

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2024

OR

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

For the transition period from _____ to _____

Commission file number 1-8625



READING INTERNATIONAL, INC.
(Exact name of Registrant as specified in its charter)

Nevada

State or other jurisdiction of incorporation or organization)

189 Second Avenue, Suite 2S
New York, New York
(Address of principal executive offices)

95-3885184

(IRS Employer Identification Number)

10003
(Zip Code)

Registrant's telephone number, including area code: (213) 235-2240

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

Trading Symbol

Name of each exchange on which registered
The Nasdaq Stock Market LLC
The Nasdaq Stock Market LLC

Class A Nonvoting Common Stock, \$0.01 par value
Class B Voting Common Stock, \$0.01 par value

RDI
RDIB

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

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

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

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company Emerging Growth Company

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of August 13, 2024, there were

20,745,594
shares of Class A Nonvoting Common Stock, \$0.01 par value per share, and

1,680,590
shares of Class B Voting Common Stock, \$0.01 par value per share, outstanding.

TABLE OF CONTENTS

	Page
PART I - Financial Information	
Item 1 – Financial Statements	3
Consolidated Balance Sheets (Unaudited)	3
Consolidated Statements of Income (Unaudited)	3
Consolidated Statements of Comprehensive Income (Unaudited)	4
Consolidated Statements of Cash Flows (Unaudited)	5
Notes to Consolidated Financial Statements (Unaudited)	6
Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3 – Quantitative and Qualitative Disclosure about Market Risk	44
Item 4 – Controls and Procedures	46
PART II – Other Information	
Item 1 – Legal Proceedings	47
Item 1A – Risk Factors	47
Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds	47
Item 3 – Defaults Upon Senior Securities	47
Item 4 – Mine Safety Disclosure	47
Item 5 – Other Information	47
Item 6 – Exhibits	48
SIGNATURES	
Certifications	49

PART 1 – FINANCIAL INFORMATION

Item 1 – Financial Statements
READING INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share information)

	June 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,242	\$ 12,906
Restricted cash	1,485	2,535
Receivables	7,647	7,561
Inventories	1,347	1,648
Prepaid and other current assets	2,485	2,881
<u>Land and property held for sale</u>	36,446	11,179
Total current assets	58,652	38,710
Operating property, net	225,473	262,417
Operating lease right-of-use assets	168,546	181,542
Investment and development property, net	—	8,789
Investment in unconsolidated joint ventures	4,428	4,756
Goodwill	25,023	25,535
Intangible assets, net	1,899	2,038
Deferred tax asset, net	2,109	299
<u>Other assets</u>	8,725	8,965
Total assets	\$ 494,855	\$ 533,051
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 44,392	\$ 43,828
Film rent payable	4,911	6,038
Debt - current portion	58,401	34,484
Subordinated debt - current portion	198	586
Taxes payable - current	2,088	1,376
Deferred revenue	10,027	10,993
Operating lease liabilities - current portion	21,797	23,047
<u>Other current liabilities</u>	6,625	6,731
Total current liabilities	148,439	127,083
Debt - long-term portion	123,347	146,605
Derivative financial instruments - non-current portion	98	—
Subordinated debt, net	27,283	27,172
Noncurrent tax liabilities	6,418	6,586
Operating lease liabilities - non-current portion	168,246	180,898
<u>Other liabilities</u>	11,493	11,711
Total liabilities	\$ 485,324	\$ 500,055
Commitments and contingencies (Note 15)		
Stockholders' equity:		

Class A non-voting common shares, par value \$

0.01

100,000,000

shares authorized,

33,681,705

issued and

20,745,594

outstanding at June 30, 2024 and

33,602,627

issued and

20,666,516

outstanding at December 31, 2023

Class B voting common shares, par value \$

238

237

0.01

20,000,000

shares authorized and

1,680,590

17

17

issued and outstanding at June 30, 2024 and December 31, 2023

Nonvoting preferred shares, par value \$

0.01

12,000

shares authorized and

no

issued

or outstanding shares at June 30, 2024 and December 31, 2023

—

—

Additional paid-in capital

156,529

155,402

(

(

Retained earnings/(deficits)

102,058

79,489

)

)

Treasury shares

40,407

40,407

)

)

Accumulated other comprehensive income

4,325

2,673

)

)

Total Reading International, Inc. stockholders' equity

9,994

33,087

(

(

Noncontrolling interests

463

91

)

)

Total stockholders' equity

9,531

32,996

—

—

Total liabilities and stockholders' equity

\$ 494,855

\$ 533,051

See accompanying Notes to the Unaudited Consolidated Financial Statements.

