
VUE ENTERTAINMENT INTERNATIONAL LIMITED

Registered number: 00106780

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

Vue Entertainment International Limited

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Vue Entertainment International Limited

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | J. Timothy Richards Matthew Eyre |
| Company Secretary | Euan Sutton |
| Registered number | 00106780 |
| Registered office | 44 Esplanade St Helier Jersey JE4 9WG |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants 1 Embankment Place London WC2N 6RH |

Vue Entertainment International Limited

STRATEGIC REPORT

The directors present their Strategic Report for Vue Entertainment International Limited (“the Company”) and its subsidiaries (together “the Group”) for the year ended 30 November 2024.

The Vue Entertainment International Limited annual report and consolidated financial statements for the year ended 30 November 2024 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in compliance with the Companies (Jersey) Law 1991.

The Directors believe references to the UK Companies Act 2006 for reporting provides comparability to other large UK private companies. The largest Vue Entertainment International Limited subsidiary operates in the UK.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the development and operation of state-of-the-art multiplex cinemas. The principal activity of the Company during the year was that of a financing holding company.

As at 30 November 2024, the Group operates 224 (2023: 225) cinema sites. 90 (2023: 88) of these sites are in the UK, 35 (2023: 35) in Italy, 42 (2023: 45) in Poland, 30 (2023: 30) in Germany, 20 (2023: 19) in the Netherlands, 3 (2023: 3) in Denmark, 3 (2023: 3) in Eire and 1 (2023: 1) in Lithuania. In January 2024 the Group concluded the sale of its operations in Taiwan (2023:1).

The Company is controlled by its immediate parent undertaking, Vue International Investment Limited, a company incorporated in Jersey.

The immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited) and its ultimate controlling party is the Jersey incorporated Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in Vue Entertainment International Limited. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

REVIEW OF THE BUSINESS

In the Strategic Report and the accompanying Directors’ Report, the directors present further information on the principal activities of the business, an analysis of the development and performance of the business during the year and position as at 30 November 2024 and a description of the principal risks and uncertainties facing the Group.

For increased transparency in our financial and narrative reporting, we have voluntarily opted to adopt the principals in the Walker Guidelines to the extent considered appropriate by the Directors within the context of being a private company. As part of our commitment to becoming a net zero business, we have also voluntarily chosen to include a Sustainability Report that aligns with the NFSIS (non-financial and sustainability information statement) requirements.

The Strategic Report and Directors’ Report contain certain forward-looking statements with respect to the financial condition, results, operations and business of the Group. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

REVIEW OF THE BUSINESS (continued)

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied in forward-looking statements and forecasts as they can be affected by a wide range of variables not wholly within the Group's control.

The forward-looking statements reflect the knowledge and information available at the date of approval of the Strategic Report, Directors' Report and financial statements. Nothing in the Strategic Report, Directors' Report and financial statements should be construed as a profit forecast.

FINANCIAL RESTRUCTURING

Despite film production resuming in early 2024 following the Hollywood SAG-AFTRA actors strike (which halted film production for 6 months from July 2023 to December 2023), the impact of the strike has been at its most material in 2024 and into 2025 due to a lower number of completed films being available for theatrical release.

Accordingly, in Q1 FY24 the Group undertook a further restructuring process with its external lenders to enhance liquidity, reduce its senior loans, and enhance its capital structure.

The financial restructuring of the Group took effect on 20 February 2024 with 100% consent from all of its stakeholders (shareholders and lenders) and included the following core elements:

- €354.8m, (i.e. 50%) of the reinstated senior facility debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited).
- The terms of the remaining €354.8m (inclusive of accrued interest) of reinstated senior facility debt were amended and restated, pursuant to which the rate of cash pay interest has been temporarily reduced to a flat rate of 0.1% for a period of 2 years until 20 February 2026. Previously, this facility attracted interest at a rate of Euribor plus 8% or Euribor plus 2% cash interest and 6.5% capitalised interest for a period of 2 years from 26 February 2023.
- The Company issued secured floating rate debt, consisting of a €63.7m super senior new money facility with a maturity date of 30 June 2027, to participating senior lenders. The super senior new money facility bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of Euribor plus 4%. If the Company makes this election, then a premium of 1% is added to the interest rate, (i.e. 5%) used to calculate the amount of interest capitalised. The Company received cash of €58.7m on 22 February in respect of this new facility.
- Lenders that participated in the €63.7m super senior new money facility had €127.4m of the remaining €354.8m of reinstated senior facility debt re-tranched (the "reinstated 1.5L facility") and elevated in ranking such that it ranks junior to the super senior facilities, but senior to the remaining unelevated tranche (€227.4m) of the reinstated senior facility debt.
- The reinstated 1.5L facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate, (i.e. Euribor plus 8.4%) used to calculate the amount of interest capitalised.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

FINANCIAL RESTRUCTURING (continued)

- The remaining unelevated tranche of the reinstated senior facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate, (i.e. Euribor plus 8.4%) used to calculate the amount of interest capitalised.
- A portion of the existing EUR-denominated preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of new GBP ordinary shares of equivalent value.

The existing super senior contingency basket that the Group is able to draw down under the Amended and Restated Senior Facilities Agreement (subject to it receiving the required levels of shareholder consent) was increased from £25m to £50m.

Following the financial restructuring, the Group continues to have one financial covenant (a minimum liquidity covenant of £35m unrestricted cash) which is tested at the end of each month. Information obligations include certain monthly, quarterly and annual reporting, including a discussion of the performance of the Group.

RESULTS FOR THE YEAR

The Group reported revenue of £738.0m (2023: £759.1m), a decrease of 2.8% year-on-year, principally driven by lower admissions.

Gross profit decreased by 2.6% to £474.5m (2023: £487.4m) and gross profit margin was 64.3% (2023: 64.2%).

The Group recognised an operating profit of £74.6m (2023: £101.9m) reflecting the trading impact of the writers and screen actors' guild strikes during 2023 that resulted in the release dates of a number of films being postponed from FY24 and FY25 to FY26.

Adjusted EBITDAaL for the year was £27.5m (2023: £45.4m). The £17.9m decrease was primarily due to a fall in admissions, box office and concessions revenue.

Finance expenses for the year were £197.3m (2023: £203.7m) reflecting decreased borrowings arising from the financial restructure that took place in February 2024.

Income tax credit increased to £20.6m (2023: £2.7m) due to a £14.0m increase in the deferred tax credit and a £3.9m decrease in the current tax charge.

The Group's loss for the year was £71.3m (2023: £71.1m).

As at 30 November 2024, the Group had total assets of £1,890.1m (2023: £1,898.2m) and total liabilities of £1,514.5m (2023: £1,735.8m), resulting in a net asset position of £375.6m (2023: £162.4m).

Total net cash inflow for the year amounted to £22.1m (2023: net cash outflow of £15.9m).

Net cash inflow from operating activities for the year was £140.7m (2023: £177.8m). The decrease in inflow was largely driven by a £27.3m decrease in operating profit.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

RESULTS FOR THE YEAR (continued)

Net cash outflow from investing activities was £34.7m (2023: £7.9m). Capital investment in cinemas and related assets was £45.7m (2023: £44.3m).

Net cash outflow from financing activities was £83.9m (2023: £185.7m). The outflow was driven by interest paid of £17.1m (2023: £30.0m), lease liability payments net of landlord contribution receipts of £116.9m (2023: £132.5m) and fees paid in relation to debt restructuring of £5.9m (2023: £26.4m), partially offset by proceeds from external borrowings of £56.5m (2023: £0.1m) and loans from the parent undertaking of £nil (2023: £3.2m).

The Group continued to benefit from government support schemes in Italy. During the year £0.5m (2023: £1.0m) of such government support was recognised in the Consolidated Income Statement. This was reported through other operating income.

Key performance indicators

The Board monitors Admissions, Group Revenue, Box Office Revenue, Adjusted EBITDAaL and Liquidity on a monthly basis. The figures stated below reflect the results of the Group:

| | Year ended 30 November 2024 | Year ended 30 November 2023 |
|---------------------|-----------------------------------|-----------------------------------|
| Admissions | 70.1m | 72.3m |
| Total Group Revenue | £738.0m | £759.1m |
| Box Office Revenue | £401.0m | £418.9m |
| Adjusted EBITDAaL | £27.5m | £45.4m |
| Unrestricted Cash | £120.9m | £105.9m |

An admission is represented by a redeemed cinema ticket. The number of people that choose to visit the cinema has a major influence on industry revenue and profit levels. Higher numbers of cinema admissions increase box office revenue and support higher concession sales and as a result this measure is a key indicator of performance that is reviewed closely by the business.

Group revenue includes box office revenue, concessions income, corporate partnerships, screen advertising and other income.

Box office revenue relates to cinema ticket sales only. See note 5 'Revenue' for further information.

The Group defines Adjusted EBITDAaL as operating profit before depreciation, amortisation, onerous leases, remeasurement gains / losses on right-of-use assets, and other defined gains and losses, but after an operating lease equivalent rent expense for IFRS16 leases.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

RESULTS FOR THE YEAR (continued)

Key performance indicators (continued)

The reconciliation of Adjusted EBITDAaL to statutory operating profit is as follows:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Operating profit | 74,567 | 101,949 |
| Depreciation | 90,654 | 96,653 |
| Amortisation of intangible assets | 1,427 | 1,431 |
| Remeasurement gains on right-of-use assets | (7,082) | (4,277) |
| Operating lease equivalent rent expense for IFRS16 leases | (140,096) | (145,024) |
| Other defined gains and losses | | |
| Corporate and organisational restructuring costs | 8,598 | 1,439 |
| Acquisition and transaction-related costs | 73 | 266 |
| Net property costs / (income) | 2,304 | (43) |
| Net impairment (reversals) / charge | (10,526) | 6,883 |
| Net loss / (profit) on disposal of property, plant and equipment | 988 | (14,748) |
| Profit on disposal of subsidiary | (3,537) | - |
| COVID-19 related costs | - | 437 |
| Long-term incentive plan costs | 7,928 | - |
| Other separately reported items | 2,158 | 417 |
| Adjusted EBITDAaL | 27,456 | 45,383 |

Corporate and organisational restructuring costs

During the year, the Group incurred £8.6m (2023: £1.4m) of costs mainly related to financial restructuring of the Group which was effective 20 February 2024 (2023: financial restructure effective 26 January 2023) and organisational restructuring.

Acquisition and transaction-related costs

Costs predominantly related to site acquisition activity.

Net property costs / (income)

For the year ended 30 November 2024, net property costs mainly related to the early exit of the Tychy site in Poland and dilapidation costs for the previous Group Head Office site. For the year ended 30 November 2023, net property income mainly related to compensation received for damage to a site in Italy.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

RESULTS FOR THE YEAR (continued)

Key performance indicators (continued)

Impairments

Impairments are recorded against the value of assets recorded on the Group's balance sheet arising from management's impairment assessment. In the current year management recorded net impairment reversals of £5.2m (2023: charges of £0.2m) against property, plant and equipment, £5.2m (2023: charges of £6.3m) against right-of-use assets and £0.1m (2023: charges of £0.4m) against intangible assets. Refer to notes 15 to 17 for further details.

Net loss / (profit) on disposal of fixed assets

The profit for the year ended 30 November 2023 mainly related to a £16.1m profit on disposal of a freehold site (Warsaw, Ursynow) in Poland, partially offset by £1.4m of losses on asset disposals across territories.

Profit on disposal of subsidiary

The profit on disposal related to the sale of the Taiwan operation. Refer to note 23 for further details.

COVID-19 related costs

During 2023, the Group made an additional provision of £0.4m relating to the possible repayment of government subsidies received. Where the Group believes that COVID-19 costs have become a normal cost of operation, (e.g., regular cleaning and sanitation), these are not classified as other defined gains and losses.

Other separately reported items

For the year ended 30 November 2024, this predominantly related to retention bonuses, the ongoing GDPR project and consulting fees in respect of a potential finance and accounting systems transformation project.

For the year ended 30 November 2023, this predominantly comprised consultancy fees related to a new payroll system in the UK.

Vue Entertainment International Limited

STRATEGIC REPORT

RESULTS FOR THE YEAR *(continued)*

Market Environment Trends and Factors Affecting Current and Future Performance

Admissions and Gross Box Office Revenues (GBOR)

The recent trends of market Admissions and GBOR for the five key territories within the Group are shown in the tables below:

| Full year Market Admissions (m) | 2024 | 2023 | 2024 vs. 2023 |
|--|--------------|-------------|--------------------------|
| UK & Ireland | 133.1 | 133.9 | (0.6)% |
| Germany | 83.0 | 91.3 | (9.1)% |
| Italy | 68.0 | 69.4 | (2.0)% |
| Poland | 47.9 | 49.9 | (4.0)% |
| Netherlands | 26.4 | 28.9 | (8.7)% |

| Full year Market GBOR | 2024 | 2023 | 2024 vs. 2023 |
|----------------------------------|----------------|-------------|--------------------------|
| UK & Ireland (£m) | 1,039.1 | 1,056.9 | (1.7)% |
| Germany (€m) | 800.2 | 904.9 | (11.6)% |
| Italy (€m) | 480.8 | 490.7 | (2.0)% |
| Poland (PLNm) | 1,031.0 | 984.1 | 4.8% |
| Netherlands (€m) | 281.8 | 312.3 | (9.8)% |

Source: Market Admissions for UK, Italy and the Netherlands sourced from Cinema Advertising Association ("CAA"), Cinetel and Rentrak respectively. Germany and Poland sourced from Rentrak through www.IBOE.com and www.boxoffice.pl respectively. Market GBOR for UK & Ireland, Germany and the Netherlands sourced from Rentrak through www.IBOE.com, Poland from www.boxoffice.pl and Italy from Cinetel.

FY24 revenue and EBITDAaL performance was ahead of expectations, although lower than the prior year due to a decrease in market size across all territories. This was particularly pronounced in Germany and Netherlands where FY23 was relatively stronger. The strike-impacted film slate in FY24 compared to the blockbuster titles of FY23 like *Avatar: The Way of Water*, *The Super Mario Bros Movie*, and *Guardians of the Galaxy Vol 3* was further exacerbated by the impact of *Barbie* and *Oppenheimer* from last year.

This was partially offset by increased market share and strong performance from *Inside Out 2* and *Deadpool & Wolverine*.

Until the beginning of 2022, COVID-19 impacted the production of theatrical films and consumer demand and certain studios experimented with direct-to-streaming or 'day and date' (streaming at the same time as the cinema). Since then, studios have returned to the standard theatrical window model.

The film industry continued to recover post pandemic with Global Box Office for 2024 just 7% behind 2023 (Gower Street Analytics), despite the impact of the actors' and writers' strikes in Hollywood during 2023. These halted production for six months during 2023, having an impact on releases through FY24.

The Group continued to build its admissions and GBOR share, benefitting from corporate partnership deals and other initiatives, and now commanding #1 market share positions in the UK and Italy.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

BUSINESS MODEL

The Group generates its revenue mainly through the sale of tickets for audiences to view film screenings within its cinemas and from the sale of food and beverages, as well as revenues from screen advertising.

The main costs relate to film rental payments to distributors for the right to screen films within its cinemas, purchasing of concession goods for resale, rental expense to landlords for cinemas, utilities, site maintenance and the cost of employing staff working at cinemas. Traditional products such as popcorn, hot dogs, nachos, pick & mix and soft drinks continue to be popular food and beverage choices for audiences. Investment in product range, execution, self-service, foyer and retail layout refurbishments and the introduction of bar seating areas have increased demand.

On-screen advertising continues to provide a consistent source of additional revenue per visitor. In addition, the Group has continued to develop other revenue streams including business to business revenue from the hire of auditoria for corporate and private events, sale of tickets to corporate partners for their loyalty and consumer offers and off-screen advertising.

STRATEGY

The Group has identified multiple levers for continued revenue growth, margin expansion and Adjusted EBITDAaL (as defined in the “Key performance indicators” section on page 6) improvement through both proven initiatives and new innovations.

Operational levers include AI content scheduling, digital products and marketing, pricing and product optimisation and the rollout of site best practices across the Territories. Further Adjusted EBITDAaL growth will be delivered through investments in technology, new sites and site refurbishments.

Content Scheduling

Introduction of AI scheduling software has been proven to drive admissions’ market share growth in the UK and, following its successful implementation during 2024, in Italy. The software creates algorithm-driven automated film schedules to show the right films at the right time to drive admissions and maximise operating profits. Extension of this software to Germany and Poland is planned to commence in 2025.

Digital Products and Marketing

The Group’s online ticket sales have increased significantly in the last five years thanks to targeted investments in technology and digital marketing capability. The Group has continued to capitalise on the acceleration of ecommerce that has been observed since the pandemic and will be able to leverage:

- a culture of continuous improvement that enables sustained growth in traffic (visits) and conversion rate (ticket sales) via user experience, search engine optimisation, email, pay per click advertising and social media
- technologies including Point of Sale Systems, Content Management Systems, Website Analytics and Email Service Providers that enable customer personalisation, micro-targeting and performance optimisation
- digital marketing partnerships with major studios
- a suite of loyalty offers across the different markets, which will continue to be optimised during 2025

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

STRATEGY (continued)

Price Optimisation

Pricing is a dynamic initiative enabled by in-house expertise, systems and processes. Price optimisation has long been a core competence of the Group and enables the Group to offer agile pricing strategies to customers that optimise admissions and profit.

During 2024, more refined pricing category optimisation was introduced which further adapts pricing to reflect customer demand patterns, initially in the UK and in Poland. These techniques are planned to be rolled out across Italy, Germany and Denmark during 2025, with the Netherlands to follow later in the year. In response to sustained inflationary pressure on the business, the Group continued development of dynamic pricing in the UK, Italy, Germany and Poland, with the introduction of higher priced seating categories and revised seating layouts.

Operational Best Practice

The Group remains focussed on ensuring continuous improvement in operational costs to achieve efficiencies. The introduction of Auto Staff Rostering (“ASR”) software to optimise staff schedules based on daily admissions forecasts has driven a better-balanced use of cinema operational service hours in the UK. Service hour optimisation models were introduced across the Group to improve alignment of variable staff costs to admissions forecasts resulting in reduced costs during low volume periods. These staffing models will be further refined to optimise service levels during 2025.

The Group has continued to leverage its scale in negotiating and securing enhanced supply contracts. High inflation across all food and drink categories remains a challenge, although inflation has softened during 2024, and the Group has benefitted from its long-standing relationships with key partners which enabled it to secure minimal price increases that lie below prevailing headline price increases for raw materials.

The Group continues to proactively review and manage lease contracts to ensure rent costs, length of lease and space rented are all optimally configured. During the year, several leases were re-gearred to deliver additional value for the Group, inclusive of the securing of Landlord funding to support major site refurbishments, such as the introduction of full recliner seating.

The Group carefully monitors and manages energy usage through reporting dashboards and both proactive and reactive operating process refinements. Where new systems and technologies, such as Heating, Ventilation and Air Conditioning (HVAC) systems and Projectors are deployed, the investments are reviewed to ensure energy efficiency benefits are captured as part of the installation.

Technology

Systems standardisation continues across the Group. Following a successful pilot at one site in late 2023, the full rollout of the Vista Cinema Operations System to all sites in Germany has recently commenced. The implementation of Vista into the Netherlands will complete the Group-wide rollout.

Following delivery of a new web platform during 2023, based on Sitecore10 and hosted in Microsoft Azure Cloud, the technologies were rolled out to Poland during 2024. Deployment is underway in Italy in 2025, with Germany planned following completion of the Vista rollout noted above. Deployment in the Netherlands will follow the Vista implementation.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

STRATEGY (continued)

Technology (continued)

We are currently in discussion with a strategic supplier to support the large-scale replacement of existing Digital projectors in the UK, Germany and Denmark with state-of-the-art Laser projectors. Laser technology will offer customer benefits through improved image quality, better reliability and significantly reduced down-time at a reduced energy cost to the business. These discussions are a follow-on to a Laser projector program in Italy, with 114 screens now equipped with Laser units and implementations in a number of sites in the UK and Netherlands.

Starting with a trial at the recently refurbished site in Swindon, UK, the Group have introduced a new technology-driven automated retail and operating solution. This incorporates electronic access control gates, self-checkout and a transformational retail proposition which features a much wider range of food and beverage products offered in a self-service environment.

Site Refurbishments

The Group continues to offer and operate a high-quality multiplex estate and customer experience with a number of cinema refurbishments successfully completed in the year, including installation of full recliner leather seating and upgrading the foyer retail and bar offering, auditoria screens, sound and projector technology.

Twelve existing cinemas were fully refurbished with new recliner seating in 2024 taking the total number of recliner sites across the Group (including the new site) to 61 with 595 screens (30% of the total portfolio).

Additionally, during 2024, a brand new 'Ultra Lux' enhanced recliner seat was introduced at three sites. This provides the Group's customers with an even more luxurious and comfortable seating solution, with more seating space and additional features such as personal lighting, storage areas and integrated drinks chillers. It is planned for these seats to be further rolled out across the territories during 2025.

New Sites

The Group acquired three new sites, two of which opened during the year. A new 10-screen cinema was opened in Basildon, in the UK, during July 2024 as well as a 6-screen cinema in Gorinchem, the Netherlands, which also opened during July 2024. A new site was purchased in Swindon in the UK, offering 12-screens which opened in February 2025 after refurbishment.

It is planned that a further four new sites will be introduced to the circuit during 2025: a brand, new flagship cinema in Amsterdam, Netherlands, as well as three new locations in the UK (in Castleford, Nottingham and Poole).

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for risk management and internal controls, and for reviewing their effectiveness. The Audit Committee of Vue International Holdings Limited (formerly Jubilee Topco Limited) reviews the adequacy and effectiveness of the risk management process, approves internal and external audit plans and monitors risk reporting. The Group's internal control environment is designed to facilitate the identification, assessment and management of risk, the protection of shareholders' investments and the Group's assets.

The Group has implemented a Group Risk Management Policy to manage the challenges that present threats or opportunities to the business and, as part of good business practice, how risks are identified, assessed, and managed across the Group.

The annual risk management process concludes with the Board's assessment of the Group's Principal Risks and Uncertainties disclosure, including those that would threaten its business model, future performance, solvency or liquidity, and the completion of an annual internal control certification.

The key business risks affecting the Group are set out below:

Film production and quality risk

The number and quality of the films released in any reporting period can significantly impact admissions, revenue and profitability. The Group has an inherent reliance on major US studios and local film industries to develop successful films and franchises that drive recurring revenue. The impact of these factors was evident in the effects of the SAG-AFTRA strikes on the Company's performance (as discussed in the 'Review of the Business' section).

To mitigate against this risk, the Group maintains strong relationships with studios and local distributors, allowing early insight into upcoming film releases. Additionally, having a presence in European markets, the Group has increased exposure to local, non-Hollywood film demand, creating a hedge against fluctuations during phases where Hollywood content may not be as appealing to cinema audiences.

In addition, utilising these relationships and market presence, the Group recently launched a dedicated distribution arm, Vue Lumiere, with the aim of bringing more high quality international and British films to European screens.

Competition risk

The Group operates in a competitive marketplace, with other cinema operators present within the catchment areas of many of its sites. However, during FY24, competitor expansion remained limited and a small number of competitor closures were announced, maintaining a favourable competition landscape across the Group.

To mitigate this risk, local operational teams focus on continuous service improvement. The Group invests in maintaining and upgrading its cinemas, offering state-of-the-art, high-quality multiplexes and enhanced digital platforms. This ensures a seamless customer experience from ticket booking to screening.

While out-of-home entertainment continues to play an important part in people's lives, independent research shows year-on-year growth in cinema attendance, and the Group continues to monitor market trends and enhance its brand accordingly.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Supplier risk

The Group's key suppliers are film distributors. These relationships are managed by the territory screen content teams who report to the Chief Commercial Officer to ensure a consistent approach to strategy and delivery. Additionally, the Group relies on suppliers for hardware, software, outsourced services, and branded food, drink and confectionery. The Group prioritises maintaining strong partnerships with key suppliers, and has contingency plans in place with food, drink, and confectionery providers to mitigate against any potential supply chain disruptions. The Group has also continued to strengthen its procurement capability for non-film purchasing activity and has no significant reliance on any one supplier.

Health and safety risk

The Group places paramount importance on ensuring its cinemas are physically safe environments and that its food and beverage products are maintained and served in accordance with food safety regulations. Compliance monitoring includes frequent unannounced operational audits and health and safety assessments. Health and safety matters are monitored and discussed at each Audit and Risk Committee meeting held during the year.

Information security and data protection risk

The possibility of critical system interruptions, data breaches (cyber or otherwise) and cyber-attacks that undermine security measures designed to preserve the confidentiality, integrity and availability of business systems, applications and data (including movie content) resulting in unauthorised access or the loss or disclosure of this information could significantly impact the Group's performance by potentially exposing it to a reduction in service availability for customers, potentially significant regulatory penalties, claims and fines and ultimately reputational damage.

To mitigate these risks Vue International continuously reviews the security of its data, systems, and services with ongoing assessments of Group-wide data privacy requirements. To further develop this work, Vue International has partnered with a global, industry leading firm to build upon previous data privacy projects, increasing Vue International's maturity to manage data related risks. Our individual territories have continued to embed a centrally co-ordinated, group-wide, data privacy program. This program is ongoing, aiming to harmonise data privacy governance, risk and policy frameworks to ensure that Vue International's ongoing governance of data privacy related risks is fit for the future.

Cybersecurity threats to Vue International are assessed on a continuous basis so that associated risks to the company can be evaluated accurately, allowing the business to take appropriate and proactive measures. A group-wide managed Security Service partner has been embedded across the Group's technology environments to enhance Vue's ability to detect and respond to cyber security events. Investment has continued in security engineering and further review is planned for technology development to ensure Vue International's digital systems and services are built with security by design from the start, enhancing our resilience to modern day cyber challenges.

Vue International has improved the Cyber Security Incident Response Team to better react to any potential cyber event, reflecting a varied cyber threat landscape. Further review and enhancements are planned for user identity management and access control alongside a wider technology strategy review. Vue International continues to embed its policy and procedural frameworks to ensure Group-wide standardisation to cyber security measures.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Systems risk

The Group relies on a suite of systems and networks to support its day-to-day operations. These systems continue to operate effectively; however, service interruptions or prolonged outages could temporarily impact business performance.

To manage this risk, the Group maintains a proactive approach to monitoring and enhancing its IT infrastructure. A structured risk-based framework is in place to assess and address key areas requiring investment, ensuring operational resilience. The Group also benefits from a dedicated team of internal and external IT specialists, providing ongoing support and oversight.

As part of its continuous improvement strategy, the Group has identified the need to modernise its ERP systems, where suppliers have proposed ending formal support. A comprehensive assessment has been undertaken, with development of robust business support plans to ensure effective project delivery the next step to progressing implementation. In the interim, the Group is confident that existing risk mitigations, including robust system monitoring, security measures, and contingency planning, will ensure operational continuity.

