the offer. On March 16, 2021, Cinemark USA, Inc. also issued a notice of optional redemption to redeem the remaining $66,010 principal amount of the 5.125% Senior Notes. In connection therewith, Cinemark USA deposited with Wells Fargo Bank, N.A., as Trustee for the 5.125% Senior Notes (the "Trustee"), funds sufficient to redeem all 5.125% Notes remaining outstanding on April 15, 2021 (the "Redemption Date"). The redemption payment (the "Redemption Payment") included $66,010 of outstanding principal at the redemption price equal to 100.000% of the principal amount plus accrued and unpaid interest thereon to the Redemption Date. Upon deposit of the Redemption Payment with the Trustee on March 16, 2021, the indenture governing the 5.125% Senior Notes was fully satisfied and discharged.

The Company recorded a loss on extinguishment of debt of $2,603 during the nine months ended September 30, 2021, which included the write-off of $1,168 unamortized debt issuance costs and the payment of $1,435 in tender and legal fees.

In thousands, except share and per share data

Additional Borrowings of International Subsidiaries

During the nine months ended September 30, 2021, certain of the Company's international subsidiaries borrowed an aggregate of $9,706 under various local bank loans. Below is a summary of these loans:

Loan Description	Loan Amounts (in USD)		Interest Rates	Covenants	Maturity
Peru bank loan	$	3,277	4.8%	Negative covenants	January 2024
Brazil bank loan	$	6,429	4.0%	Negative covenants	January 2029

Additionally, the Company deposited cash into a collateral account to support the issuance of bank letters of credit to the lenders for the international loans noted above. The total amount deposited during the nine months ended September 30, 2021 was $7,300. Total deposits made to support bank letters of credit for the Company's outstanding international loans is $21,147 and is considered restricted cash as of September 30, 2021.

Interest Rate Swap Agreements

Below is a summary of the Company's interest rate swap agreements designated as cash flow hedges as of September 30, 2021:

Notional Amount		Effective Date	Pay Rate	Receive Rate	Expiration Date	Estimated Fair Value at September 30, 2021 (1)	
$	137,500	December 31, 2018	2.12%	1-Month LIBOR	December 31, 2024	$	6,562
$	175,000	December 31, 2018	2.12%	1-Month LIBOR	December 31, 2024		8,419
$	137,500	December 31, 2018	2.19%	1-Month LIBOR	December 31, 2024		6,918
$	150,000	March 31, 2020	0.57%	1-Month LIBOR	March 31, 2022		354
					Total	$	22,253

(1) Approximately $9,536 of the total is included in accounts payable and accrued expenses and $12,717 is included in other long-term liabilities on the condensed consolidated balance sheet as of September 30, 2021.

Upon amending the interest rate swap agreements effective March 31,2020, the Company determined that the interest payments hedged with the agreements are still probable to occur, therefore the loss that accumulated on the swaps prior to the amendments of $29,359 is being amortized to interest expense through December 31, 2022, the original maturity dates of the swaps. Approximately $1,124 and $3,372 was recorded in interest expense in the condensed consolidated income statement for the three and nine months ended September 30, 2021, respectively.

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

Adoption of ASU 2020-06

ASU 2020-06 simplifies the guidance on an issuer's accounting for convertible debt instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, entities will not separately present in equity an embedded conversion feature of such debt. Instead, they will account for a convertible debt instrument wholly as debt, unless certain other conditions are met. The elimination of these models reduces reported interest expense and increases reported net income for entities that have issued a convertible instrument within the scope of those models before the adoption of ASU 2020-06. Also, ASU 2020-06 requires the application of the if-converted method for calculating diluted earnings per share and the treasury stock method is no longer available. The provisions of ASU 2020-06 are applicable for fiscal years beginning after December 15, 2021, with early adoption permitted no earlier than fiscal years beginning after December 15, 2020.

The Company adopted ASU 2020-06 under the modified retrospective method effective January 1, 2021. As a result of the adoption, the entire $460,000 principal balance of the 4.50% Convertible Senior Notes are recorded in long-term debt and is no longer bifurcated between long-term debt and equity. The impact of the adoption is as follows:

- Reclassified $101,123 previously allocated to the cash conversion feature and recorded in equity, from equity to long term debt on the condensed consolidated balance sheet.
- Reversed the accretion of interest of $5,714 on the 4.50% Convertible Senior Notes recorded during the year ended December 31, 2020 with a credit to retained earnings.
- Reclassified $3,764 of debt issue costs previously allocated to equity to long-term debt on the condensed consolidated balance sheet.
- Recorded offsetting amortization of debt issue costs of $274 as an adjustment to retained earnings on the condensed consolidated balance sheet.

Fair Value of Long-Term Debt

The Company estimates the fair value of its long-term debt using the market approach, which utilizes quoted market prices that fall under Level 2 of the U.S. GAAP fair value hierarchy as defined by ASC 820, *Fair Value Measurement* (“ASC Topic 820”). The carrying value of the Company’s long-term debt, excluding unamortized debt discounts and debt issue costs, was $2,543,099 and $2,527,900 as of September 30, 2021 and December 31, 2020, respectively. The fair value of the Company’s long-term debt was $2,825,036 and $2,652,635 as of September 30, 2021 and December 31, 2020, respectively.

In thousands, except share and per share data

8. Equity

Below is a summary of changes in stockholders' equity attributable to Cinemark Holdings, Inc., noncontrolling interests and total equity for the three and nine months ended September 30, 2021 and 2020:

	Common Stock	Treasury Stock	Additional Paid-In-Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Cinemark Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2021	$ 124	$ (87,004)	$ 1,245,569	$ 27,937	$ (398,653)	$ 787,973	$ 10,996	$ 798,969
Impact of adoption of ASU 2020-06, net of deferred taxes of $23,756 (See Note 7)	—	—	(73,604)	5,440	—	(68,164)	—	(68,164)
Issuance of share based awards and share based awards compensation expense	—	—	4,668	—	—	4,668	—	4,668
Stock withholdings related to share based awards that vested during the three months ended March 31, 2021	—	(8)	—	—	—	(8)	—	(8)
Adjustment to accrued dividends on unvested restricted stock unit awards	—	—	—	(2)	—	(2)	—	(2)
Net loss	—	—	—	(208,241)	—	(208,241)	(602)	(208,843)
Unrealized gain due to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	5,704	5,704	—	5,704
Amortization of accumulated losses for amended swap agreements	—	—	—	—	1,124	1,124	—	1,124
Foreign currency translation adjustments	—	—	—	—	(9,465)	(9,465)	—	(9,465)
Balance at March 31, 2021	124	(87,012)	1,176,633	(174,866)	(401,290)	513,589	10,394	523,983
Issuance of share based awards and share based awards compensation expense	1	—	5,907	—	—	5,908	—	5,908
Stock withholdings related to share based awards that vested during the three months ended June 30, 2021	—	(4)	—	—	—	(4)	—	(4)
Adjustment to accrued dividends on unvested restricted stock unit awards related to forfeitures	—	—	—	4	—	4	—	4
Net loss	—	—	—	(142,467)	—	(142,467)	186	(142,281)
Unrealized gain due to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	746	746	—	746
Amortization of accumulated losses for amended swap agreements	—	—	—	—	1,123	1,123	—	1,123
Foreign currency translation adjustments	—	—	—	—	8,259	8,259	—	8,259
Balance at June 30, 2021	125	(87,016)	1,182,540	(317,329)	(391,162)	387,158	10,580	397,738
Share based awards and share based awards compensation expense	—	—	6,014	—	—	6,014		6,014
Stock withholdings related to share based awards that vested during the three months ended September 30, 2021	—	(4)	—	—	—	(4)	—	(4)
Net loss	—	—	—	(77,814)	—	(77,814)	241	(77,573)
Unrealized gain to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	1,462	1,462	—	1,462
Amortization of accumulated losses for amended swap agreements	—	—	—	—	1,124	1,124	—	1,124
Foreign currency translation adjustments	—	—	—	—	(13,804)	(13,804)	—	(13,804)
Balance at September 30, 2021	$ 125	$ (87,020)	$ 1,188,554	$ (395,143)	$ (402,380)	$ 304,136	$ 10,821	$ 314,957

In thousands, except share and per share data

	Common Stock	Treasury Stock	Additional Paid-In-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Cinemark Holdings, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2020	$ 122	$ (81,567)	$ 1,170,039	$ 687,332	$ (340,112)	$ 1,435,814	$ 12,508	$ 1,448,322
Issuance of share based awards and share based awards compensation expense	—	—	4,111	—	—	4,111	—	4,111
Stock withholdings related to share based awards that vested during the three months ended March 31, 2020	—	(2,691)	—	—	—	(2,691)	—	(2,691)
Dividends paid to stockholders, $0.36 per common share (1)	—	—	—	(42,311)	—	(42,311)	—	(42,311)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(392)	(392)
Dividends accrued on unvested restricted stock unit awards (1)	—	—	—	(256)	—	(256)	—	(256)
Net loss	—	—	—	(59,591)	—	(59,591)	169	(59,422)
Unrealized loss due to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	(24,171)	(24,171)	—	(24,171)
Foreign currency translation adjustments	—	—	—	—	(57,625)	(57,625)	—	(57,625)
Balance at March 31, 2020	122	(84,258)	1,174,150	585,174	(421,908)	1,253,280	12,285	1,265,565
Issuance of share based awards and share based awards compensation expense	—	—	4,321	—	—	4,321	—	4,321
Stock withholdings related to share based awards that vested during the three months ended June 30, 2020	—	(107)	—	—	—	(107)	—	(107)
Net loss	—	—	—	(170,389)	—	(170,389)	(427)	(170,816)
Unrealized gain due to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	849	849	—	849
Amortization of accumulated losses for amended swap agreements	—	—	—	—	2,669	2,669	—	2,669
Foreign currency translation adjustments	—	—	—	—	(3,702)	(3,702)	—	(3,702)
Balance at June 30, 2020	$ 122	$ (84,365)	$ 1,178,471	$ 414,785	$ (422,092)	$ 1,086,921	$ 11,859	$ 1,098,780
Issuance of share based awards and share based awards compensation expense	1	—	4,427	—		4,428		4,428
Stock withholdings related to share based awards that vested during the three months ended September 30, 2020	—	(67)	—	—	—	(67)	—	(67)
Net loss	—	—	—	(147,592)	—	(147,592)	(444)	(148,036)
Issuance of convertible senior notes, net of allocated debt issue costs	—	—	97,359	—	—	97,359	—	97,359
Tax impact of convertible notes issued	—	—	10,960	—	—	10,960	—	10,960
Call options purchased	—	—	(142,094)	—	—	(142,094)	—	(142,094)
Proceeds from issuance of warrants	—	—	89,424	—	—	89,424	—	89,424
Unrealized gain to fair value adjustments on interest rate swap agreements, net of taxes, net of settlements	—	—	—	—	6,528	6,528	—	6,528
Amortization of accumulated losses for amended swap agreements	—	—	—	—	2,669	2,669	—	2,669
Foreign currency translation adjustments	—	—	—	—	(1,503)	(1,503)	—	(1,503)
Balance at September 30, 2020	$ 123	$ (84,432)	$ 1,238,547	$ 267,193	$ (414,398)	$ 1,007,033	$ 11,415	$ 1,018,448

(1) On March 20, 2020 the Company paid a $0.36 dividend per common share to stockholders of record on March 6, 2020. Additionally, the Company accrued dividends on outstanding unvested restricted stock units.