READING INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Uaudited; U.S. dollars in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue				
Cinema	\$ 42,942	\$ 61,056	\$ 84,213	\$ 103,042
Real estate	3,867	3,999	7,648	7,819
Total revenue	46,809	65,055	91,861	110,861
Costs and expenses				
Cinema	39,418	51,364	80,138	93,019
Real estate	2,461	2,104	4,696	4,319
Depreciation and amortization	4,011	4,689	8,216	9,329
General and administrative	5,271	5,109	10,693	10,288
Total costs and expenses	51,161	63,266	103,743	116,955
Operating income (loss)	4,352	1,789	11,882	6,094
Interest expense, net	5,252	4,874	10,537	8,991
Gain (loss) on sale of assets	9	—	1,116	—
Other income (expense)	216	86	123	91
Income (loss) before income tax expense and equity earnings of unconsolidated joint ventures	9,811	3,171	23,412	14,994
Equity earnings of unconsolidated joint ventures	119	207	94	226
Income (loss) before income taxes	9,692	2,964	23,318	14,768
Income tax benefit (expense)	156	103	379	583
Net income (loss)	\$ 9,536	\$ 2,861	\$ 22,939	\$ 14,185
Less: net income (loss) attributable to noncontrolling interests	195	83	370	296
Net income (loss) attributable to Reading International, Inc.	\$ 9,341	\$ 2,778	\$ 22,569	\$ 13,889
Basic earnings (loss) per share	\$ 0.42	\$ 0.12	\$ 1.01	\$ 0.63
Diluted earnings (loss) per share	\$ 0.42	\$ 0.12	\$ 1.01	\$ 0.63
Weighted average number of shares outstanding—basic	22,413,617	22,262,214	22,379,881	22,183,618
Weighted average number of shares outstanding—diluted	23,246,591	23,502,506	23,294,887	23,423,910

See accompanying Notes to the Unaudited Consolidated Financial Statements.

READING INTERNATIONAL, INC.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited; U.S. dollars in thousands)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 9,536	\$ 2,861	\$ 22,939	\$ 14,185
Foreign currency translation gain (loss)	932	589	1,659	1,352
Gain (loss) on cash flow hedges	98	205	98	788
Other	52	53	102	107
Comprehensive income (loss)	8,650	3,602	24,594	16,218
Less: net income (loss) attributable to noncontrolling interests	195	83	370	296
Less: comprehensive income (loss) attributable to noncontrolling interests	—	1	1	2
Comprehensive income (loss)	\$ 8,455	\$ 3,518	\$ 24,223	\$ 15,920

See accompanying Notes to the Unaudited Consolidated Financial Statements.

READING INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; U.S. dollars in thousands)

	Six Months Ended June 30,	
	2024	2023
Operating Activities		
Net income (loss)	(22,939)	\$ 14,185
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Equity earnings of unconsolidated joint ventures	(94)	226
Distributions of earnings from unconsolidated joint ventures	329	338
(Gain) loss recognized on foreign currency transactions	(66)	—
(Gain) loss on sale of assets	1,116	—
Amortization of operating leases	9,089	9,290
Amortization of finance leases	21	15
Change in operating lease liabilities	9,903	10,059
Purchase of derivative instruments	—	—
Change in net deferred tax assets	(1,824)	31
Depreciation and amortization	8,216	9,329
Other amortization	829	753
Stock based compensation expense	1,134	751
Net changes in operating assets and liabilities:		
Receivables	151	719
Prepaid and other assets	414	1,341
Payments for accrued pension	342	171
Accounts payable and accrued expenses	(1,918)	2,540
Film rent payable	(1,069)	25
Taxes payable	758	1,512
Deferred revenue and other liabilities	593	2,937
Net cash provided by (used in) operating activities	13,157	8,808
Investing Activities		
Purchases of and additions to operating and investment properties	2,175	3,430
Contributions to unconsolidated joint ventures	30	—
Proceeds from sale of assets	9,603	—
Net cash provided by (used in) investing activities	7,398	3,430
Financing Activities		
Repayment of borrowings	(11,391)	3,258
Repayment of finance lease principal	(20)	16
Proceeds from borrowings	12,980	3,154
Capitalized borrowing costs	(438)	(349)
(Cash paid) proceeds from the settlement of employee share transactions	(6)	(243)
Net cash provided by (used in) financing activities	(1,125)	712
Effect of exchange rate on cash and restricted cash	80	(188)
Net increase (decrease) in cash and cash equivalents and restricted cash	4,714	13,138