Climate Related risk

Changes to the climate in the territories in which the Group operates, particularly in the medium to long term, have the potential to impact our business operations and supply chain.

To mitigate these potential impacts, the Group continues to assess the business risks and opportunities from future climate scenarios and the medium to long term transition to a low carbon economy alongside continuing to reduce the operational energy consumption from our operations (see non-financial sustainability information statement on page 35).

Continuity risk

Significant unplanned events, such as geopolitical conflicts, systemic failures, or material litigation, could disrupt trading and access to financing, leading to financial loss, reputational damage, or business closure.

The Group continues to prioritise the enhancement of contingency planning, operational resilience, and liquidity strategies to minimise disruptions, safeguard operations, and maintain financial stability. While the Group does not operate cinemas in Russia, Ukraine, or the Middle East, it has been affected in recent years by rising energy prices and global food supply issues.

To mitigate these risks, the Group continuously reviews energy suppliers and tariffs, and works to minimise supply chain delays. Standard operating procedures safeguard cinemas, staff, visitors and customers, and management review these procedures periodically.

In the event of any unplanned or unforeseen events, senior management is convened to manage the response and any associated risk to the business.

The most significant business continuity challenge in recent years was the COVID-19 pandemic, during which the Group successfully mobilised task forces and implemented technology and physical solutions to maintain operations.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

People risk

While staffing levels stabilised through FY24, challenges remain in urban and highly competitive markets. To mitigate this, the Group's HR function continually reviews and optimises organisational structures, talent development, recruitment and succession planning. The Group is an equal opportunity employer and is compliant with relevant employment laws. Anti-discrimination policies and processes are embedded across the business.

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include liquidity, interest rate and foreign exchange risks.

The Group has mechanisms in place that seek to limit the impact of adverse effects of these risks on the financial performance of the Group.

Liquidity risk

Both short-term and long-term liquidity continue to remain a key focus area for the Group throughout 2024. The business closely monitors liquidity.

Detailed annual and monthly cash flow forecasts are prepared and analysed to ensure the Group maintains sufficient liquidity to meet its covenant obligations as well as meet liabilities as they fall due. The Board regularly reviews liquidity forecasts and these formed an integral part of the Group's financial restructuring early in FY24.

Interest rate cash flow risk

Interest rate risk arises from the Group's borrowing facilities on which a variable rate of interest is charged. Exposure to interest rate cashflow risk is monitored through several measures, including sensitivity and scenario testing. Interest rate cashflow risk has been mitigated by the inclusion of Payment in Kind options until February 2026 on portions of the borrowing facilities, which are reviewed, determined and reported to the Board alongside the Group's liquidity forecast.

Foreign exchange risk

The Group has foreign currency assets and liabilities. The Directors keep exposure to currency fluctuations under constant review and have natural hedges in place where currency exposure risk is reduced by matching Euro denominated costs and debt with income generated in Euros and by matching Pound Sterling denominated overheads with income generated in Pounds Sterling.

Inflation risk

Whilst inflation rates have moderated during 2024, inflation continues to result in an increase to underlying operating costs as well as influencing the pricing strategy for the Group.

This is monitored very closely and strategic initiatives have been put in place to mitigate against the impact of rising costs including dynamic pricing models, driving efficiencies in energy usage, optimisation of service hours, supply contract negotiations and technology driven retail and operating solution trials.

Vue Entertainment International Limited

STRATEGIC REPORT (continued)

FUTURE OUTLOOK

FY25 has started very strongly with key titles including *Wicked*, *Moana 2*, *Mufasa: The Lion King*, *Sonic The Hedgehog 3* and *Bridget Jones: Mad About The Boy* all driving significant admissions. Highlights expected in Q2 FY25 include *Minecraft*, *Mission Impossible: Dead Reckoning Part 2* and Disney's *Snow White*. Q3 FY25 looks exceptionally strong with *Jurassic World: Rebirth*, *Fantastic Four: The First Steps*, *How To Train Your Dragon*, *Superman: Legacy* and numerous strong supporting films.

The disruption to film production caused by the Hollywood strikes of 2023 is expected to have unwound by the end of FY25 and the outlook for FY26 is very positive with *Avatar 3*, *Wicked 2* and *Zootropolis 2* all scheduled to be released in December 2025, driving a very strong start to FY26.

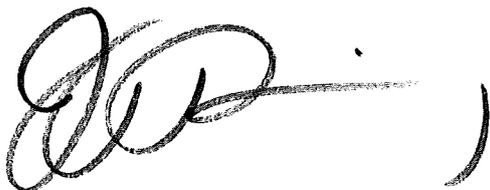
STAKEHOLDER ENGAGEMENT

The Directors value contact with the Group's shareholders and loan investors. The four parties with the largest equity holdings, subject to holding at least 10% of our equity, are entitled to have an Observer Seat on our Board. During FY24, four such parties were entitled to have an Observer Seat on our Board and chose to do so.

The Board is kept up to date at its regular meetings and receives reports on the operational performance of the Group. In addition, presentations are given to loan investors and ratings agencies following each quarter-end close and separate announcements of all material events are made as necessary, ensuring that regular contact is maintained.

The Directors of the Vue International Group continue to work to promote the success of the Group for the benefit of the members as a whole having regard to the interests of stakeholders including customers, employees, suppliers and the wider community in which it operates.

This report was approved by the Board on 18 March 2025 and was signed on its behalf by:



24/3/2025

J. Timothy Richards
Director

Vue Entertainment International Limited

CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 NOVEMBER 2024

INTRODUCTION

The governance of the Group during the financial year operated in accordance with the governance structures established by the Group's ultimate parent company, Vue International Holdings Limited (formerly Jubilee Topco Limited), and it is this overall governance structure which is described in this report. The Group is committed to maintaining business integrity, high ethical values, its corporate responsibility and professionalism. This section of the report outlines the approach adopted having consideration of and applying the principals in the Walker Guidelines to the extent considered appropriate by the Directors given the context of being a private company.

Board Changes

On 12 December 2023, Stella David resigned and Katrina Cliffe was appointed as acting Chair of the Board. Ian Fraser was appointed on 1 June 2024 as a new non-executive Director and Chair of the Board, replacing Katrina Cliffe as acting Chair.

On 30 January 2024, Claire Arksey resigned as Chief Operating Officer and Matthew Eyre was appointed on 22nd April 2024 as Chief Operating Officer. After the balance sheet date, on 28 February 2025, Alison Cornwell resigned as Chief Financial Officer.

During FY24, four parties who were entitled to have an Observer Seat on the Board chose to do so (further details on Observer Seat entitlements are provided in the Stakeholder Engagement section on page 17).

BOARD LEADERSHIP AND GROUP PURPOSE

The Role of the Board

The Board is responsible to the Group's shareholders, loan investors, and wider stakeholders for the long-term sustainable success of the Group. It provides strategic direction, oversight, and accountability, ensuring effective risk management, strong internal controls, and responsible governance.

The Board's role and responsibilities are clearly defined, with the executive management team responsible for day-to-day operations. In addition to the main Group Board, there are Territory Boards, comprising of Group Executives and local Executive teams, that meet regularly to ensure alignment with the Group's strategic priorities and governance standards.

Other core Board activities included, but were not limited to the following:

- Establishing and monitoring the effectiveness of the Group's internal control and risk management framework, with a clear accountability structure to assess its adequacy and effectiveness;
- Setting the levels of delegated authority, whilst retaining overall responsibility for governance;
- Ensuring that executive remuneration policies align with the Group's long-term strategy and sustainable performance; and
- Enhancing transparency in audit and assurance processes to uphold financial integrity and stakeholder confidence.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

BOARD LEADERSHIP AND GROUP PURPOSE (continued)

Purpose, Values and Strategy

The Group's vision is simple – to be the best in big-screen entertainment. A key factor in achieving this vision is ensuring that strong governance and a well-embedded corporate culture support strategic objectives and long-term sustainability.

To ensure that the Group's purpose, values and strategy remain aligned with its corporate culture and stakeholder expectations, Group HR conducts regular reviews to identify opportunities for further development and alignment.

Resources, Controls and Risk Management

The Board, supported by the Audit, Risk and Governance Committee and senior management, has overall responsibility for establishing, monitoring and maintaining an effective risk management and internal control framework. During the year, the Board directly, and through delegated authority to senior management and the Audit, Risk and Governance Committee, oversaw and reviewed the effectiveness of the risk management and internal control approach.

The Group's Risk Management Policy ensures that risks are effectively identified, assessed, and managed across the business (see Audit, Risk and Internal Control on page 23). The key principles guiding the Group's approach to risk management include:

- Integrating risk management into daily business operations.
- Encouraging all colleagues to actively engage in risk management within their own areas of responsibility.
- Assigning primary responsibility for risk assessment and management to the respective territory or function conducting the business.
- Ensuring timely and accurate escalation of risk information to provide full visibility of key risks, enabling informed decision making at all levels.
- Maintaining a risk management framework and assessment process aligned with the business strategy, supported by an appropriate organisational structure.
- Continually assessing and improving the effectiveness of the risk management framework.

Group Internal Audit (see page 24) provides independent assurance, supporting the Audit, Risk and Governance Committee and the Board. It applies a systematic and disciplined approach to evaluating and enhancing corporate governance, risk management, and internal controls. Internal Audit also facilitates risk workshops with Head Office and territory management teams, documenting identified risks within risk maps and registers using Jira (task management software). The software captures key risks, associated controls, and actions plans to mitigate those risks.

The Board confirms that the Group's risk management and internal control systems have remained in place throughout the year, undergoing regular review to ensure robustness and alignment with corporate governance and regulatory expectations. Additionally, the Group Head of Internal Audit presents key risks, control findings and mitigation plans to the Audit, Risk and Governance Committee at least annually (see Audit Risk and Internal Control page 23).

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

BOARD LEADERSHIP AND GROUP PURPOSE (continued)

Stakeholder Engagement

The Board met regularly and received reports on the Group's operational performance. Recognising the importance of stakeholder governance, the Board and Executive Directors remain committed to maintaining effective engagement with shareholders, loan investors, employees, and other wider stakeholders, ensuring a mutual understanding of objectives and emerging risks.

Executive Directors regularly engaged with loan investors and ratings agencies following each quarter-end close and separate announcements were made for all material events in line with best practices for transparency.

The Group continues to promote long-term success for the benefit of all stakeholders, considering the interests of customers, employees, suppliers, and the wider community (see Stakeholder Engagement on page 17).

As outlined in the Strategic Report (pages 3 to 17), the Board also supported initiatives to strengthen the Group's digital and information technology offerings, optimise pricing, and continually improve the customer experience. This included further investment in state-of-the-art multiplex refurbishments, customer engagement initiatives and cinema technology upgrades.

Workforce Policies and Practices

The Group maintains workforce policies and practices that reflect its values and support its long-term sustainable success.

Key workforce policies and commitments include:

- **Code of Conduct:** All new employees receive a copy of the Group's Code of Conduct, which outlines ethical and moral expectations. Group HR periodically reviews and updates this document to ensure alignment with latest legislation and governance best practice.
- **Modern Slavery Act:** The Group's Slavery and Human Trafficking Statement is published on the Vue International website.
- **Anti-Bribery and Corruption:** The Group's Anti-Bribery and Corruption Policy ensures compliance with the UK Bribery Act 2010 and best practices to prevent corruption.
- **Whistle-blowing:** The Group promotes a culture of integrity and transparency, encouraging employees to raise concerns without fear of reprisal. The whistle-blowing helpline and email inbox are actively monitored by the General Counsel and Group Head of Internal Audit, with regular reports to the Audit, Risk and Governance Committee and Board to ensure independent review and appropriate action.
- **Employee Assistance Programme:** A dedicated Employee Assistance Programme is available to support employees' mental health, personal wellbeing, and professional challenges through counselling and wellbeing resources.
- **Diversity, Equity and Inclusion:** The Group remains committed to maintaining an inclusive workforce, recruiting and promoting employees based on qualifications, skills, and performance, and ensuring compliance with equity legislation.
- **Accessibility and Inclusion:** The Group continues to ensure that its cinemas are accessible to all, offering features such as audio-described and subtitled performances, and providing free entry for carers accompanying customers with disabilities.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

DIVISION OF RESPONSIBILITIES

The Role of Chair

The Chair leads the Board and is responsible for its overall effectiveness in directing the Group. Additionally, the Chair facilitates constructive Board relations, ensures the effective contribution of all non-executive directors, and provides that directors received accurate, timely and clear information. The Chair has never served as the Group's Chief Executive.

Board Balance and Division of Responsibilities

Information about the Board members is set out on pages 22, 27 and 28. At the balance sheet date, the Board comprised three experienced executive directors namely, the Group CEO, the Group CFO and the Group COO, and four non-executive directors. The Board collectively brings extensive knowledge and expertise, updating their skills as required to effectively fulfil their roles.

Principal Risks, Risk Management and Internal Control

Risk management is a continuous process encompassing risk identification, assessment, mitigation, and consideration of residual risks post control implementation. The execution of the Group's strategy and day-to-day management are subject to various risks. Understanding and managing these risks enhances decision making, supports delivery of objectives, and ensures business obligations are met.

The Group approach to risk management includes:

- Integrating risk management into daily business operations;
- Ensuring all colleagues engage in risk management within their areas of responsibility;
- Assessing and managing risk primarily at the Territory/ function level where they arise;
- Providing timely, accurate and comprehensive risk information to support decision making at all levels;
- Maintaining a risk management framework aligned with business strategy, supported by an appropriate organisational structure; and
- Conducting ongoing assessments of the framework's effectiveness to drive continuous improvement.

Management actively considers risks within day-to-day activities, ensuring appropriate processes are in place to monitor and mitigate them. The Group follows guiding principles to embed risk management at all levels:

- Risk management follows a delegated authority model, with significant risks escalated to the Audit, Risk and Governance Committee and the Board;
- Business-as-usual risks are primarily managed at a Territory and functional level.;
- Confidence in the effectiveness of the framework is essential for corporate governance best practices;
- Management support and enforcement are critical to success;
- Key risks are continuously monitored and, where possible, mitigated to an acceptable level; and
- Risk management processes remain dynamic to accommodate evolving business conditions.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

DIVISION OF RESPONSIBILITIES (continued)

Principal Risks, Risk Management and Internal Control (continued)

The risk management structure ensures consideration from both ‘top-down’ and ‘bottom-up’ perspectives. In addition to the Principal Risks and Uncertainties (pages 13 to 16), the Group maintains territory-level risk maps and operational risk registers. Internal Audit facilitates the risk assessment process, which includes:

- Risk identification and assessment of inherent risk impact and likelihood;
- Identification of key controls;
- Assessment of residual risk impact and likelihood; and
- Development and implementation of risk mitigation actions.

Group Internal Audit aligns its plan with identified key risks, conducting risk-based audits, financial and IT controls testing and management-requested reviews (see page 24, Group Internal Audit).

The Audit Committee oversees internal and external assurance activities, reviewing internal control effectiveness (see page 23, Audit, Risk and Internal Control). The Group Internal Audit team delivers these activities with support from specialist advisers as needed.

The Role of the Non-Executive Directors

Non-executive directors dedicate sufficient time to their Board responsibilities, providing constructive challenge, strategic guidance, specialist advice, and holding management to account.

Policies, Processes, Information, Time and Resources

The Chair, in collaboration with the Group Company Secretary, Group CEO and other Board members, set Board meeting agendas, fostering open and constructive debate. The Board is provided with the necessary policies, processes, information, time and resources needed to operate effectively.

Standing agenda items included:

- Reports from senior management on strategic and business developments, operational updates and key actions since the previous meeting;
- Financial reports from the Group CFO covering liquidity management, key financial highlights, budgets and forecasts; and
- Capital investment proposals requiring Board approval.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

COMPOSITION, SUCCESSION AND EVALUATION

Board Appointments, Succession Planning and Diversity

A shareholder agreement governs the Group and states those matters that require Board approval, including Board appointments. All senior nominations were discussed and agreed by members of the Remuneration Committee.

The Board, supported by Group HR, develop succession plans based on objective criteria, promoting diversity of gender, social and ethnic backgrounds, cognitive abilities, and personal strengths.

These financial statements provide details on Board member's skills, expertise, and experience. The Board's collective capabilities, particularly in entertainment, hospitality, film, corporate finance, governance, and risk management contribute significantly to strategic oversight and commercial decision-making.

Board Evaluation

The Board considers its size and composition to be appropriate, ensuring a balance of experience and skills among its members.

AUDIT, RISK AND INTERNAL CONTROL

The Group's internal control environment supports risk identification, assessment and mitigation while safeguarding shareholder investments and assets. The Board delegates internal control oversight to the Audit, Risk and Governance Committee, whose members possess relevant financial and sector experience.

The Audit, Risk and Governance Committee's primary responsibilities include:

- Reviewing Health & Safety matters, including compliance, Health & Safety related risk management effectiveness, incident trends and regulatory updates;
- Ensuring the integrity of the financial statements and financial performance reporting;
- Reviewing the effectiveness of internal financial controls and risk management systems;
- Assessing the effectiveness of the Internal Audit function;
- Evaluating the independence and objectivity of the external auditor and the audit process, taking into consideration relevant professional and regulatory requirements;
- Recommending external auditor appointments, re-appointments and removals; and
- Reporting to the Board on its oversight activities.

Internal and External Auditor Independence and Financial Integrity

The Audit, Risk and Governance Committee convened five times in FY24. The members of the Audit Committee, who were also directors of Vue International Holdings Limited (formerly Jubilee Topco Limited), were Tom Singer (Chair), Katrina Cliffe, Henry Birch and the Group CFO, with the Group CEO, COO and CIO also in attendance.

The three non-executives are not directors of Vue Entertainment International Limited but exercise group wide responsibility as directors of the ultimate parent (Vue International Holdings Limited) from where governance is exercised.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

AUDIT, RISK AND INTERNAL CONTROL (continued)

Internal and External Auditor Independence and Financial Integrity (continued)

The Audit, Risk and Governance Committee ensures the integrity of the Group's financial statements, reviewing and challenging the following:

- The consistency of, and any changes to, significant accounting policies;
- Significant financial reporting issues and resolutions;
- Key estimates and judgements;
- Disclosure clarity and completeness;
- Going concern assumptions and supporting evidence; and
- Material financial and governance disclosures.

With input from Group Internal Audit, Group Financial Control, Group Information Security, Group Operations and other key functional management, the Committee also reviewed the adequacy and effectiveness of internal controls and risk management systems.

The Audit, Risk and Governance Committee oversees the Group Internal Audit function, ensuring sufficient resources and access to information. During the year, the Audit Committee approved the Group Internal Audit plan and received reports at each meeting on Group Internal Audit activities.

The Audit, Risk and Governance Committee evaluates the external auditor relationship, agreeing on terms of engagement and fees for audit services. Additionally, the Committee reviewed the audit outcomes, including their management letter, management's responses and representation letters before finalisation.

GROUP INTERNAL AUDIT

The Group Head of Internal Audit reports functionally to the Audit, Risk and Governance Committee and administratively, (i.e., in day-to-day operations) to the Group Chief Financial Officer and oversees the Group-wide Internal Audit function across all territories, covering corporate, operational, financial, and strategic risk areas.

Group Internal Audit provides independent and objective assurance on the adequacy and effectiveness of governance, risk management, and internal controls. This is achieved through risk-based internal audit reviews and a cinema compliance audit programme.

Group Internal Audit evaluates the design and effectiveness of financial and operational controls, standards and procedures, as well as compliance with laws, regulations and key Group policies, including Anti-Bribery and Corruption, Health and Safety, and Whistle-Blowing.

Findings, key themes and trends are reported to the Audit, Risk and Governance Committee and senior management.

Vue Entertainment International Limited

CORPORATE GOVERNANCE (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

GROUP INTERNAL AUDIT (*continued*)

Internal and External Auditor Independence and Financial Integrity (*continued*)

Scope of Internal Audit

The remit of Internal Audit includes, but is not limited to, assessing and reporting on the following:

- The adequacy and effectiveness of financial and operational controls;
- Compliance with laws, regulations, and contracts;
- Opportunities for improving efficiency and reducing costs;
- The use and appropriateness of Group wide policies, standards and procedures;
- The effectiveness of systems ensuring compliance with policies, laws, and regulations with significant organisational impact;
- The integrity of processes and systems, including those under development, to safeguard against error, fraud and financial loss;
- Designated advisory projects for management (provided they do not compromise Internal Audit's independence); and
- Investigations into suspected financial crime, employee theft or fraud, and malpractice.

REMUNERATION AND NOMINATION

Policies and Practices

Group remuneration policies and practices are designed to support strategy and promote long-term sustainable success.

The Remuneration Committee members consisted of four non-executive directors, with the Group CEO, CFO and CPO also in attendance. Their responsibilities included the following:

- all aspects concerning the terms of employment of any senior employee (including the terms of their bonus or other remuneration, termination or dismissal);
- any other arrangement between a Group Company and a senior employee or persons connected with a senior employee; and
- review and assessment of all senior nominations.

The Remuneration Committee met on five occasions during the financial year.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

The Directors present their report and the audited consolidated financial statements of Vue Entertainment International Limited (“the Company”) and its subsidiaries (together “the Group”) for the year ended 30 November 2024.

RESULTS AND DIVIDENDS

The consolidated loss for the financial year after tax amounted to £71.3m (2023: £71.1m). Further discussion of the results and performance of the Group is provided in the Strategic Report on pages 3 to 17.

The Directors do not recommend that a dividend be paid (2023: £nil).

FUTURE DEVELOPMENTS

A discussion of future developments of the Group and Company has been included in the Strategic Report and Going Concern notes on pages 57 and 124.

EMPLOYEE AND STAKEHOLDER ENGAGEMENT

The Directors have always recognised the importance of engagement with suppliers, customers and employees. Actions taken in pursuit of this are cross referenced in the Stakeholder Engagement section of the Strategic Report on page 17.

GOING CONCERN

As at 30 November 2024 the Group had significant liquidity comprising £120.9m of unrestricted cash (total cash less cash in escrow in support of landlord guarantees).

During the financial year the Group’s liquidity position was bolstered by a financial restructuring which was undertaken due to the reduction in film supply caused by the SAG-AFTRA actors strike which halted production for 6 months throughout the second half of 2023. The restructuring completed on 20 February 2024 and its terms included the receipt of cash of €58.7m through the issuance of a €63.7m super senior term loan, an equitisation of €354.8m of senior debt, the provision of flexibility in enabling the Group to capitalise a significant portion of its interest for a period of 2 years from 20 February 2024 and an increase in the Group’s borrowing capacity due to an increase in the super senior debt basket from £25m to £50m (see note 26 on page 107 for further details).

Following the restructuring, the Group has one financial covenant, a minimum liquidity covenant of £35m unrestricted cash which is tested at the end of each month.

The financial restructuring delivered additional liquidity, a substantial deleveraging of the balance sheet and a robust capital structure to enable the Group to manage any short-term film supply issues caused by the recent strikes. It is notable that the process was delivered with 100% consent from all of the Group’s stakeholders (shareholders and lenders).

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

GOING CONCERN (*continued*)

In considering the going concern position of the Company and the Group, a liquidity model has been developed which has been used to generate a Base Case and a 'Severe but Plausible' Downside Case (the "Downside Case"). The key principles underpinning these scenarios are set out in note 3.

The Group does not project any potential covenant breaches or additional liquidity needs during the period to 31 May 2026 in its Base Case or in its Downside Case.

The Group's positive net asset position of £375.6m further supports the Directors' view on the going concern of the business.

OWNERSHIP

On 26 January 2023, the Company's shares were sold to a new holding structure. As a result, the Group became majority owned by the senior lenders.

The Company is controlled by Vue International Holdings Limited (formerly Jubilee Topco Limited), a company incorporated in Jersey. Vue International Holdings Limited (formerly Jubilee Topco Limited) is an investment vehicle for the participating senior lenders.

There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

DIRECTORS

The Directors who held office during the year and up to the date of signing these financial statements were as follows:

- J. Timothy Richards
- Alison Cornwell (resigned on 28 February 2025)
- Claire Arksey (resigned on 30 January 2024)
- Matthew Eyre (appointed on 22 April 2024)

J. Timothy "Tim" Richards - Founder and Chief Executive Officer

Tim has more than 35 years of experience in cinema exhibition and extensive international development and operational experience in all major international markets in Europe, South America and Asia Pacific. He is a well-known and highly respected industry commentator in print, radio and television and has passionately supported British and Independent film for the last 35 years.

Prior to entering the entertainment industry, Tim was a Wall Street lawyer engaged in international finance and cross-border mergers and acquisitions while based in London and New York. In 1990, Tim joined Paramount/Universal's international exhibition and home entertainment joint ventures, UCI and CIC, where he was responsible for International Business Development in 44 international markets. In 1994, he joined Warner Bros as Senior Vice President of Business Development.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

DIRECTORS (continued)

J. Timothy "Tim" Richards - Founder and Chief Executive Officer (continued)

In 1999 Tim left Warner Bros. in L.A. and founded Vue with support from Boston Ventures and opened the company's first cinema in late 2000 in Livingston, Scotland. In 2003, the company acquired Warner Village Theatres in the UK, consisting of 36 state-of-the-art multiplex cinemas. The business became one of the world's leading cinema operators and the largest privately held cinema operator in Europe through a series of strategic acquisitions and organic growth.

On 30 December 2024, Tim was appointed Commander of the Order of the British Empire for his achievements and services to British film and Cinema by His Majesty King Charles III. In February 2021, the British Prime Minister appointed Tim as Chair of the British Film Institute. In December 2020 and 2021, Variety magazine named Tim as one of the 500 most influential business leaders shaping the global \$2 trillion entertainment industry. The Hollywood Reporter named Tim as one of the top five entertainment innovators of the year and The Independent named Tim as one of the "20 most influential people in film". In 2015 Tim was awarded the Variety International Children's Fund Humanitarian Award for his charitable work.

Tim has held Board positions on a number of UK and European industry Boards including the BFI, BAFTA, the UK Cinema Association, Union Internationale de Cinemas (UNIC), the Global Cinema Federation, Film London, the British Screen Advisory Council and numerous government-led industry task forces.

Matthew Eyre – Chief Operating Officer

Matt Eyre has more than 35 years of extensive operational experience in the cinema industry, having started his career at Warner Bros where he stayed for 16 years overseeing operations across 237 locations and 10 countries before becoming co-CEO of the Mann Theatres chain in California. He then spent 19 years at Cineworld and most recently oversaw operations for Regal across 500 sites across 50 states in the US.