In thousands, except share and per share data

9. Investment in National CineMedia LLC

Below is a summary of activity with NCM included in the Company's condensed consolidated financial statements:

	Investment in NCM	NCM Screen Advertising Advances	Distributions from NCM	Equity in Loss	Other Revenue	Interest Expense - NCM	Cash Received
Balance as of January 1, 2021	$ 151,962	$ (344,255)					
Receipt of common units due to annual common unit adjustment ("CUA")	10,237	(10,237)	—	—	—	—	—
Screen rental revenues earned under ESA [(1)]	—	—	—	—	(7,516)	—	7,516
Interest accrued related to significant financing component	—	(17,723)	—	—	—	17,723	—
Receipt under tax receivable agreement	(156)	—	(77)	—	—	—	233
Equity in loss	(22,046)	—	—	22,046	—	—	—
Amortization of screen advertising advances	—	24,003	—	—	(24,003)	—	—
Balance as of and for the nine months ended September 30, 2021	$ 139,997	$ (348,212)	$ (77)	$ 22,046	$ (31,519)	$ 17,723	$ 7,749

(1) Amounts include the per patron and per digital screen theatre access fees due to the Company, net of amounts due to NCM for on-screen advertising time provided to the Company's beverage concessionaire of approximately $2,850.

Investment in National CineMedia

NCM operates a digital in-theatre network in the U.S. for providing cinema advertising. The Company entered into an Exhibitor Services Agreement with NCM ("ESA"), pursuant to which NCM primarily provides advertising to our theatres. The Company does not recognize undistributed equity in the earnings on its original NCM membership units (referred to herein as the Company's Tranche 1 Investment) until NCM's future net earnings, less distributions received, surpass the amount of the excess distribution. The Company recognizes equity in earnings on its Tranche 1 Investment only to the extent it receives cash distributions from NCM. The Company recognizes cash distributions it receives from NCM on its Tranche 1 Investment as a component of earnings as Distributions from NCM. The Company believes that the accounting model provided by ASC Topic 323-10-35-22 for recognition of equity investee losses in excess of an investor's basis is analogous to the accounting for equity income subsequent to recognizing an excess distribution.

Common Unit Adjustments

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

During March 2021, NCM performed its annual common unit adjustment calculation under the Common Unit Adjustment Agreement. As a result of the calculation, the Company received an additional 2,311,482 common units of NCM, on April 14, 2021. The Company recorded these additional common units at an estimated fair value of $10,237 with a corresponding adjustment to NCM screen advertising advances. The fair value of the common units received was estimated based on the market price of NCMI common stock (Level 1 input as defined in FASB ASC Topic 820) at the time the common units were determined, adjusted for volatility associated with the estimated time period it would take to convert the common units and register the respective shares.

As of September 30, 2021, the Company owned a total of 43,161,550 common units of NCM representing an ownership interest of approximately 26%. Each of the Company's common units in NCM is convertible into one share of NCM, Inc. common stock. As of September 30, 2021, the estimated fair value of the Company's investment in NCM was approximately $153,655 based on NCM, Inc.'s stock price as of September 30, 2021 of $3.56 per share (Level 1 input as defined in FASB ASC Topic 820).

In thousands, except share and per share data

Exhibitor Services Agreement

As discussed above, the Company's domestic theatres are part of the in-theatre digital network operated by NCM under the ESA. NCM provides advertising to the Company's theatres through its branded "*Noovie*" pre-show entertainment program and also handles lobby promotions and displays for our theatres. The Company receives monthly theatre access fees for participation in the NCM network for participation in the NCM network generally on a per patron and per screen basis. These fees earned under the ESA are reflected in other revenue on the condensed consolidated income statement.

Prior to September 17, 2019, the ESA was accounted for under ASC Topic 606, Revenue from Contracts with Customers. Effective September 17, 2019, the Company signed an amendment to the ESA, under which the Company will provide incremental advertising time to NCM and has extended the term through February 2041. Since the agreement was amended, the Company was required to evaluate the revised contract under ASC Topic 842, Leases, and as a result, determined that the ESA met the definition of a lease. The Company leases nonconsecutive periods of use of its domestic theatre screens to NCM for purposes of showing third party advertising content. The lease, which is classified as an operating lease, generally requires variable lease payments based on the number of patrons attending the showtimes during which such advertising is shown. The lease agreement is considered short-term due to the fact that the nonconsecutive periods of use, or advertising time slots, are set on a weekly basis. The revenues earned under the ESA, both before and after the amendment, are reflected in other revenue on the consolidated income statement.

The recognition of revenue related to the NCM screen advertising advances are recorded through February 2041.

	Twelve Months Ended September 30,						
Remaining Maturity	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
NCM screen advertising advances [(1)]	$ 8,968	$ 9,587	$ 10,251	$ 10,962	$ 11,724	$ 296,720	$ 348,212

(1) Amounts are net of the estimated interest to be accrued for the periods presented. See discussion of significant financing component below.

Significant Financing Component

In connection with the completion of the NCMI initial public offering, the Company amended and restated its ESA with NCM and received approximately $174,000 in cash consideration from NCM. The proceeds were recorded as deferred revenue and are being amortized over the term of the modified ESA, or through February 2041. In addition to the consideration received upon the ESA modification during 2007, the Company also receives consideration in the form of common units from NCM, at each annual common unit adjustment settlement, in exchange for exclusive access to the Company's newly opened domestic screens under the ESA. Due to the significant length of time between receiving the consideration from NCM and fulfillment of the related performance obligation, the ESA includes an implied significant financing component, as per the guidance in ASC Topic 606. As a result of the significant financing component, the Company recognized incremental screen rental revenue and interest expense of $24,003 and $17,723, respectively, during the nine months ended September 30, 2021 and incremental screen rental revenue and interest expense of $23,464 and $17,726, respectively, during the nine months ended September 30, 2020. The interest expense was calculated using the Company's incremental borrowing rates at the time when the cash was received from the NCMI IPO and each tranche of common units was received from NCM, which ranged from 4.4% to 8.3%.

Effective September 17, 2019, upon the Company's evaluation and determination that ASC Topic 842 applies to the amended ESA, the Company determined it acceptable to apply the significant financing component guidance from ASC Topic 606 by analogy as the economic substance of the agreement represents a financing arrangement.

In thousands, except share and per share data

NCM Financial Information

Below is summary financial information for NCM for the periods indicated:

	Three Months Ended September 30, 2021	Three Months ended September 24, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 24, 2020
Gross revenues	$ 31,677	$ 6,000	$ 51,080	$ 74,700
Operating income (loss)	$ (18,669)	$ (20,073)	$ (76,607)	$ (38,973)
Net loss	$ (35,335)	$ (34,950)	$ (125,699)	$ (81,350)

	As of September 30, 2021	As of December 31, 2020
Current assets	$ 97,064	$ 142,566
Noncurrent assets	$ 665,570	$ 685,643
Current liabilities	$ 48,761	$ 46,872
Noncurrent liabilities	$ 1,114,599	$ 1,072,207
Members deficit	$ (400,726)	$ (290,870)

10. Other Investments

Digital Cinema Implementation Partners LLC (“DCIP”)

On February 12, 2007, the Company, AMC and Regal (the “Exhibitors”) entered into a joint venture known as DCIP to facilitate the implementation of digital cinema in the Company’s theatres and to establish agreements with major motion picture studios for the financing of digital cinema. As of September 30, 2021, the Company had a 33% voting interest in DCIP and a 24.3% economic interest in DCIP. The Company accounts for its investment in DCIP and its subsidiaries under the equity method of accounting. On March 10, 2010, DCIP and its subsidiaries completed an initial financing transaction to enable the purchase, deployment and leasing of digital projection systems to the Exhibitors under equipment lease and installation agreements. On March 31, 2011, DCIP obtained incremental financing necessary to complete the deployment of digital projection systems. DCIP also entered into long-term Digital Cinema Deployment Agreements (“DCDAs”) with six major motion picture studios pursuant to which Kasima LLC, one of DCIP’s subsidiaries, receives a virtual print fee ("VPF") each time the studio books a film or certain other content on the leased digital projection systems. Other content distributors entered into similar DCDAs that provide for the payment of VPFs for bookings of the distributor's content on a leased digital projection system. The DCDAs end on the earlier to occur of (i) the tenth anniversary of the "mean deployment date" for all digital projection systems scheduled to be deployed over a period of up to five years, or (ii) the date DCIP achieves "cost recoupment", each as defined in the DCDAs. Cost recoupment occurs when revenues attributable to the digital projection systems exceed the financing, deployment, administration and other costs associated with the purchase of the digital projection systems. DCIP expects cost recoupment to occur during October 2021. The timing of cost recoupment is dependent on VPF payments from studios. Pursuant to the operating agreement between the Exhibitors and DCIP, DCIP could distribute excess cash to the Exhibitors upon the payoff of its outstanding debt, which began during the year ended December 31, 2019.

Effective November 1, 2020, the Company amended the master equipment lease agreement (“MELA”) with Kasima LLC, which is an indirect subsidiary of DCIP, resulting in the termination of the MELA. Upon termination of the MELA, the Company received a distribution of the digital projection equipment that it previously leased. As the fair value of the distributed projectors was greater than the Company’s investment in DCIP at the time of the distribution, the investment in DCIP was reduced to zero at the time of the distribution. The Company does not recognize undistributed equity in the earnings or loss of its investment in DCIP until such time that future net earnings, less distributions received, surpass the amount of the excess distribution.

In thousands, except share and per share data

Below is summary financial information for DCIP for the periods indicated:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Gross revenues	$ 27,639	$ 1,084	$ 47,361	$ 20,809
Operating income (loss)	$ 18,427	$ (29,878)	$ 41,868	$ (72,422)
Net income (loss)	$ 18,976	$ (30,554)	$ 42,933	$ (79,660)

	As of	
	September 30, 2021	December 31, 2020
Current assets	$ 41,625	$ 36,372
Noncurrent assets	$ 63	$ 205
Current liabilities	$ 14,562	$ 39,844
Noncurrent liabilities	$ —	$ 687
Members' equity (deficit)	$ 27,126	$ (3,954)

The Company had the following transactions with DCIP during the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Equipment lease payments [1][2]	$ —	$ 346	$ —	$ 1,384
Warranty reimbursements from DCIP [2]	$ (84)	$ —	$ (784)	$ (3,123)
Management service fees [2]	$ 21	$ —	$ 36	$ 84
Distributions from DCIP [3]	$ 6,534	$ —	$ 6,534	$ —

(1) As a result of the MELA amendment noted above, the Company recorded a lease termination liability during 2020. The lease termination payments made during the nine months ended September 30, 2021 reduced the liability outstanding. The remaining termination liability of $174 as of September 30, 2021 is reflected in accrued other current liabilities on the condensed consolidated balance sheet.

(2) Amounts reflected in utilities and other costs on the condensed consolidated statements of loss.

(3) Cash distributions received from DCIP are not treated as a reduction of the investment balance because, as discussed above, the Company's equity investment in DCIP is zero. Reflected as distributions from DCIP on the condensed consolidated statements of loss.

Other Investment Activity

Below is a summary of activity for each of the Company's other investments for the nine months ended September 30, 2021:

	AC JV, LLC	DCDC	FE Concepts	Other	Total
Balance at January 1, 2021	$ 3,745	$ 1,255	$ 18,273	$ 453	$ 23,726
Equity income (loss)	(1,099)	296	788	—	(15)
Other	—	—	—	44	44
Balance at September 30, 2021	$ 2,646	$ 1,551	$ 19,061	$ 497	$ 23,755

Below is a summary of transactions with each of the Company's other investees for the nine months ended September 30, 2021:

		Nine Months Ended	
Investee	**Transactions**	September 30, 2021	September 30, 2020
AC JV, LLC	Event fees paid [1]	$ 1,386	$ 2,258
DCDC	Content delivery fees paid [1]	$ 377	$ 208
FE Concepts	Theatre service fees received [2]	$ (47)	$ (19)

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

In thousands, except share and per share data

11. Treasury Stock and Share Based Awards

Treasury Stock

Treasury stock represents shares of common stock repurchased or withheld by the Company and not yet retired. The Company has applied the cost method in recording its treasury shares. Below is a summary of the Company's treasury stock activity for the nine months ended September 30, 2021:

	Number of Treasury Shares		Cost
Balance at January 1, 2021	5,050,981	$	87,004
Restricted stock withholdings [(1)]	565		16
Restricted stock forfeitures	42,034		—
Balance at September 30, 2021	5,093,580	$	87,020

(1) The Company withheld restricted shares as a result of the election by certain employees to satisfy their tax liabilities upon vesting in restricted stock and restricted stock units. The Company determined the number of shares to be withheld based upon market values ranging from $17.41 to $24.14 per share.