Cash and cash equivalents and restricted cash at the beginning of the period	15,441	34,979
Cash and cash equivalents and restricted cash at the end of the period	10,727	21,841
Cash and cash equivalents and restricted cash consists of:		
Cash and cash equivalents	9,242	15,511
Restricted cash	1,485	6,330
	10,727	21,841
Supplemental Disclosures		
Interest paid	9,608	7,724
Income taxes (refunded) paid	1,029	728
Non-Cash Transactions		
Additions to operating and investing properties through accrued expenses	2,736	3,255

See accompanying Notes to the Unaudited Consolidated Financial Statements.

READING INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 – Description of Business and Segment Reporting

Our Company

Reading International, Inc., a Nevada corporation ("RDI" and collectively with our consolidated subsidiaries and corporate predecessors, the "Company," "Reading," and "we," "us," or "our") was incorporated in 1999. Our businesses, owned and operated through our various subsidiaries, consist primarily of:

- the development, ownership, and operation of cinemas in the United States, Australia, and New Zealand; and
- the development, ownership, operation and/or rental of retail, commercial and live venue real estate assets in Australia, New Zealand, and the United States.

Business Segments

Reported below are the operating segments of our Company for which separate financial information is available and evaluated regularly by the Chief Executive Officer, the chief operating decision-maker of our Company. As part of our real estate activities, we hold undeveloped land in urban and suburban centers in the United States and New Zealand.

The table below summarizes the results of operations for each of our business segments for the quarter and six months ended June 30, 2024, and 2023, respectively. Operating expense includes costs associated with the day-to-day operations of the cinemas and the management of rental properties, including our live theatre assets.

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Cinema exhibition	\$ 42,941	\$ 61,055	\$ 84,213	\$ 103,042
Real estate	5,013	5,217	9,946	10,282
Inter-segment elimination	(1,146)	(1,218)	(2,298)	(2,463)
	\$ 46,808	\$ 65,054	\$ 91,861	\$ 110,861
Segment operating income (loss):				
Cinema exhibition	\$ 1,270)	\$ 4,474	\$ 5,435)	\$ 141)
Real estate	946	1,286	1,837	2,291
	\$ 324)	\$ 5,760	\$ 3,598)	\$ 2,150)

A reconciliation of segment operating income to income before income taxes is as follows:

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Segment operating income (loss)				
Unallocated corporate expense	\$ 324)	\$ 5,760	\$ 3,598)	\$ 2,150)
Depreciation and amortization expense	99)	176)	201)	355)
General and administrative expense	3,929)	3,794)	8,083)	7,889)
Interest expense, net	5,252)	4,875)	10,537)	8,991)
Equity earnings of unconsolidated joint ventures	119	207	94	226
Gain (loss) on sale of assets	9	—	1,116)	—
Other income (expense)	216)	86)	123)	91)
Income (loss) before income tax expense	\$ 9,692)	\$ 2,964)	\$ 23,318)	\$ 14,768)

Note 2 – Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of our Company's wholly-owned subsidiaries as well as majority-owned subsidiaries that our Company controls and should be read in conjunction with our Company's Annual Report on Form 10-K as of and for the year ended December 31, 2023 ("2023 Form 10-K"). All significant intercompany balances and transactions have been eliminated on consolidation. These consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim reporting with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission ("SEC"). As such, they do not include all information and footnotes required by U.S. GAAP for complete financial statements. We believe that we have included all normal and recurring adjustments necessary for a fair presentation of the results for the interim period.

Operating results for the quarter and six months ended June 30, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and footnotes thereto. Significant estimates include (i) projections we make regarding the recoverability and impairment of our assets (including goodwill and intangibles), (ii) valuations of our derivative instruments, (iii) recoverability of our deferred tax assets, (iv) estimation of breakage and redemption experience rates, which drive how we recognize breakage on our gift card and gift certificates, and revenue from our customer loyalty program, and (v) estimation of our Incremental Borrowing Rate ("IBR") as relates to the valuation of our right-of-use assets and lease liabilities. Actual results may differ from those estimates .