Matt was the president of the children's charity Variety for East Tennessee and the Regal Foundation. During his career overseeing global operations for some of the biggest operators in the industry, Matt oversaw the handprints for Christopher Walken, Adam Sandler and Quentin Tarantino at the Chinese Theatre in California and is also credited as being the first person to 'pop' corn in China and Japan.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the year to 30 November 2024 and to the date of approval of the financial statements, the Company and Group maintained liability insurance for its directors and officers.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political contributions (2023: £nil) and charitable contributions of £1k (2023: £nil) were made in the financial year.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

SOCIAL AND COMMUNITY ISSUES

As a cinema operator, responsibility to the community is very important to the Group. Special screenings are run to facilitate accessibility to the diverse communities in which we operate including autism friendly, open captioned, audio description and family friendly morning screenings. Vue UK is part of the national CEA card scheme which provides free tickets to carers of disabled cinema guests and is a proud supporter of Medicinema, a charity that provides relief to hospital patients through the power of film.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group continues to invest in the product, technology and cinema environment to provide customers with the ultimate big screen experience every time they visit.

Areas of development during FY24 included the provision of state-of-the-art audio and visual experience through the latest technologies including laser projectors and a technology-driven automated retail operating solution, investing to remain at the cutting edge of our digital offering and software solutions, such as automated scheduling and cinema operating systems, enhancing customer service levels through optimised staff scheduling as well as continued improvement in guest comfort from the provision of enhanced premium seating offers including the new Ultra Lux enhanced recliner seat.

ENVIRONMENTAL MATTERS

The Group recognises the impact of its operations on the environment. Group energy consumption is measured (see Energy and Carbon Report on page 34) and the Group continues to seek energy consumption reductions through initiatives such as the introduction of more energy efficient projection, lighting and HVAC to minimise adverse impacts on the environment from its activities, alongside delivery of its commercial priorities. Working with suppliers and customers, the Group territories continue work on diverting waste from landfill to be recycled.

See the Non-Financial Sustainability Information Statement on page 35 for further details.

POST BALANCE SHEET EVENTS

See note 37 on page 119 for further details.

FINANCIAL RISK MANAGEMENT

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. Full details of the Group's principal risks and uncertainties are set out in the Strategic Report.

CORPORATE GOVERNANCE

The Group's corporate governance framework, and how it is applied, is set out on pages 18 to 25.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

EMPLOYEE INVOLVEMENT

Our people

People are at the core of delivering the best cinema experience across all the territories in which we operate. Therefore, creating and retaining high performing teams and individuals is a key focus.

Following on from our implementation of a refreshed Remote Working Policy in our UK business, where hybrid working principles have been maintained through enabling individuals in our corporate teams to work remotely one day per week if they wish to do so, we continue to implement this policy approach throughout all of our territory head office teams. We continue to adapt to reflect, through the way we work, the core principles of our customer facing and focussed business.

Aligned organisational structures

In order to maximise international synergies and local opportunities in each of our markets, we develop global strategies which we tailor and roll out to each of our operating businesses such that we capitalise quickly on local prospects. To deliver this strategy and to ensure that organisational structures continue to meet business requirements, our structures are reviewed on an ongoing basis and continuously evolve within each territory.

Developing and retaining talented employees is a fundamental part of the Group strategy. With similar organisational structures in place across all territories, we can improve the way in which we offer employee career paths across the Group and also maximise commercial opportunities by identifying, sharing and implementing best practice.

Employee recognition and reward

The Group's reward and recognition strategy is designed to ensure that employees are aligned to the Group's goals and are rewarded for the contribution that they make to the Group's success. Performance is driven by ensuring that incentive and recognition plans align all employees to the delivery of key business priorities and targets. Pay and benefit structures are competitive and are regularly benchmarked against relevant external data.

The incentive plans that are in place include both a company and personal element. Employees are rewarded on the basis of both overall company performance and individual business contribution. Where teams have direct responsibility for specific revenue lines and profitability, bonuses have been designed to share with the team a percentage of the incremental revenue and profit that they generate.

Within our territories, there are local recognition and incentivisation schemes that reward great customer service and sales within our busiest periods. We continue to build on this.

Communication and engagement

The Group seeks to engage all employees in both its short and long-term goals. This is achieved through a number of two-way communication methods.

Weekly cascade forums take place that enable the Group Executive leadership team to communicate with each of the country General Managers and they cascade relevant information within their businesses.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

EMPLOYEE INVOLVEMENT (continued)

Communication and engagement (continued)

Senior management liaise regularly with employee forums and work councils on new initiatives and business updates.

Cinema Management teams come together annually to hear key messages from Senior Leadership, discuss priorities for the year and network with colleagues.

Film Days are held each year to enable Cinema operators to meet with representatives from the film studios and experience previews of future films to be released in the year ahead.

Finding and developing our top talent

The Group is committed to finding and appointing top talent as well as providing training and ongoing development aligned to business and employee needs.

Designing effective recruitment tools and clearly defining role accountabilities, skills and capabilities are a prime focus across all territories.

As part of our standardised cinema operational excellence model, we are committed to continue building on what currently exists across the Group. This includes the modular training frameworks that help create clear career paths, ensuring that teams fulfil their potential and continue to develop their skills and ability within their current position but also for potential future opportunities. As the organisation continues to change, develop and grow, focused internal training and development programmes are delivered in order to support employees with the acquisition of business skills and capabilities. There are also bespoke and targeted development programmes for employees in the internal talent pools that support cinema management succession plans. Examples of these development programmes include Leadership, Personal Impact and Commercial Acumen. The talent pipelines ensure that critical vacancies are filled quickly and cost effectively.

Employee involvement and implementation of best practice

The Group seeks to engage all employees in both its short and long-term goals. This is achieved through a number of two-way communication methods including senior management briefings, employee forums and work councils.

Best practice is proactively identified and implemented across the Group using various methods such as setting up regular workshops that bring together key specialist managers from each territory in areas such as, but not limited to, Retail, Pricing, Marketing, Screen Content, HR and Finance.

Equality of opportunity and human rights

The Group is committed to its obligations under the Equality Act 2010 and the Modern Slavery Act 2015 and has policies in place to ensure an ethical and legal framework is provided to employees.

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

EMPLOYEE INVOLVEMENT (continued)

Equality of opportunity and human rights (continued)

The Group is committed to making full use of the talents within the business and therefore provides equal opportunities for all. Employment decisions which include recruitment, promotion, compensation, benefits, performance management and training are based on an individual's skills, performance and behaviour and how these relate to the requirements of the business. The Group seeks to treat all its employees with dignity and respect.

The procurement teams manage many food and beverage suppliers and take responsibility for managing the supply base and sourcing ethically.

The Group Procurement policy ensures that all potential suppliers must provide confirmation that no instance of modern slavery or human trafficking has occurred (or is occurring) within their business and they must also demonstrate that they have in place suitable procedures and safeguards to prevent such issues occurring.

The Group's whistle-blowing policy details how any member of staff with concerns about a potential issue (including potential occurrences of modern slavery or human trafficking) should bring the matter to the attention of senior management. This includes an option to raise the matter through a confidential whistle-blowing hotline and email contact address.

Further details around the Group's commitments to human rights can be found on the Vue website.

Gender breakdown

The average monthly gender diversity within the Group during the year ended 30 November 2024 was:

| Level | Definition | Male No. | Male % | Female No. | Female % | Total No. |
|-----------------|--|--------------|------------|--------------|------------|--------------|
| Board directors | Statutory Board Members | 2 | 67% | 1 | 33% | 3 |
| Senior Managers | Group Executive Directors, Territory Managing Directors ("MDs") and Directors reporting to the above | 59 | 69% | 26 | 31% | 85 |
| Employees | All employees excluding those mentioned above | 4,158 | 48% | 4,439 | 52% | 8,597 |
| Total | | 4,219 | 49% | 4,466 | 51% | 8,685 |

Vue Entertainment International Limited

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

EMPLOYEE INVOLVEMENT (continued)

Gender breakdown (continued)

The average monthly gender diversity within the Group during the year ended 30 November 2023 was:

| Level | Definition | Male No. | Male % | Female No. | Female % | Total No. |
|-----------------|--|--------------|------------|--------------|------------|--------------|
| Board directors | Statutory Board Members | 2 | 67% | 1 | 33% | 3 |
| Senior Managers | Group Executive Directors, Territory Managing Directors ("MDs") and Directors reporting to the above | 64 | 66% | 33 | 34% | 97 |
| Employees | All employees excluding those mentioned above | 4,287 | 51% | 4,180 | 49% | 8,467 |
| Total | | 4,353 | 51% | 4,214 | 49% | 8,567 |

DISABLED EMPLOYEES

It is the policy of the Group that disabled people, whether registered or not, should receive full and fair consideration when applying for job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

STATEMENT OF DISCLOSURE TO AUDITORS

Each Director in office at the date the Directors' Report is approved, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed.

The financial statements on pages 47 to 120 were approved by the Board of Directors on 18 March 2025 and signed on its behalf by:



J. Timothy Richards
Director

Vue Entertainment International Limited

ENERGY AND CARBON REPORT FOR THE YEAR ENDED 30 NOVEMBER 2024

The Group's Streamlined Energy and Carbon Reporting ("SECR") disclosures for the current financial year are shown below. Only businesses registered in the UK are considered within scope. Please refer to note 3 of the financial statements for more details.

| Energy consumption used to calculate emissions: *Transport combustion of fuel has been estimated from business mileage claims, and cannot be reliably converted to kWh. | 2024 | 2023 | |
|--|-------------------|-------------------|------------|
| | Gas | 24,118,683 | 32,082,128 |
| Electricity | 60,693,855 | 54,722,166 | kWh |
| Transport fuel | 427,368 | 436,240 | miles* |

| | FY24 (tCO _{2e}) | FY23 (tCO _{2e}) |
|---|------------------------------|------------------------------|
| Emissions from combustion of gas | 4,411.31 | 5,868.75 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel | 107.16 | 114.93 |
| Emissions from purchased electricity (location based) | 12,566.66 | 11,331.55 |
| Total gross emissions | 17,085.13 | 17,315.23 |
| | | |
| Emissions from combustion of gas | 4,411.31 | 5,868.75 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel | 107.16 | 114.93 |
| Emissions from purchased electricity (market based) | 825.31 | 954.23 |
| Total gross emissions | 5,343.78 | 6,937.91 |
| | | |
| Intensity ratio (location based) | 0.5266 | 0.5593 |
| Intensity ratio (market based) | 0.1647 | 0.2241 |

Methodology (location based)

The UK uses an energy management company that has provided gas and electricity consumption statistics for all sites. A small number of cinema sites have their energy managed by landlords. In this case, we have estimated consumption based on other similarly sized sites. Mileage has been collected from business mileage expense claims.

We have used the UK Government Greenhouse Gas ("GHG") Conversion Factors for Company Reporting (2024 edition) for emissions factors used for calculations. Emissions factors for natural gas have used a gross calorific value basis. The methodology used is consistent with the prior year.

Methodology (market based)

The majority of the UK's electricity is supplied by zero carbon, 100% renewable electricity sourced solely from solar, wind and hydro power. All sites supplied in this way have reported zero carbon emissions for electricity consumption in Scope 2 in line with the Greenhouse Gas Protocol market-based method. Sites that are landlord managed are reported using location-based conversion factors.

Vue Entertainment International Limited

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2024

Although Vue Entertainment International Limited, as a private Jersey incorporated company, falls outside the scope of the UK Companies and Limited Liability Partnerships Climate Related Disclosure Regulations 2022 (“UK Climate Regulations”) the Group is committed to providing disclosure on climate related matters. The climate-related disclosures are consistent with the required elements of the UK climate related financial disclosure regulations para 414CB(2A) parts (a) to (f) which are closely aligned to those set out in the guidelines published by the Task Force on Climate-related Financial Disclosures (“TCFD”).

The climate-related disclosures set out how Vue International incorporates climate-related risks and opportunities into governance, strategy and risk management and what we are doing to reduce our environmental impact as part of meeting our business objectives.

The following information complies with requirements of the UK climate related financial disclosure regulations para 414CB(2A).

GOVERNANCE AND RISK MANAGEMENT

Climate-related risks are embedded within our overall integrated risk management framework (see the Resources, Controls and Risk management section on page 19).

The Board, supported by the Audit, Risk and Governance Committee and senior management, has overall responsibility for establishing, monitoring and maintaining an effective risk management and internal control framework. For climate related matters, an established Climate Team reports into the Audit, Risk and Governance Committee and provides updates on key matters. The Climate Team is responsible for the following:

- Reducing the environmental impact of our business
- Balancing sustainability with Vue International’s commercial goals
- Ensuring compliance with statutory requirements

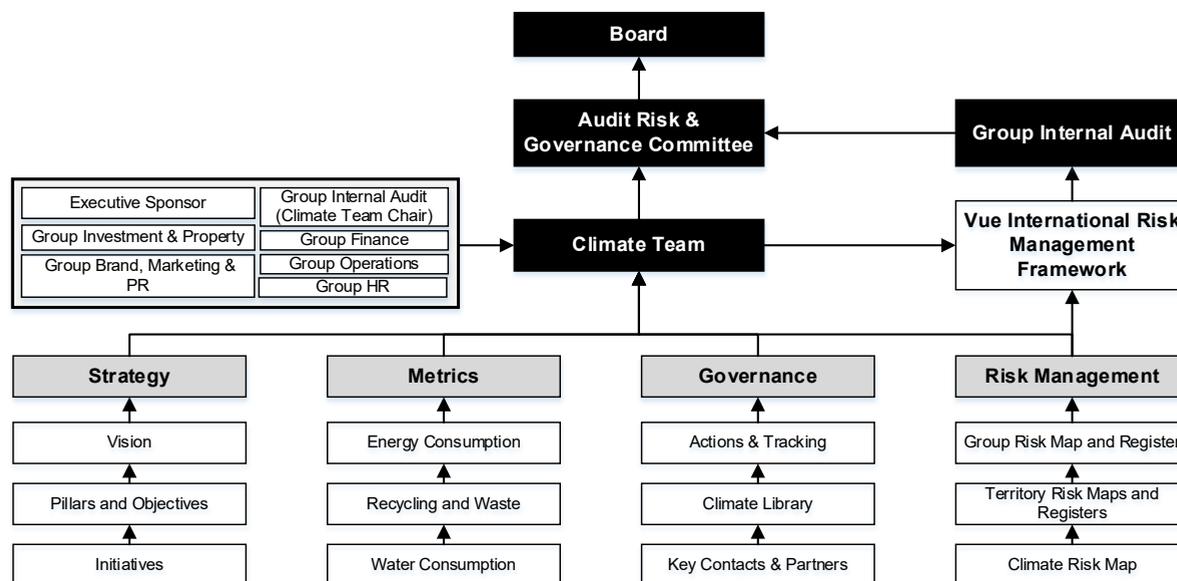
Members of the Climate team, which met three times during FY24, included the Group CFO (as executive sponsor), Group Head of Internal Audit (as chair), Group COO, Chief Investment and Property Officer, Executive Director of Brand, Marketing and PR, Group Head of Customer Experience and Insight, UK&I General Manager, Group Director of HR, Group Director of Financial Planning and Analysis, Group Head of Procurement and Group Facilities Manager.

Group Internal Audit provides independent and objective assurance on the adequacy and effectiveness of governance, risk management, and internal controls working closely with management across both Head Office and subsidiary level.

Group Internal Audit evaluates the design and effectiveness of financial and operational controls, standards and procedures in place to reduce the impact and likelihood of risks identified.

The Group Head of Internal Audit, as Climate Team Chair, presents climate related matters including key risks and actions to the Audit, Risk and Governance Committee supported by the Group CFO, Group Director of Financial Control and external advisors as required.

GOVERNANCE AND RISK MANAGEMENT (continued)



The Audit, Risk and Governance Committee met five times during 2024 and discussed the following matters in relation to Environment, Social and Governance (“ESG”):

- The current and future climate-related regulatory environment, including both the scope of future climate regulatory requirements and the timeframe within which both the Group and relevant subsidiaries will need to ensure compliance
- A proposal for refreshed business governance to coordinate climate-related activity and risk management, as part of a broader ESG governance framework
- Insight from external advisors on the potential for linkage between tax policy and the climate and broader ESG agenda in areas including taxation to drive consumer behaviour, transfer pricing and alignment of tax policies with climate disclosures
- An update on recruitment of a dedicated ESG lead

Material climate risks and opportunities updates identified during the year in consultation with senior management members of the Climate Team will form part of the Group’s ongoing risk management process, supported by the Group Internal Audit team.

Vue Entertainment International Limited

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

STRATEGY

Whilst the recent priority of the Group has been to manage the effects of a number of near-term business risks, including the reduction in film supply caused by the SAG-AFTRA actors strike in the second half of 2023, it recognises there are potential future impacts of climate change on business operations and supply chains, mainly in the medium to long term.

Reviewing and identifying both risks and opportunities in navigating the medium to long term transition to a low-carbon economy enables us to develop and agree targeted plans that align with both meeting our business objectives, whilst also capturing the long-term value that this transition offers and mitigating associated risks as far as possible.

We acknowledge that challenges will evolve over time and will continue to review which risks and opportunities are material to the Group, as well as considering our identified risks and opportunities over three-time horizons: short-term, medium-term and long-term.

SCENARIO ANALYSIS

During FY24, the Group carried out an updated climate risks and opportunities identification exercise and a qualitative climate scenario analysis against these identified risks and opportunities. This exercise is a refinement of our work conducted in FY23, performing a review specific to our operations and value chain, producing a more precise reflection of climate risks and opportunities faced by the Group. The Group intends to further build on this qualitative analysis during FY25.

An updated climate-related risks and opportunities register was built and assessed in consultation with senior management members of the Climate Team, with consideration of the Group's upstream and downstream value chain as well as operations in all territories. These updates now form part of broader business risk management processes and governance structures, in accordance with the Group Risk Management Policy.

As part of this exercise, the Group conducted a materiality assessment of the updated risks and opportunities identified, and several were deemed to be immaterial at a Group level. It is the view of Management that the transition to a low-carbon economy presents greater opportunity for the Group than risk: for example, the planned Amsterdam cinema has been designed with air source heat pumps, high-efficiency underfloor heating, and solar panels that are anticipated to generate up to 80% of the energy required onsite providing a cost saving as well as decarbonising the energy supply. In addition, the Group has identified the installation of solar panels at a number of sites across our circuit, subject to agreeing a suitable commercial framework with third parties to do so, as providing a further cost saving and decarbonising opportunity.

The Group is cognisant of, and recognises, the risk and severity of physical consequences of climate change: indeed, fluvial flooding in Germany in 2021 resulted in the extended closure of one of our sites. From a qualitative assessment, the Group is comfortable that the geographic dispersion of its operational sites both across and within its eight territories means the likelihood of extreme weather events having a material impact on the Group is limited. Furthermore, our operating model provides flexibility and resilience to sharp changes in prices of key supplies and energy as seen in recent years.

Vue Entertainment International Limited

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

SCENARIO ANALYSIS (continued)

Chosen parameters

The scenario analysis was performed considering two IPCC climate scenarios, SSP1 RCP1.9 and SSP4 RCP4.5, across three time-horizons:

- Short-term: 2024-2026 (1-2 years)
- Medium-term: 2026-2029 (2-5 years)
- Long-term: 2029-2050 (5-26 years)

The time horizons were revised from those applied in FY23 to align to the business planning cycles for operational, investment, strategic decisions, and market best-practice.

The climate scenarios SSP1 RCP1.9 and SSP4 RCP4.5 were selected to include a 1.5 °C aligned scenario (SSP1 RCP1.9) as well as a higher temperature, 2.5 °C, disorderly world scenario (SSP4 RCP4.5).

The geographical boundaries cover all territories of operation: UK & Ireland, Germany & Denmark, Italy, Poland & Lithuania, and the Netherlands.

Climate related risks and opportunities

The Group's material climate-related risks and opportunities are outlined on pages 39 to 40. For each we have provided an indication of their potential impact and how they have or may affect our business, strategy, and financial planning.

We have also provided an overview of possible mitigations available to us. This is not an exhaustive list and there may be risks and uncertainties, or opportunities, that the Board is not aware of, or are believed to be immaterial, which could have an adverse, or positive, effect on the Group.

The possible mitigations and any further risks and uncertainties, or opportunities, will be discussed further by the Climate Team.

The materiality assessment of identified climate risks and opportunities is aligned to the Group risk management process. The likelihood of occurrence and impact to the business for each risk and opportunity is scored to determine those material to the Group, and only the material risks and opportunities are presented in the table.

Risks are classified as physical risks, (e.g. damage to infrastructure from extreme weather events) and transitional risks, (e.g. changes in regulations, consumer preferences towards environmentally friendly entertainment options, etc.)

**NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

SCENARIO ANALYSIS (continued)

Material risks and opportunities

| Description | Scenario | Time horizon | Impacts | Mitigation |
|--|--|---------------------|--|---|
| Physical risk: Acute | | | | |
| Risk of disruption to the film supply chain caused by extreme weather events and impacts. | Global temperatures rise by more than 2.5° C | Short / medium term | Significant disruption to the supply of films globally. Many film production studios congregate around one specific geographic area, if this area is vulnerable to the impacts of extreme weather this can cause significant delays to production, resulting in business disruption. | <ul style="list-style-type: none"> Develop a contingency plan for any future film supply disruptions to ensure sufficient cashflow. There are limitations to the level the mitigation can be applied, e.g. having a diverse content-base is limited to a certain extent. Pulling in local content or dubbed versions of foreign films is dependent on consumer appetite and dubbed films are often less popular in the UK, but more common in Italy or Poland. |
| Transition risk: Policy and Legal | | | | |
| Risk of increased costs associated with the Net Zero transition, from the high-level investment required to switch to lower emissions technology and the associated costs from compliance with mandates on and regulation of the emissions and energy usage. | Global temperatures rise by more than 1.5° C | Medium/ long term | Significant investment cost to transition to lower emissions technology, and high costs associated with mandates and regulation of the emissions and energy usage by relevant authorities. | <ul style="list-style-type: none"> Create a transition plan to understand the costs and savings associated with the move to net zero and reflect within financial planning, including exploring opportunities to partner with both landlords and third-party suppliers to identify suitable commercial frameworks, with a focus on high-exposure sites where tangible efficiency improvements can be made. Review the regulatory environment to ensure all territories are up to date with the changing regulatory requirements. Continue to seek and utilise Government subsidies and tax incentives for low emission technologies where available. |

Vue Entertainment International Limited

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

SCENARIO ANALYSIS (continued)

Material risks and opportunities (continued)

| Description | Scenario | Time horizon | Impacts |
|--|--|---------------------|--|
| Opportunities | | | |
| Lower-emission sources of energy leading to reduced exposure to future fossil fuel price increases and Greenhouse Gas (GHG) emissions and therefore less sensitivity to changes in the cost of carbon. | Global temperatures rise by more than 1.5° C | Short / medium term | Reduced reliance on often volatile fossil fuel prices as well as the future regulatory compliance and proof of significant GHG reductions. |
| Opportunity for on-site energy generation. | Global temperatures rise by more than 1.5° C | Short / medium term | Significant potential reductions in energy costs, future regulatory compliance and proof of significant GHG reductions. |
| Opportunity for improved brand image and increased demand from changing customer sentiment, through promotion of current and future green credentials. | Global temperatures rise by more than 1.5° C | Short / medium term | Opportunity for differentiation and improved customer sentiment if Vue continues to pursue and further promote sustainability initiatives. |

Vue Entertainment International Limited

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

SCENARIO ANALYSIS (continued)

Adoption of Sustainable Practices

The Group continued to progress energy saving initiatives during the year, partnering with landlords where appropriate. Key progress areas were:

- **Laser projection:** at the end of FY24, 165 projectors had been replaced with energy efficient laser alternatives across 26 sites in the UK (4), Italy (12) and the Netherlands (10), with the mention of a broader rollout following conclusion of discussions on a multi-year replacement programme with a strategic supplier.
- **Sustainable Building Design:** refurbishing cinemas with sustainable materials and designs can decrease energy consumption and appeal to eco-conscious patrons. Where possible during refurbishments furniture and fittings are re-used or re-housed. At the end of FY24, 8 sites in Italy had installed solar panels reducing site-level energy consumption by c.25%.
- **Energy efficient operations:** improvements to operational infrastructure provides the opportunity to both enhance the customer experience and reduce energy usage. Replacing heating/HVAC units across 10 sites in the UK and Italy with more energy efficient models reduced energy by 5-15%, whilst LED light replacement programmes in the UK and Germany reduced energy usage by 45-75%.
- **Green Energy supply:** our direct electricity purchases in Germany are now 100% from green sources, whilst UK direct electricity purchases have been from 100% green sources since 2017.
- **Circular Economy and Waste Reduction:** in line with supporting a transition to a circular economy, Vue continues to focus on reducing waste through recycling initiatives and has made successful transitions to digital ticketing and advertising over recent years.

Vue Entertainment International Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

The directors are responsible for preparing the group and company financial statements in accordance with applicable Jersey law and International Financial Reporting Standards (group) and United Kingdom Accounting Standards (company) to fulfil their internal governance obligations.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company.

This responsibility statement was approved by the Board of Directors on 18 March 2025 and is signed on its behalf by:



J. Timothy Richards

Director

24/3/2025

Independent auditors' report to the directors of Vue Entertainment International Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Vue Entertainment International Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2024 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the company financial statements have been properly prepared in accordance with FRS 101 "Reduced Disclosure Framework"; and

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 30 November 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

Conclusions relating to going concern (continued)

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection regulation (including GDPR) and employment laws (including health and safety legislation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK and international tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting for estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiries of entity staff in tax and compliance functions (including internal audit) to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing the results of internal audit activities;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with the applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates and evaluating the business rationale of significant transactions outside the normal course of business.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body to discharge your stewardship obligations and fiduciary responsibilities in accordance with our engagement letter dated 23 September 2024 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Other matter

We draw attention to the fact that these financial statements have not been prepared under article 105 of the Companies (Jersey) Law 1991 and are not the company's statutory financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants
London
24 March 2025

Vue Entertainment International Limited

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Note(s) | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|-------------|---|---|
| Revenue | 5, 6 | 737,956 | 759,073 |
| Cost of sales | | (263,413) | (271,693) |
| Gross profit | | 474,543 | 487,380 |
| Other operating income | 7 | 14,613 | 21,992 |
| Administrative expenses | | (414,589) | (407,423) |
| Operating profit | 8 | 74,567 | 101,949 |
| Finance income | 12 | 30,824 | 28,035 |
| Finance expenses | 12 | (197,276) | (203,744) |
| Net finance costs | | (166,452) | (175,709) |
| Share of equity-accounted investees, net of tax | | 7 | (9) |
| Loss before tax | | (91,878) | (73,769) |
| Taxation | 13 | 20,596 | 2,670 |
| Loss for the year | | (71,282) | (71,099) |
| Attributable to: | | | |
| - Owners of the parent | | (71,282) | (71,099) |

The notes on pages 54 to 120 are an integral part of these consolidated financial statements.