As of September 30, 2021, the Company had no plans to retire any shares of treasury stock.

Restricted Stock

During the nine months ended September 30, 2021, the Company granted 1,077,926 shares of its restricted stock to its employees and directors. The fair value of the restricted stock granted was determined based on the closing price of the Company's common stock on the day preceding the grant date, which ranged from $16.09 to $23.98 per share. The Company assumed forfeiture rates for the restricted stock awards that ranged from 0% to 10%. Certain of the restricted stock awards vested immediately on the grant date while others vest over periods ranging from one to four years. The recipients of restricted stock are entitled to receive non-forfeitable dividends and to vote their respective shares, however, the sale and transfer of the restricted shares is prohibited during the restriction period.

Below is a summary of restricted stock activity for the nine months ended September 30, 2021:

	Shares of Restricted Stock		Weighted Average Grant Date Fair Value
Outstanding at January 1, 2021	1,431,975	$	21.11
Granted	1,077,926	$	21.24
Vested	(115,712)	$	23.79
Forfeited	(42,034)	$	18.13
Outstanding at September 30, 2021	2,352,155	$	21.00
Unvested restricted stock at September 30, 2021	2,352,155	$	21.00

	Nine Months Ended September 30,			
		2021		2020
Compensation expense recognized during the period	$	13,757	$	8,235
Fair value of restricted shares that vested during the period	$	2,491	$	8,944
Income tax benefit (cost) related to restricted stock awards	$	(105)	$	2,678

As of September 30, 2021, the estimated remaining unrecognized compensation expense related to unvested restricted stock awards was $28,541 and the weighted average period over which this remaining compensation expense will be recognized is approximately two years.

In thousands, except share and per share data

Restricted Stock Units

The Company did not grant any restricted stock units during the nine months ended September 30, 2021.

During the nine months ended September 30, 2021, the Compensation Committee of the Company's Board of Directors evaluated the impact of the COVID-19 pandemic on the performance metric used for the restricted stock unit awards granted during February 2019 and February 2020 and determined that the COVID-19 pandemic significantly impacted the Company's ability to meet the performance metric. The Compensation Committee made a discretionary decision to certify the vest of the 2019 and 2020 restricted stock unit awards at target based upon the unforeseen, external circumstances beyond management's control, the projected macroeconomic conditions through 2021 and beyond, and the uncertain timing as to the recovery of the Company's industry. The requirement to satisfy the applicable service period under the restricted stock unit awards was not changed.

Below is a summary of restricted stock unit activity for the nine months ended September 30, 2021:

	Nine Months Ended September 30,			
		2021		2020
Number of restricted stock unit awards that vested during the period		15,230		120,293
Fair value of restricted stock unit awards that vested during the period	$	314	$	3,669
Accumulated dividends paid upon vesting of restricted stock unit awards	$	62	$	576
Compensation expense recognized during the period	$	2,832	$	4,624
Income tax benefit (cost) related to stock unit awards	$	(467)	$	215

As of September 30, 2021, the estimated remaining unrecognized compensation expense related to outstanding restricted stock unit awards was $7,185. The weighted average period over which this remaining compensation expense will be recognized is approximately 2 years. As of September 30, 2021, the Company had restricted stock units outstanding that represented a total of 561,041 hypothetical shares of common stock, net of forfeitures, reflecting actual certified performance levels for all grants outstanding.

12. Goodwill and Other Intangible Assets

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

		U.S. Operating Segment		International Operating Segment		Total
Balance at January 1, 2021 [(1)]	$	1,182,853	$	70,987	$	1,253,840
Foreign currency translation adjustments		—		(3,705)		(3,705)
Balance at September 30, 2021 [(1)]	$	1,182,853	$	67,282	$	1,250,135

(1) Balances are presented net of accumulated impairment losses of $214,031 for the U.S. operating segment and $43,750 for the international operating segment. See discussion of the qualitative impairment analysis performed by the Company as of September 30, 2021 at Note 13.

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

In thousands, except share and per share data

	Balance at January 1, 2021	Additions (1)	Amortization	Foreign Currency Translation Adjustments	Balance at September 30, 2021
Intangible assets with finite lives:					
Gross carrying amount	$ 82,432	$ —	$ —	$ (132)	$ 82,300
Accumulated amortization	(68,416)	—	(1,994)	—	(70,410)
Total net intangible assets with finite lives	$ 14,016	$ —	$ (1,994)	$ (132)	$ 11,890
Intangible assets with indefinite lives:					
Tradename and other	300,179	146	—	(190)	300,135
Total intangible assets, net	$ 314,195	$ 146	$ (1,994)	$ (322)	$ 312,025

(1) Amount represents alcoholic beverage licenses acquired.

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

For the three months ended December 31, 2021	$ 680
For the twelve months ended December 31, 2022	2,519
For the twelve months ended December 31, 2023	2,429
For the twelve months ended December 31, 2024	2,429
For the twelve months ended December 31, 2025	2,316
Thereafter	1,517
Total	$ 11,890

13. Impairment of Long-Lived Assets

The Company performed long-lived asset impairment evaluations at the end of each quarter during the nine months ended September 30, 2021. The following table is a summary of the evaluations performed by asset classification:

	Asset Category	Impairment Test Type	Valuation Approach	Valuation Multiple
First and Second Quarters				
	Goodwill	Qualitative	N/A	N/A
	Tradename Intangible Assets	Qualitative	N/A	N/A
	Other Long-lived Assets	Qualitative	N/A	N/A
Third Quarter				
	Goodwill	Qualitative	N/A	N/A
	Tradename Intangible Assets	Qualitative	N/A	N/A
	Other Long-lived Assets	Quantitative (1)	Market	3.1 to 6 times

(1) Quantitative test performed for certain theatre level assets where indicators existed under a qualitative test. For theatre level asset evaluations performed, the Company used the lesser of the remaining theatre lease term or the applicable market multiple to determine impairment exposure.

Goodwill – The Company evaluates goodwill for impairment as follows:

- Qualitative approach The Company's qualitative assessment of goodwill for each reporting unit considers economic and market conditions, industry trading multiples and the impact of recent developments and events on the estimated fair values as determined during its most recent quantitative assessment

Tradename Intangible assets – The Company evaluates tradename intangible assets for impairment as follows:

- Qualitative approach The Company's qualitative assessment considers industry and market conditions and recent developments that may impact the revenue forecasts and other estimates used in its most recent quantitative assessment.

Other Long-lived Assets– The Company evaluates other long-lived assets for impairment as follows:

- Quantitative approach The Company performs a quantitative evaluation at the theatre level using estimated undiscounted cash flows from continuing use through the remainder of the theatre's useful life. Significant judgment, including management's estimate of the impact of temporary theatre closures and other considerations as a result of COVID-19, was involved in estimating cash flows and fair value. Fair value is determined based on a multiple of cash flows. Management's estimates, which fall under Level 3 of the U.S. GAAP fair value hierarchy, as defined by FASB ASC Topic 820-10-35, are based on projected operating performance, market transactions and industry trading multiples.

In thousands, except share and per share data

- Qualitative approach The Company performs a qualitative evaluation for certain theatres based on the results of the quantitative evaluation noted above. The Company's qualitative evaluation considers relevant market transactions, industry trading multiples and recent developments that would impact its estimates of future cash flows.

The following table is a summary of the impairment recorded as a result of the evaluations performed during the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
U.S. Segment				
Theatre properties	$ 4,801	$ 2,075	$ 4,801	$ 5,718
Theatre operating lease right-of-use assets	2,638	1,123	2,638	7,075
Cost method investment	—	2,500	—	2,500
U.S. total	7,439	5,698	7,439	15,293
International segment				
Theatre properties	39	938	39	5,422
Theatre operating lease right-of-use assets	2	1,654	2	4,194
Goodwill	—	16,128	—	16,128
Intangible assets	—	177	—	177
International total	41	18,897	41	25,921
Total Impairment	$ 7,480	$ 24,595	$ 7,480	$ 41,214

14. Fair Value Measurements

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

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

Below is a summary of liabilities measured at fair value on a recurring basis by the Company under FASB ASC Topic 820 as of September 30, 2021 and December 31, 2020:

Description	As of,	Carrying Value	Fair Value Hierarchy Level 1	Fair Value Hierarchy Level 2	Fair Value Hierarchy Level 3
Interest rate swap liabilities [1]	September 30, 2021	$ 22,253	$ —	$ 22,253	$ —
Interest rate swap liabilities [1]	December 31, 2020	$ 33,847	$ —	$ 33,847	$ —

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

The Company uses the market approach for fair value measurements on a nonrecurring basis in the impairment evaluations of its goodwill, intangible assets and long-lived assets (see Note 12 and Note 13). See additional explanation of fair value measurement techniques used for long-lived assets, goodwill and intangible assets in "Critical Accounting Policies" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, filed February 26, 2021. There were no changes in valuation techniques. The Company elected to perform its goodwill impairment evaluation using both the market approach and the income approach for the nine months ended September 30, 2021. There were no transfers in to or out of Level 1, Level 2 or Level 3 during the nine months ended September 30, 2021.

In thousands, except share and per share data

15. Foreign Currency Translation

The accumulated other comprehensive loss account in stockholders' equity of $402,380 and $398,653 as of September 30, 2021 and December 31, 2020, respectively, primarily includes cumulative foreign currency net losses of $390,654 and $375,644, respectively, from translating the financial statements of the Company's international subsidiaries and the cumulative changes in fair value of the Company's interest rate swap agreements that are designated as hedges.

As of September 30, 2021, all foreign countries where the Company has operations, other than Argentina, are non-highly inflationary, and the local currency is the same as the functional currency in all of the locations. Thus, any fluctuation in the currency results in a cumulative foreign currency translation adjustment recorded to accumulated other comprehensive loss. The Company deemed Argentina to be highly inflationary beginning July 1, 2018. A highly inflationary economy is defined as an economy with a cumulative inflation rate of approximately 100 percent or more over a three-year period. If a country's economy is classified as highly inflationary, the financial statements of the foreign entity operating in that country must be remeasured to the functional currency of the reporting entity. The financial information of the Company's Argentina subsidiaries was remeasured in U.S. dollars in accordance with ASC Topic 830, *Foreign Currency Matters*, effective July 1, 2018.

Below is a summary of the impact of translating the September 30, 2021 and 2020 financial statements of the Company's international subsidiaries:

	Exchange Rate as of		Other Comprehensive Loss for Nine Months Ended	
Country	September 30, 2021	December 31, 2020	September 30, 2021	September 30, 2020
Brazil	5.43	5.20	$ (3,368)	$ (51,453)
Chile	811.13	714.14	(7,967)	(5,046)
Colombia	3,834.68	3,432.50	(140)	(2,584)
Peru	4.16	3.65	(3,609)	(3,187)
All other			74	(560)
			$ (15,010)	$ (62,830)

(1) Beginning July 1, 2018, Argentina was deemed highly inflationary. A gain of $345 and $1,053 for the nine months ended September 30, 2021 and 2020, respectively, is reflected as foreign currency exchange loss on the Company's condensed consolidated statement of income as a result of translating Argentina financial results to U.S. dollars.

16. Supplemental Cash Flow Information

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cash paid for interest	$ 89,834	$ 53,364
Cash paid (refunds received) for income taxes, net	$ (136,937)	$ (108,776)
Cash deposited in restricted accounts (1)	$ 7,300	$ —
Noncash investing and financing activities:		
Change in accounts payable and accrued expenses for the acquisition of theatre properties and equipment (2)	$ (2,409)	$ (7,933)
Interest expense - NCM (see Note 9)	$ (17,723)	$ (17,726)
Investment in NCM – receipt of common units (see Note 9)	$ 10,237	$ 3,620
Dividends accrued on unvested restricted stock unit awards	$ 2	$ (257)

(1) Represents cash deposited in a collateral account during the period to support the issuance of letters of credit to lenders. See further discussion at Note 7.