Note 3 – Liquidity and Impairment Assessment

Going Concern

We continue to evaluate the going concern assertion required by ASC 205-40 *Going Concern* as it relates to our Company. The evaluation of the going concern assertion involves firstly considering whether it is probable that our Company has sufficient resources, as at the issue date of the financial statements, to meet its obligations as they fall due for twelve months following the issue date. Should it be probable that there are not sufficient resources, we must determine whether it is probable that our plans will mitigate the consequential going concern substantial doubt. Our evaluation is informed by current liquidity positions, debt obligations, our beliefs about the recovery of the global cinema industry, cash flow estimates, known capital and other expenditure requirements and commitments and our current business plan and strategies. Our Company's business plan - two businesses (real estate and cinema) in three countries (Australia, New Zealand and the U.S.) - has served us well since the onset of COVID-19 and is key to management's overall evaluation of ASC 205-40 *Going Concern*.

As of the end of the second quarter, 2024, we have \$

58.6 million of debt due in twelve months. We have cash of \$

9.2 million and negative working capital of \$

89.8 million, inclusive of land and property held for sale of \$

36.4 million (based on book as opposed to fair market value). In order to alleviate doubt that our Company will be able to generate sufficient cash flows for the coming twelve-months, these loans need to be refinanced and our revenues and net income need to increase through improved operations and asset monetization.

In April 2024, we exercised our first option to extend our Union Square financing facility, extending the maturity date of that loan (\$

47.1 million at June 30, 2024) to May 6, 2025. We also obtained an extension of our NAB facility (\$

66.8 million at June 30, 2024), extending the maturity date of that loan to July 31, 2026. This extension also included a bridge loan in the amount of \$

13.4 million, maturing on March 31, 2025, subject to prepayment obligations from the net sales proceeds of certain assets. We are in discussions with Santander to extend the maturity date of that loan (\$

8.0 million) and believe that we will be able to reach mutually acceptable terms with respect to our Cinemas 123 (\$

21.0 million, due third quarter of 2024) and our Westpac (\$

8.4 million, due first quarter of 2025) credit facilities.

We believe that the global cinema industry will continue to improve in the last half of 2024 and 2025. This belief underpins our forecasts and cash flow projections. Our forecasts rely upon, among other things, the market reception to current films such as *Inside Out 2*, *Twisters*, *Deadpool and Wolverine*, and *Despicable Me 4*, the current industry movie release schedule, which demonstrates an increased number of movies to be released from the major studios and other distributors and an improvement in the quality of the movie titles, and the public's demonstrable desire to attend movies in a theatrical environment. These named factors are both out of Management's control and are material, individually and in the aggregate, to the realization of Management's forecasts and expectations. In the event that our forecasts and cash flow estimates, and our reasonable refinancing expectations, do not come to fruition to the extent needed to provide sufficient funding, we are willing and able to pursue additional asset monetizations. Since 2021, we have demonstrated our ability to complete such real estate asset monetizations.

In conclusion, as of the date of issuance of these financial statements, based on our evaluation of ASC 205-40 *Going Concern* and the current conditions and events, considered in the aggregate, and our various plans for enhancing liquidity and the extent to which those plans are progressing, we conclude that our plans are probable of being implemented and that they alleviate the substantial doubt about our Company's ability to continue as a going concern.

Impairment Considerations

Our Company considers that the events and factors described above constitute impairment indicators under ASC 360 *Property, Plant and Equipment*. At December 31, 2023, our Company performed a quantitative recoverability test of the carrying values of all its asset groups. Our Company estimated the undiscounted future cash flows expected to result from the use of these asset groups and found that no impairment charge was necessary. The financial performance of our cinemas has been improving, despite the challenges described above, and particularly the ongoing impacts of the WGA and SAG strikes on the first six months of 2024. This improved performance at an asset group level, and the impact of this performance on our impairment modelling, resulted in

no impairment charges being recognized for the first six months of 2024. Actual performance against our forecasts is dependent on several variables and conditions, many of which are subject to the uncertainties associated with among other things, the factors presented above, and as a result, actual results may materially differ from management's estimates.