Vue Entertainment International Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|---|---|
| Loss for the year | (71,282) | (71,099) |
| Items that will not subsequently be reclassified to profit or loss | | |
| Net remeasurement loss on retirement benefit obligations | (44) | (39) |
| Items that may subsequently be reclassified to profit or loss | | |
| Translation (loss) / gain on net investments | (17,332) | 5,589 |
| Other comprehensive (loss) / gain for the year, net of tax | (17,376) | 5,550 |
| Total comprehensive loss for the year | (88,658) | (65,549) |
| Attributable to: | | |
| - Owners of the parent | (88,658) | (65,549) |

The notes on pages 54 to 120 are an integral part of these consolidated financial statements.

Vue Entertainment International Limited

CONSOLIDATED BALANCE SHEET AS AT 30 NOVEMBER 2024

| | | 30 November 2024 £000 | *Restated 30 November 2023 £000 |
|---|---------|-----------------------------|--|
| | Note(s) | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 249,501 | 239,747 |
| Right-of-use assets | 16 | 476,617 | 504,549 |
| Goodwill and other intangible assets | 17 | 821,403 | 836,678 |
| Investments accounted for using the equity method | 18 | 140 | 74 |
| Deferred tax assets | 19 | 123,536 | 107,098 |
| Total non-current assets | | 1,671,197 | 1,688,146 |
| Current assets | | | |
| Inventories | 20 | 7,555 | 7,201 |
| Trade and other receivables | 21 | 84,264 | 78,223 |
| Derivative financial instruments | 29 | - | 7,976 |
| Cash and cash equivalents | 22 | 127,091 | 108,675 |
| | | 218,910 | 202,075 |
| Assets classified as held for sale | 23 | - | 7,957 |
| Total current assets | | 218,910 | 210,032 |
| Total assets | | 1,890,107 | 1,898,178 |
| Current liabilities | | | |
| Trade and other payables | 24 | 209,300 | 209,331 |
| Corporate tax payable | 25 | 198 | 4,503 |
| Borrowings | 26 | 367 | 553 |
| Lease liabilities* | 16, 26 | 53,961 | 55,374 |
| Other financial liabilities | 27 | 2,522 | 2,620 |
| Provisions | 28 | 292 | 752 |
| | | 266,640 | 273,133 |
| Liabilities classified as held for sale | 23 | - | 11,027 |
| Total current liabilities | | 266,640 | 284,160 |
| Non-current liabilities | | | |
| Trade and other payables | 24 | 279 | - |
| Borrowings | 26 | 448,623 | 639,416 |
| Lease liabilities* | 16, 26 | 795,053 | 805,652 |
| Provisions | 28 | 1,329 | 1,389 |
| Deferred tax liabilities | 19 | 2,547 | 5,202 |
| Total non-current liabilities | | 1,247,831 | 1,451,659 |
| Total liabilities | | 1,514,471 | 1,735,819 |
| Net assets | | 375,636 | 162,359 |

*See note 38 in respect of the restatement

Vue Entertainment International Limited

CONSOLIDATED BALANCE SHEET AS AT 30 NOVEMBER 2024

| | | 30 November 2024 £000 | *Restated 30 November 2023 £000 |
|--------------------------------------|----|-----------------------------|--|
| Equity | | | |
| Share capital | 31 | 3 | 3 |
| Share premium | 31 | 6,367 | 6,367 |
| Capital contribution | 31 | 1,409,249 | 1,107,314 |
| Foreign currency translation reserve | 31 | (2,007) | 15,531 |
| Accumulated losses | | (1,037,976) | (966,856) |
| Total equity | | 375,636 | 162,359 |

*See note 38 in respect of the restatement

The notes on pages 54 to 120 are an integral part of these consolidated financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 March 2025 and are signed on its behalf by:



J. Timothy Richards
Director

Vue Entertainment International Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Note | Share capital £000 | Share premium £000 | Capital contribution £000 | Foreign currency translation reserve £000 | Accumulated losses £000 | Total equity £000 |
|--|-----------|-----------------------|--------------------------|---------------------------------|---|-------------------------------|----------------------|
| Balance at 1 December 2022 | | 3 | 6,367 | - | 4,699 | (890,513) | (879,444) |
| Loss for the year | | - | - | - | - | (71,099) | (71,099) |
| Other comprehensive gain for the year | | - | - | - | 5,589 | (39) | 5,550 |
| Total comprehensive loss for the year | | - | - | - | 5,589 | (71,138) | (65,549) |
| Capital contributions | | - | - | 1,107,314 | - | - | 1,107,314 |
| Liquidation of subsidiaries | | - | - | - | 5,243 | (5,205) | 38 |
| Balance at 30 November 2023 | 31 | 3 | 6,367 | 1,107,314 | 15,531 | (966,856) | 162,359 |
| Balance at 1 December 2023 | | 3 | 6,367 | 1,107,314 | 15,531 | (966,856) | 162,359 |
| Loss for the year | | - | - | - | - | (71,282) | (71,282) |
| Other comprehensive loss for the year | | - | - | - | (17,332) | (44) | (17,376) |
| Total comprehensive loss for the year | | - | - | - | (17,332) | (71,326) | (88,658) |
| Capital contributions | | - | - | 301,935 | - | - | 301,935 |
| Disposal of subsidiaries | | - | - | - | (206) | 206 | - |
| Balance at 30 November 2024 | 31 | 3 | 6,367 | 1,409,249 | (2,007) | (1,037,976) | 375,636 |

The notes on pages 54 to 120 are an integral part of these consolidated financial statements.

Vue Entertainment International Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Note(s) | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|---------|---|---|
| Operating profit | | 74,567 | 101,949 |
| Adjusted for: | | | |
| Depreciation | 8 | 90,654 | 96,653 |
| Amortisation of intangible assets | 8 | 1,427 | 1,431 |
| Impairments | 8 | 5,033 | 19,396 |
| Remeasurement gains on right-of-use assets | 8 | (7,082) | (4,277) |
| Reversal of impairments | 8 | (15,559) | (12,513) |
| Remeasurement loss on retirement benefit obligation | | (44) | (39) |
| Profit on disposal of subsidiary | 8 | (3,537) | - |
| Net loss / (profit) on disposal of property, plant and equipment | 8 | 988 | (14,748) |
| Bad debt expense | 21 | 845 | 115 |
| Reversal of bad debt expense | 21 | (97) | (18) |
| Unrealised foreign exchange gains (Decrease) / increase in provisions | | (1,076) | - |
| Increase in inventories | | (567) | 355 |
| (Increase) / decrease in trade and other receivables | | (502) | (666) |
| Increase / (decrease) in trade and other payables | | (6,446) | 24,082 |
| Cash generated from operations | | 145,212 | 179,416 |
| Income taxes paid | 25 | (4,479) | (1,644) |
| Net cash inflow from operating activities | | 140,733 | 177,772 |
| Cash flows from investing activities | | | |
| Interest received | | 12,799 | 14,795 |
| Acquisition of property, plant and equipment | 15 | (45,699) | (44,260) |
| Proceeds from the sale of property, plant and equipment | 7,8,15 | 217 | 21,826 |
| Acquisition of intangible assets | 17 | (1,999) | (305) |
| Net cash outflow from investing activities | | (34,682) | (7,944) |

Vue Entertainment International Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Note(s) | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|-----------|---|---|
| Interest paid | | (17,122) | (30,049) |
| Payment of lease liabilities net of landlord contributions received | 16 | (116,855) | (132,505) |
| Proceeds from parent undertakings | | - | 3,213 |
| Proceeds from borrowings | 26 | 56,456 | 52 |
| Repayment of borrowings | 26 | (487) | - |
| Fees paid on debt restructuring | 26 | (5,915) | (26,389) |
| Net cash outflow from financing activities | | (83,923) | (185,678) |
| Net increase / (decrease) in cash and cash equivalents | | 22,128 | (15,850) |
| Cash and cash equivalents at the beginning of the year | | 108,675 | 123,792 |
| Exchange (loss) / gain on cash and cash equivalents | | (3,712) | 951 |
| Reclassified as assets held for sale | 23 | - | (218) |
| Cash and cash equivalents at the end of the year | 22 | 127,091 | 108,675 |

The notes on pages 54 to 120 are an integral part of these consolidated financial statements.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

1. General information

Vue Entertainment International Limited (“the Company”) is a limited liability company incorporated and domiciled in Jersey. The address of the Company’s registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The Company, together with its subsidiaries and other related undertakings (the “Group”), develop and operate state-of-the-art multiplex cinemas. Further information on the principal activities of the Group and its operations are set out in the Strategic Report.

2. Subsidiaries and other related undertakings

Details of the Company’s subsidiaries and other related undertakings held directly or indirectly at 30 November 2024 are as follows:

| Name of undertaking | Country of registration | Proportion of voting and ownership interest 2024 | Proportion of voting and ownership interest 2023 | Address of registered office |
|---|-------------------------|--|--|--|
| Direct subsidiary undertakings | | | | |
| Vue Holdings (Jersey) Limited | Jersey | 100% | 100% | 44 Esplanade, St Helier, Jersey, JE4 9WG |
| Indirect subsidiary undertakings | | | | |
| Vue Holdings (UK) Limited | UK | 100% | 100% | 3 rd Floor, One Ariel Way, Westfield, London, W12 7SL |
| Vue Entertainment Investment Limited | UK | 100% | 100% | |
| Vue Entertainment Holdings Limited | UK | 100% | 100% | |
| Vue Entertainment Holdings (UK) Limited | UK | 100% | 100% | |
| A3 Cinema Limited | UK | 100% | 100% | |
| Aurora Holdings Limited | UK | 100% | 100% | |
| Aurora Cinema Limited | UK | 100% | 100% | |
| Ster Century (UK) Limited | UK | 100% | 100% | |
| Vue Cinemas Limited | UK | 100% | 100% | |
| Vue Cinemas (UK) Limited | UK | 100% | 100% | |
| Apollo Cinemas Limited | UK | 100% | 100% | |
| Vue Services Limited | UK | 100% | 100% | |
| Shake UK Newco Limited | UK | 100% | 100% | |
| Treganna Bidco Limited | UK | 100% | 100% | |
| Vue Properties Limited | UK | 100% | 100% | |
| Tulip UK Newco Limited | UK | 100% | 100% | |
| Vue Entertainment Limited | UK | 100% | 100% | |
| Vue Danmark A/S (formerly CinemaxX Danmark A/S) | Denmark | 100% | 100% | KalvebodBrygge 57 1560 Kobenhaven V. Denmark |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

2. Subsidiaries and other related undertakings (continued)

| Name of undertaking | Country of registration | Proportion of voting and ownership interest 2024 | Proportion of voting and ownership interest 2023 | Address of registered office |
|--|-------------------------|--|--|---|
| Indirect subsidiary undertakings | | | | |
| CinemaxX Entertainment GmbH & Co. KG | Germany | 100% | 100% | Valentinskamp 18-20, 20354 Hamburg, Germany |
| CinemaxX MaxXtainment GmbH | Germany | 100% | 100% | |
| CinemaxX Movietainment GmbH | Germany | 100% | 100% | |
| CinemaxX Cinema GmbH & Co. KG | Germany | 100% | 100% | |
| Verwaltung CinemaxX Cinema GmbH | Germany | 100% | 100% | |
| CinemaxX Cinetainment GmbH | Germany | 100% | 100% | |
| CinemaxX Holdings GmbH | Germany | 100% | 100% | |
| CinemaxX Entertainment Verwaltungsgesellschaft GmbH | Germany | 100% | 100% | |
| Vue Beteiligungs GmbH | Germany | 100% | 100% | ul. Przeskok 2, 00-032 Warszawa, Poland |
| Multikino Media Sp. z o.o. | Poland | 100% | 100% | |
| Multikino S.A. | Poland | 100% | 100% | |
| UAB Multikino Lietuva | Lithuania | 100% | 100% | |
| The Space Cinema 1 S.p.A. | Italy | 100% | 100% | Piazza Augusto Imperatore 3, 00186 Roma |
| Vue Nederland B.V. | Netherlands | 100% | 100% | Danzigerkade 2D 1013 AP Amsterdam The Netherlands |
| Vue Cinemas B.V. | Netherlands | 100% | 100% | |
| Vue Kerkrade B.V. | Netherlands | 100% | 100% | |
| Vue Hoogeveen B.V. | Netherlands | 100% | 100% | |
| Vue Deutschland B.V. | Netherlands | 100% | 100% | Valentinskamp 18-20, 20354 Hamburg, Germany |
| Aurora Cinema (Ireland) Limited | Ireland | 100% | 100% | 6 th Floor South Bank House Barrow St Dublin 4 Ireland |
| Vue Entertainment Holdings (Ireland) Limited | Ireland | 100% | 100% | |
| Showtime Cinemas (Ashbourne) Limited | Ireland | 100% | 100% | |
| Showtime Cinemas (Limerick) Limited | Ireland | 100% | 100% | |
| Joint Ventures | | | | |
| Digital Cinema Advertising DCA S.r.l. (In Forma Abbreviata Dca S.R.L.) | Italy | 50% | 50% | Piazza Eleonora Duse 2 - 20122 Milan |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

2. Subsidiaries and other related undertakings (*continued*)

| Name of undertaking | Country of registration | Proportion of voting and ownership interest 2024 | Proportion of voting and ownership interest 2023 | Address of registered office |
|--|-------------------------|--|--|--|
| Associates | | | | |
| Kino.dk A/S | Denmark | 26% | 26% | Sankt Peders Stræde 30 C, st, 1453 København K |
| Multiplex-Kino GmbH & Co. ObjektVeitshöchheimerStraße KG | Germany | 5.5% | 5.5% | Nonnenstraße 44 04229 Leipzig Germany |

During the year ended 30 November 2024, the Company disposed of the following undertakings held directly or indirectly at 30 November 2023:

| Name of undertaking | Country of registration | Proportion of voting and ownership interest 2023 | Method of disposal | Address of registered office |
|---|-------------------------|--|------------------------------------|---|
| Indirect subsidiary undertakings | | | | |
| Vue Booking Services Limited | UK | 100% | Dissolved | 10 Chiswick Park, 566 Chiswick High Road, London, W4 5XS |
| SBC Portugal Limited | UK | 100% | Dissolved | |
| Vue Theatres (UK) Limited | UK | 100% | Dissolved | |
| SBC Taiwan Limited | Taiwan | 100% | Sold | 4F, 5F, 6F and 7F. No.501, Sec. 2 Zhongyuan Rd. Zhongli Dist. Taoyuan City 320 Taiwan |
| Vue Deventer B.V. | Netherlands | 100% | Legal merger with Vue Cinemas B.V. | Danzigerkade 2D 1013 AP Amsterdam The Netherlands |
| Vue Steenwijk B.V. | Netherlands | 100% | | |
| Vue Meppel B.V. | Netherlands | 100% | | |

3. Accounting Policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and in compliance with the Companies (Jersey) Law 1991.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except as disclosed in the accounting policies below.

The consolidated financial statements and the related notes are presented in Pounds Sterling, rounded to the nearest thousand (GBP’000) unless otherwise stated, as it is the currency of the primary economic environment in which the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Accounting Policies (*continued*)

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements. The Directors have considered the principal risks and uncertainties set out in the Strategic Report alongside the balance sheet, cash flows, borrowing capacity and liquidity position.

As at 30 November 2024 the Group had significant liquidity comprising £120.9m of unrestricted cash (total cash less cash in escrow in support of landlord guarantees).

During the financial year the Group's liquidity position was bolstered by a financial restructuring which was undertaken due to the reduction in film supply caused by the SAG-AFTRA actors strike which halted production throughout the second half of 2023. The restructuring completed on 20 February 2024, the terms of which included the receipt of cash of €58.7m through the issuance of a €63.7m super senior term loan, an equitisation of €354.8m of senior debt, the provision of flexibility in enabling the Group to capitalise a significant portion of its interest for a period of 2 years from 20 February 2024 and an increase in the Group's borrowing capacity due to an increase in the super senior debt basket from £25m to £50m (see note 26 on page 107 for further details).

Following the restructuring, the Group has one financial covenant, a minimum liquidity covenant of £35m unrestricted cash which is tested at the end of each month.

The financial restructuring has delivered additional liquidity, a substantial deleveraging of the balance sheet and a robust capital structure to enable the Group to manage through the short-term film supply issues caused by the recent strikes. It is notable that the process was delivered with 100% consent from all of the Group's stakeholders (shareholders and lenders).

In assessing the going concern position of the Group, the Directors have considered the performance of the Group's business operations in each territory together with the upcoming film slate and external factors such as energy costs, inflation and cost of living pressures.

The Group has developed a Base Case liquidity model which runs to 31 May 2026. The key principles supporting this forecast include the following:

- Vue admissions are assumed in line with the latest admissions share to the market size by territory.
- Actual admissions for Dec 2024, market admissions assumed to be 78% of the 3yr. Av market size FY17-FY19 for the balance of FY25 and 88% of the 3yr. Av. for the 6 months ending 31 May 2026 phasing in line with latest announcements on significant upcoming blockbusters including *Avatar 3 Fire & Ash*, *Wicked 2 For Good*, *Avengers: Doomsday*, *The Mandalorian & Grogu* and *Super Mario Brothers 2*.
- Pricing strategy assumed to increase ATP/SPP in line with inflation whilst maintaining and/or increasing market share with further optimisation through 2025. Beyond 2025, ATP increases are assumed to be delivered through incremental dynamic pricing, roll out of Ultra Lux recliners and premium large format screens.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting Policies (continued)

Going concern (continued)

- Property rent is the largest fixed cost within the business and is based on agreed long leases with specific indexation clauses. FY25 and FY26 property rent costs assume contractual indexation inflation, offset partly by the delivery of various rent reduction and deferral targets as well as the exit from a small number of predominantly loss-making sites.
- Liquidity projections reflect the refinancing completed during the financial year and assume the Group utilises PIK interest options where available to derive associated cash interest amounts.
- The Group receives exit premia receipts of £7m in compensation for the early closure and lease surrender of 2 sites.

The Base Case demonstrates sufficient headroom in respect of the minimum cash liquidity throughout the assessed period.

The Group has also developed a 'Severe but Plausible' Downside Case (the "Downside Case") to stress test the Group's financial projections. This case includes the impact of:

- A 10% reduction in market admissions from December 2025 to May 2026 to reflect the potential trading impact of a Principal Risk or Uncertainty impacting the commercial operations of the business (as set out in the Strategic Report). This reduces the market size to 79% (from 88%) of the 3yr. Av. market size FY17-FY19. This compares to 74% achieved in FY24 and 78% in FY25 Budget when both years were impacted by the disruption in production caused by the USA strikes which are expected to have unwound by the end of FY25. Vue admissions are determined by applying the latest admissions share to the reduced market size by territory.
- An assumption that exit premia receipts within the base case do not occur.

In the Downside Case, the Group's liquidity also remains above the minimum liquidity covenant of £35m.

Although the Directors consider further mitigating actions are unlikely to be required, the following incremental sources of liquidity may be available to the Group:

- The new financing agreement includes a super senior debt basket of £50m. This does not represent committed financing and a process would require to be undertaken to raise these additional funds.
- The Group owns three freehold properties in Poland which could be marketed for sale to realise funds.
- Negotiation of rent and supplier payments, following successful discussions with landlords and suppliers over several years during and after the COVID pandemic.

Finally, it is also important to emphasise that the equity and the loan investors are essentially one and the same with the equity and loans being stapled until the loans are repaid in full.

These stakeholders have been very supportive with 100% consent received for the financial restructuring in February 2024.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting Policies (continued)

Going concern (continued)

Taking the above into consideration, the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of this report. Accordingly, the Company and the Group continue to adopt the going concern basis in preparing these financial statements.

Changes in accounting policies

In the preparation of these consolidated financial statements, the Group followed the same accounting policies and methods of computation as compared to those applied in the previous period, except for the adoption of new standards and interpretations and revision of the existing standards noted below.

New and amended standards adopted by the Group in 2024

The following amendments to existing standards and interpretations were effective in the year ended 30 November 2024, but were either not applicable or did not have a material impact on the Group:

- Amendments to IAS 1 *Presentation of Financial Statements*
- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to IAS 12 *Income Taxes*
- Amendments to IFRS 17 *Insurance Contracts*
- IFRS 17 *Insurance Contracts*
- IFRS Practice Statement 2 *Disclosure of Accounting Policies*

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Accounting Policies (continued)

New and amended standards not applied

The following standards and interpretations in issue are not yet effective for the Group and have not been adopted by the Group:

| | Effective dates¹ |
|---|------------------------------------|
| Amendments to IAS 1 <i>Presentation of Financial Statements</i> : Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments</i> : <i>Disclosures</i> : Supplier Finance Arrangements | 1 January 2024 |
| Amendments to IFRS 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback | 1 January 2024 |
| IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> | 1 January 2024 |
| IFRS S2 <i>Climate-related Disclosures</i> | 1 January 2024 |
| Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability | 1 January 2025 |
| Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments</i> : <i>Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments</i> : <i>Disclosures</i> : Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards – Amendments to: | |
| • IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> | |
| • IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying Guidance on implementing IFRS 7 | |
| • IFRS 9 <i>Financial Instruments</i> | |
| • IFRS 10 <i>Consolidated Financial Statements</i> | |
| • IAS 7 <i>Statement of Cash flows</i> | 1 January 2026 |
| IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 |
| IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> | 1 January 2027 |

¹ The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations.

Due to the 30 November year end, the above standards and interpretations effective from 1 January 2024 will become effective for the Group from 1 December 2024 and reflected in the Group's FY25 financial statements.

The Directors do not expect the adoption of these standards and interpretations to have a material impact on the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the subsidiaries controlled by the Company for the years ended 30 November 2024 and 30 November 2023. The Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee, (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiary financial statements are prepared for the same reporting period as the Parent Company and are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profit arising from them are eliminated in full.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Subsidiaries (continued)

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary it:

- i) Derecognises the assets (including goodwill) and liabilities of the subsidiary,
- ii) Derecognises the carrying amount of any non-controlling interest,
- iii) Derecognises the cumulative translation differences recorded in equity,
- iv) Recognises the fair value of the consideration received,
- v) Recognises the fair value of any investment retained,
- vi) Recognises any surplus or deficit in profit or loss, and
- vii) Recognises the parent's share of any components previously recognised in other comprehensive income, to profit or loss or retained earnings, as appropriate

Business combinations

Business combinations are accounted for using the acquisition method. The cost of any acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquirer's identifiable net assets. Costs directly attributable to business combinations are recognised as an expense in the income statement as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether assets or liabilities of the acquisition are assigned to those units.

Where goodwill forms part of a CGU, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control is similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint ventures are initially recognised in the consolidated balance sheet at cost. Subsequently, joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated income statement and consolidated statement of comprehensive income (except for losses in excess of the Group's investment in the joint venture, unless there is an obligation to make good those losses).

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated balance sheet at cost. Subsequently, associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated income statement and consolidated statement of comprehensive income (except for losses in excess of the Group's investment in the associate, unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The Group's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Revenue recognition

The Group recognises revenue from the following major sources:

- Box office
- Concessions
- Screen advertising
- Booking fees
- Corporate partnership
- Gift cards

Revenue is measured based on the fair value of the consideration received or receivable, taking into account contractually-defined terms of payment in relation to when the performance obligation is met, and excludes amounts collected on behalf of third parties.

The transaction price represents the price to which the Group expects to be entitled, consistent with contractually defined terms, in return for delivering goods and/or services to its customers. Revenue from contracts with customers is recognised when the Group transfers control of a product or service to a customer or when it meets the performance obligations specified or implied in the contract.

Box office

Box office revenue is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date of the showing of the related film. Payment for box office services is due from the customer at the time of purchasing the related ticket.

Where payment for box office services is in the form of advance payments from customers (e.g., purchase of advanced bulk tickets), a contract liability is recognised for revenue relating to box office services at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Concessions

Revenue arising from the sale of concessions is recognised at a point in time when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Payment for concessions is due from the customer at the time of purchase.

3. Accounting policies (continued)

Significant accounting policies (continued)

Revenue recognition (continued)

Screen advertising

Revenue relating to screen advertising is recognised over time based on the stage of completion of the contract. The stage of completion is determined as the proportion of the total number of advertisements expected to be aired to perform the service that have been shown in the cinema at the end of the reporting period. Payment for screen advertising is not due from the customer until the activities are complete. Consequently, a contract asset is recognised over the period in which the activities are performed, representing the Group's right to consideration for the services performed to date.

Where payment for screen advertising is in the form of advance payments from customers, a contract liability is recognised for revenue relating to screen advertising at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Booking fees

Revenue relating to booking fees is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date that the booking takes place. Payment for booking fees is due from the customer at the time of making the booking.

Corporate partnership

Revenue related to corporate partnership events is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date that the corporate event takes place. Payment for corporate partnership events is mostly in the form of advance payments from customers. A contract liability is recognised for value related to corporate partnership events at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Gift cards

Revenue arising from the sale of gift cards is recognised at a point in time, being at the point the gift cards are redeemed by the customer. Payment for gift cards is in the form of advance payments from customers. A contract liability is recognised for revenue relating to unredeemed gift cards at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Revenue relating to unredeemed gift cards is recognised over time on a straight-line basis based on a proportion of gift card redemptions. The proportion of unredeemed gift card redemptions is estimated primarily based on the Group's historical experience.

3. Accounting policies (continued)

Significant accounting policies (continued)

Barter transactions

The Group engages in certain non-monetary barter transactions where cinema on-screen advertising space is exchanged for external advertising on other third-party mediums.

In accounting for barter transactions, the associated sales and cost of sales are valued at the weighted average sales price achieved for equivalent cash sales of the Group's own on-screen advertising space.

Government assistance

Government assistance is recognised in the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Where government assistance has been received in relation to specific costs, the expenses are recognised net of the government assistance. All other government assistance is recognised as other income when there is reasonable assurance and it is virtually certain that they will be received, and the Group will comply with the conditions associated with the grant.

Retirement benefit costs

The Group operates a number of defined contribution schemes for its employees. The assets of the plans are held separately from those of the Group in independently administered funds. The Group retains no obligations in respect of these independent funds. Contributions to these funds are made by employees and are supplemented by contributions from the Group which are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group also participates in mandatory government schemes in applicable territories. In such cases an obligation is retained by the Group until retirement of the employees and any resulting liability is held as a provision calculated on an actuarial basis.

Leases

From 1 December 2019, the Group applied IFRS 16 using the modified retrospective approach.

The Group's lease portfolio relates, predominantly, to property leases for each cinema site, however, also includes other assets such as motor vehicles.

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease commencement date, which is when the lessor makes the identified asset available for use by the Group, a right-of-use asset and a lease liability is recognised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Leases (continued)

The Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, less any lease incentives receivable; and
- Variable lease payments that depend on an index or a rate.
- Future increases in variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The incremental borrowing rate is defined as the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rates applied to leases ranged between 4.8% and 15.2% (2023: 4.8% and 15.2%).