(2) Additions to theatre properties and equipment included in accounts payable as of September 30, 2021 and December 31, 2020 were $25,841 and $28,250, respectively.

In thousands, except share and per share data

17. Segments

The Company manages its international market and its U.S. market as separate reportable operating segments, with the international segment consisting of operations in Brazil, Argentina, Chile, Colombia, Peru, Ecuador, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, Curacao and Paraguay. Each segment's revenue is derived from admissions and concession sales and other ancillary revenues. The Company uses Adjusted EBITDA, as shown in the reconciliation table below, as the primary measure of segment profit and loss to evaluate performance and allocate its resources. The Company does not report total assets by segment because that information is not used to evaluate the performance of or allocate resources between segments.

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

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenues				
U.S.	$ 376,278	$ 34,639	$ 742,982	$ 472,096
International	59,294	1,069	101,957	118,061
Eliminations	(751)	(230)	(1,105)	(2,089)
Total revenues	$ 434,821	$ 35,478	$ 843,834	$ 588,068
Adjusted EBITDA				
U.S.	$ 44,781	$ (105,767)	$ (31,697)	$ (145,947)
International	(495)	(22,232)	(27,788)	(33,459)
Total Adjusted EBITDA	$ 44,286	$ (127,999)	$ (59,485)	$ (179,406)
Capital expenditures				
U.S.	$ 22,423	$ 17,903	$ 47,547	$ 54,604
International	2,002	2,756	9,697	13,014
Total capital expenditures	$ 24,425	$ 20,659	$ 57,244	$ 67,618

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

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net loss	$ (77,573)	$ (148,036)	$ (428,697)	$ (378,274)
Add (deduct):				
Income taxes	(8,876)	(121,145)	(15,569)	(222,398)
Interest expense (1)	37,993	36,577	111,580	92,284
Other expense, net (2)	12,484	22,881	35,369	47,385
Cash distributions from DCIP (3)	—	—	—	10,383
Cash distributions from other equity investees (4)	—	2,146	156	15,047
Depreciation and amortization	67,208	62,543	202,288	191,380
Impairment of long-lived assets	7,480	24,595	7,480	41,214
Restructuring costs	(340)	524	(1,288)	20,062
Loss on disposal of assets and other	1,020	(13,327)	7,883	(10,997)
Loss on extinguishment of debt	—	—	6,527	—
Non-cash rent expense	(1,124)	816	(1,803)	1,649
Share based awards compensation expense	6,014	4,427	16,589	12,859
Adjusted EBITDA	$ 44,286	$ (127,999)	$ (59,485)	$ (179,406)

(1) Includes amortization of debt issue costs and amortization of accumulated losses for amended swap agreements.

In thousands, except share and per share data

(2) Includes interest income, foreign currency exchange loss, equity in income (loss) of affiliates and interest expense - NCM and excludes distributions from NCM and distributions from DCIP.
(3) Includes cash distributions from DCIP that were recorded as a reduction of the Company's investment in DCIP. These distributions are reported entirely within the U.S. operating segment.
(4) Includes cash distributions received from equity investees, other than those from DCIP noted above, that were recorded as a reduction of the respective investment balances (see Notes 9 and 10). These distributions are reported entirely within the U.S. operating segment.

Financial Information About Geographic Areas

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Revenues	**2021**	**2020**	**2021**	**2020**
U.S.	$ 376,278	$ 34,639	$ 742,982	$ 472,096
Brazil	20,632	513	30,533	53,829
Other international countries	38,662	556	71,424	64,232
Eliminations	(751)	(230)	(1,105)	(2,089)
Total	$ 434,821	$ 35,478	$ 843,834	$ 588,068

Theatre Properties and Equipment-net	**As of September 30, 2021**	**As of December 31, 2020**
U.S.	$ 1,249,490	$ 1,392,780
Brazil	60,020	72,080
Other international countries	125,964	150,202
Total	$ 1,435,474	$ 1,615,062

18. Related Party Transactions

The Company manages a theatre for Laredo Theatre, Ltd. ("Laredo"). The Company is the sole general partner and owns 75% of the limited partnership interests of Laredo. Lone Star Theatres, Inc. owns the remaining 25% of the limited partnership interests in Laredo and is 100% owned by Mr. David Roberts, Lee Roy Mitchell's son-in-law. Lee Roy Mitchell is the Company's Chairman of the Board of Directors and directly and indirectly owns approximately 9% of the Company's common stock. Under the agreement, management fees are paid by Laredo to the Company at a rate of 5% of annual theatre revenues. The Company recorded $222 and $123 of management fee revenues during the nine months ended September 30, 2021 and 2020, respectively. All such amounts are included in the Company's condensed consolidated financial statements with the intercompany amounts eliminated in consolidation.

Walter Hebert, Mr. Mitchell's brother-in-law, previously served as the Executive Vice President – Purchasing of the Company and retired in July 2021. Mr. Hebert now serves as a consultant to the Company until July 2022. During the nine months ended September 30, 2021, the Company has paid Mr. Hebert $62 related to consulting services.

The Company has an Aircraft Time Sharing Agreement with Copper Beech Capital, LLC ("Copper Beech") to use, on occasion, a private aircraft owned by Copper Beech. Copper Beech is owned by Mr. Mitchell and his wife, Tandy Mitchell. The private aircraft is used by Mr. Mitchell and other executives who accompany Mr. Mitchell to business meetings for the Company. The Company reimburses Copper Beech for the actual costs of fuel usage and the expenses of the pilots, landing fees, storage fees and similar expenses incurred during the trip. For the nine months ended September 30, 2021 and 2020, the aggregate amounts paid to Copper Beech for the use of the aircraft was $0 and $12, respectively.

The Company leases 14 theatres from Syufy Enterprises, LP ("Syufy") or affiliates of Syufy. Raymond Syufy is one of the Company's directors and is an officer of the general partner of Syufy. Of these 14 leases, twelve have fixed minimum annual rent. The two leases without minimum annual rent have rent based upon a specified percentage of gross sales as defined in the lease. For the nine months ended September 30, 2021 and 2020, the Company paid total rent of $17,893 and $17,271, respectively, to Syufy.

The Company has a 50% voting interest in FE Concepts, a joint venture with AWSR, an entity owned by Lee Roy Mitchell and Tandy Mitchell. FE Concepts operates a family entertainment center that offers bowling, gaming, movies and other amenities that opened during December 2019. See Note 10 for further discussion.

19. Commitments and Contingencies

From time to time, the Company is involved in various legal proceedings arising from the ordinary course of its business operations, such as personal injury claims, employment matters, patent claims, landlord-tenant disputes, contractual disputes with landlords over certain termination rights or the right to discontinue rent payments due to the COVID-19 pandemic and other contractual disputes, some of which are covered by insurance. The Company believes its potential liability with respect to proceedings currently pending is not material, individually or in the aggregate, to the Company's financial position, results of operations and cash flows.

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

Intertrust Technologies Corporation ("Intertrust") v. Cinemark Holdings, Inc., Regal, AMC, et al. This case was filed against the Company on August 7, 2019 in the Eastern District of Texas – Marshall Division alleging patent infringement. The Company firmly maintains that the contentions of the Plaintiff are without merit and will vigorously defend itself against the lawsuit. Although the Company does not believe that it has infringed on any of Intertrust's patents, it cannot predict the outcome of this litigation.

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

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes and schedules included elsewhere in this report.

Recent Developments

As we have previously disclosed, the COVID-19 pandemic has had an unprecedented impact on the world and the movie exhibition industry. The social and economic effects have been widespread. As a movie exhibitor that operates spaces where patrons gather in close proximity, we continue to be impacted by the pandemic. To comply with government mandates at the initial outbreak of the COVID-19 pandemic, we temporarily closed all of our theatres in the U.S. and Latin America in March of 2020, implemented temporary personnel and salary reductions, halted non-essential operating and capital expenditures, and negotiated modified timing and/or abatement of contractual payments with landlords and other major suppliers until our theatres reopened. In addition, we suspended our quarterly dividend.

As of September 30, 2021, all of our domestic and international theatres were open. Theatre staffing levels remain reduced as compared to pre-COVID levels due to reduced operating hours in certain locations as well as our focus on initiatives to enhance productivity. We continue to limit capital expenditures to essential activities and projects. We worked with landlords and other vendors during the nine months ended September 30, 2021 to extend payment terms as it reopened theatres and continues to recover from the impacts of the COVID-19 pandemic.

Based on our current estimates of recovery, we believe we have, and will generate, sufficient cash to sustain operations. Nonetheless, the COVID-19 pandemic has had, and continues to have, adverse effects on our business, results of operations, cash flows and financial condition.

General Information

We are a leader in the motion picture exhibition industry, with theatres in the U.S., Brazil, Argentina, Chile, Colombia, Ecuador, Peru, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Guatemala, Bolivia, Curacao and Paraguay. As of September 30, 2021, we managed our business under two reportable operating segments – U.S. markets and international markets. See Note 17 to our condensed consolidated financial statements.

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

Films leading the box office during the nine months ended September 30, 2021 included new releases *Shang-Chi and the Legend of the Ten Rings, Black Widow, F9: The Fast Saga, A Quiet Place Part II, Jungle Cruise, Free Guy, Godzilla vs. Kong, Cruella, Space Jam: A New Legacy* and *The Conjuring: The Devil Made Me Do It*. Films currently scheduled for release during the remainder of 2021 include *Venom: Let There Be Carnage, Eternals, Ghostbusters: Afterlife, The Matrix Resurrections, No Time to Die, Encanto, Sing 2, Halloween Kills, Dune, West Side Story* and the Marvel sequel *Spider-man; No Way Home,* among other films.

Film rental and advertising costs are variable in nature and fluctuate with admissions revenues. Film rental costs as a percentage of revenues are generally higher for periods in which more blockbuster films are released. The Company also receives virtual print fees from studios for certain of its international locations, which are included as a contra-expense in film rentals and advertising costs. Promotional expenses are generally variable in nature and primarily include the placement of film-specific social and digital media spots promoting film content currently playing in our theatres. Advertising costs, which are expensed as incurred, are primarily related to campaigns for new and renovated theatres, loyalty and membership programs and brand advertising that vary depending on the timing of such campaigns.

Concession supplies expenses are variable in nature and fluctuate with our concession revenues and product mix. We negotiate prices for concession supplies directly with concession vendors and manufacturers to obtain volume rates.

Salaries and wages for our theatres generally move in relation to revenues as theatre staffing is adjusted to respond to changes in attendance and also include a fixed cost component (i.e. the minimum staffing costs to operate a theatre during non-peak periods). In some international locations, staffing levels are also subject to local regulations.

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

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

General and administrative expenses are primarily fixed in nature and consist of the costs to support the overall management of the Company, including base, incentive compensation and benefits for our corporate office personnel, facility expenses for our corporate offices, consulting fees, professional fees, cloud-based software licensing fees, travel expenses, supplies and other costs that are not specifically associated with the operations of our theatres.