Our Company also considers that the events and factors described above continue to constitute impairment indicators under *ASC 350 Intangibles – Goodwill and Other*. Our Company performed a quantitative goodwill impairment test and determined that our goodwill was not impaired as of December 31, 2023. The test was performed at a reporting unit level by comparing each reporting unit's carrying value, including goodwill, to its fair value. The fair value of each reporting unit was assessed using a discounted cash flow model based on the budgetary revisions performed by management in response to COVID-19 and the developing market conditions. Given the continuing improvements in trading conditions, taking into account the actual and expecting impacts of the WGA and SAG strikes,

no impairment charges were recorded in the first six months of 2024. Actual performance against our forecasts is dependent on several variables and conditions, including among other things, the factors presented above, and as a result, actual results may materially differ from management's estimates.

Note 4 – Operations in Foreign Currency

We have significant assets in Australia and New Zealand. Historically, we have conducted our Australian and New Zealand operations (collectively "foreign operations") on a self-funding basis, where we use cash flows generated by our foreign operations to pay for the expenses of those foreign operations. However, in recent periods, cash flows from our overseas operations have been used to cover our domestic general and administrative costs, interest expense, and loss from our domestic cinema operations. Our Australian and New Zealand assets and liabilities are translated from their functional currencies of Australian dollar ("AUS\$") and New Zealand dollar ("NZ\$"), respectively, to the U.S. dollar based on the exchange rate as of June 30, 2024. The carrying value of the assets and liabilities of our foreign operations fluctuates as a result of changes in the exchange rates between the functional currencies of the foreign operations and the U.S. dollar. The translation adjustments are accumulated in the Accumulated Other Comprehensive Income in the Consolidated Balance Sheets.

We take a global view of our financial resources and are flexible in making use of resources from one jurisdiction in other jurisdictions.

Presented in the table below are the currency exchange rates for Australia and New Zealand:

	Foreign Currency / USD				
	As of and for the quarter ended	As of and for the six months ended	As of and for the twelve months ended	As of and for the quarter ended	As of and for the six months ended
	June 30, 2024	December 31, 2023	June 30, 2023	June 30, 2024	December 31, 2023
Spot Rate					
Australian Dollar	0.6677	0.6828	0.6663		
New Zealand Dollar	0.6096	0.6340	0.6133		
Average Rate					
Australian Dollar	0.6591	0.6582	0.6647	0.6681	0.6761
New Zealand Dollar	0.6054	0.6089	0.6145	0.6186	0.6243

Note 5 – Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net income attributable to our Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated by dividing the net income attributable to our Company by the weighted average number of common and common equivalent shares outstanding during the period and is calculated using the treasury stock method for equity-based compensation awards.

The following table sets forth the computation of basic and diluted EPS and a reconciliation of the weighted average number of common and common equivalent shares outstanding:

(Dollars in thousands, except share data)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net income (loss) attributable to Reading International, Inc.	\$ 9,341	\$ 2,778	\$ 22,569	\$ 13,889
Denominator:				
Weighted average number of common stock – basic	22,413,617	22,262,214	22,379,881	22,183,618
Weighted average dilutive impact of awards	832,974	1,240,292	915,006	1,240,292
Weighted average number of common stock – diluted	23,246,591	23,502,506	23,294,887	23,423,910
Basic earnings (loss) per share	\$ 0.42	\$ 0.12	\$ 1.01	\$ 0.63
Diluted earnings (loss) per share	\$ 0.42	\$ 0.12	\$ 1.01	\$ 0.63
Awards excluded from diluted earnings (loss) per share	207,657	205,122	207,657	205,122

Our weighted average number of common stock - basic increased, primarily as a result of the vesting of restricted stock units. We did

no

t repurchase any shares of Class A Common Stock during the first six months of 2024 or 2023.

207,657 shares issuable under stock options and restricted stock units were excluded from the computation of diluted net income (loss) per share in periods when their effect was anti-dilutive; either because our Company incurred a net loss for the period, or the exercise price of the options was greater than the average market price of the common stock during the period, or the effect was anti-dilutive as a result of applying the treasury stock method.