Movement in the lease liability results from:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Re-measuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is re-measured when there are changes to lease payments or lease length and the corresponding adjustment is made to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement through the consolidated income statement.

The cost of the right-of-use asset is calculated as:

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised immediately before the date of initial application; and
- Any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated over the lease term on a straight-line basis and reported through the Consolidated Income Statement within administrative expenses.

3. Accounting policies (continued)

Significant accounting policies (continued)

Leases (continued)

Right-of-use assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss which is recognised in the Consolidated Income Statement.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Where leases have been modified, resulting in a reduction in the carrying value of the right-of-use asset, the impairment loss reversal will not exceed the modified carrying amount.

Interest on the lease liability in each period during the lease term is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Both principal and interest are recognised within financing cash flows in the consolidated statement of cash flows.

Low value and short-term exempt leases

Payments associated with short-term leases and leases of low-value assets are exempt from IFRS 16 and as such continue to be recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office and cinema equipment.

Lease incentives

Lease incentives predominantly relate to rent free periods or cash contributions from landlords for agreed investment in property, plant or equipment.

Where the Group receives contributions and incentives from landlords at the start of the lease or later following subsequent negotiations, these are recorded against the right-of-use asset. Where conditions are met after the start of the lease, these are reflected in the future lease payments resulting in a re-measurement of lease liability and adjustment to right-of-use asset.

Lease incentives are only recognised once all conditions of the incentive are met.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Accounting policies (continued)

Significant accounting policies (continued)

Leases (continued)

Variable lease payments

Some property leases contain variable payment terms that are linked to performance measures generated from a particular cinema site. Variable payment terms are common in the cinema and retail industries in the countries where the Group operates. Under IFRS 16 variable lease payments that are not indexation linked are recognised in administrative expenses within the consolidated income statement in the period in which the condition that triggers those payments occurs.

Pre-opening and initial site development expenses

Start up, pre-opening and pre-operating costs are written off in the period in which they are incurred.

Expenditure of a capital nature, as set out in IAS 16, is not incurred until the Board approves the development of the cinema site.

Foreign currencies

For each group company the presentation currency used in the individual financial statements is the same as the company's functional currency. For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in Pounds Sterling, which is the functional currency of the Company.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

In preparing the consolidated financial statements, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at each balance sheet date and income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. Exchange differences arising are recognised in other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Net financing costs

Net financing costs comprise interest payable, amortisation of financing costs, unwind of discount on property provisions, interest receivable on funds invested and net foreign exchange gains or losses on financing activities.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Accounting policies (continued)

Significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss, with the exception of freehold land which is not depreciated. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement to write assets down to their residual values on a straight-line basis over their estimated useful lives on the following basis:

| | |
|---|---|
| Freehold buildings | 10 - 40 years |
| Long-term leasehold land and buildings | 15 - 40 years |
| Short-term leasehold land and buildings | Over the life of the lease capped at 25 years |
| Furniture, fittings and equipment | 3 -15 years |
| Freehold land | Not depreciated |

3. Accounting policies (continued)

Significant accounting policies (continued)

Property, plant and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Assets under construction are not depreciated until projects are completed and brought into use.

Property, plant and equipment is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss which is recognised in the income statement.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill

Goodwill is initially recognised and measured as set out in the business combinations accounting policy above.

The Group considers each cinema site to be a CGU. For the purpose of goodwill impairment testing, the Group considers each territory to be the smallest group of CGUs at which goodwill is monitored for internal management purposes and that are expected to benefit from the synergies of the business combination.

Goodwill is allocated to each territory and is reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

The need for an impairment is assessed by a comparison of the carrying value of each territory with its recoverable amount, being the future value in use to the business. The value in use is assessed with reference to the future business forecasts of the Group making certain adjustments as required by the accounting standard.

The discount rate used in assessing the value in use is the estimated weighted average cost of capital employed by the Group, adjusted as necessary for any particular risks of the territory being reviewed. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a territory, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Intangible assets other than goodwill

The Group holds the following intangible assets:

- customer relationships
- computer software
- other development costs

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recorded at their fair value at the acquisition date. Following initial recognition, these assets are carried at cost less any accumulated amortisation or impairment losses, on the same basis as intangible assets that are acquired separately. The useful economic lives of acquired intangible assets are estimated based on discounted future cash flows of the acquired business.

Computer software is initially recorded at cost. Where these assets have been acquired through a business combination, this will be the fair value allocated in the acquisition accounting. Where these have been acquired other than through a business combination, the initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|------------------------|-------------|
| Customer relationships | 6 years |
| Computer software | 3 - 7 years |

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in the income statement when the asset is derecognised.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment losses are measured on a similar basis to property, plant and equipment and recognised in the income statement. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Accounting policies (continued)

Significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Inventories

Inventories are valued on a first-in, first-out (“FIFO”) basis and are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving inventory. Inventory cost includes all direct costs.

Provisions

Provisions for property, restructuring or other legal costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount of the provision is the present value of those cash flows (when the effect of the time value of money is material), discounted using an appropriate discount rate to reflect the risks of those cash flows.

Financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income statement) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through income statement are recognised immediately in the income statement.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Accounting policies (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, credit and debit card debtors, short-term deposits and other short-term highly liquid investments with original maturities of three months or less held for the purpose of meeting short-term cash commitments. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

Trade and other receivables

Trade receivables are measured at amortised cost using the effective interest method, less any impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on aging. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the year end. The carrying amount of trade receivables is reduced by the impairment loss directly and a charge is recorded in the income statement. Intercompany receivable balances with the Group are assessed for impairment under IFRS 9.

Impairment of financial assets

Loss allowances will be measured on either of the following bases: (i) 12-month expected credit losses ('ECLs') which are the ECLs that result from possible default events within 12 months after the reporting date; and (ii) lifetime ECLs which are ECLs that result from all possible default events over the expected life of a financial instrument. The Group measures expected credit losses using a lifetime expected loss allowance for all intercompany receivables. The expected loss rates are based on historical loss rates which reflect current and forward-looking information on macroeconomic factors.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3. Accounting policies (continued)

Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Trade and other payables

Trade and other payables are initially measured at fair value. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables where the recognition of interest would be immaterial. Trade and other payables principally comprise of amounts owed to suppliers, accrued expenses and social security and other taxes.

Interest-bearing loans

Interest-bearing loans are initially measured at fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, loan capital and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Non-current assets classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets.

Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business.

Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including anticipated future events and market conditions, that are considered to be relevant and available when the consolidated financial statements were prepared. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key judgements

Assessment of lease term

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations.

In assessing whether the Group is reasonably certain, at the lease commencement date, to exercise an option to extend the lease, the Group has considered the following factors and circumstances that create an economic incentive for the Group to exercise the option to extend the lease:

- (a) contractual terms and conditions for the optional periods compared with market rates, including:
 - (i) the amount of any fixed payments for the lease in the optional period;
 - (ii) the amount of any variable payments for the lease or other contingent payments;
 - (iii) the terms and conditions of the options that are exercisable after the initial optional periods;
- (b) significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract that are expected to have significant economic benefit for the Group when the option to extend the lease becomes exercisable;
- (c) costs relating to the termination of the lease, including the costs of identifying another underlying asset suitable for the Group's needs and the costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location;
- (d) the importance of the sites / assets to the Group's operations; and

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key judgements (continued)

Assessment of lease term (continued)

- (e) conditionality associated with exercising the option and the likelihood that those conditions will exist.

The term “reasonably certain” is not defined in IFRS, but it is considered a high probability (i.e., almost certain).

Having considered the above factors and circumstances, the Directors have concluded that, at the lease commencement date, break or extension options are not typically considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a materially different outcome to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-financial assets

Where there are indicators of impairment, or on an annual basis for goodwill, management performs an impairment test. Recoverable amounts are determined by estimating the value-in-use of the cash generating units to which the assets are allocated.

Value-in-use is calculated using a discounted cash flow model from cash flow projections based on Board approved financial forecasts prepared as part of the financial restructuring in February 2024 and refreshed by management to reflect the latest business outlook.

In measuring value-in-use, management have:

- Based cash flow projections on reasonable and supportable assumptions that represent management’s best estimate of the range of economic conditions that will exist over the remaining useful life of property, plant and equipment, right-of-use assets, and intangible assets.
- Based cash flow projections on the Group’s Board approved financial forecasts prepared as part of the financial restructuring in February 2024 and refreshed by management to reflect the latest business outlook. These forecasts cover a period of five years to FY29.
- Estimated cash flow projections beyond the period of five years by extrapolating the projections based on the forecasts using an estimate of long-term growth rates for subsequent years. This rate reflects the average of the long-term growth rate for the countries in which the CGU operates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment of non-financial assets (continued)

In estimating cash flow projections for each CGU, management have used the “single most likely cash flow” approach to estimate the cash flows associated with a range of economic conditions that may exist over the next five years. The “single most likely cash flow” approach differs from the “expected cash flow” approach in that it does not use all expectations about possible cash flows.

In estimating the single most likely cash flow for each CGU, management have used cash flow projections based on Board approved financial forecasts prepared as part of the financial restructuring in February 2024 and refreshed by management to reflect the latest business outlook as the base case scenario.

Several other reasonably plausible scenarios have been considered but have not been adjusted for. Instead, the impact of these scenarios has been evaluated through the sensitivity analysis.

Estimated future cash flows reflect assumptions that are consistent with the way the discount rate is determined. Consequently, estimates of future cash flows are determined on a post-tax basis as the discount rate is determined on a post-tax basis.

The discount rate for each CGU is estimated from the Group’s weighted average cost of capital using the Capital Asset Pricing Model, after considering the risk-free rate, beta, equity market risk premium, country risk premium, small stock premium, pre-tax cost of debt, tax rates, and the debt to capital ratio applicable to the CGU.

The terminal value for each CGU has been estimated by applying the Gordon Growth formula to the forecasted cash flows using the respective discount rate and long-term growth rate.

The recoverable amount is most sensitive to the discount rate, the expected future cash inflows, and the growth rate used for extrapolation purposes.

The carrying amount of each CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. Consequently, the carrying amount of each CGU includes property, plant and equipment, right-of-use assets, intangible assets, and corporate assets allocated to each CGU.

The key assumptions and estimates used to determine the recoverable amount for different CGUs, are disclosed in notes 15-17.

Determination of discount rate for leases

The discount rate used to calculate the lease liability is the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessees’ incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Determination of discount rate for leases (continued)

Incremental borrowing rates are determined semi-annually, or when new borrowings are made, and depend on the term, country, currency and start date of the lease.

The incremental borrowing rate is determined based on a series of inputs including the risk-free rate based on government bond rates, a country-specific risk adjustment, and a credit risk adjustment.

Recognition of deferred tax assets

Timing, applicable corporate income tax rates and availability of future taxable profits against which deferred tax assets could be utilised, are the most critical estimates in determining the recoverability of the Group's deferred tax assets.

The estimation uncertainty arises because the Group operates in a complex national and international tax environment. The areas of uncertainty can include, inter alia, transfer pricing arrangements relating to the Group's operating activities and the deductibility of management recharges.

Further uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income available against which deferred tax assets could be utilised. When assessing the availability of taxable profits to utilise deferred tax asset against in a jurisdiction, the forecast period used to test recoverability is the average remaining lease term in the jurisdiction, unless the tax losses have an expiration date, in which case the forecast period will be in line with the relevant tax loss expiration dates.

The carrying value of tax assets and liabilities could therefore be impacted by changes in tax legislation and availability of future taxable profits for which the impact can be significant.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

5. Revenue

The Group derives revenue from the following major sources:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|-----------------------|---|---|
| Box office | 400,985 | 418,886 |
| Concessions | 232,569 | 236,341 |
| Corporate partnership | 28,444 | 24,987 |
| Screen advertising | 28,024 | 28,734 |
| Booking fees | 24,514 | 24,508 |
| Web advertising | 7,707 | 9,910 |
| Gift cards | 5,771 | 3,296 |
| Other | 9,942 | 12,411 |
| Total | 737,956 | 759,073 |

Other revenue includes revenue from the sale of 3D glasses, property rental income, and other sundry revenue.

The Group derives revenue from the following geographical regions:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--------------------------|---|---|
| United Kingdom & Ireland | 339,030 | 325,380 |
| Continental Europe | 398,926 | 428,783 |
| Rest of World | - | 4,910 |
| Total | 737,956 | 759,073 |

The Group derives revenue from the transfer of goods and services over time and at a point in time. The timing of revenue recognition is split as follows:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--------------------|---|---|
| At a point in time | 691,908 | 711,555 |
| Over time | 46,048 | 47,518 |
| Total | 737,956 | 759,073 |

6. Barter transactions

The value recognised in revenue during the year was £0.1m (2023: £0.2m) in relation to barter transactions. This was as a result of 14 (2023: 23) individual transactions.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

7. Other operating income

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|---|---|
| Remeasurement gains on right-of-use assets | 7,082 | 4,277 |
| Profit on disposal of subsidiary | 3,537 | - |
| Insurance claims proceeds received | 2,702 | 617 |
| Government assistance received | 503 | 968 |
| Lease surrender incentive | 428 | - |
| Supplier subsidies | 182 | - |
| Profit on disposal of property, plant and equipment | 179 | 16,130 |
| Total | 14,613 | 21,992 |

8. Operating profit

Included in operating profit for the year are the following:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Government assistance received | (503) | (1,000) |
| Realised foreign exchange losses | 80 | 299 |
| Depreciation of property, plant and equipment (note 15) | 38,260 | 42,004 |
| Depreciation of right-of-use assets (note 16) | 52,394 | 54,649 |
| Remeasurement gains on right-of-use assets (note 7) | (7,082) | (4,277) |
| Impairment of property, plant and equipment (note 15) | 1,908 | 7,608 |
| Impairment reversal of property, plant and equipment (note 15) | (7,096) | (7,407) |
| Impairment of right-of-use assets (note 16) | 3,115 | 11,399 |
| Impairment reversal of right-of-use assets (note 16) | (8,325) | (5,102) |
| Impairment of intangible assets (note 17) | 10 | 389 |
| Impairment reversal of intangible assets (note 17) | (138) | (4) |
| Net loss / (profit) on disposal of property, plant and equipment | 988 | (14,748) |
| Profit on disposal of subsidiary (note 7) | (3,537) | - |
| Amortisation of intangible assets (note 17) | 1,427 | 1,431 |
| Lease costs (note 16) | 5,852 | 5,560 |
| Staff costs (note 9) | 156,883 | 142,818 |
| Auditors' remuneration (note 10) | 1,640 | 1,466 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

9. Staff costs

The average monthly number of employees during the year, including directors and part-time employees, was as follows:

| | Year ended 30 November 2024 No. | Year ended 30 November 2023 No. |
|----------------|--|--|
| Cinema | 8,173 | 8,116 |
| Administration | 425 | 458 |
| Total | 8,598 | 8,574 |

Their aggregate remuneration comprised:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|-----------------------|---|---|
| Wages and salaries | 136,927 | 123,877 |
| Social security costs | 16,691 | 15,917 |
| Other pension costs | 3,265 | 3,024 |
| Total | 156,883 | 142,818 |

Directors' remuneration

Included in the above is directors' remuneration of:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|----------------------------|---|---|
| Wages and salaries | 4,447 | 4,100 |
| Other long term incentives | 3,348 | - |
| Social security costs | 586 | 552 |
| Pension costs | 29 | 5 |
| Total | 8,410 | 4,657 |

The highest paid director received remuneration of £1.8m (2023: £1.7m) excluding company paid social security costs of £0.2m (2023: £0.2m) and company pension contributions of £5k (2023: £5k).

The executive directors of the Company are remunerated in respect of their executive management services to both the Company and Group as a whole. Their remuneration is borne by the Company and a portion is recharged to some of the Group undertakings as part of a management service fee.

Non-executive directors are remunerated in respect of their services to the Group as a whole. Their remuneration is borne by the Company and is included in the above amounts.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024**

9. Staff costs (continued)

Retirement benefit schemes

The Group operates a number of defined contribution retirement benefit schemes for its employees. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees. The Group retains no obligations in respect of these independent retirement benefit schemes. Contributions to these retirement benefit schemes are made by employees and are matched by equal contributions from the Group. The amount charged to the income statement in respect of these retirement benefit schemes for the year ended 30 November 2024 was £2.0m (2023: £1.9m).

The Group participates in a mandatory government scheme in Italy where obligations are retained to the date that employees leave the Group. The amount charged to the income statement for the year ended 30 November 2024 was £1.1m (2023: £0.9m).

10. Auditors' remuneration

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Fees payable to the Company's auditors for the audit of the Group and Company financial statements | | |
| - Current year | 484 | 498 |
| - Additional costs related to prior year | 95 | - |
| Fees payable to the Company's auditors and its associates in respect of: | | |
| - Audit of the financial statements of the subsidiaries | | |
| - Current year* | 1,018 | 862 |
| - Additional costs related to prior year* | - | - |
| - Other non-audit services | - | 106 |
| Total audit and non-audit fees | 1,597 | 1,466 |

Revisions to the Ethical Standard (ES 2019) were introduced by the Financial Reporting Council (FRC) in 2020 for Other Entities of Public Interest ("OEPI"). As the Group contains an entity that is an OEPI, the statutory auditors are restricted from providing non-audit services (other than required by law or regulation and permissible under ES 2019) for the period beyond 15 December 2020. The other non-audit services related to regulatory confirmation, including matters in relation to certain COVID-related claims in the previous financial year. All services are permitted services allowed to be performed by the statutory auditors.

*Additional fees payable of £43k (£34k current year, £9k prior year) with respect to Irish subsidiaries, resulting in total Auditors' remuneration of £1,640k

11. Adjusted EBITDAaL and Net Debt

In the reporting of financial information, the Directors make use of various Alternative Performance Measures (“APMs”) as key performance measures for the business in addition to those measures reported in accordance with International Financial Reporting Standards (“IFRS”).

These measures are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs, including those in the Group’s industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

The Directors believe that these APMs assist in providing additional useful information on the trends, performance and position of the Group and are important when assessing the underlying financial and operating performance of the Group.

The APMs aid comparability between geographical units and between reporting periods. Adjusting for certain costs or income that derive from events or transactions that fall within the normal activities of the Group but which, by virtue of their size or nature, can provide a helpful alternative perspective on year-on-year trends, performance and position that aids comparability over time.

The alternative view presented by these APMs is consistent with how management views the business, and how it is reported internally to the Board for performance analysis, planning, reporting, decision-making and incentive-setting purposes. The APMs are also presented externally to meet investors’ requirements for further clarity and transparency of the Group’s financial performance.

The Group uses Adjusted EBITDAaL and Net Debt as APMs.

Adjusted EBITDAaL

The Group defines Adjusted EBITDAaL as operating profit before depreciation, amortisation, onerous leases, remeasurement gains / losses on right-of-use assets, and other defined gains and losses, but after an operating lease equivalent rent expense for IFRS16 leases.

Other defined gains and losses are items of expenditure or income which are significant and / or non-recurring in nature. These include, but are not limited to, those items of expenditure or income associated with restructuring programmes, acquisitions or disposals, incremental costs associated with COVID-19, property exit costs and impairment reversals and charges. These items warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Group and accordingly are adjusted for in the calculation of Adjusted EBITDAaL.

See page 7 of the Strategic Report for a reconciliation of Adjusted EBITDAaL to statutory operating profit.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

11. Adjusted EBITDAaL and Net Debt (continued)

Net Debt

The Group defines Net Debt as interest bearing loans and borrowings and lease liabilities, offset by cash and cash equivalents.

Net Debt is calculated as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|---|-----------------------------|-----------------------------|
| Interest bearing loans and borrowings (note 26) | 448,990 | 639,969 |
| Lease liabilities (note 16) | 849,014 | 861,026 |
| Cash and cash equivalents (note 22) | (127,091) | (108,675) |
| Net Debt | 1,170,913 | 1,392,320 |

12. Finance income and expenses

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|---|---|
| Finance income | | |
| Interest on bank deposits | 1,306 | 398 |
| Interest on interest rate swap | 8,279 | 14,072 |
| Foreign exchange gains on borrowings | 20,725 | 13,565 |
| Foreign exchange gains on lease liabilities | 514 | - |
| Total finance income | 30,824 | 28,035 |

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---|---|---|
| Finance expenses | | |
| Interest on bank loans | 89,378 | 71,946 |
| Interest on shareholder loan | - | 22,415 |
| Interest on lease liabilities | 99,772 | 96,659 |
| Change in fair value of interest rate swap | 7,901 | 11,965 |
| Factoring fees | 90 | 619 |
| Other interest expense | 13 | 140 |
| Foreign exchange losses on interest rate swap | 122 | - |
| Total finance expenses | 197,276 | 203,744 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

12. Finance income and expenses (continued)

Unrealised foreign exchange gains and losses arise on the translation of the Euro denominated Reinstated Senior Facility Debt, the Reinstated 1.5L Facility Debt, the Super Senior Facility Debt, the Euro denominated interest rate swap and foreign currency lease liabilities, and are classified as financing items.

Factoring fees relate to fees paid by The Space Cinema 1 SpA under non-recourse factoring arrangements.

Under these arrangements, The Space Cinema 1 SpA sells its receivables from the Italian Revenue Authorities for recoverable VAT and government tax credits to third parties at a discount in return for the immediate receipt of cash.

13. Taxation

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Corporation tax | | |
| Current year | 4 | 907 |
| Over-provision for prior years | (833) | (11) |
| Overseas tax charge | 1,076 | 3,222 |
| Total current tax charge | 247 | 4,118 |
| Deferred tax | | |
| Timing differences, origination and reversal | (17,847) | 2,296 |
| Adjustment attributable to changes in tax rates and laws | - | (99) |
| Over-provision for prior years | (2,996) | (8,985) |
| Total deferred tax credit | (20,843) | (6,788) |
| Total tax credit | (20,596) | (2,670) |

UK Corporation tax is calculated at 25% (2023: 23%) of the estimated taxable profit for the year.

The UK Finance Act 2021 enacted a change in the UK corporation tax rate from 19% to 25% from 1 April 2023. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

13. Taxation (continued)

The tax charge for the year can be reconciled as follows:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Loss before tax | (91,878) | (73,769) |
| Tax at the UK corporation tax rate of 25% (2023: 23%) | (22,970) | (16,967) |
| Expenses not deductible for tax | 11,020 | 25,076 |
| Non-taxable income | (2,103) | (5,202) |
| Effect of different tax rates of foreign subsidiaries and branch | (835) | (508) |
| Adjustment attributable to changes in tax rates and laws | - | 185 |
| Tax over-provided in prior periods | (3,829) | (8,996) |
| (Recognition) / derecognition of deferred tax asset | (2,833) | 7,681 |
| Tax losses carried forward / (utilised) | 55 | (3,939) |
| Regional taxes | 899 | - |
| Total tax credit | (20,596) | (2,670) |

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 30 November 2023, the weighted averaged tax rate was 23%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

On 20 June 2023, the UK substantively enacted the Pillar Two global minimum tax model rules (the "Pillar Two" rules) of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ('BEPS'). The legislation took effect for financial years commencing on or after 1 January 2024, making it effective for the Group from 1 December 2024, (i.e. FY25).

Under these rules, a top-up tax will arise where the effective tax rate of the Group's operations in any individual jurisdiction, calculated using principles set out in the Pillar Two legislation, is below 15%.

Alongside the main Pillar Two rules, transitional safe harbour provisions have also been introduced, intended to mitigate the complexity and compliance burden for taxpayers in the initial years of implementation. Broadly, the safe harbour applies to a particular jurisdiction (and no top-up tax will apply) if at least one of three tests is met. Based on recent financial information, we expect the Group to meet one or more of the transitional safe harbour tests in the vast majority of the jurisdictions in which we operate. If the transitional safe harbour tests are not met by a particular jurisdiction, we do not expect there to be a material impact to the Group's tax charge in FY25.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

14. Segmental information

The Group considers the Board to be the Chief Operating Decision Maker.

The Board examines the Group's performance both from a major source and geographic perspective, and has identified seven reportable operating segments as follows: United Kingdom & Ireland, Germany, Poland, Italy, Netherlands, Denmark, and Taiwan.

Each revenue generating operating segment is managed separately, as each of these segments requires different marketing approaches. Inter-segment sales are not material and have not been disclosed. The measure of revenue reported to the Chief Operating Decision Maker to assess the performance is based on external revenue for each operating segment and excludes intra-group revenues.

The Directors consider the performance and financial position of the operating segments to be commercially sensitive and have therefore disclosed the required information at a geographic market level.

Reconciliation of segmental to overall Group revenue is as follows:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|---------------------------------------|---|---|
| Revenue by geographical market | | |
| United Kingdom & Ireland | 339,030 | 325,380 |
| Continental Europe | 398,926 | 428,783 |
| Rest of World | - | 4,910 |
| Total | 737,956 | 759,073 |

The geographical location of non-current assets is as follows:

| | 30 November 2024 £000 | *Restated 30 November 2023 £000 |
|---------------------------|--------------------------------------|--|
| Non-current assets | | |
| United Kingdom & Ireland | 753,230 | 754,145 |
| Continental Europe | 917,967 | 934,001 |
| Rest of World | - | - |
| Total | 1,671,197 | 1,688,146 |

During the current year, the Group identified an incorrect allocation of non-current assets by geographical segment in the prior-year segmental disclosure under IFRS 8 – Operating Segments. The issue arose from the misallocation of £341,186k of goodwill between the United Kingdom & Ireland and Continental Europe. However, this had no impact on the total non-current assets reported in the consolidated financial statements or any other financial statement line item.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

14. Segmental information (continued)

The comparative disclosure has been corrected in the current year's financial statements. This restatement is for presentation purposes only and has no impact on the Group's total assets, net assets, or profit for the year.

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, investments accounted for using the equity method and deferred tax assets.

The Taiwan segment (which is disclosed within 'Rest of World') was sold on 30 January 2024. Please refer to note 23 for details.