Results of Operations

The following table sets forth, for the periods indicated, certain operating data and the percentage of revenues represented by certain items reflected in our condensed consolidated statements of income.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating data (in millions):				
Revenues				
Admissions	$ 225.5	$ 14.9	$ 435.1	$ 307.4
Concession	164.2	9.1	313.5	199.6
Other	45.1	11.5	95.2	81.1
Total revenues	$ 434.8	$ 35.5	$ 843.8	$ 588.1
Cost of operations				
Film rentals and advertising	117.0	8.2	216.8	165.2
Concession supplies	28.2	2.7	54.2	39.9
Salaries and wages	67.6	20.2	149.2	116.6
Facility lease expense	68.8	67.1	200.8	214.5
Utilities and other	81.7	43.3	192.0	178.7
General and administrative expenses	38.6	30.4	111.8	99.4
Depreciation and amortization	67.2	62.6	202.3	191.4
Impairment of long-lived assets	7.5	24.6	7.5	41.2
Restructuring costs	(0.3)	0.6	(1.3)	20.1
(Gain) loss on disposal of assets and other	1.0	(13.3)	7.9	(11.0)
Total cost of operations	477.3	246.4	1,141.2	1,056.0
Operating loss	$ (42.5)	$ (210.9)	$ (297.4)	$ (467.9)
Operating data as a percentage of total revenues:				
Revenues				
Admissions	51.9 %	42.0 %	51.6 %	52.3 %
Concession	37.8 %	25.6 %	37.2 %	33.9 %
Other	10.3 %	32.4 %	11.2 %	13.8 %
Total revenues	100.0 %	100.0 %	100.0 %	100.0 %
Cost of operations (1)				
Film rentals and advertising	51.9 %	NM	49.8 %	53.7 %
Concession supplies	17.2 %	NM	17.3 %	20.0 %
Salaries and wages	15.5 %	NM	17.7 %	19.8 %
Facility lease expense	15.8 %	NM	23.8 %	36.5 %
Utilities and other	18.8 %	NM	22.8 %	30.4 %
General and administrative expenses	8.9 %	NM	13.2 %	16.9 %
Total cost of operations	109.8 %	NM	135.2 %	179.6 %
Operating income (loss)	(9.8)%	NM	(35.2)%	(79.6)%
Average screen count (month end average)	5,876	5,975	5,890	6,068

(1) All costs are expressed as a percentage of total revenues, except film rentals and advertising, which are expressed as a percentage of admissions revenues and concession supplies, which are expressed as a percentage of concession revenues. Certain values are considered not meaningful ("NM") as they are not comparable due to the temporary theatre closures effective in March 2020.

Three months ended September 30, 2021 versus three months ended September 30, 2020

Three months ended September 30, 2021 – All of our domestic and international theatres were open as of September 30, 2021.

Three months ended September 30, 2020 – All of our domestic and international theatres were temporarily closed effective March 17, 2020 and March 18, 2020, respectively, as a result of the COVID-19 pandemic. We began reopening our domestic theatres in June 2020 and operated under a test-and-learn strategy to define training, communication, implementation and execution of enhanced health and safety protocols. These theatres opened to reduced operating hours with library content and "welcome back" pricing for tickets and concession products to encourage patrons to return to the movies. As of September 30, 2020, we had 252 domestic theatres and 15 international theatres reopened.

As a result of theatre closures during the three months ended September 30, 2020, the average ticket price and concession revenues per patron for our international theatres are not meaningful ("NM") for comparison to the three months ended September 30, 2021.

	U.S. Operating Segment		International Operating Segment			Consolidated	
	2021	2020	2021	2020	Constant Currency [3] 2021	2021	2020
Admissions revenues [1]	$ 195.3	$ 14.9	$ 30.2	$ 0.1	$ 32.2	$ 225.5	$ 15.0
Concession revenues [1]	$ 142.6	$ 8.9	$ 21.6	$ 0.3	$ 23.0	$ 164.2	$ 9.2
Other revenues [1][2]	$ 37.6	$ 10.8	$ 7.5	$ 0.7	$ 7.9	$ 45.1	$ 11.5
Total revenues [1][2]	$ 375.5	$ 34.6	$ 59.3	$ 1.1	$ 63.1	$ 434.8	$ 35.7
Attendance [1]	21.5	1.9	9.2	—		30.7	1.9
Average ticket price [1]	$ 9.08	$ 8.01	$ 3.28	NM	$ 3.50	$ 7.35	$ 7.96
Concession revenues per patron [1]	$ 6.63	$ 4.79	$ 2.35	NM	$ 2.50	$ 5.35	$ 4.87

(1) Revenues and attendance amounts in millions. Average ticket price is calculated as admissions revenues divided by attendance. Concession revenues per patron is calculated as concession revenues divided by attendance.

(2) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 17 to our condensed consolidated financial statements.

(3) Constant currency revenue amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2020. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

- U.S. The third quarter of 2021 included new releases such as *Shang-Chi and the Legend of the Ten Rings, Black Widow, Jungle Cruise, Free Guy, F9: The Fast Saga* and *Space Jam: A New Legacy*. Average ticket price was $9.08, which was impacted by ticket type mix and a reduced number of weekday and matinee showtimes. Concession revenues per patron was $6.63, which was impacted by core concession product sales, the reintroduction of enhanced food and beverage options and the recognition of previously deferred loyalty revenues. Other revenues for the third quarter of 2021 included the amortization of NCM screen advertising advances, screen rental revenue, promotional and trailer placement income related to new film releases and transactional fees. Other revenues for the third quarter of 2020 primarily included the amortization of NCM screen advertising advances.
- *International.* We offered new releases and some library content in our international theatres during the third quarter of 2021, resulting in 9.2 million in attendance, $30.2 million of admissions revenue and $21.6 million of concessions revenue. Our average ticket price was $3.28 as reported and $3.50 in constant currency. Concession revenues per patron of $2.35 as reported, and $2.50 in constant currency, which was impacted by purchase incidence of our core concession items, inflation, new premium combo offerings, and the volume of retail concession sales. Other revenues primarily included screen advertising and loyalty membership revenues.

Cost of Operations. The table below summarizes our theatre operating costs (in millions) by reportable operating segment for the three months ended September 30, 2021 and 2020.

	U.S. Operating Segment		International Operating Segment			Consolidated	
	2021	2020	2021	2020	Constant Currency [1] 2021	2021	2020
Film rentals and advertising	$ 101.9	$ 8.1	$ 15.1	$ 0.1	$ 16.2	$ 117.0	$ 8.2
Concession supplies	$ 23.0	$ 2.3	$ 5.2	$ 0.4	$ 5.6	$ 28.2	$ 2.7
Salaries and wages	$ 58.0	$ 15.9	$ 9.6	$ 4.3	$ 10.1	$ 67.6	$ 20.2
Facility lease expense	$ 58.8	$ 60.8	$ 10.0	$ 6.3	$ 10.4	$ 68.8	$ 67.1
Utilities and other	$ 68.1	$ 36.5	$ 13.6	$ 6.8	$ 14.4	$ 81.7	$ 43.3

(1) Constant currency expense amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2020. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported

results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

- U.S. Film rentals and advertising costs for third quarter of 2021 were 52.2% of admissions revenue. New films released during the third quarter of 2021 had lower performing box office as a result of the current environment, which skewed lower on our negotiated film rental scales. Concession supplies expenses for the third quarter of 2021 were 16.1% of concessions revenue. The concession supplies rate for the third quarter of 2021 reflected the impact of our retail price increases and favorable product mix, which offset certain supply chain cost pressures.

  Salaries and wages increased to $58.0 million for the third quarter of 2021 as all of our theatres were open compared to only 252 theatres opened at the end of the third quarter of 2020. We also began extending operating hours to accommodate the release of new films while maintaining our focus on efficient staffing levels. Facility lease expense, which is primarily fixed in nature, reflects a slight increase in percentage rent expense and common area maintenance costs as volumes increased, partially offset by the impact of the permanent closure of certain theatres. Utilities and other costs increased to $68.1 million, as many of these costs, such as credit card fees, electricity costs, janitorial costs, repairs and maintenance and security expense are variable in nature and have increased with the improved attendance from new film content.

- International. Film rentals and advertising costs for third quarter of 2021 were 50.0% of admissions revenue. Concession supplies expenses, which included a higher mix of retail and premium concession products, were 24.1% of concessions revenue.

  Salaries and wages increased to $9.6 million as reported for the third quarter of 2021 as many of our theatres reopened during the quarter. Facility lease expense increased to $10.0 million for the third quarter of 2021 reflecting payment of rent under alternative structures, such as percentage rents in place of minimum fixed rents, as theatres recover, partially offset by the impact of the permanent closure of certain theatres. Utilities and other costs increased to $13.6 million, as many of these costs are variable in nature and have increased with the improved attendance from new film content and theatre reopenings. These expenses, as reported, were also impacted by exchange rates in each of the countries in which we operate.

General and Administrative Expenses. General and administrative expenses increased to $38.6 million for the third quarter of 2021 compared to $30.4 million for the third quarter of 2020. The increase is primarily due to temporary salary reductions for corporate office staff during the third quarter of 2020 and increased incentive and share based award compensation expense as a result of certain retention measures during the third quarter of 2021.

Depreciation and Amortization. Depreciation and amortization expense increased to $67.2 million for the third quarter of 2021 compared to $62.6 million for the third quarter of 2020 primarily due to the digital projectors received in a non-cash distribution from DCIP during the fourth quarter of 2020. See Note 10 to the condensed consolidated financial statements for discussion of the non-cash distribution from DCIP.

(Gain) Loss on Disposal of Assets and Other. We recorded a loss on disposal of assets and other of $1.0 million during the third quarter of 2021 compared to a gain of $13.3 million during the third quarter of 2020. Activity for the third quarter of 2021 was primarily related to the removal and disposal of assets at closed theatres. Activity for the third quarter of 2020 was primarily related to a favorable litigation outcome for a case that was previously accrued.

Interest Expense. Interest expense, which includes amortization of debt issue costs and amortization of accumulated losses for swap amendments, increased to $38.0 million during the third quarter of 2021 compared to $36.6 million the third quarter of 2020. The increase was primarily due to the issuance of notes discussed at Note 7 to our condensed consolidated financial statements.

Distributions from DCIP. We recorded distributions from DCIP of $6.5 million during the third quarter of 2021. These distributions were in excess of the carrying value of our investment in DCIP, which was zero. See Note 10 to our condensed consolidated financial statements for discussion of our investment in DCIP.

Equity in Loss of Affiliates. We recorded equity in loss of affiliates of $7.1 million during the third quarter of 2021 compared to $16.1 million during the third quarter of 2020. Our equity method investees are also recovering from the impacts of the COVID-19 pandemic. See Note 2 to our condensed consolidated financial statements for additional discussion of the COVID-19 pandemic. See Notes 9 and 10 to our condensed consolidated financial statements for information about our equity investments.

Income Taxes. An income tax benefit of $(8.9) million was recorded for the third quarter of 2021 compared to an income tax benefit of $(121.1) million for the third quarter of 2020. The effective tax rate was approximately 10.3% for the third quarter of 2021 compared to 45.0% for the third quarter of 2020. The effective tax rate for the third quarter of 2021 was negatively impacted by valuation allowances related to deferred tax assets for which the ultimate realization is uncertain. The effective tax rate for third quarter of 2020 was favorably impacted by the carryback of 2020 losses to tax years that had a 35% federal tax rate under the provisions of the CARES Act. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

Nine months ended September 30, 2021 (the "2021 period") versus the nine months ended September 30, 2020 (the "2020 period")

All of our domestic and international theatres were open as of September 30, 2021. Certain of our international theatres were temporarily closed for portions of the 2021 period.

	U.S. Operating Segment			International Operating Segment					Consolidated		
							Constant Currency [3]				
	2021	2020	% Change	2021	2020	% Change	2021	% Change	2021	2020	% Change
Admissions revenues [1]	$ 384.4	$ 247.2	55.5 %	$ 50.7	$ 60.2	(15.8)%	$ 54.1	(10.1)%	$ 435.1	$ 307.4	41.5 %
Concession revenues [1]	$ 275.0	$ 161.7	70.1 %	$ 38.5	$ 37.9	1.6 %	$ 40.8	7.7 %	$ 313.5	$ 199.6	57.1 %
Other revenues [1][2]	$ 82.5	$ 61.2	34.8 %	$ 12.7	$ 19.9	(36.2)%	$ 13.9	(30.2)%	$ 95.2	$ 81.1	17.4 %
Total revenues [1][2]	$ 741.9	$ 470.1	57.8 %	$ 101.9	$ 118.0	(13.6)%	$ 108.8	(7.8)%	$ 843.8	$ 588.1	43.5 %
Attendance [1]	41.8	29.8	40.3 %	15.7	17.9	(12.3)%			57.5	47.7	20.5 %
Average ticket price [1]	$ 9.20	$ 8.30	10.8 %	$ 3.23	$ 3.36	(3.9)%	$ 3.45	2.7 %	$ 7.57	$ 6.44	17.5 %
Concession revenues per patron [1]	$ 6.58	$ 5.43	21.2 %	$ 2.45	$ 2.12	15.6 %	$ 2.60	22.6 %	$ 5.45	$ 4.18	30.4 %

(1) Revenues and attendance amounts in millions. Average ticket price is calculated as admissions revenues divided by attendance. Concession revenues per patron is calculated as concession revenues divided by attendance.