Note 6 – Property and Equipment

Operating Property, net

Property associated with our operating activities as at June 30, 2024 and December 31, 2023, is summarized as follows:

(Dollars in thousands)	June 30, 2024		December 31, 2023	
Land	\$ 47,745		\$ 61,095	
Building and improvements	169,838		205,821	
Leasehold improvements	50,508		53,984	
Fixtures and equipment	148,602		155,156	
Construction-in-progress	2,418		4,290	
Total cost	419,111		480,346	
Less: accumulated depreciation	(193,638)		(217,929)	
Operating property, net	\$ 225,473		\$ 262,417	

Depreciation expense for operating property was \$

4.0 million and \$

8.1 million for the quarter and six months ended June 30, 2024, respectively, as compare to \$

4.7 million and \$

9.3 million for the quarter and six months ended June 30, 2023.

Investment and Development Property, net

Our investment and development property as of June 30, 2024 and December 31, 2023, is summarized below:

(Dollars in thousands)	June 30, 2024		December 31, 2023	
Land	\$ —		\$ 3,856	
Construction-in-progress (including capitalized interest)	—		4,933	
Investment and development property	\$ —		\$ 8,789	

Construction-in-Progress – Operating and Investment Properties

Construction-in-Progress balances are included in both our operating and development properties. The balances of our major projects along with the movements for the six months ended June 30, 2024, are shown below:

(Dollars in thousands)	Balance, December 31, 2023	Additions during the period	Completed during the period	Transferred to Held for Sale	Foreign currency translation	Balance, June 30, 2024
Courtenay Central development	6,412	—	—	6,089	323	—
Cinema developments and improvements	1,658	172	132	60	7	1,631
Other real estate projects	1,153	403	371	387	11	787
Total	\$ 9,223	\$ 575	\$ 503	\$ 6,536	\$ 341	\$ 2,418

2024 Real Estate Monetizations

Between the fourth quarter of 2020 and the fourth quarter of 2023, we classified as assets held for sale disposal groups and thereafter monetized the following real estate assets: The Auburn/Redyard Entertainment Themed Center ("ETC"), Manukau (land), Coachella (land), the Royal George Theatre, our property in Maitland, New South Wales, our Invercargill, New Zealand cinema and associated ancillary land, and our office building in Culver City (sold in February 2024).

In the second quarter of 2023, we classified our 2483 Trenton Avenue, Williamsport, Pennsylvania, as held for sale. In the second quarter of 2024, we further classified as held for sale our Cannon Park ETC, our Courtenay Central ETC and associated land and improvements, and our Rotorua land and improvements.

A 'disposal group' represents assets to be disposed of in a single transaction. A disposal group may represent a single asset, or multiple assets. Discussed below are those real estate transactions affecting the presentation in our consolidated balance sheet as of June 30, 2024 and 2023, and the profitability determination in our consolidated statements of income for the six months ended June 30, 2024, and 2023.

Culver City, Los Angeles

In May 2023, we classified our Culver City administrative building, commonly known as 5995 Sepulveda Blvd., as held for sale. Our book value (as opposed to fair value) of the property was \$

10.8

million, being the lower of cost and fair value less costs to sell.

No adjustments to the book value of the assets contained within this disposal group were required. The disposal group consisted of land, a building and various leasehold improvements. The sale was completed on February 23, 2024, at a gross sales price of \$

10.0

million. The proceeds were used to discharge the \$

8.3

million first mortgage on the property.

The loss on sale of this property is calculated as follows:

(Dollars in thousands)	March 31 2024
Sales price	\$ 10,000
Net book value	10,800
Loss on sale, gross of direct costs	800
Direct sale costs incurred	325
Loss on sale, net of direct costs	\$ 1,125

Disposal Groups Held for Sale

Cannon Park ETC

In May 2024, we classified our Cannon Park ETC in Townsville, Queensland, Australia, as held for sale at the lower of cost and fair value less costs to sell. The disposal group consists of our Cannon Park City Center and Cannon Park Discount Center properties, comprising approximately

9.4

acres. The current book value (as opposed to fair value) of the property is \$

18.8

million.

No adjustments to the book value of the assets contained within this disposal group were required. We expect to complete the sale within 12 months.

Wellington, New Zealand

In June 2024, we classified our Courtenay Central ETC in Wellington, New Zealand, as held for sale at the lower of cost and fair value less costs to sell. The disposal group consists of our Courtenay Central cinema and retail property, along with our Tory and

Wakefield Street car parks. The current book value (as opposed to fair value) of the property is \$

15.8
million.