15. Property, plant and equipment

| Cost | Freehold Land and Buildings £000 | Long Leasehold Land and Buildings £000 | Short Leasehold Land and Buildings £000 | Furniture, Fixtures and Equipment £000 | Assets Under Construction £000 | Total £000 |
|--|---|--|---|--|---|---------------|
| At 1 December 2022 | 6,396 | 81,537 | 298,256 | 216,792 | 12,590 | 615,571 |
| Additions | - | 370 | 7,861 | 15,713 | 17,676 | 41,620 |
| Disposals | (4) | (297) | (4,101) | (1,444) | 43 | (5,803) |
| Transfers | 221 | (115) | 13,178 | 10,468 | (23,898) | (146) |
| Reclassification to assets held for sale (note 23) | - | - | - | (8,808) | - | (8,808) |
| Foreign exchange movement | 43 | 1,194 | 2,625 | 3,551 | (115) | 7,298 |
| As at 30 November 2023 | 6,656 | 82,689 | 317,819 | 236,272 | 6,296 | 649,732 |
| Accumulated depreciation and impairment | | | | | | |
| At 1 December 2022 | 3,811 | 57,269 | 177,103 | 140,330 | - | 378,513 |
| Charge for the year | 137 | 246 | 22,979 | 18,642 | - | 42,004 |
| Impairment | - | 229 | 4,032 | 3,347 | - | 7,608 |
| Impairment reversal | - | - | (6,121) | (1,286) | - | (7,407) |
| Disposals | - | 97 | (3,519) | (1,714) | - | (5,136) |
| Transfers | - | - | 788 | (788) | - | - |
| Reclassification to assets held for sale (note 23) | - | - | - | (8,041) | - | (8,041) |
| Foreign exchange movement | (2) | 333 | 1,580 | 533 | - | 2,444 |
| As at 30 November 2023 | 3,946 | 58,174 | 196,842 | 151,023 | - | 409,985 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

15. Property, plant and equipment (*continued*)

| | Freehold Land and Buildings | Long Leasehold Land and Buildings | Short Leasehold Land and Buildings | Furniture, Fixtures and Equipment | Assets Under Construction | Total |
|--|-----------------------------------|--|---|--|---------------------------------|----------------|
| Cost | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 December 2023 | 6,656 | 82,689 | 317,819 | 236,272 | 6,296 | 649,732 |
| Additions | - | 260 | 15,266 | 23,871 | 8,943 | 48,340 |
| Disposals | - | - | (3,770) | (8,078) | - | (11,848) |
| Transfers | 60 | 163 | 3,980 | 6,030 | (10,233) | - |
| Foreign exchange movement | (168) | (2,267) | (3,245) | (4,334) | (715) | (10,729) |
| As at 30 November 2024 | 6,548 | 80,845 | 330,050 | 253,761 | 4,291 | 675,495 |
| Accumulated depreciation and impairment | | | | | | |
| At 1 December 2023 | 3,946 | 58,174 | 196,842 | 151,023 | - | 409,985 |
| Charge for the year | 8 | 214 | 20,768 | 17,270 | - | 38,260 |
| Impairment | - | 126 | 1,081 | 701 | - | 1,908 |
| Impairment reversal | - | - | (3,546) | (3,550) | - | (7,096) |
| Disposals | - | - | (3,257) | (7,386) | - | (10,643) |
| Transfers | (108) | - | 108 | - | - | - |
| Foreign exchange movement | (71) | (2,211) | (1,852) | (2,286) | - | (6,420) |
| As at 30 November 2024 | 3,775 | 56,303 | 210,144 | 155,772 | - | 425,994 |
| Net Book Value | | | | | | |
| At 30 November 2024 | 2,773 | 24,542 | 119,906 | 97,989 | 4,291 | 249,501 |
| At 30 November 2023 | 2,710 | 24,515 | 120,977 | 85,249 | 6,296 | 239,747 |

Assets under construction mainly relates to assets placed into new cinema sites that had yet to commence trading at the date of these consolidated financial statements.

The Directors do not consider there to be a material difference between the fair value and carrying value of freehold land and buildings.

Impairment

In the current year there is an indication that the factors leading to impairment losses recognised in prior periods for certain of the Group's property, plant and equipment may no longer exist or may have decreased. In addition, in the current year there is an indication that certain of the Group's property, plant and equipment may be impaired.

Property, plant and equipment do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, the recoverable amount for these assets is determined for the cash-generating unit ("CGU") to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

15. Property, plant and equipment (continued)

Impairment (continued)

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are as follows:

- Cash flow projections are based on the Board approved financial forecasts prepared as part of the financial restructuring in February 2024 and refreshed by management to reflect the latest business outlook. These forecasts cover a period of five years.
- Key assumptions and estimates used in the financial forecasts include distributor film slate data, market size, competitor behaviour, initiatives related to pricing, and cost efficiencies.
- For those cinema sites that have a remaining lease term beyond the five-year period covered by the most recent financial forecasts, a long-term growth rate applicable to the country in which the cinema site operates is applied to estimate the cash flows beyond the forecast period up to the end of the life of the asset.
- The discount rate reflects the current market assessment of the risks specific to each CGU and is estimated from the weighted average cost of capital using the Capital Asset Pricing Model, after considering the risk-free rate, equity market risk, beta, country risk, small stock premium, pre-tax cost of debt, tax rates, and the debt to capital ratio applicable to each CGU

The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on current and historical data from both external and internal sources.

The following long-term growth rates applicable to the country in which the cinema site operates have been used in the value-in-use calculations:

| | Year ended 30 November 2024 | Year ended 30 November 2023 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Long-term growth rates | | |
| United Kingdom and Ireland | 1.4% | 1.5% |
| Germany | 1.2% | 1.6% |
| Poland | 3.3% | 3.2% |
| Italy | 0.9% | 1.2% |
| Netherlands | 1.5% | 1.4% |
| Denmark | 1.6% | 1.5% |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

15. Property, plant and equipment (continued)

Impairment (continued)

Key assumptions used in the value-in-use calculations (continued)

The following discount rates applicable to the country in which the cinema site operates have been used in the value-in-use calculations:

| | Year ended 30 November 2024 | Year ended 30 November 2023 |
|--|-----------------------------------|-----------------------------------|
| Post-tax discount rates | | |
| United Kingdom and Ireland | 11.8% | 12.7% |
| Germany | 11.3% | 12.5% |
| Poland | 12.7% | 14.1% |
| Italy | 13.2% | 14.7% |
| Netherlands | 10.8% | 11.8% |
| Denmark | 10.9% | 12.1% |
| Equivalent pre-tax discount rates | | |
| United Kingdom and Ireland | 13.3% | 14.7% |
| Germany | 12.1% | 13.6% |
| Poland | 13.9% | 15.8% |
| Italy | 14.7% | 16.8% |
| Netherlands | 12.1% | 13.6% |
| Denmark | 12.0% | 13.6% |

Impairment review outcome

An impairment charge of £1.9m (2023: £7.6m) and an impairment reversal of £7.1m (2023: £7.4m) against property, plant and equipment has been recognised during the year. There are no reasonably possible changes in the key assumptions that will result in a material impairment.

16. Leases

| Right-of-use assets | Land and Buildings £000 | Other £000 | Total £000 |
|--|-------------------------------|---------------|-----------------|
| At 1 December 2022 | 520,542 | 884 | 521,426 |
| Additions | 7,922 | 247 | 8,169 |
| Lease modifications | 41,498 | - | 41,498 |
| Disposals | (1,558) | - | (1,558) |
| Reclassification to assets held for sale (note 23) | (6,050) | - | (6,050) |
| Reclassification | 595 | (595) | - |
| Foreign exchange movement | 1,922 | 88 | 2,010 |
| Impairment | (11,399) | - | (11,399) |
| Impairment reversal | 5,102 | - | 5,102 |
| Depreciation | (54,485) | (164) | (54,649) |
| As at 30 November 2023 | 504,089 | 460 | 504,549 |
| At 1 December 2023 | 504,089 | 460 | 504,549 |
| Additions | 10,490 | 105 | 10,595 |
| Lease modifications | 18,866 | (1) | 18,865 |
| Disposals | (12) | - | (12) |
| Foreign exchange movement | (10,179) | (17) | (10,196) |
| Impairment | (3,115) | - | (3,115) |
| Impairment reversal | 8,325 | - | 8,325 |
| Depreciation | (52,205) | (189) | (52,394) |
| As at 30 November 2024 | 476,259 | 358 | 476,617 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

16. Leases (continued)

| | Land and Buildings £000 | Other £000 | Total £000 |
|---|-------------------------------|---------------|------------------|
| Lease liabilities | | | |
| At 1 December 2022 | 856,214 | 448 | 856,662 |
| Additions | 8,845 | 223 | 9,068 |
| Interest expense related to lease liabilities | 96,615 | 44 | 96,659 |
| Lease modifications | 43,166 | 25 | 43,191 |
| Disposals | (4,001) | (150) | (4,151) |
| Reclassification to liabilities directly associated with assets held for sale (note 23) | (7,469) | - | (7,469) |
| Foreign exchange movement | (529) | 100 | (429) |
| Repayment of lease liabilities | (132,284) | (221) | (132,505) |
| As at 30 November 2023 | 860,557 | 469 | 861,026 |
| At 1 December 2023 | 860,557 | 469 | 861,026 |
| Additions | 10,432 | 89 | 10,521 |
| Interest expense related to lease liabilities | 99,715 | 57 | 99,772 |
| Lease modifications | 40,852 | (1) | 40,851 |
| Disposals | (145) | - | (145) |
| Foreign exchange movement | (19,102) | (17) | (19,119) |
| Repayment of lease liabilities | (143,669) | (223) | (143,892) |
| As at 30 November 2024 | 848,640 | 374 | 849,014 |

| | Land and Buildings £000 | Other £000 | Total £000 |
|--------------------------------------|-------------------------------|---------------|---------------|
| Lease liabilities (restated)* | | | |
| Current | 55,217 | 157 | 55,374 |
| Non-current | 805,340 | 312 | 805,652 |
| As at 30 November 2023 | 860,557 | 469 | 861,026 |

| | | | |
|-------------------------------|----------------|------------|----------------|
| Lease liabilities | | | |
| Current | 53,776 | 185 | 53,961 |
| Non-current | 794,864 | 189 | 795,053 |
| As at 30 November 2024 | 848,640 | 374 | 849,014 |

| | Land and Buildings £000 | Other £000 | Total £000 |
|---|-------------------------------|---------------|------------------|
| Maturity analysis of undiscounted contractual lease payments | | | |
| Less than one year | 151,028 | 218 | 151,246 |
| Between one and five years | 535,614 | 208 | 535,822 |
| Over five years | 1,092,534 | - | 1,092,534 |
| As at 30 November 2024 | 1,779,176 | 426 | 1,779,602 |

| | Total £000 |
|--|---------------|
| Lease commitments for short-term and low value leases | |
| Less than one year | 117 |
| Between one and five years | 207 |
| Over five years | - |
| As at 30 November 2024 | 324 |

*See note 38 in respect of the restatement

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

16. Leases (continued)

Impairment

In the current year there is an indication that the factors leading to impairment losses recognised in prior periods for certain of the Group's right-of-use assets may no longer exist or may have decreased. In addition, in the current year there is an indication that certain of the Group's right-of-use assets may be impaired.

Right-of-use assets do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, the recoverable amount for these assets is determined for the CGU to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15.

Impairment review outcome

An impairment charge of £3.1m (2023: £11.4m) and an impairment reversal of £8.3m (2023: £5.1m) against right-of-use assets has been recognised during the year. There are no reasonably possible changes in the key assumptions that will result in a material impairment.

Amounts recognised in income statement

The consolidated income statement shows the following amounts relating to leases:

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|--|---|---|
| Depreciation - right-of-use assets | 52,394 | 54,649 |
| Impairment - right-of-use assets | 3,115 | 11,399 |
| Remeasurement gains on right-of-use assets | (7,082) | (4,277) |
| Impairment reversal of right-of-use assets | (8,325) | (5,102) |
| Expenses relating to short-term leases | 224 | 199 |
| Expenses relating to low-value asset leases | 4,214 | 4,014 |
| Expenses relating to variable lease payments | 1,414 | 1,347 |
| Charge to operating profit | 45,954 | 62,229 |
| Interest on lease liabilities | 99,772 | 96,659 |
| Charge to loss before tax | 145,726 | 158,888 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

17. Goodwill and other intangible assets

| Cost | Goodwill £000 | Customer relationships £000 | Computer software and other development costs £000 | Total £000 |
|----------------------------|--------------------------|--|---|-----------------------|
| At 1 December 2022 | 857,710 | 5,372 | 32,347 | 895,429 |
| Additions | 1 | - | 304 | 305 |
| Disposals | (1,262) | - | (46) | (1,308) |
| Foreign exchange movement | 7,992 | (3) | 85 | 8,074 |
| At 30 November 2023 | 864,441 | 5,369 | 32,690 | 902,500 |
| Additions | - | - | 1,999 | 1,999 |
| Foreign exchange movement | (15,887) | (171) | (784) | (16,842) |
| At 30 November 2024 | 848,554 | 5,198 | 33,905 | 887,657 |

| Amortisation and accumulated impairment losses | Goodwill £000 | Customer relationships £000 | Computer software and other development costs £000 | Total £000 |
|---|--------------------------|--|---|-----------------------|
| At 1 December 2022 | 32,833 | 5,372 | 26,287 | 64,492 |
| Amortisation | - | - | 1,431 | 1,431 |
| Disposals | (421) | - | (45) | (466) |
| Impairment | 358 | - | 31 | 389 |
| Reversal of impairment | - | - | (4) | (4) |
| Foreign exchange movement | 1 | (3) | (18) | (20) |
| At 30 November 2023 | 32,771 | 5,369 | 27,682 | 65,822 |
| Amortisation | - | - | 1,427 | 1,427 |
| Impairment | - | - | 10 | 10 |
| Reversal of impairment | - | - | (138) | (138) |
| Foreign exchange movement | (29) | (171) | (667) | (867) |
| At 30 November 2024 | 32,742 | 5,198 | 28,314 | 66,254 |

Carrying amount

| | | | | |
|----------------------------|----------------|----------|--------------|----------------|
| At 30 November 2023 | 831,670 | - | 5,008 | 836,678 |
| At 30 November 2024 | 815,812 | - | 5,591 | 821,403 |

Impairment

Goodwill

Goodwill acquired in a business combination is allocated to each of the territories that are expected to benefit from the synergies of the combination based on the ownership of intellectual property. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

17. Goodwill and other intangible assets (continued)

Impairment (continued)

Goodwill (continued)

Cash-generating units

Territories represent groups of CGUs for the purposes of goodwill impairment testing. Each territory is reviewed annually for impairment.

Goodwill that arose on the original acquisition of the CinemaxX Group could not be allocated between operations in Germany and Denmark.

Consequently, goodwill arising from this acquisition is tested for impairment at the total Denmark and Germany level, representing a group of territories.

For impairment testing, the carrying value of goodwill, other intangible assets, right-of-use assets, property, plant and equipment, and assets held for sale have been allocated to the Group's territories as follows:

| 30 November 2024 | Denmark and Germany £000 | Italy £000 | Netherlands £000 | Poland £000 |
|-------------------------------|---|-----------------------|-----------------------------|------------------------|
| Goodwill | 195,952 | 71,451 | 57,346 | 116,877 |
| Other intangible assets | 2,373 | 440 | - | 792 |
| Right-of-use assets | 128,823 | 70,042 | 48,647 | 35,909 |
| Property, plant and equipment | 30,453 | 38,819 | 18,339 | 39,032 |
| Value-in-use headroom | 128,559 | 176,887 | 125,296 | 106,502 |

| 30 November 2024 (continued) | United Kingdom and Ireland £000 | Corporate £000 | Total £000 |
|-------------------------------------|--|---------------------------|-----------------------|
| Goodwill | 374,186 | - | 815,812 |
| Other intangible assets | 1,934 | 52 | 5,591 |
| Right-of-use assets | 193,196 | - | 476,617 |
| Property, plant and equipment | 122,848 | 10 | 249,501 |
| Value-in-use headroom | 486,287 | - | |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

17. Goodwill and other intangible assets (continued)

Impairment (continued)

Goodwill (continued)

Cash-generating units (continued)

| | Denmark and Germany £000 | Italy £000 | Netherlands £000 | Poland £000 |
|-------------------------------|--------------------------------|---------------|---------------------|----------------|
| 30 November 2023 | | | | |
| Goodwill | 203,499 | 74,203 | 59,555 | 120,027 |
| Other intangible assets | 2,072 | 353 | - | 1,096 |
| Right-of-use assets | 139,758 | 74,006 | 40,408 | 38,496 |
| Property, plant and equipment | 27,939 | 36,946 | 18,603 | 40,134 |
| Assets held for sale | - | - | - | - |
| Value-in-use headroom | 7,149 | 115,810 | 54,178 | 11,756 |

| | Taiwan £000 | United Kingdom and Ireland £000 | Corporate £000 | Total £000 |
|-------------------------------------|----------------|--|-------------------|---------------|
| 30 November 2023 (continued) | | | | |
| Goodwill | - | 374,386 | - | 831,670 |
| Other intangible assets | - | 1,424 | 63 | 5,008 |
| Right-of-use assets | - | 211,881 | - | 504,549 |
| Property, plant and equipment | - | 116,124 | 1 | 239,747 |
| Assets held for sale | 7,957 | - | - | 7,957 |
| Value-in-use headroom | - | 247,882 | - | - |

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15. In addition to these assumptions, the terminal value for each CGU is estimated by applying the Gordon Growth formula to the forecast cash flows using the respective discount rate and long-term growth rate.

Impairment review outcome

An impairment charge of £nil (2023: £0.4m) against goodwill has been recognised during the year.

There are no reasonably possible changes in the key assumptions that will result in a material impairment.

17. Goodwill and other intangible assets (*continued*)

Impairment (continued)

Other intangible assets

In the current year there is an indication that impairment losses recognised in prior periods for certain of the Group's other intangible assets may no longer exist or may have decreased. In addition, in the current year there is an indication that certain of the Group's other intangible assets may be impaired.

Other intangible assets do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, recoverable amount for these assets is determined for the CGU to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15.

Impairment review outcome

An impairment charge of £10k (2023: £31k) and an impairment reversal of £138k (2023: £4k) against computer software and other development assets has been recognised during the year.

There are no reasonably possible changes in the key assumptions that will result in a material impairment.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

18. Investments accounted for using the equity method

Details of the Group's investments accounted for using the equity method at both 30 November 2024 and 30 November 2023 are listed in note 2. An analysis of the investments' values are as follows:

| | Investments in associates £000 | Investments in joint ventures £000 | Total £000 |
|----------------------------|--------------------------------------|--|---------------|
| At 1 December 2023 | 74 | - | 74 |
| Additions | - | 67 | 67 |
| Share of profits | - | 11 | 11 |
| Provision | - | (4) | (4) |
| Foreign exchange movement | (4) | (4) | (8) |
| At 30 November 2024 | 70 | 70 | 140 |

19. Deferred tax

| | Assets | | Liabilities | | Net | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30 November 2024 £000 | 30 November 2023 £000 | 30 November 2024 £000 | 30 November 2023 £000 | 30 November 2024 £000 | 30 November 2023 £000 |
| Fixed assets | 29,209 | 22,454 | (232) | (250) | 28,977 | 22,204 |
| Provisions | 2,894 | 2,828 | - | - | 2,894 | 2,828 |
| Tax losses | 52,169 | 39,639 | - | (145) | 52,169 | 39,494 |
| Intangible assets (including goodwill) | - | - | (1,684) | (1,779) | (1,684) | (1,779) |
| Lease accounting differences | 31,490 | 37,367 | (631) | (2,955) | 30,859 | 34,412 |
| Other temporary differences | 7,774 | 4,810 | - | (73) | 7,774 | 4,737 |
| Total | 123,536 | 107,098 | (2,547) | (5,202) | 120,989 | 101,896 |

| | As at 1 December 2023 £000 | Recognised in income £000 | Foreign exchange £000 | As at 30 November 2024 £000 |
|--|-------------------------------------|---------------------------------|-----------------------------|--------------------------------------|
| Fixed assets | 22,204 | 6,794 | (21) | 28,977 |
| Provisions | 2,828 | 582 | (516) | 2,894 |
| Tax losses | 39,494 | 12,965 | (290) | 52,169 |
| Intangible assets (including goodwill) | (1,779) | 28 | 67 | (1,684) |
| Lease accounting differences | 34,412 | (2,096) | (1,457) | 30,859 |
| Other temporary differences | 4,737 | 2,570 | 467 | 7,774 |
| Total | 101,896 | 20,843 | (1,750) | 120,989 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

19. Deferred tax (*continued*)

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces them to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

The Group recognises deferred tax assets for any unused tax losses carried forward on the basis of the Group's forecasted future profits and it is considered probable that there will be sufficient future taxable profit against which the recognised carried forward losses can be utilised.

During the year ended 30 November 2024 the Group re-recognised £12.5m of deferred tax assets relating to tax losses in Italy on the basis it is probable that sufficient future taxable profits will be available to allow the losses to be utilised.

The Group continues to not recognise a deferred tax asset in relation to interest expenses restricted by both the UK Corporate Interest Restriction provisions and other provisions relating to interest deductibility in both the UK and some overseas jurisdictions, as these are not expected to be recoverable in future periods.

The deferred tax asset unrecognised relating to these provisions at 30 November 2024 is £85.1m for the UK (2023: £72.3m), £8.7m in Italy (2023: £6.8m) and £1.1m in the Netherlands (2023: £0.5m).

Deferred tax assets of £14.0m (2023: £14.0m) relating to losses in certain UK holding companies remain unrecognised as at 30 November 2024.

20. Inventories

| | 30 November | 30 November |
|--|--------------------|-------------|
| | 2024 | 2023 |
| | £000 | £000 |
| Consumables | 7,555 | 7,228 |
| Reclassified as assets held for sale (note 23) | - | (27) |
| Total | 7,555 | 7,201 |

The Directors consider that the carrying value of inventories is approximately equal to their fair value.

During the year ended 30 November 2024, £1.2m (2023: £1.1m) was charged to the consolidated income statement for slow moving and obsolete inventories.

The cost of inventories recognised as an expense in the consolidated income statement amounted to £54.4m (2023: £53.8m).

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

21. Trade and other receivables

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|-----------------------------|-----------------------------|
| Trade receivables | 34,709 | 31,236 |
| Reclassified to assets held for sale (note 23) | - | (2) |
| | 34,709 | 31,234 |
| Loss allowance for expected credit losses | (5,039) | (4,592) |
| | 29,670 | 26,642 |
| Accrued income | 9,365 | 5,546 |
| Reclassified to assets held for sale (note 23) | - | (473) |
| | 9,365 | 5,073 |
| Amounts receivable from parent undertakings | 18 | - |
| Prepayments | 14,149 | 13,279 |
| Other receivables | 31,062 | 33,241 |
| Reclassified to assets held for sale (note 23) | - | (12) |
| | 31,062 | 33,229 |
| Total | 84,264 | 78,223 |
| Non-current | - | - |
| Current | 84,264 | 78,223 |
| Total | 84,264 | 78,223 |

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the Group operates.

Trade receivables include amounts which are past due at the reporting date but against which the Group has not recognised a specific loss allowance for expected credit losses because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The ageing of trade receivables is as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|----------------------|-----------------------------|-----------------------------|
| Less than 30 days | 21,297 | 18,442 |
| 31-90 days | 2,936 | 2,446 |
| Greater than 90 days | 10,476 | 10,346 |
| Total | 34,709 | 31,234 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

21. Trade and other receivables (continued)

Loss allowance for expected credit losses

As there is no significant financing component to trade receivables, the Group has elected to apply the IFRS 9 simplified approach to measuring expected credit losses, using a lifetime expected credit loss provision for trade receivables. In arriving at the loss allowance for expected credit losses, the gross receivable amount is analysed according to risk and including a consideration of any credit insurance in place. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The loss rates applied to each ageing bracket also reference historical credit loss experience, as well as current and future expected economic conditions.

No loss allowance for expected credit losses is recognised in respect of accrued income, amounts receivable from parent undertakings, and other receivables.

At the reporting date, the Group carried an expected credit loss allowance of £5.0m (2023: £4.6m) in respect of trade receivables.

The ageing of the Group's impairments of trade receivables is as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|----------------------|--------------------------------------|-----------------------------|
| Less than 30 days | - | 12 |
| 31-90 days | 3 | - |
| Greater than 90 days | 5,036 | 4,580 |
| Total | 5,039 | 4,592 |

Movements in the loss allowance for expected credit losses are as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|--------------------------------------|-----------------------------|
| At 1 December | 4,592 | 4,413 |
| Impairment losses recognised in income statement | 845 | 115 |
| Impairment reversal recognised in income statement | (97) | (18) |
| Amounts written off as uncollectible | (137) | 125 |
| Recovery of previously written-off receivables | - | (56) |
| Foreign exchange movements | (164) | 13 |
| At 30 November | 5,039 | 4,592 |

Accrued income

Accrued income is expected to be billed within the next twelve months.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

21. Trade and other receivables (*continued*)

Amounts receivable from parent undertakings

Amounts receivable from parent undertakings are unsecured, non-interest bearing, and repayable on demand.

Other receivables

Other receivables include amounts receivable for government assistance, other taxes and social security, and rental deposits.

22. Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash on hand and in banks.

Cash and cash equivalents at the reporting date as shown in the consolidated cash flow statement can be reconciled to the related items in the consolidated balance sheet as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|--------------------------------------|-----------------------------|
| Cash and bank balances | 127,091 | 108,893 |
| Reclassified as assets held for sale (note 23) | - | (218) |
| Total | 127,091 | 108,675 |

Cash and bank balances includes £6.2m (2023: £2.7m) of restricted cash, mainly relating to landlord guarantees in Germany, Italy, and the Netherlands.

Cash and cash equivalents are denominated in the following currencies:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--------------|--------------------------------------|-----------------------------|
| Danish Krone | 1,973 | 5,159 |
| Euro | 64,102 | 60,330 |
| Polish Zloty | 15,539 | 12,714 |
| Sterling | 45,477 | 30,472 |
| Total | 127,091 | 108,675 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

23. Assets classified as held for sale

In December 2022, the Board of Directors took the decision to dispose of the Group's operations in Taiwan, and initiated a program to identify and actively engage with a potential buyer for the business.

On 3 November 2023, the Board of Directors received an offer to purchase the entire share capital of the Group's Taiwan subsidiary, SBC Taiwan Limited.

The offer was accepted by the Board of Directors and on 22 December 2023 the Sale and Purchase Agreement for the sale of SBC Taiwan Limited was signed.

The completion of the transaction was subject to obtaining the necessary approval for the transaction from the local ministry. On 30 January 2024 the required approval from the local ministry was obtained and the sale concluded.

The associated assets and liabilities of the Group's Taiwan operations were consequently disclosed as assets and liabilities classified as held for sale in the financial statements for the year ended 30 November 2023.

The carrying amounts of assets and liabilities that were reclassified as held for sale as of 30 November 2023 in relation to the planned sale of SBC Taiwan Limited were as follows:

| | 30 November |
|--|--------------------|
| | 2023 |
| | £000 |
| <hr/> | |
| Assets classified as held for sale | |
| Property, plant and equipment (note 15) | 767 |
| Right-of-use assets (note 16) | 6,050 |
| Deferred tax asset (note 19) | 408 |
| Inventories (note 20) | 27 |
| Trade and other receivables (note 21) | 487 |
| Cash and cash equivalents (note 22) | 218 |
| Total | 7,957 |
| <hr/> | |
| Liabilities directly associated with assets classified as held for sale | |
| Trade and other payables (note 24) | 3,558 |
| Lease liabilities (note 16) | 7,469 |
| Total | 11,027 |
| <hr/> | |

The proceeds from the sale of SBC Taiwan Limited took the form of a cash receipt.