(2) U.S. operating segment revenues include eliminations of intercompany transactions with the international operating segment. See Note 17 to our condensed consolidated financial statements.

(3) Constant currency revenue amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2020. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

- U.S. We showed many new releases during the 2021 period, including new releases *Shang-Chi and the Legend of the Ten Rings, Black Widow, F9: The Fast Saga, A Quiet Place Part II, Jungle Cruise, Free Guy, Godzilla vs. Kong, Cruella, Space Jam: A New Legacy* and *The Conjuring: The Devil Made Me Do It* and also showed some library content. Additionally, we continued to offer Private Watch Parties to our patrons. Average ticket price increased 10.8% to $9.20 during the 2021 period compared to $8.30 during the 2020 period, primarily as a result of the mix of fewer matinee and weekday showtimes, the impact of Private Watch Parties and recognition of previously deferred loyalty revenues. Concession revenues per patron increased 21.2% to $6.58 during the 2021 compared to $5.43 during the 2020 period, driven by an increase in overall purchase incidence across core concession items, price increases and the recognition of previously deferred loyalty revenues. Other revenues for the 2021 and 2020 periods included the amortization of NCM screen advertising advances. Other revenues for the 2021 period also included screen rental revenue, promotional and trailer placement income related to the recent new film releases and transactional fees, which were lower in the 2020 period as a result of reduced attendance.
- *International.* We showed new releases and some library content in our international theatres during the 2021 period, resulting in 15.7 million in attendance, $50.7 million of admissions revenues and $38.5 million of concession revenues. Our average ticket price was $3.23 as reported, $3.45 in constant currency, compared to the 2020 period of $3.36. Concession revenues per patron was $2.45 as reported, $2.60 in constant currency, for the 2021 period compared to $2.12 in the 2020 period. The increase in concession revenues per patron was a result of increased purchase incidence of our core concession items, the impact of inflation, new premium combo offerings, and increased retail concession sales. Other revenues primarily included screen advertising and loyalty membership revenues and were impacted by reduced attendance.

Cost of Operations. The table below summarizes our theatre operating costs (in millions) by reportable operating segment for the nine months ended September 30, 2021 and 2020.

	U.S. Operating Segment		International Operating Segment			Consolidated	
					Constant Currency [1]		
	2021	2020	2021	2020	2021	2021	2020
Film rentals and advertising	$ 191.5	$ 136.3	$ 25.3	$ 28.9	$ 27.2	$ 216.8	$ 165.2
Concession supplies	$ 44.6	$ 29.4	$ 9.6	$ 10.5	$ 10.2	$ 54.2	$ 39.9
Salaries and wages	$ 126.4	$ 90.5	$ 22.8	$ 26.1	$ 24.5	$ 149.2	$ 116.6
Facility lease expense	$ 177.7	$ 186.0	$ 23.1	$ 28.5	$ 24.0	$ 200.8	$ 214.5
Utilities and other	$ 161.0	$ 140.3	$ 31.0	$ 38.4	$ 33.4	$ 192.0	$ 178.7

(1) Constant currency expense amounts, which are non-GAAP measurements, were calculated using the average exchange rate for the corresponding month for 2020. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign currency exchange rates from one period to the next can result in meaningful variations in reported

results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

- *U.S.* Film rentals and advertising costs for the 2021 period were 49.8% of admissions revenue compared to 55.1% for the 2020 period. The rate for the 2021 period reflected the release of new films which skewed lower on our negotiated film rental scales, and the impact of library content. Concession supplies expenses for the 2021 period was 16.2% of concessions revenue compared to 18.2% of concession revenues for the 2020 period. The concession supplies rate for the 2021 period reflected our retail price increases and the impact of a favorable product mix, partially offset by the disposal of perishable goods related to prior theatre closures.

  Salaries and wages increased to $126.4 million for the 2021 period as theatre operating hours continue to expand to service growing attendance demand. Facility lease expense, which is primarily fixed in nature, decreased $8.3 million primarily due to a decline in percentage rent expense and common area maintenance costs, as well as the permanent closure of certain theatres. Utilities and other costs increased $20.7 million, as many of these costs, such as janitorial costs, electricity costs, credit card fees and repairs and maintenance, are variable in nature and were impacted by lower attendance as a result of the temporary closures during the 2020 period.

- *International.* Film rentals and advertising costs for the 2021 period were 49.9% of admissions revenue compared to 48.0% for the 2020 period. The increase in the film rentals and advertising rate was a result of increased promotional and advertising costs as a percentage of revenue as well as a decrease in virtual print fees collected from studios as cost recoupment is attained on the digital equipment. Concession supplies expenses were 24.9% of concessions revenue compared to 27.7% of concession revenues for the 2020 period, driven by a higher mix of retail and premium concession products, partially offset by the disposal of perishable goods due to temporary theatre closures.

  Salaries and wages decreased $3.3 million as reported for the 2021 period as compared to the 2020 period as a result of temporary theatre closures and limited operating hours for those theatres that were open. Facility lease expense decreased $5.4 million as reported due to our negotiations with certain landlords to shift from a minimum rent structure to percentage rent while we recover from the pandemic, as well as lower percentage rent at other locations. Utilities and other costs decreased $7.3 million as reported, as many of these costs are variable in nature, such as credit card fees, security expenses, janitorial costs and repairs and maintenance, and were impacted by the limited operating hours of our theatres as well as periodic closures during the 2021 period. These expenses, as reported, were also impacted by exchange rates in each of the countries in which we operate.

General and Administrative Expenses. General and administrative expenses increased to $111.8 million for the 2021 period compared to $99.4 million for the 2020 period. The increase is primarily due to the temporary salary reductions and furloughs for our corporate workforce during the 2020 period and increased incentive and share based award compensation expense as a result of certain retention measures during the 2021 period.

Depreciation and Amortization. Depreciation and amortization expense increased to $202.3 million for the 2021 period compared to $191.4 million for the 2020 period primarily due to the digital projectors received in a non-cash distribution from DCIP during the fourth quarter of 2020. See Note 10 to the condensed consolidated financial statements for discussion of the non-cash distribution from DCIP.

Impairment of Long-Lived Assets. We recorded asset impairment charges of $7.5 million during the 2021 period. We recorded asset impairment charges of $41.2 million during the 2020 period. The asset impairment charges recorded during the 2021 and 2020 periods were primarily a result of the prolonged impact of the COVID pandemic on our operations, as some theatres remained closed and film content continued to shift into future periods, both of which impacted our estimated future cash flows for theatres. Impairment charges for the 2021 period impacted two countries. Impairment charges for the 2020 period impacted eight countries. See Note 13 to our condensed consolidated financial statements.

Restructuring Costs. Restructuring costs were $(1.3) million during the 2021 period compared to $20.1 million during the 2020 period. The credit recorded during the 2021 period was primarily the result of settlements of lease obligations below the original estimated amounts. Charges recorded during the 2020 period related to a restructuring plan implemented during the second quarter of 2020. See Note 2 to our condensed consolidated financial statements for further discussion.

(Gain) Loss on Disposal of Assets and Other. We recorded a loss on disposal of assets and other of $7.9 million during the 2021 period compared to a gain of $11.0 million during the 2020 period. Activity for the 2021 period was primarily related to the write-off of certain digital projectors recently received from DCIP in a non-cash distribution that were replaced with laser projectors, partially offset by gains on the sales of excess land parcels. See Note 10 for discussion of the distribution of digital projectors from DCIP. Activity for the 2020 period was primarily due to a favorable litigation outcome for a case that was previously accrued, partially offset by the retirement of assets related to theatre remodels.

Interest Expense. Interest expense, which includes amortization of debt issue costs and amortization of accumulated losses for swap amendments, increased to $111.6 million during the 2021 period compared to $92.3 million for the 2020 period. The increase was primarily due to the issuance of notes discussed at Note 7 to our condensed consolidated financial statements.

Loss on Extinguishment of Debt. We recorded a loss on extinguishment of debt of $6.5 million during the 2021 period related to the early retirement of our 5.125% Senior Notes and 4.875% Senior Notes, including the write-off of unamortized debt issuance costs and legal and other fees paid. See Note 7 to our condensed consolidated financial statements.

Distributions from NCM. We recorded distributions from NCM of $0.1 million during the 2021 period compared to $7.0 million recorded during the 2020 period. These distributions were in excess of the carrying value of our Tranche 1 investment. The decrease in distributions from NCM is primarily due to the impact of theatres being temporarily closed as a result of the COVID-19 pandemic as discussed at Note 2. See Note 9 to our condensed consolidated financial statements for discussion of our investment in NCM.

Distributions from DCIP. We recorded distributions from DCIP of $6.5 million during the 2021 period. These distributions were in excess of the carrying value of our investment in DCIP, which was zero. See Note 10 to our condensed consolidated financial statements for discussion of our investment in DCIP.

Equity in Loss of Affiliates. We recorded equity in loss of affiliates of $22.1 million during the 2021 period compared to $27.7 million during the 2020 period. Our equity method investees are also recovering from the impacts of the COVID-19 pandemic. See Notes 9 and 10 to our condensed consolidated financial statements for information about our equity investments.

Income Taxes. An income tax benefit of $(15.6) million was recorded for the 2021 period compared to income tax benefit of $(222.4) million for the 2020 period. The effective tax rate was approximately 3.5% for the 2021 period compared to 37.0% for the 2020 period. As a result of continued projected losses in 2021, the effective tax rate was negatively impacted by valuation allowances related to certain foreign tax credits and deferred tax assets for which the ultimate realization is uncertain. The effective tax rate for the 2020 period was favorably impacted by the carryback of 2020 losses to tax years that had a 35% federal tax rate under the provisions of the CARES Act. Income tax provisions for interim (quarterly) periods are based on estimated annual income tax rates and are adjusted for the effects of significant, infrequent or unusual items (i.e. discrete items) occurring during the interim period. As a result, the interim rate may vary significantly from the normalized annual rate.

Liquidity and Capital Resources

Operating Activities

We primarily collect our revenues in cash, mainly through box office receipts and the sale of concessions. Our revenues are received in cash prior to the payment of related expenses; therefore, we have an operating “float” and historically have not required traditional working capital financing. However, as we reopened our theatres that were temporarily closed during March 2020, we have funded operating expenses with cash on hand and recent additional financing discussed below under *Financing Activities*.

Cash used for operating activities was $42.2 million for the nine months ended September 30, 2021 compared to $167.7 million for the nine months ended September 30, 2020. The decrease in cash used for operating activities was primarily a result of $136.8 million of tax refunds received during April 2021, the timing and level of revenues earned during each period and the timing of payments to vendors for expenses incurred during each period, partially offset by payments of previously deferred rent.

As discussed in Note 4 to our condensed consolidated financial statements, we negotiated the deferral of rent and other lease-related payments in 2020 and early 2021 with some of our landlords. Approximately $43.0 million in deferred lease payments remain as of September 30, 2021. Approximately $37.6 million will be repaid within one year and the remaining $5.4 million will be repaid in subsequent years.

Investing Activities

Our investing activities have been principally related to the development, remodel and acquisition of theatres. New theatre openings and acquisitions historically have been financed with internally generated cash and by debt financing, including borrowings under our senior secured credit facility. Cash used for investing activities was $55.1 million for the nine months ended September 30, 2021 compared to $67.5 million for the nine months ended September 30, 2020. The decrease in cash used for investing activities was primarily due to reduced capital expenditures as we continue to limit spend to essential projects.