No
adjustments to the book value of the assets contained within this disposal group were required. We expect to complete the sale within 12 months.

Reading Cinema in Rotorua, New Zealand

In June 2024, we classified the land and improvements constituting our Rotorua cinema in Rotorua, New Zealand, as held for sale at the lower of cost and fair value less costs to sell. The disposal group consists of our land, cinema building and the associated improvements. The current book value (as opposed to fair value) of the property is \$

1.4
million.

No
adjustments to the book value of the assets contained within this disposal group were required. We expect to complete the sale within 12 months.

2483 Trenton Avenue, Williamsport, Pennsylvania

In June 2023, we classified our industrial property at 2483 Trenton Avenue, Williamsport, Pennsylvania, as held for sale at the lower of cost and fair value less costs to sell. The current book value (as opposed to fair value) of the property is \$

460,000
. The property is part of our historic railroad operations, consisting of land and an

18,000
square foot industrial building, and certain rail bed improvements.

No
adjustments to the book value of the assets contained within this disposal group were required. We continue to hold this property as held for sale, and sales efforts continue as we work to resolve certain easement issues. The property continues to meet the ASC 360 held for sale criteria.

Note 7 – Leases

In all leases, whether we are the lessor or lessee, we define lease term as the non-cancellable term of the lease plus any renewals covered by renewal options that are reasonably certain of exercise based on our assessment of economic factors relevant to the lessee. The non-cancellable term of the lease commences on the date the lessor makes the underlying property in the lease available to the lessee, irrespective of when lease payments begin under the contract.

As Lessee

We have operating leases for certain cinemas, and finance leases for certain equipment assets. Our leases have remaining lease terms of 1 to 25 years, with certain leases having options to extend up to a further 20 years. Lease payments for our cinema operating leases consist of fixed base rent, and for certain leases, variable lease payments consisting of contracted percentages of revenue, changes in the relevant CPI, and/or other contracted financial metrics.

The components of lease expense were as follows:

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Lease cost				
Finance lease cost:				
Amortization of right-of-use assets	\$ 10	\$ 8	\$ 21	\$ 15
Interest on lease liabilities	1	—	3	1
Operating lease cost	7,732	8,226	15,606	16,408
Variable lease cost	678	399	1,200	669
Total lease cost	\$ 8,421	\$ 8,633	\$ 16,830	\$ 17,093

Supplemental cash flow information related to leases is as follows:

(Dollars in thousands)	Six Months Ended June 30,	
	2024	2023
Cash flows relating to lease cost		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for finance leases	\$ 22	\$ 17
Operating cash flows for operating leases	12,924	16,849
Right-of-use assets obtained in exchange for new operating lease liabilities	—	1,633

Supplemental balance sheet information related to leases is as follows:

(Dollars in thousands)	June 30, 2024	December 31, 2023
Operating leases		
Operating lease right-of-use assets	\$ 168,546	\$ 181,542
Operating lease liabilities - current portion	21,797	23,047
Operating lease liabilities - non-current portion	168,246	180,898
Total operating lease liabilities	\$ 190,043	\$ 203,945
Finance leases		
Property plant and equipment, gross	228	232
Accumulated depreciation	(166)	(177)
Property plant and equipment, net	\$ 62	\$ 55
Other current liabilities	41	40
Other long-term liabilities	22	43
Total finance lease liabilities	\$ 63	\$ 83
Other information		
Weighted-average remaining lease term - finance leases	2	2
Weighted-average remaining lease term - operating leases	11	11
Weighted-average discount rate - finance leases	7.07%	7.07%
Weighted-average discount rate - operating leases	4.63%	4.62%
The maturities of our leases were as follows:		
(Dollars in thousands)	Operating leases	Finance leases
2024	\$ 30,207	\$ 44
2025	29,007	22
2026	26,751	—
2027	23,446	—
2028	21,288	—
Thereafter	112,162	—
Total lease payments	\$ 242,861	\$ 66
Less imputed interest	(52,818)	(3)
Total	\$ 190,043	\$ 63

As Lessor

We have entered into various leases as a lessor for our owned real estate properties. These leases vary in length between 1 and 20 years, with certain leases containing options to extend at the behest of the applicable tenants. Lease components consist of fixed base rent, and for certain leases, variable lease payments consisting of contracted percentages of revenue, changes in the relevant CPI, and/or other contracted financial metrics. None of our leases grant any right to the tenant to purchase the underlying asset.