The disposal of Taiwan met the criteria for classification as held for sale under IFRS 5. SBC Taiwan Limited was available for immediate sale in its present condition, subject only to customary terms and the sale was highly probable at the reporting date.

The Board of Directors were committed to the disposal plan and an active program to identify a buyer had been initiated with completion expected within one year of classification.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

24. Trade and other payables

| | 30 November 2024 £000 | 30 November 2023 £000 |
|---|-----------------------------|-----------------------------|
| Trade payables | 53,635 | 64,979 |
| Accrued expenses | 107,494 | 105,348 |
| Reclassified to liabilities directly associated with assets held for sale (note 23) | - | (2,915) |
| | 107,494 | 102,433 |
| Deferred income | 41,015 | 35,834 |
| Reclassified to liabilities directly associated with assets held for sale (note 23) | - | (643) |
| | 41,015 | 35,191 |
| Other taxation and social security | 2,424 | 2,026 |
| Amounts payable to parent undertakings | 106 | - |
| Other payables | 4,905 | 4,702 |
| Total | 209,579 | 209,331 |
| Non-current | 279 | - |
| Current | 209,300 | 209,331 |
| Total | 209,579 | 209,331 |

Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs. Trade payables are non-interest bearing and are generally on credit terms usual for the territories in which the Group operates. The Group has financial risk management policies in place that target settlement within agreed credit terms. The Directors consider that the carrying amount of trade payables is approximately equal to their fair value. Deferred income includes gift vouchers of £21.1m (2023: £20.5m). Other payables include wages payable, payroll deductions and pension payables.

25. Corporate tax payable

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|-----------------------------|-----------------------------|
| Current tax liability as of 1 December | (4,503) | (2,111) |
| Tax credit relating to prior years | 833 | 11 |
| Current tax expense | (4) | (907) |
| Overseas tax charge | (1,076) | (3,222) |
| Payments during the year | 4,479 | 1,644 |
| Foreign exchange differences | 73 | 82 |
| Current tax liability as of 30 November | (198) | (4,503) |
| Analysed as: | | |
| Tax prepayments as of 30 November | - | - |
| Current tax liability as of 30 November | (198) | (4,503) |
| Net current tax liability as of 30 November | (198) | (4,503) |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

26. Borrowings

The terms and conditions of outstanding loans as at 30 November were as follows:

| | Current | | Non-Current | | Total | |
|--|--------------------------------|---|--------------------------------|---|--------------------------------|---|
| | 30 November 2024 £000 | *Restated 30 November 2023 £000 | 30 November 2024 £000 | *Restated 30 November 2023 £000 | 30 November 2024 £000 | *Restated 30 November 2023 £000 |
| Reinstated Senior Facility Debt | - | - | 206,092 | 585,892 | 206,092 | 585,892 |
| Reinstated 1.5L Facility Debt | - | - | 114,599 | - | 114,599 | - |
| Super Senior Facility Debt | - | - | 79,070 | 81,885 | 79,070 | 81,885 |
| Super Senior New Money Facility Debt | - | - | 66,716 | - | 66,716 | - |
| External loans | 367 | 553 | 366 | 449 | 733 | 1,002 |
| Total | 367 | 553 | 466,843 | 668,226 | 467,210 | 668,779 |
| Less: | | | | | | |
| Reinstated Senior Facility Debt capitalised fees | - | - | - | (24,072) | - | (24,072) |
| Reinstated 1.5L Facility Debt capitalised fees | - | - | (1,260) | - | (1,260) | - |
| Super Senior Facility Debt capitalised fees | - | - | (3,539) | (4,738) | (3,539) | (4,738) |
| Super Senior New Money Facility Debt capitalised fees | - | - | (3,386) | - | (3,386) | - |
| Super Senior New Money Facility Debt deferred expenses | - | - | (10,035) | - | (10,035) | - |
| Total | - | - | (18,220) | (28,810) | (18,220) | (28,810) |
| Interest bearing loans and borrowings net of capitalised fees and deferred expenses | 367 | 553 | 448,623 | 639,416 | 448,990 | 639,969 |
| Lease Liabilities* | 53,961 | 55,374 | 795,053 | 805,652 | 849,014 | 861,026 |
| Interest-bearing loans and other liabilities | 54,328 | 55,927 | 1,243,676 | 1,445,068 | 1,298,004 | 1,500,995 |

*See note 38 in respect of the restatement

26. Borrowings (continued)

Reinstated Senior Facility Debt and Reinstated 1.5L Facility Debt

On 26 January 2023, the Company issued a €648.6m Reinstated Senior Facility Debt, maturing on 31 December 2027, with a variable interest rate of Euribor plus 8% or Euribor plus 2% cash interest and 6.5% capitalised interest for a period of 2 years from 26 February 2023. A zero percent floor applies to Euribor.

On 20 February 2024, €354.8m (i.e., 50%) of the Reinstated Senior Facility Debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited).

€127.4m of the remaining €354.8m of Reinstated Senior Facility Debt was re-tranched (the "Reinstated 1.5L Facility") and elevated in ranking such that it ranks junior to the Super Senior Facilities, but senior to the remaining unelevated tranche (€227.4m) of the Reinstated Senior Facility Debt.

The terms of the remaining unelevated tranche of the Reinstated Senior Facility Debt were amended and restated, pursuant to which the facility attracts a flat rate of cash pay interest of 0.1% and 8.4% capitalised interest for a period of 2 years until 20 February 2026. From 21 February 2026 to the maturity date of 31 December 2027, the facility bears interest at a rate of Euribor plus 8%.

The Reinstated 1.5L Facility Debt has a maturity date of 31 December 2027, and attracts a flat rate of cash pay interest of 0.1% and 8.4% capitalised interest for a period of 2 years until 20 February 2026. From 21 February 2026 to the maturity date, the facility bears interest at a rate of Euribor plus 8%.

Super Senior Facility Debt

The Super Senior Facility Debt has a maturity date of 30 June 2027 and bears interest at a rate of Euribor plus 8%. A zero percent floor applies to Euribor.

Super Senior New Money Facility Debt

On 20 February 2024, the Company issued a €63.7m Super Senior New Money Facility Debt with a maturity date of 30 June 2027 to participating senior lenders. The Company received cash of €58.7m on 22 February 2024 in respect of this new facility.

The Super Senior New Money Facility Debt bears interest at a rate of Euribor plus 8% or Euribor plus 4% cash interest and 5.0% capitalised interest for a period of 2 years until 20 February 2026. A zero percent floor applies to Euribor.

External loans

External loans relate to loans from the German Federal Film Fund. These loans have a variety of maturity dates with the last due to be repaid in 2027.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

26. Borrowings (continued)

Security

The Super Senior Facilities, the Reinstated 1.5L Facility Debt and the Reinstated Senior Facility Debt are secured by cross guarantees and charges over certain of the Group's shares and assets.

Capitalised issue costs

Costs incurred in issuing the Super Senior Facilities, the Reinstated 1.5L Facility Debt and the Reinstated Senior Facility Debt are capitalised and allocated to the consolidated income statement over the life of the related debt facility. On 20 February 2024, £23.2m of the unamortised Reinstated Senior Facility capitalised fees were written off following the novation of €354.8m of the Reinstated Senior Facility Debt from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and the subsequent equitisation thereof as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited). As at 30 November 2024, borrowings are stated net of unamortised issue costs of £8.2m (2023: £28.8m).

27. Other financial liabilities

| | 30 November 2024 £000 | 30 November 2023 £000 |
|------------------------|-----------------------------|-----------------------------|
| Deferred consideration | 2,522 | 2,620 |

Deferred consideration relates to the acquisition of the Italy territory in 2014. The amounts due to the selling party consist of Value Added Tax receivables under litigation in the Italian Court of Cassation, the fair value of which was estimated at the time of acquisition. It is unknown when the court will rule on the litigation and therefore it cannot be estimated when the deferred consideration will be paid.

28. Provisions for liabilities

| | Jubilee retirement £000 | Other provisions £000 | Total £000 |
|-------------------------------------|-------------------------------|-----------------------------|---------------|
| At 1 December 2023 | 1,389 | 752 | 2,141 |
| Additions during year | 315 | 520 | 835 |
| Utilised / released during the year | (335) | (963) | (1,298) |
| Foreign exchange movement | (40) | (17) | (57) |
| At 30 November 2024 | 1,329 | 292 | 1,621 |

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--------------|-----------------------------|-----------------------------|
| Current | 292 | 752 |
| Non-current | 1,329 | 1,389 |
| Total | 1,621 | 2,141 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2024

28. Provisions for liabilities (*continued*)

Jubilee retirement provision

This provision is for one-off payments to Italian employees upon retirement as required by Italian law. The provision is calculated by local Italian actuaries annually with reference to assumptions on final salary, employee movements and inflation rates. Actuarial gains and losses are recorded in other comprehensive income with the provision being discounted at the Italian actuarial rate.

Other provisions

Other provisions relate to claims currently going through legal process.

29. Financial instruments

(a) Derivative financial instruments

| | 30 November 2024 | | 30 November 2023 | |
|--------------------|------------------|----------|------------------|----------|
| | Fair value | Notional | Fair value | Notional |
| | £000 | £000 | £000 | £000 |
| Interest rate swap | - | - | 7,976 | 547,448 |

Derivatives are only used for economic hedging purposes and not as speculative investments.

Derivatives that are not in a formal hedge relationship are valued at fair value through profit or loss.

The interest rate swap matured in April 2024.

(b) Fair value of financial instruments

Financial assets and liabilities as defined by IFRS 9 and their estimated fair values are as follows:

| Financial assets As at 30 November 2024 | Assets at amortised cost £000 | Assets at fair value through profit and loss £000 | Book value £000 | Fair value £000 |
|---|--|--|--------------------|--------------------|
| Trade and other receivables excluding prepayments (note 21) | 70,115 | - | 70,115 | 70,115 |
| Cash and cash equivalents (note 22) | 127,091 | - | 127,091 | 127,091 |
| Derivative financial instruments | - | - | - | - |
| Total | 197,206 | - | 197,206 | 197,206 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

29. Financial instruments (continued)

(b) Fair value of financial instruments (continued)

| Financial liabilities As at 30 November 2024 | Liabilities at amortised cost £000 | Liabilities at fair value through profit and loss £000 | Book value £000 | Fair value £000 |
|---|---|---|-----------------------|-----------------------|
| Borrowings (note 26) | 448,990 | - | 448,990 | 459,025 |
| Lease liabilities (note 16, 26) | 849,014 | - | 849,014 | 849,014 |
| Trade and other payables excluding deferred income (note 24) | 168,564 | - | 168,564 | 168,564 |
| Total | 1,466,568 | - | 1,466,568 | 1,476,603 |

| Financial assets As at 30 November 2023 | Assets at amortised cost £000 | Assets at fair value through profit and loss £000 | Book value £000 | Fair value £000 |
|--|--|--|-----------------------|--------------------|
| Trade and other receivables excluding prepayments (note 21) | 64,944 | - | 64,944 | 64,944 |
| Cash and cash equivalents (note 22) | 108,675 | - | 108,675 | 108,675 |
| Derivative financial instruments | - | 7,976 | 7,976 | 7,976 |
| Total | 173,619 | 7,976 | 181,595 | 181,595 |

| Financial liabilities As at 30 November 2023 | Liabilities at amortised cost £000 | Liabilities at fair value through profit and loss £000 | Book value £000 | Fair value £000 |
|---|---|---|-----------------------|-----------------------|
| Borrowings (note 26) | 639,969 | - | 639,969 | 639,969 |
| Lease liabilities (note 16, 26) | 861,026 | - | 861,026 | 861,026 |
| Trade and other payables excluding deferred income (note 24) | 174,140 | - | 174,140 | 174,140 |
| Total | 1,675,135 | - | 1,675,135 | 1,675,135 |

Trade and other receivables excluding prepayments

Trade and other receivables are carried at recoverable amount, less provisions for any amount where recovery is doubtful. All trade and other receivables are expected to be short-term and therefore no discounting of future cash flow is required. Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated at their carrying amount.

29. Financial instruments (continued)

(b) Fair value of financial instruments (continued)

Interest-bearing borrowings and lease liabilities

The fair value of lease liabilities is not materially different from their carrying amounts since the interest payable on lease liabilities is close to current market rates.

Trade and other payables excluding deferred income

Trade and other payables are carried at the face value of the payable. All trade and other payables are expected to be short-term and therefore no discounting of future cash flow is required. Due to the short-term nature of trade and other payables, their carrying amount is considered to be the same as their fair value.

30. Risk management

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk

The Group's principal financial liabilities are borrowings and lease liabilities. The Group also has trade and other receivables, trade and other payables, and cash and cash equivalents that arise directly from operations. This note provides further detail on financial risk management and includes quantitative information on the specific risks.

The Board has overall responsibility for determining the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including cash balances with banks.

Trade receivables

Customer credit risk is managed by each territory subject to the Group's established policy, procedures, and controls relating to customer credit risk management. The Group endeavours to only deal with creditworthy counterparties. Outstanding customer receivables and the Group's exposure to credit risk is regularly monitored.

30. Risk management (continued)

Credit risk (continued)

Trade receivables (continued)

The credit quality of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available, otherwise historical information relating to counterparty default rates is used. The status of outstanding balances due from customers are monitored regularly to ensure that they are within the approved limits and that there are no significant concentrations of credit risk. As a result, the Group's experience of bad debts is not significant.

The carrying amount of trade receivables is reduced by the loss allowance for expected credit losses, with any change in the loss allowance and any impairment losses on trade receivables recognised within the consolidated income statement. Refer to note 21 for details of trade receivables which are past due and loss allowance for expected credit losses.

At 30 November, the maximum exposure to credit risk is the carrying amount of trade receivables disclosed in note 21.

Other receivables

Other receivables include amounts receivable for government assistance, other taxes and social security, and rental deposits.

As the counterparties for amounts receivable for government assistance and other taxes and social security are Revenue and Customs Authorities in the various jurisdictions in which the Group operates, credit risk is considered to be minimal and therefore no further analysis has been performed. The Group deposits cash for rental deposits with reputable financial institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk as regards other receivables is the carrying amounts disclosed in note 21.

Cash balances

Credit risk from balances with banks is managed in accordance with the Group's policy. The Group deposits cash with reputable financial institutions, from which management believes the risk of loss to be remote. The Group's maximum exposure to credit risk on cash and cash equivalents is the carrying amounts as disclosed in note 22.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

30. Risk management (*continued*)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The tables below summarise the maturity profile of the Group's undiscounted financial liabilities at 30 November 2024 and 30 November 2023.

| | Carrying amount £'000 | Contractual cash flows £'000 | Less than 1 year £'000 | 1-5 years £'000 | More than 5 years £'000 |
|--|-----------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|
| 30 November 2024 | | | | | |
| Super senior facility debt | 75,531 | (79,070) | - | (79,070) | - |
| Super senior new money facility debt | 53,295 | (66,716) | - | (66,716) | - |
| Reinstated 1.5L facility debt | 113,339 | (114,599) | - | (114,599) | - |
| Reinstated senior facility debt | 206,092 | (206,092) | - | (206,092) | - |
| External loans | 733 | (733) | (367) | (366) | - |
| Leases | 849,014 | (1,779,602) | (151,246) | (535,822) | (1,092,534) |
| Trade and other payables excluding deferred income | 168,564 | (168,564) | (168,564) | - | - |
| Total | 1,466,568 | (2,415,376) | (320,177) | (1,002,665) | (1,092,534) |

| | Carrying amount £'000 | Contractual cash flows £'000 | Less than 1 year £'000 | 1-5 years £'000 | More than 5 years £'000 |
|--|-----------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|
| 30 November 2023 | | | | | |
| Super senior facility debt | 77,147 | (81,885) | - | (81,885) | - |
| Super senior new money facility debt | - | - | - | - | - |
| Reinstated 1.5L facility debt | - | - | - | - | - |
| Reinstated senior facility debt | 561,820 | (585,892) | - | (585,892) | - |
| External loans | 1,002 | (1,002) | (553) | (449) | - |
| Leases | 861,026 | (1,836,583) | (151,844) | (538,728) | (1,146,011) |
| Trade and other payables excluding deferred income | 174,140 | (174,140) | (174,140) | - | - |
| Total | 1,675,135 | (2,679,502) | (326,537) | (1,206,954) | (1,146,011) |

30. Risk management (*continued*)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's exposure is primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Financial instruments affected by market risk include borrowings and derivative financial instruments.

Interest rate risk

The Group is exposed to interest rate risk as its interest-bearing borrowings are subject to variable interest rates based on Euribor. The Group recognises that movements in interest rates might affect the amounts recorded in its profit and loss for the year. Therefore, the Group has assessed:

- Reasonably possible changes in interest rates at the end of the reporting period; and
- The effects on profit or loss if such changes in interest rates were to occur.

Interest rate sensitivity analysis

The sensitivity analysis below has been based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared based on the average liability held by the Group over the year.

If interest rates had been 0.1% higher and all other variables were held constant, the Group's loss for the year ended 30 November 2024 would increase by £0.6m (2023: £0.7m).

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and is consequently exposed to exchange rate fluctuations, in particular, to Sterling and Euro exchange rate fluctuations. The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching, as far as possible, receipts and payments across the Group in each individual currency.

In addition, the Group has operations in Ireland and Continental Europe where businesses buy and sell goods and services in their local currencies rather than Pounds Sterling. As a result, the value of the Group's non-Sterling revenues, purchases, financial assets and liabilities, and cash flows can be affected by movements in exchange rates. The majority of income and expenditure for foreign operations are within the functional currency of the foreign operator, thereby providing natural hedging in these currencies. The Board does not consider there to be any significant unmitigated foreign currency risk in relation to the Group's operating activities.

In 2024, the Group's interest-bearing borrowings are denominated in Euro and are predominantly held by the Company, which has a functional currency of Pounds Sterling. As a result, the Company and Group financing activities are affected by movements in exchange rates.

30. Risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on its earnings. A decrease of €0.01 in the GBP:EUR exchange rate applied to the Group's borrowings as at the balance sheet date would decrease profit or loss for a full year by £3.9m (2023: £5.8m).

Capital management

The Group manages its capital to ensure that the Company and its subsidiaries will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings and obligations under leases disclosed in note 26, cash and cash equivalents and equity (comprising issued capital, reserves and accumulated profit as disclosed in the consolidated statement of changes in equity).

On 20 February 2024, a financial restructuring of the Group took effect with 100% consent from all its stakeholders (shareholders and lenders) and included the following core elements:

- €354.8m (i.e., 50%) of the reinstated senior facility debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited)
- The Company issued secured floating rate debt, consisting of a €63.7m super senior new money facility with a maturity date of 30 June 2027, to participating senior lenders. The Company received cash of €58.7m on 22 February 2024 in respect of this new facility
- Lenders that participated in the €63.7m super senior new money facility had €127.4m of the remaining €354.8m of reinstated senior facility debt re-tranched (the "reinstated 1.5L facility") and elevated in ranking such that it ranks junior to the super senior facilities, but senior to the remaining unelevated tranche (€227.4m) of the reinstated senior facility debt
- Both the reinstated 1.5L facility and the remaining unelevated tranche of the reinstated senior facility have a maturity date of 31 December 2027
- A portion of the existing EUR-denominated preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of new GBP ordinary shares of equivalent value.

The existing super senior contingency basket that the Group is able to drawdown on under the Amended and Restated Senior Facilities Agreement (subject to it receiving the required levels of shareholder consent) was increased from £25m to £50m.

The Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital, against the purpose for which the capital is intended.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

31. Share capital and reserves

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|--------------------------------------|-----------------------------|
| Allotted, issued and fully paid | | |
| 2,941,177 Ordinary shares of £0.001 each | 3 | 3 |

The Company has one class of ordinary shares. The holders of the ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

Share premium

Share premium represents the amount subscribed for share capital in excess of its nominal value.

Capital contribution

As part of the Group's restructuring transaction that took effect on 20 February 2024, the Company received capital contributions totalling £301.9m from its parent company.

32. Distributions made and proposed

No dividends have been declared and paid in 2024 (2023: £nil).

33. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its other related parties are disclosed below.

Key management remuneration

Key management personnel comprise members of the Group Executive Leadership Team who are not statutory directors. The remuneration of key management personnel of the Group is set out below. Refer to note 9 for Directors' remuneration.

| | Year ended 30 November 2024 £000 | Year ended 30 November 2023 £000 |
|----------------------------|---|---|
| Wages and salaries | 3,475 | 3,325 |
| Other long term incentives | 3,799 | - |
| Social security costs | 463 | 445 |
| Pension contributions | 32 | 29 |
| Total | 7,769 | 3,799 |

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

33. Related party transactions (*continued*)

Other related party transactions

During the year ended 30 November 2024, the Group purchased office furniture from the CEO of the Company for £25k. As at 30 November 2024, £nil was owed to the director.

During the year ended 30 November 2023, the Group paid £15k to AIMCo (a former shareholder) for recharged professional fees relating to the financial restructuring.

During the year ended 30 November 2023, the Group incurred interest charges of £22.4m to former parent companies. As at 30 November 2024 and 30 November 2023, £nil was owed to those former parent companies in respect of shareholder loans.

34. Ultimate parent company and controlling party

At 30 November 2024, the immediate parent undertaking of the Company is Vue International Investment Limited (formerly Jubilee Newco Limited).

At 30 November 2024, the immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited) (and its ultimate controlling party) is Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in the Company. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

This set of consolidated financial statements, with the Company as parent undertaking, is the largest group of undertakings for which consolidated financial statements are drawn up.

35. Commitments for capital expenditure

Capital commitments

The Group had capital commitments as follows:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|---|--------------------------------------|-----------------------------|
| Contracted for but not provided for in these financial statements | 13,030 | 17,099 |

Operating lease commitments

Following adoption of IFRS 16, the Group has recognised right-of-use assets for operating leases, except for short-term leases.

Commitments for short-term leases at 30 November 2024 was £0.3m (2023: £1.7m).

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

36. Contingent liabilities

The Group has signed a 20-year lease agreement for a new cinema site in Amsterdam, The Netherlands. The lease agreement will commence upon the opening of the new cinema, which is expected to be in FY25. The total undiscounted lease payments for the new site are estimated to be £21.3m (€25.7m).

The Group has signed a 20-year lease agreement for a new cinema site in Castleford, the United Kingdom. The lease agreement will commence upon the opening of the new cinema, which is expected to be in FY25. The total undiscounted lease payments for the new site are estimated to be £13.8m.

The Group has signed a 20-year lease agreement for a new cinema site in Nottingham, the United Kingdom. The lease agreement will commence upon the opening of the new cinema, which is expected to be in FY25. The total undiscounted lease payments for the new site are estimated to be £7.5m.

The Group has signed a 20-year lease agreement for a new cinema site in Poole, the United Kingdom. The lease agreement will commence upon the opening of the new cinema, which is expected to be in FY25. The total undiscounted lease payments for the new site are estimated to be £13.5m.

At 30 November 2024, the Group has provided the following guarantees to third parties:

| Beneficiary of guarantee | Guarantee description | Amount | Guarantee Start Date | Guarantee End Date |
|--------------------------|-----------------------|------------|----------------------|--------------------|
| Giambelli S.p.A. | Rent – Vimercate | €480,000 | 13/08/2024 | 31/01/2025 |
| Il Sorpasso S.r.l. | Rent – Surbo | €410,000 | 18/07/2024 | 30/06/2029 |
| Millenium S.r.l. | Rent – Guidonia | €658,800 | 12/09/2024 | 31/12/2032 |
| MT Cinema S.r.l. | Rent – Terni | €658,800 | 12/09/2024 | 31/12/2032 |
| Multicinema S.r.l. | Rent – Grosseto | €353,800 | 12/09/2024 | 31/12/2032 |
| Ninfea Leaseco S.r.l. | Rent – Rozzano | €1,037,000 | 24/08/2024 | 31/12/2041 |
| Porto Allegro S.r.l. | Rent – Montesilvano | €150,000 | 26/06/2024 | 31/12/2036 |
| Vulcano S.p.A. | Rent – Nola | €463,600 | 17/01/2024 | 31/12/2038 |

The Group had no contingent liabilities as at 30 November 2023.

37. Events after the balance sheet date

There were no events after the balance sheet date that require adjustment to or disclosure in these financial statements.

Vue Entertainment International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 NOVEMBER 2024

38. Prior year adjustments

Lease liabilities (notes 16 & 26)

During the year, a review of the Group's lease liability classifications identified a misallocation between short-term and long-term lease liabilities in the prior year. This arose due to limitations in the Group's lease management system, where calculation errors affected the correct treatment of leases with a build-up of accrued interest, due to clauses such as stepped rent or rent-free periods. As a result, the system-generated short-term lease liability figures were overstated, with a corresponding understatement of long-term lease liabilities.