Capital expenditures for the nine months ended September 30, 2021 and 2020 were as follows (in millions):

Period	New Theatres	Existing Theatres	Total
Nine Months Ended September 30, 2021	$ 24.1	$ 33.1	$ 57.2
Nine Months Ended September 30, 2020	$ 18.7	$ 48.9	$ 67.6

We operated 524 theatres with 5,897 screens worldwide as of September 30, 2021. Theatres and screens acquired, built and closed during the three months ended September 30, 2021 were as follows:

	January 1, 2021	Built	Closed	September 30, 2021
U.S (42 states)				
Theatres	331	1	(8)	324
Screens	4,507	14	(81)	4,440
International (15 countries)				
Theatres	200	3	(3)	200
Screens	1,451	25	(19)	1,457
Worldwide				
Theatres	531	4	(11)	524
Screens	5,958	39	(100)	5,897

As of September 30, 2021, we had the following signed commitments (costs in millions):

	Theatres	Screens	Estimated Cost [(1)]
Remainder of 2021			
U.S.	2	28	$ 16.1
International	—	5	3.7
Total	2	33	$ 19.8
Subsequent to 2021			
U.S.	5	62	$ 41.0
International	7	50	22.4
Total	12	112	$ 63.4
Total commitments at September 30, 2021	14	145	$ 83.2

(1) We expect approximately $19.8 million during the remainder of 2021 and $26.0 million, $31.5 million and $5.9 million to be paid during 2022, 2023 and 2024, respectively. The timing of payments is subject to change as a result of construction or other delays.

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

Financing Activities

Cash used for financing activities was $12.9 million for the nine months ended September 30, 2021 compared to cash provided by financing activities of $577.5 million for the nine months ended September 30, 2020. During the nine months ended September 30, 2021, we issued 5.875% Senior Notes and 5.25% Senior Notes, the proceeds of which were used to redeem the 5.125% Senior Notes and the 4.875% Senior Notes, respectively, as discussed further below. We paid approximately $17.3 million in debt issuance costs and

$2.1 million in fees related to these transactions and an amendment to our Senior Secured Credit Facility during the nine months ended September 30, 2021. During the nine months ended September 30, 2020, we borrowed $98.8 million on our revolving line-of-credit, which was repaid during the third quarter of 2020, issued the 8.750% Secured Notes discussed below and paid dividends to stockholders of $42.3 million.

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

We may from time to time, subject to compliance with our debt instruments, purchase our debt securities on the open market depending upon the availability and prices of such securities. Long-term debt consisted of the following as of September 30, 2021 (in millions):

Cinemark Holdings, Inc. 4.500% convertible senior notes due 2025		460.0
Cinemark USA, Inc. term loan	$	634.8
Cinemark USA, Inc. 8.750% senior secured notes due 2025		250.0
Cinemark USA, Inc. 5.875% senior notes due 2026		405.0
Cinemark USA, Inc. 5.250% senior notes due 2028		765.0
Other debt		28.3
Total long-term debt	$	2,543.1
Less current portion		20.3
Subtotal long-term debt, less current portion	$	2,522.8
Less: Debt issuance costs, net of accumulated amortization		45.5
Long-term debt, less current portion, net of unamortized debt issuance costs	$	2,477.3

As of September 30, 2021, $100 million was available for borrowing under the revolving line of credit.

Contractual Obligations

During the nine months ended September 30, 2021, Cinemark USA, Inc. issued the 5.875% Senior Notes and the 5.25% Senior Notes and redeemed the 5.125% Senior Notes and the 4.875% Senior Notes. Included below is an updated summary of long-term debt obligations and related estimated scheduled interest payment obligations as of September 30, 2021, reflecting these changes.

	Payments Due by Period (in millions)				
Contractual Obligations	**Total**	**Less Than One Year**	**1 - 3 Years**	**3 - 5 Years**	**After 5 Years**
Long-term debt (1)	$ 2,543.1	$ 20.3	$ 21.1	$ 1,730.2	$ 771.5
Scheduled interest payments on long-term debt (2)	$ 605.1	$ 129.2	$ 255.8	$ 151.3	$ 68.8

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

(2) Amounts include scheduled interest payments on fixed rate and variable rate debt agreements. Estimates for the variable rate interest payments were based on interest rates in effect on September 30, 2021.

There have been no other material changes in our contractual obligations previously disclosed in "Liquidity and Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed February 26, 2021.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Senior Secured Credit Facility

Cinemark USA, Inc. has a senior secured credit facility that includes a $700.0 million term loan and a $100.0 million revolving credit line (the "Credit Agreement"). Under the amended Credit Agreement, quarterly principal payments of $1.6 million are due on the term loan through December 31, 2024, with a final principal payment of $613.4 million due on March 29, 2025. Cinemark USA, Inc. had $100.0 million available borrowing capacity on the revolving credit line as of September 30, 2021.

Interest on the term loan accrues at Cinemark USA, Inc.'s option at: (A) the base rate equal to the greater of (1) the US "Prime Rate" as quoted in The Wall Street Journal or, if no such rate is quoted therein, in a Federal Reserve Board statistical release, (2) the federal funds effective rate plus 0.50%, and (3) a one-month Eurodollar-based rate plus 1.0%, plus, in each case, a margin of 0.75% per annum, or (B) a Eurodollar-based rate for a period of 1, 2, 3, 6, 9 or 12 months plus a margin of 1.75% per annum. Interest on the revolving credit line accrues, at our option, at: (A) a base rate equal to the greater of (1) the US "Prime Rate" as quoted in The Wall Street Journal or if no such rate is quoted therein, in a Federal Reserve Board statistical release, (2) the federal funds effective rate plus 0.50%, and (3) a one-month Eurodollar-based rate plus 1.0%, plus, in each case, a margin that ranges from 0.50% to 1.25% per annum, or (B) a Eurodollar-based rate for a period of 1, 2, 3, 6, 9 or 12 months plus a margin that ranges from 1.50% to 2.25% per annum. The margin of the revolving credit line is determined by the consolidated net senior secured leverage ratio as defined in the Credit Agreement.

Cinemark USA, Inc.'s obligations under the Credit Agreement are guaranteed by Cinemark Holdings, Inc. and certain of Cinemark USA, Inc.'s domestic subsidiaries and are secured by mortgages on certain fee and leasehold properties and security interests in substantially all of Cinemark USA, Inc.'s and the guarantors' personal property, including, without limitation, pledges of all of Cinemark USA, Inc.'s capital stock, all of the capital stock of certain of Cinemark USA, Inc.'s domestic subsidiaries and 65% of the voting stock of certain of its foreign subsidiaries.

The Credit Agreement contains usual and customary negative covenants for agreements of this type, including, but not limited to, restrictions on Cinemark USA, Inc.'s ability, and in certain instances, its subsidiaries' and our ability, to consolidate or merge or liquidate, wind up or dissolve; substantially change the nature of its business; sell, transfer or dispose of assets; create or incur indebtedness; create liens; pay dividends or repurchase stock; and make capital expenditures and investments. If Cinemark USA, Inc. has borrowings outstanding on the revolving credit line, it is required to satisfy a consolidated net senior secured leverage ratio covenant as defined in the Credit Agreement, not to exceed 4.25 to 1. See below for discussion of recent covenant waivers.

The dividend restriction contained in the Credit Agreement prevents the Company and any of its subsidiaries from paying a dividend or otherwise distributing cash to its stockholders unless (1) the Company is not in default, and the distribution would not cause Cinemark USA, Inc. to be in default, under the Credit Agreement; and (2) the aggregate amount of certain dividends, distributions, investments, redemptions and capital expenditures made since December 18, 2012, including dividends declared by the board of directors, is less than the sum of (a) the aggregate amount of cash and cash equivalents received by Cinemark Holdings, Inc. or Cinemark USA, Inc. as common equity since December 18, 2012, (b) Cinemark USA, Inc.'s consolidated EBITDA minus 1.75 times its consolidated interest expense, each as defined in the Credit Agreement, and (c) certain other defined amounts (collectively the "Applicable Amount").

On April 17, 2020, in conjunction with the issuance of the 8.750% Secured Notes discussed below, we obtained a waiver of the leverage covenant from the majority of revolving lenders under the Credit Agreement for the fiscal quarters ending September 30, 2020 and December 31, 2020. The waiver is subject to certain liquidity thresholds, restrictions on investments and the use of the Applicable Amount.

On August 21, 2020, in conjunction with the issuance of the 4.50% Convertible Senior Notes discussed below, we further amended the waiver of the leverage covenant through the fiscal quarter ending September 30, 2021. The amendment also i) modifies the leverage covenant calculation beginning with the calculation for the trailing twelve-month period ended December 31, 2021, ii) for purposes of testing the consolidated net senior secured leverage ratio for the fiscal quarters ending on December 31, 2021, March 31, 2022 and June 30, 2022, permits us to substitute Consolidated EBITDA for the first three fiscal quarters of 2019 in lieu of Consolidated EBITDA for the corresponding fiscal quarters of 2021, (iii) modifies the restrictions imposed by the covenant waiver and (iv) makes such other changes to permit the issuance of the 4.50% Convertible Senior Notes discussed below.

On June 15, 2021, in conjunction with the issuance of the 5.25% Senior Notes discussed below, the Credit Agreement was amended to, among other things, extend the maturity of the revolving credit line from November 28, 2022 to November 28, 2024.

We have four interest rate swap agreements that are used to hedge a portion of the interest rate risk associated with the variable interest rates on the term loan outstanding under the Credit Agreement. See Note 7 of our condensed consolidated financial statements for discussion of the interest rate swaps.

At September 30, 2021, there was $634.8 million outstanding under the term loan and no borrowings were outstanding under the $100.0 million revolving line of credit. The average interest rate on outstanding term loan borrowings under the Credit Agreement as of September 30, 2021 was approximately 3.4% per annum, after giving effect to the interest rate swap agreements discussed above.

5.875% Senior Notes

On March 16, 2021, Cinemark USA, Inc. issued $405 million aggregate principal amount of 5.875% senior notes due 2026, at par value (the "5.875% Senior Notes"). Proceeds, after payment of fees, were used to fund a cash tender offer to purchase any and all of Cinemark USA's 5.125% Senior Notes (the "5.125% Senior Notes") and to redeem any of the 5.125% Notes that remained outstanding after the tender offer. See further discussion of the tender offer below. Interest on the 5.875% Senior Notes is payable on March 15 and September 15 of each year, beginning September 15, 2021. The 5.875% Senior Notes mature on March 15, 2026. The Company incurred debt issue costs of approximately $6.0 million in connection with the issuance, which are recorded as a reduction of long-term debt, less current on the consolidated balance sheet.

The 5.875% Senior Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by certain of Cinemark USA, Inc.'s subsidiaries that guarantee, assume or become liable with respect to any of Cinemark USA, Inc.'s or a guarantor's debt. The 5.875% Senior Notes and the guarantees are senior unsecured obligations and rank equally in right of payment with all of Cinemark USA, Inc.'s and its guarantor's existing and future senior debt and senior in right of payment to all of Cinemark USA, Inc.'s and its guarantors' existing and future senior subordinated debt. The 5.875% Senior Notes and the guarantees are effectively subordinated to all of Cinemark USA, Inc.'s and its guarantor's existing and future secured debt to the extent of the value of the collateral securing such debt, including all borrowings under Cinemark USA, Inc.'s amended senior secured credit facility. The 5.875% Senior Notes and the guarantees are structurally subordinated to all existing and future debt and other liabilities of Cinemark USA, Inc.'s subsidiaries that do not guarantee the 5.875% Senior Notes.

Prior to March 15, 2023, Cinemark USA, Inc. may redeem all or any part of the 5.875% Senior Notes at its option at 100% of the principal amount plus a make-whole premium plus accrued and unpaid interest on the 5.875% Senior Notes to the date of redemption. After March 15, 2023, Cinemark USA, Inc. may redeem the 5.875% Senior Notes in whole or in part at redemption prices specified in the indenture. In addition, prior to March 15, 2023, Cinemark USA, Inc. may redeem up to 40% of the aggregate principal amount of the 5.875% Senior Notes from the net proceeds of certain equity offerings at the redemption price set forth in the indenture.

5.25% Senior Notes

On June 15, 2021, Cinemark USA, Inc. issued $765 million aggregate principal amount of 5.25% senior notes due 2028, at par value (the "5.25% Senior Notes"). Proceeds, after payment of fees, were used to redeem all of Cinemark USA's 4.875% $755 million aggregate principal amount of Senior Notes due 2023 (the "4.875% Senior Notes"). Interest on the 5.25% Senior Notes is payable on January 15 and July 15 of each year, beginning January 15, 2022. The 5.25% Senior Notes mature on July 15, 2028.

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

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

8.750% Secured Notes

On April 20, 2020, Cinemark USA, Inc. issued $250 million 8.750% senior secured notes (the "8.750% Secured Notes"). The 8.750% Senior Notes will mature on May 1, 2025; provided, however, that if (i) on September 13, 2022, the aggregate outstanding principal amount of the 5.125% Senior Notes that shall not have been purchased, repurchased, redeemed, defeased or otherwise acquired, retired, cancelled or discharged exceeds $50 million, the 8.750% Senior Notes will mature on September 14, 2022 and (ii) on February 27, 2023, the aggregate outstanding principal amount of the 4.875% Senior Notes that shall not have been purchased, repurchased, redeemed, defeased or otherwise acquired, retired, cancelled or discharged exceeds $50 million, the 8.750% Senior Notes will mature on February 28, 2023. Interest on the 8.750% Senior Notes will be payable on May 1 and November 1 of each year, beginning on November 1, 2020.

The 8.750% Secured Notes are fully and unconditionally guaranteed on a joint and several senior basis by certain of the Company's subsidiaries that guarantee, assume or in any other manner become liable with respect to any of the Company's or its guarantors' other debt. If the Company cannot make payments on the 8.750% Secured Notes when they are due, the Company's guarantors must make them instead. Under certain circumstances, the guarantees may be released without action by, or the consent of, the holders of the 8.750% Secured Notes.

4.50% Convertible Senior Notes

On August 21, 2020, Cinemark Holdings, Inc. issued $460 million 4.50% convertible senior notes (the "4.50% Convertible Senior Notes"). The notes will mature on August 15, 2025, unless earlier repurchased or converted. Interest on the notes will be payable on February 15 and August 15 of each year, beginning on February 15, 2021.

Holders of the 4.50% Convertible Senior Notes may convert their 4.50% Convertible Senior Notes at their option at any time prior to the close of business on the business day immediately preceding May 15, 2025 only under the following circumstances: (1) during the five business day period after any five consecutive trading day period, or the measurement period, in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (2) if we distribute to all or substantially all stockholders (i) rights options or warrants entitling them to purchase shares at a discount to the recent average trading price of our common stock (including due to a stockholder rights plan) or (ii) our assets or securities or rights, options or warrants to purchase the same with a per share value exceeding 10% of the trading price of our common stock, (3) upon the occurrence of specified corporate events as described further in the indenture. Beginning May 15, 2025, holders may convert their notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date, or (4) during any calendar quarter commencing after the calendar quarter ending on September 30, 2020 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price (initially $14.35 per share), on each applicable trading day. Upon conversion of the notes, we will pay or deliver cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

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

The 4.50% Convertible Notes will be effectively subordinated to any of our, or our subsidiaries', existing and future secured debt to the extent of the value of the assets securing such indebtedness, including obligations under the Credit Agreement. The 4.50% Convertible Notes will be structurally subordinated to all existing and future debt and other liabilities, including trade payables, including Cinemark USA's 5.125% senior notes due 2022, 4.875% senior notes due 2023 and the 8.750% Secured Notes due 2025, or, collectively, Cinemark USA's senior notes (but excluding all obligations under the Credit Agreement which are guaranteed by Cinemark Holdings, inc.). The 4.50% Convertible Notes rank equally in right of payment with all of our existing and future unsubordinated debt, including all obligations under the Cinemark USA, Inc. Credit Agreement, which such Credit Agreement is guaranteed by Cinemark Holdings, Inc., and senior in right of payment to any future debt that is expressly subordinated in right of payment to the notes. The 4.50% Convertible Notes are not guaranteed by any of Cinemark Holdings, Inc.'s subsidiaries.

Additional Borrowings of International Subsidiaries

As of September 30, 2021, certain of our international subsidiaries had an aggregate of $28.3 million outstanding under various local bank loans. Below is a summary of these loans:

Loan Description	USD Balance as of September 30, 2021	Interest Rates as of September 30, 2021	Covenants	Maturity
Peru loans	$5.0 million	1.0% to 4.8%	Negative covenants	June 2023 and December 2023
Brazil loans	$15.1 million	3.6% to 8.1%	Negative covenants	November 2021, October 2023 and January 2029
Colombia loans	$3.2 million	3.3% to 5.9%	Negative and maintenance covenants	May 2023, June 2023 and September 2025
Chile loans	$5.0 million	3.5%	Negative and maintenance covenants	November 2023

Additionally, we deposited cash into a collateral account to support the issuance of bank letters of credit to the lenders for the international loans noted above. The total amount deposited during the nine months ended September 30, 2021 was $7.3 million. Total deposits to support bank letters of credit for the outstanding loans of our international subsidiaries is $21.1 million and is considered restricted cash as of September 30, 2021. These restricted cash amounts do not impact the Applicable Amount as defined under the Credit Agreement or the restricted payments as defined in the indentures to the notes as described above.

5.125% Senior Notes

On March 16, 2021, Cinemark USA, Inc. completed a tender offer to purchase it's previously outstanding 5.125% Senior Notes, of which $334 million was tendered at the expiration of the offer. On March 16, 2021, Cinemark USA, Inc. also issued a notice of optional redemption to redeem the remaining $66 million principal amount of the 5.125% Senior Notes. In connection therewith, on March 16, 2021, Cinemark USA deposited with Wells Fargo Bank, N.A., as trustee for the 5.125% Senior Notes (the "Trustee"), funds sufficient to redeem all 5.125% Notes remaining outstanding on April 15, 2021 (the "Redemption Date"). The redemption payment (the "Redemption Payment") included approximately $66 million of outstanding principal at the redemption price equal to 100% of the principal amount plus accrued and unpaid interest thereon to the Redemption Date. Upon deposit of the Redemption Payment with the Trustee on March 16, 2021, the indenture governing the 5.125% Senior Notes was fully satisfied and discharged.

4.875% Senior Notes

On May 21, 2021, Cinemark USA, Inc. issued a conditional notice of optional redemption to redeem the $755 million outstanding principal amount of the 4.875% Senior Notes. In connection therewith, Cinemark USA deposited with Wells Fargo Bank, N.A., as Trustee for the 4.875% Senior Notes (the "Trustee"), funds sufficient to redeem all 4.875% Senior Notes remaining outstanding on June 21, 2021 (the "Redemption Date"). The redemption payment (the "Redemption Payment") included $755 million of outstanding principal at the redemption price equal to 100.000% of the principal amount plus accrued and unpaid interest thereon to the Redemption Date. Upon deposit of the Redemption Payment with the Trustee on June 15, 2021, the indenture governing the 4.875% Senior Notes was fully satisfied and discharged.

Covenant Compliance

The indentures governing the 5.875% Senior Notes, the 5.25% Senior Notes and the 8.750% Secured Notes ("the indentures") contain covenants that limit, among other things, the ability of Cinemark USA, Inc. and certain of its subsidiaries to (1) make investments or other restricted payments, including paying dividends, making other distributions or repurchasing subordinated debt or equity, (2) incur additional indebtedness and issue preferred stock, (3) enter into transactions with affiliates, (4) enter new lines of business, (5) merge or consolidate with, or sell all or substantially all of its assets to, another person and (6) create liens. As of September 30, 2021, Cinemark USA, Inc. could have distributed up to approximately $2.9 billion to its parent company and sole stockholder, Cinemark Holdings, Inc., under the terms of the indentures, subject to its available cash and other borrowing restrictions outlined in the indentures. Upon a change of control, as defined in the indentures, Cinemark USA, Inc. would be required to make an offer to repurchase the 5.875% Senior Notes, the 5.25% Senior Notes and the 8.750% Secured Notes at a price equal to 101% of the aggregate principal amount outstanding plus accrued and unpaid interest, if any, through the date of repurchase. The indentures allow Cinemark USA, Inc. to incur additional indebtedness if we satisfy the coverage ratio specified in the indenture, after giving effect to the incurrence of the additional indebtedness, and in certain other circumstances. The required minimum coverage ratio is 2 to 1 and our actual ratio as of September 30, 2021 was below zero.

As of September 30, 2021, we believe we were in full compliance with all agreements, including all related covenants, governing our outstanding debt.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risk

We are currently party to a variable rate debt facility. We have four interest rate swap agreements that are used to hedge a portion of the interest rate risk associated with the variable interest rates on $600 million of the term loan outstanding under the Credit Agreement. An increase or decrease in interest rates would affect our interest expense relating to our variable rate debt. At September 30, 2021, we had an aggregate of approximately $63.1 million of variable rate debt outstanding. Based on the interest rates in effect on the variable rate debt outstanding at September 30, 2021, a 100 basis point increase in market interest rates would increase our annual interest expense by approximately $0.6 million.

The table below provides information about our fixed rate and variable rate long-term debt agreements as of September 30, 2021:

	Expected Maturity for the Twelve-Month Periods Ending September 30, (in millions)								Average Interest Rate
	2022	2023	2024	2025	2026	Thereafter	Total	Fair Value	
Fixed rate	$ —	$ —	$ —	$ 850.0	$ 865.0	$ 765.0	$ 2,480.0	$ 2,763.1	5.1 %
Variable rate (1)	20.3	13.3	7.8	15.2	—	6.5	63.1	61.9	2.8 %
Total debt	$ 20.3	$ 13.3	$ 7.8	$ 865.2	$ 865.0	$ 771.5	$ 2,543.1	$ 2,825.0	

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

Interest Rate Swap Agreements

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

Foreign Currency Exchange Rate Risk

There have been no material changes in foreign currency exchange rate risk previously disclosed in "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed February 26, 2021.

Item 4. Controls and Procedures

Evaluation of the Effectiveness of Disclosure Controls and Procedures

As of September 30, 2021, we carried out an evaluation required by the Exchange Act, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 that occurred during the quarter ended September 30, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Other than the discussion at Note 19, there have been no material changes from legal proceedings previously reported under “Business – Legal Proceedings” in our Annual Report on Form 10-K for the year ended December 31, 2020 filed February 26, 2021.

Item 1A. Risk Factors

See discussion in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 filed February 26, 2021, as updated by risk factors included in a Form 8-K that was filed on March 4, 2021.

Item 6. Exhibits

*31.1	Certification of Mark Zoradi, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Sean Gamble, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Mark Zoradi, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Sean Gamble, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002.
* 101	The following material from Cinemark Holdings, Inc.'s Form 10-Q for the quarter ended September 30, 2021, formatted in iXBRL (Inline eXtensible Business Reporting Language), filed herewith: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income (Loss), (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) the Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.
* 104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* filed herewith.

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.

<u>CINEMARK HOLDINGS, INC.</u>
Registrant

DATE: November 5, 2021

/s/ Mark Zoradi
Mark Zoradi
Chief Executive Officer

/s/ Sean Gamble
Sean Gamble
Chief Financial Officer

EXHIBIT 31.1

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

I, Mark Zoradi, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 5, 2021

By: /s/ Mark Zoradi
Mark Zoradi
Chief Executive Officer

EXHIBIT 31.2

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

I, Sean Gamble, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 5, 2021

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

EXHIBIT 32.1

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

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the “Form 10-Q”) for the quarter ended September 30, 2021 of Cinemark Holdings, Inc. (the “Issuer”).

I, Mark Zoradi, the Chief Executive Officer of Issuer certify that to the best of my knowledge:

(i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 5, 2021

/s/ Mark Zoradi
Mark Zoradi
Chief Executive Officer

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

EXHIBIT 32.2

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

This certification is provided pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the quarterly report on Form 10-Q (the “Form 10-Q”) for the quarter ended September 30, 2021 of Cinemark Holdings, Inc. (the “Issuer”).

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

(i) the Form 10-Q fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: November 5, 2021

/s/ Sean Gamble
Sean Gamble
Chief Financial Officer

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