The total reclassification adjustment of £20.3m has been corrected in the prior period financial statements, ensuring alignment with IFRS 16's requirements for lease liability measurement and presentation. This adjustment is a balance sheet reclassification and has no impact on net assets, total lease liabilities, or on the reported financial performance of the Group. The reclassification represents a prior-year adjusting item. In accordance with IAS 8, the adjustment has been applied retrospectively to the comparative data in these financial statements. However, as the reclassification does not affect total liabilities, net assets, or equity, the impact on the opening balance sheet is not considered material. Therefore, a third balance sheet presentation is not required.

| Consolidated Balance Sheet As at 30 November 2023 | As previously stated £000 | Prior year adjustment £000 | Restated £000 |
|--|---------------------------------|----------------------------------|--------------------------|
| Total assets | 1,898,178 | - | 1,898,178 |
| Current liabilities | | | |
| Trade and other payables | 209,331 | - | 209,331 |
| Corporate tax payable | 4,503 | - | 4,503 |
| Borrowings | 553 | - | 553 |
| Lease liabilities | 75,704 | (20,330) | 55,374 |
| Other financial liabilities | 2,620 | - | 2,620 |
| Provisions | 752 | - | 752 |
| | 293,463 | (20,330) | 273,133 |
| Liabilities directly associated with assets classified as held for sale | 11,027 | - | 11,027 |
| Total current liabilities | 304,490 | (20,330) | 284,160 |
| Non-current liabilities | | | |
| Borrowings | 639,416 | - | 639,416 |
| Lease liabilities | 785,322 | 20,330 | 805,652 |
| Provisions | 1,389 | - | 1,389 |
| Deferred tax liabilities | 5,202 | - | 5,202 |
| Total non-current liabilities | 1,431,329 | 20,330 | 1,451,659 |
| Total liabilities | 1,735,819 | - | 1,735,819 |
| Net assets | 162,359 | - | 162,359 |
| Total equity | 162,359 | - | 162,359 |

Vue Entertainment International Limited

PARENT COMPANY BALANCE SHEET AS AT 30 NOVEMBER 2024

| | Note | 30 November 2024 £000 | 30 November 2023 £000 |
|--|------|-----------------------------|-----------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 4 | 10 | 1 |
| Intangible assets | 5 | 52 | 61 |
| Investments | 6 | 1,428,029 | 1,272,767 |
| Deferred tax asset | 7 | 1,996 | 13 |
| Trade and other receivables | 8 | 685,337 | 885,430 |
| Total non-current assets | | 2,115,424 | 2,158,272 |
| Current assets | | | |
| Trade and other receivables | 8 | 28,721 | 370 |
| Corporate tax receivable | 9 | 1,390 | - |
| Derivative financial instruments | | - | 7,976 |
| Cash and cash equivalents | 10 | 27,213 | 19,989 |
| Total current assets | | 57,324 | 28,335 |
| Total assets | | 2,172,748 | 2,186,607 |
| Current liabilities | | | |
| Trade and other payables | 11 | 21,245 | 15,020 |
| Interest-bearing loans and other liabilities | 12 | 293,046 | 315,492 |
| Total current liabilities | | 314,291 | 330,512 |
| Non-current liabilities | | | |
| Trade and other payables | 11 | 2,593 | - |
| Interest-bearing loans and other liabilities | 12 | 448,257 | 652,487 |
| Total non-current liabilities | | 450,850 | 652,487 |
| Total liabilities | | 765,141 | 982,999 |
| Net assets | | 1,407,607 | 1,203,608 |
| Equity | | | |
| Share capital | 13 | 3 | 3 |
| Share premium | | 6,367 | 6,367 |
| Capital contribution reserve | 13 | 1,409,249 | 1,107,314 |
| (Accumulated losses) / retained earnings | | (8,012) | 89,924 |
| Total equity | | 1,407,607 | 1,203,608 |

The Company loss for the year was £97.9m (2023: £37.9m).

The financial statements on pages 121 to 137 were authorised for issue by the Board of Directors on 24 March 2025 and are signed on its behalf by:



J. Timothy Richards
Director

Vue Entertainment International Limited

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2024

| | Note | Share capital £000 | Share premium £000 | Retained earnings £000 | Capital contribution £000 | Total equity £000 |
|---------------------------------------|------|-----------------------|-----------------------|------------------------------|---------------------------------|----------------------|
| Balance at 1 December 2022 | | 3 | 6,367 | 127,831 | - | 134,201 |
| Loss for the year | | - | - | (37,907) | - | (37,907) |
| Other comprehensive loss for the year | | - | - | - | - | - |
| Total comprehensive loss for the year | | - | - | (37,907) | - | (37,907) |
| Capital contribution | | - | - | - | 1,107,314 | 1,107,314 |
| Balance at 30 November 2023 | 13 | 3 | 6,367 | 89,924 | 1,107,314 | 1,203,608 |
| Balance at 1 December 2023 | | 3 | 6,367 | 89,924 | 1,107,314 | 1,203,608 |
| Loss for the year | | - | - | (97,936) | - | (97,936) |
| Other comprehensive loss for the year | | - | - | - | - | - |
| Total comprehensive loss for the year | | - | - | (97,936) | - | (97,936) |
| Capital contribution | | - | - | - | 301,935 | 301,935 |
| Balance at 30 November 2024 | 13 | 3 | 6,367 | (8,012) | 1,409,249 | 1,407,607 |

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

1. General information

The Company is a limited liability company incorporated and domiciled in Jersey. The address of the registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG. The Company acts as an intermediate holding entity.

Further information on the principal activities of the Group and its operations are set out in the Strategic Report.

2. Accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101, *Reduced Disclosure Framework* ("FRS 101") and under the historical cost convention as applicable to companies using FRS 101. The accounting policies have been applied consistently with the prior year.

The following exemptions from the requirements of IFRS have been applied in these financial statements, in accordance with FRS 101:

- IFRS 7 *Financial instruments: Disclosures*
- Paragraphs 91-99 of IFRS 13 *Fair value measurement* (disclosure of valuation techniques and inputs used for the fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 *Presentation of financial statements* to present comparative information requirements in respect of:
 - Paragraph 79 (a)(iv) of IAS 1
 - Paragraph 73(e) of IAS 16 *Property, plant and equipment*
 - Paragraph 118(e) of IAS 30 *Intangible assets* (reconciliations between carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10(d), (statement of cash flows),
 - 10(f), (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement of minimum two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statements of financial position),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7 *Statement of cash flows*

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

2. Accounting policies (*continued*)

Basis of Preparation (continued)

- Paragraph 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 *Related party disclosures* (key management compensation)
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a group.

Going concern

The directors have adopted the going concern basis of preparation in preparing these financial statements. The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. See the Going Concern section of note 3 to the consolidated financial statements which is also applicable to the Company.

Significant policies

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Taxation

Current tax including UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement to write assets down to their residual values on a straight-line basis over their estimated useful lives on the following basis:

| | |
|-----------------------------------|-------------|
| Furniture, fittings and equipment | 3 -15 years |
|-----------------------------------|-------------|

**NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

2. Accounting policies (continued)***Significant policies (continued)******Property, plant and equipment (continued)***

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Property, plant and equipment is tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount is estimated, and any impairment loss is recognised in the income statement.

An impairment loss is reversed if there is an indication that it no longer exists, but only to the extent that the asset's carrying amount does not exceed what it would have been, net of depreciation, had no impairment loss been recognised

Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Computer software is initially recorded at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Amortisation is calculated on a straight-line basis over estimated useful lives of 3-7 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in the income statement when the asset is derecognised.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are measured on a similar basis to property, plant and equipment and recognised in the income statement. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

2. Accounting policies (*continued*)

Significant policies (continued)

Investment in subsidiary undertakings

Investments in subsidiaries are held at cost, less any provision for impairment.

Trade and other receivables

Trade receivables are measured at amortised cost using the effective interest method, less any impairment. The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on aging. The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the year end. The carrying amount of trade receivables is reduced by the impairment loss directly and a charge is recorded in the income statement. Intercompany receivables balances with other Group companies are assessed for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and other short-term highly liquid investments with original maturities of three months or less held for the purpose of meeting short-term cash commitments. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

Trade and other payables

Trade and other payables are initially measured at fair value. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables where the recognition of interest would be immaterial. Trade and other payables principally comprise accrued expenses.

Interest-bearing loans, capital and borrowings

Interest-bearing loans, capital and borrowings are initially measured at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, loan capital and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. Critical accounting estimate and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions including about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Carrying value of investments

The Company is required to make certain assumptions about the carrying value of investments. In doing so the Company has made certain assumptions about cash flows to be generated from each subsidiary. The resulting conclusion is therefore sensitive to these assumptions in respect of future cash flows. Where amounts are not deemed to be recoverable, impairments are recognised.

Recoverability of trade and other receivables

The Company is required to make certain assumptions to assess the recoverability of trade and other receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables (see note 2). In doing so the Company has made certain assumptions about cash flows to be generated from each receivable.

The resulting conclusion is therefore sensitive to these assumptions in respect of future cash flows. The directors consider that the assumptions made represent their best estimate of the future cash flows generated by each receivable, and of the discount rate used to calculate the present value of those cash flows.

Where amounts are not deemed to be recoverable, impairments are recognised. An impairment loss of £0.3m was recognised during the year.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

4. Property, plant and equipment

| | Furniture, Fixtures and Equipment £000 | Assets Under Construction £000 | Total £000 |
|---------------------------------|--|--------------------------------------|---------------|
| Cost | | | |
| At 1 December 2023 | 14 | - | 14 |
| Additions | - | 10 | 10 |
| At 30 November 2024 | 14 | 10 | 24 |
| Accumulated depreciation | | | |
| At 1 December 2023 | (13) | - | (13) |
| Charge for the year | (1) | - | (1) |
| At 30 November 2024 | (14) | - | (14) |
| Net book value | | | |
| At 30 November 2024 | - | 10 | 10 |

5. Intangible assets

| | 30 November 2024 £000 |
|---|-----------------------------|
| Cost – Computer software | |
| Balance at 1 December 2023 and 30 November 2024 | 61 |
| Accumulated amortisation – Computer software | |
| Balance at beginning of year | - |
| Charge for the year | (9) |
| At 30 November 2024 | (9) |
| Net book value | |
| At 30 November 2024 | 52 |

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

6. Investments

| | 30 November 2024 £000 | 30 November 2023 £000 |
|-----------------------------------|-----------------------------|-----------------------------|
| Cost and net book value | | |
| Balance at beginning of year | 1,272,767 | 8,663 |
| Additions – acquisitions | 155,262 | - |
| Additions – capital contributions | - | 1,264,104 |
| Balance at end of year | 1,428,029 | 1,272,767 |

As part of the Group's restructuring transaction that took effect on 26 January 2023, the Company made capital contributions totalling £1,264.1m to its directly held subsidiary.

As part of the Group's financial restructuring that took effect on 20 February 2024, 181m of the existing 641m EUR-denominated, zero coupon, perpetual preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of 155.3m new GBP ordinary shares of equivalent value.

Refer to note 2 in the consolidated financial statements for a list of subsidiaries.

7. Deferred tax assets

| | 30 November 2024 £000 | 30 November 2023 £000 |
|-----------------------------|-----------------------------|-----------------------------|
| Fixed assets | 3 | 3 |
| Other temporary differences | 1,993 | 10 |
| Total | 1,996 | 13 |

| | As at 1 December 2023 £000 | Recognised in income £000 | As at 30 November 2024 £000 |
|-----------------------------|-------------------------------------|---------------------------------|--------------------------------------|
| Fixed assets | 3 | - | 3 |
| Other temporary differences | 10 | 1,983 | 1,993 |
| Total | 13 | 1,983 | 1,996 |

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces them to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

The Company continues to not recognise a deferred tax asset in relation to certain UK interest deductibility provisions as these are not expected to be recoverable in future periods. The deferred tax asset unrecognised relating to these provisions at 30 November 2024 is £17.6m (2023: £7.9m).

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

8. Trade and other receivables

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--------------|--------------------------------------|-----------------------------|
| Non-current | 685,337 | 885,430 |
| Current | 28,721 | 370 |
| Total | 714,058 | 885,800 |

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|--------------------------------------|-----------------------------|
| Amounts receivable from group undertakings | 328,643 | 332,307 |
| Preference shares receivable from group undertakings | 382,473 | 553,493 |
| Prepayments | 93 | - |
| Other debtors | 2,849 | - |
| Total | 714,058 | 885,800 |

Included in the amounts receivable from group undertakings at 30 November 2023 was an amount of £66.7m receivable from Vue Holdings (UK) Limited. The amount was not expected to be settled in less than one year and so was considered to be due after more than one year.

Included in the amounts receivable from group undertakings at 30 November 2023 was an intercompany loan receivable of £119.7m from Vue Holdings (Jersey) Limited, inclusive of interest. The loan was unsecured, bore interest at a rate of 8.8425% per annum and was repayable on 9 August 2033.

Included in the amounts receivable from group undertakings at 30 November 2023 was an amount of £0.1m receivable from Vue Holdings (Jersey) Limited. The amount was not expected to be settled in less than one year and so was considered to be due after more than one year.

Included in the amounts receivable from group undertakings at 30 November 2023 was an amount of £8.4m receivable from Vue Entertainment Limited. The amount was not expected to be settled in less than one year and so was considered to be due after more than one year.

On 26 June 2024, the Company set-off the £19.2m payable to Vue Holdings (UK) Limited (see note 12) against the £66.7m receivable from Vue Holdings (UK) Limited, leaving a single receivable of £47.4m. The £47.4m receivable was then converted into an intercompany loan receivable. At 30 November 2024, the Company had an intercompany loan receivable of £49.8m from Vue Holdings (UK) Limited, inclusive of interest. The loan is unsecured, bears interest at a rate of Euribor plus 8.2% per annum and is repayable on the earlier of (i) 25 June 2034 and (ii) on demand by the lender. The loan is not expected to be settled in less than one year and so is considered to be due after more than one year.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

8. Trade and other receivables (*continued*)

On 3 July 2024, the Company consolidated the intercompany loan receivable from Vue Holdings (Jersey) Limited and the amount receivable from Vue Holdings (Jersey) Limited into a single intercompany loan receivable of £126.1m. The £1.8m payable to Vue Holdings (Jersey) Limited (see note 12) was set-off against the consolidated intercompany loan receivable, leaving a consolidated intercompany loan receivable of £124.3m. At 30 November 2024, the Company had an intercompany loan receivable of £130.3m from Vue Holdings (Jersey) Limited, inclusive of interest. The loan is unsecured, bears interest at a rate of Euribor plus 8.2% per annum and is repayable on the earlier of (i) 2 July 2034 and (ii) on demand by the lender. The loan is not expected to be settled in less than one year and so is considered to be due after more than one year.

On 1 October 2024, the £13.6m receivable from Vue Entertainment Limited was set-off against the £227.2m payable to Vue Entertainment Limited (see note 12), leaving an amount payable of £213.6m.

At 30 November 2024, the Company had intercompany loans receivable totalling £51.6m from Multikino S.A., inclusive of interest. The loans are unsecured, bear interest at rates between 5.77% and 15.30% per annum and have maturity dates between June 2030 and December 2034.

At 30 November 2024, the Company had an intercompany loan receivable of £33.1m from Tulip UK Newco Limited, inclusive of interest and net of an expected credit loss allowance of £0.2m. The loan is unsecured, bears interest at a rate of Euribor plus 8.5% per annum and is repayable on 31 December 2027.

At 30 November 2024, the Company had an intercompany loan receivable of £25.4m from The Space Cinema 1 S.p.A., inclusive of interest and net of an expected credit loss allowance of £0.1m. The loan is unsecured, bears interest at a rate of 9.45% per annum and is repayable on 11 November 2025.

Preference shares receivable from group undertakings relate to €460m (2023: €641m) of preference shares held in the Company's direct subsidiary, Vue Holdings (Jersey) Limited. From 26 January 2023 to 20 February 2024, €641m of the Company's Reinstated Senior Facility Debt (see note 12) was designated as a hedge against foreign currency translation fluctuations in the GBP value of the preference shares.

As part of the Group's financial restructuring that took effect on 20 February 2024, 181m of the existing 641m EUR-denominated, zero coupon, perpetual preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of 155.3m new GBP-denominated ordinary shares of equivalent value. In addition, €354.8m (i.e., 50%) of the Reinstated Senior Facility Debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited). Consequently, from 20 February 2024, €356.5m of the Company's Reinstated Senior Facility Debt was designated as a hedge against foreign currency translation fluctuations in the GBP value of the preference shares.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

8. Trade and other receivables (*continued*)

Receivables are classified as non-current when, at the balance sheet date, there is no expectation to receive settlement of the receivables in the next 12 months.

9. Corporate tax receivable

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|-----------------------------|-----------------------------|
| Current tax asset as of 1 December | - | - |
| Current tax expense | (221) | - |
| Payments during the year | 1,611 | - |
| Current tax asset as of 30 November | 1,390 | - |

10. Cash and cash equivalents

| | 30 November 2024 £000 | 30 November 2023 £000 |
|---------------------------|-----------------------------|-----------------------------|
| Cash and cash equivalents | 27,213 | 19,989 |

Cash and cash equivalents are denominated in the following currencies:

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--------------|-----------------------------|-----------------------------|
| Euro | 26,787 | 19,616 |
| Sterling | 426 | 373 |
| Total | 27,213 | 19,989 |

11. Trade and other payables

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--------------|-----------------------------|-----------------------------|
| Non-current | 2,593 | - |
| Current | 21,245 | 15,020 |
| Total | 23,838 | 15,020 |

| | 30 November 2024 £000 | 30 November 2023 £000 |
|---------------------------------------|-----------------------------|-----------------------------|
| Amounts payable to group undertakings | 2,593 | - |
| Accrued expenses | 21,245 | 15,020 |
| Total | 23,838 | 15,020 |

Amounts payable to group undertakings are not expected to be settled in less than one year and so are considered to be due after more than one year.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

12. Interest-bearing loans and other liabilities

| | Current | | Non-Current | | Total | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30 November 2024 £000 | 30 November 2023 £000 | 30 November 2024 £000 | 30 November 2023 £000 | 30 November 2024 £000 | 30 November 2023 £000 |
| Reinstated Senior Facility Debt | - | - | 206,092 | 585,892 | 206,092 | 585,892 |
| Reinstated 1.5L Facility Debt | - | - | 114,599 | - | 114,599 | - |
| Super Senior Facility Debt | - | - | 79,070 | 81,885 | 79,070 | 81,885 |
| Super Senior New Money Facility Debt | - | - | 66,716 | - | 66,716 | - |
| Loans payable to group undertakings | 293,046 | 315,492 | - | 13,520 | 293,046 | 329,012 |
| Total | 293,046 | 315,492 | 466,477 | 681,297 | 759,523 | 996,789 |
| Less: | | | | | | |
| Reinstated Senior Facility capitalised fees | - | - | - | (24,072) | - | (24,072) |
| Reinstated 1.5L Facility capitalised fees | - | - | (1,260) | - | (1,260) | - |
| Super Senior Facility capitalised fees | - | - | (3,539) | (4,738) | (3,539) | (4,738) |
| Super Senior New Money Facility capitalised fees | - | - | (3,386) | - | (3,386) | - |
| Super Senior New Money Facility deferred expenses | - | - | (10,035) | - | (10,035) | - |
| Total | - | - | (18,220) | (28,810) | (18,220) | (28,810) |
| Total interest-bearing loans and borrowings net of capitalised fees and deferred expenses | 293,046 | 315,492 | 448,257 | 652,487 | 741,303 | 967,979 |

Reinstated Senior Facility Debt and Reinstated 1.5L Facility Debt

On 26 January 2023, the Company issued a €648.6m Reinstated Senior Facility Debt, maturing on 31 December 2027, with a variable interest rate of Euribor plus 8% or Euribor plus 2% cash interest and 6.5% capitalised interest for a period of 2 years from 26 February 2023. A zero percent floor applies to Euribor.

From 26 January 2023 to 20 February 2024, €641m of the Company's Reinstated Senior Facility Debt was designated as a hedge against foreign currency translation fluctuations in the GBP value of the Company's preference shares receivable from group undertakings (see note 8).

On 20 February 2024, €354.8m (i.e., 50%) of the Reinstated Senior Facility Debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited). Consequently, from 20 February 2024, €356.5m of the Company's Reinstated Senior Facility Debt was designated as a hedge against foreign currency translation fluctuations in the GBP value of the preference shares.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

12. Interest-bearing loans and other liabilities (*continued*)

Reinstated Senior Facility Debt and Reinstated 1.5L Facility Debt (continued)

€127.4m of the remaining €354.8m of Reinstated Senior Facility Debt was re-tranched (the "Reinstated 1.5L Facility") and elevated in ranking such that it ranks junior to the Super Senior Facilities, but senior to the remaining unelevated tranche (€227.4m) of the Reinstated Senior Facility Debt.

The terms of the remaining unelevated tranche of the Reinstated Senior Facility Debt were amended and restated, pursuant to which the facility attracts a flat rate of cash pay interest of 0.1% and 8.4% capitalised interest for a period of 2 years until 20 February 2026. From 21 February 2026 to the maturity date of 31 December 2027, the facility bears interest at a rate of Euribor plus 8%.

The Reinstated 1.5L Facility Debt has a maturity date of 31 December 2027, and attracts a flat rate of cash pay interest of 0.1% and 8.4% capitalised interest for a period of 2 years until 20 February 2026. From 21 February 2026 to the maturity date, the facility bears interest at a rate of Euribor plus 8%.

Super Senior Facility Debt

The Super Senior Facility Debt has a maturity date of 30 June 2027 and bears interest at a rate of Euribor plus 8%. A zero percent floor applies to Euribor.

Super Senior New Money Facility Debt

On 20 February 2024, the Company issued a €63.7m Super Senior New Money Facility Debt with a maturity date of 30 June 2027 to participating senior lenders. The Company received cash of €58.7m on 22 February 2024 in respect of this new facility.

The Super Senior New Money Facility Debt bears interest at a rate of Euribor plus 8% or Euribor plus 4% cash interest and 5.0% capitalised interest for a period of 2 years until 20 February 2026. A zero percent floor applies to Euribor.

Loans payable to group undertakings

Included in loans payable to group undertakings at 30 November 2023 was an amount of £19.2m payable to Vue Holdings (UK) Limited.

Included in loans payable to group undertakings at 30 November 2023 was an amount of £1.8m payable to Vue Holdings (Jersey) Limited.

Included in loans payable to group undertakings at 30 November 2023 was an amount of PLN 216.3m (£43.0m) and an amount of PLN 92.4m (£18.4m) payable to Shake UK Newco Limited.

Included in loans payable to group undertakings at 30 November 2023 was an amount of £227.2m payable to Vue Entertainment Limited.

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

12. Interest-bearing loans and other liabilities (*continued*)

Loans payable to group undertakings (continued)

On 26 June 2024, the £19.2m payable to Vue Holdings (UK) Limited was set-off against the £66.7m receivable from Vue Holdings (UK) Limited (see note 8), leaving a single receivable of £47.4m.

On 3 July 2024, the £1.8m payable to Vue Holdings (Jersey) Limited was set-off against the consolidated intercompany loan receivable from Vue Holdings (Jersey) Limited (see note 8), leaving a consolidated intercompany loan receivable of £124.3m.

On 23 July 2024, the Company consolidated the PLN 204.8m and the PLN 97.8m loan payable to Shake UK Newco Limited into a single intercompany loan payable of PLN 302.6m. At 30 November 2024, the Company had a loan payable of PLN 315.3m (£61.0m) to Shake UK Newco Limited, inclusive of interest. The loan is unsecured, bears interest at a rate of Euribor plus 8.2% per annum and is repayable on the earlier of (i) 22 July 2034 and (ii) on demand by the lender.

On 1 October 2024, the £13.6m receivable from Vue Entertainment Limited (see note 8) was set-off against the £227.2m payable to Vue Entertainment Limited, leaving an amount payable of £213.6m. The £213.6m payable was then converted into an intercompany loan payable. At 30 November 2024, the Company had a loan payable of £217.6m to Vue Entertainment Limited, inclusive of interest. The loan is unsecured, bears interest at a rate of Euribor plus 8.2% per annum and is repayable on the earlier of (i) 30 September 2034 and (ii) on demand by the lender.

At 30 November 2024, the Company had a loan payable of €17.4m (£14.4m) (2023: €15.7m (£13.5m)) to CinemaxX Holdings GmbH, inclusive of interest. The loan is unsecured, bears interest at a rate of 11.4% (2023: 11.4%) per annum and is repayable on 7 July 2028.

Security

The Super Senior Facilities, the Reinstated 1.5L Facility Debt and the Reinstated Senior Facility Debt are secured by cross guarantees and charges over certain of the Group's shares and assets.

Capitalised issue costs

Costs incurred in issuing the Super Senior Facilities, the Reinstated 1.5L Facility Debt and the Reinstated Senior Facility Debt are capitalised and allocated to the income statement over the life of the related debt facility. On 20 February 2024, £23.2m of the unamortised Reinstated Senior Facility capitalised fees were written off following the novation of €354.8m of the Reinstated Senior Facility Debt from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and the subsequent equitisation thereof as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited). As at 30 November 2024, borrowings are stated net of unamortised issue costs of £8.2m (2023: £28.8m).

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

13. Share capital

| | 30 November 2024 £000 | 30 November 2023 £000 |
|--|-----------------------------|-----------------------------|
| Allotted, issued and fully paid | £000 | £000 |
| 2,941,177 Ordinary shares of £0.001 each | 3 | 3 |

The Company has one class of ordinary shares. The holders of the ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

Share premium

Share premium represents the amount subscribed for share capital in excess of its nominal value.

Capital contribution

As part of the Group's restructuring transaction that took effect on 20 February 2024, the Company received capital contributions totalling £301.9m from its parent company.

14. Related parties

The Company has taken advantage of the exemption under IAS 24 available to parent companies not to disclose transactions with its wholly owned subsidiaries within its financial statements on the grounds that 100% of the voting rights of these companies are controlled within the Group, and the companies are included in note 2 of the notes to the consolidated financial statements.

Other related party transactions

During the year ended 30 November 2024, the Company purchased office furniture from the CEO of the Company for £25k. As at 30 November 2024, £nil was owed to the director.

During the year ended 30 November 2024, the Company incurred interest charges of £nil (2023: £21.2m) to former parent companies. As at 30 November 2024 and 30 November 2023, £nil was owed to those former parent companies in respect of shareholder loans.

15. Subsidiaries and other related undertakings

Refer to note 2 in the consolidated financial statements for a list of subsidiaries.

16. Distributions made and proposed

No dividends have been declared and paid in 2024 (2023: £nil).

17. Commitments for capital expenditure

The Company had no commitments for capital expenditure as at 30 November 2024 (2023: £nil).

Vue Entertainment International Limited

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

18. Contingent liabilities

At 30 November 2024, the Company has provided the following guarantees to third parties:

| Beneficiary of guarantee | Guarantee description | Amount | Guarantee Start Date | Guarantee End Date |
|--------------------------|-----------------------|------------|----------------------|--------------------|
| Giambelli S.p.A. | Rent – Vimercate | €480,000 | 13/08/2024 | 31/01/2025 |
| Il Sorpasso S.r.l. | Rent – Surbo | €410,000 | 18/07/2024 | 30/06/2029 |
| Millenium S.r.l. | Rent – Guidonia | €658,800 | 12/09/2024 | 31/12/2032 |
| MT Cinema S.r.l. | Rent – Terni | €658,800 | 12/09/2024 | 31/12/2032 |
| Multicinema S.r.l. | Rent – Grosseto | €353,800 | 12/09/2024 | 31/12/2032 |
| Ninfea Leaseco S.r.l. | Rent – Rozzano | €1,037,000 | 24/08/2024 | 31/12/2041 |
| Porto Allegro S.r.l. | Rent – Montesilvano | €150,000 | 26/06/2024 | 31/12/2036 |
| Vulcano S.p.A. | Rent – Nola | €463,600 | 17/01/2024 | 31/12/2038 |

The Company had no contingent liabilities as at 30 November 2023.

19. Ultimate parent company and controlling party

At 30 November 2024, the immediate parent undertaking of the Company is Vue International Investment Limited (formerly Jubilee Newco Limited).

At 30 November 2024, the immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited), and its ultimate controlling party is Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in the Company. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

20. Events after the balance sheet date

There were no events after the balance sheet date that require adjustment to or disclosure in these financial statements.