Lease income relating to operating lease payments was as follows:

(Dollars in thousands)	Quarter Ended June 30,	2024	2023	Quarter Ended June 30,	2024	2023
Components of lease income						
Lease payments	\$ 2,701	\$ 2,765	\$ 5,425	\$ 5,392		
Variable lease payments	279	176	423	393		
Total lease income	\$ 2,980	\$ 2,941	\$ 5,848	\$ 5,786		

The book value of underlying assets under operating leases from owned assets was as follows:

	June 30, 2024	December 31, 2023
(Dollars in thousands)		
Building and improvements		
Gross balance	\$ 115,569	\$ 127,222
Accumulated depreciation	(20,961)	(23,270)
Net Book Value	\$ 94,608	\$ 103,952

The minimum contractual rent payments due on our leases were as follows:

	Operating leases
(Dollars in thousands)	
2024	\$ 4,311
2025	8,751
2026	7,303
2027	6,520
2028	6,568
Thereafter	21,323
Total	\$ 54,776

Note 8 – Goodwill and Intangible Assets

The table below summarizes goodwill by business segment as of June 30, 2024, and December 31, 2023.

	Cinema	Real Estate	Total
(Dollars in thousands)			
Balance at December 31, 2023	\$ 20,311	\$ 5,224	\$ 25,535
Foreign currency translation adjustment	(512)	—	(512)
Balance at June 30, 2024	\$ 19,799	\$ 5,224	\$ 25,023

Our Company is required to test goodwill and other intangible assets for impairment on an annual basis and, if current events or circumstances require them, on an interim basis. Our next annual evaluation of goodwill and other intangible assets is scheduled during the fourth quarter of 2024. To test the impairment of goodwill, our Company compares the fair value of each reporting unit to its carrying amount, including the goodwill, to determine if there is potential goodwill impairment. A reporting unit is generally one level below the operating segment. As of June 30, 2024, we were not aware that any events indicating potential impairment of goodwill had occurred outside of those described at Note 3 – *Liquidity and Impairment Assessment*.

The tables below summarize intangible assets other than goodwill, as of June 30, 2024, and December 31, 2023, respectively.

	As of June 30, 2024			
	Beneficial Leases	Trade Name	Other Intangible Assets	Total
(Dollars in thousands)				
Gross carrying amount	\$ 10,459	\$ 9,024	\$ 4,380	\$ 23,863
Less: Accumulated amortization	(10,285)	(8,032)	(3,647)	(21,964)
Net intangible assets other than goodwill	\$ 174	\$ 992	\$ 733	\$ 1,899

	As of December 31, 2023			
	Beneficial Leases	Trade Name	Other Intangible Assets	Total
(Dollars in thousands)				
Gross carrying amount	\$ 11,283	\$ 9,024	\$ 4,400	\$ 24,707
Less: Accumulated amortization	(11,089)	(7,961)	(3,611)	(22,661)
Less: Impairments	—	—	8)	8)
Net intangible assets other than goodwill	\$ 194	\$ 1,063	\$ 781	\$ 2,038

Beneficial leases obtained in business combinations where we are the landlord are amortized over the life of the relevant leases. Trade names are amortized based on the accelerated amortization method over their estimated useful life of 30 years, and other intangible assets are amortized over their estimated useful lives of up to 30 years (except for transferable liquor licenses, which are indefinite-lived assets). The table below summarizes the amortization expense of intangible assets for the quarter and six months ended June 30, 2024.

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Beneficial lease amortization	\$ 21	\$ 21	\$ 43	\$ 43
Other amortization	60	54	97	101
Total intangible assets amortization	\$ 81	\$ 75	\$ 140	\$ 144

Note 9 – Investments in Unconsolidated Joint Ventures

Our investments in unconsolidated joint ventures are accounted for under the equity method of accounting.

The table below summarizes our active investment holdings in

two				
(2) unconsolidated joint ventures as of June 30, 2024, and December 31, 2023:				
(Dollars in thousands)	Interest	June 30, 2024	December 31, 2023	
Rialto Cinemas	50.0 %	\$ 768	\$ 848	
Mt. Gravatt	33.3 %	3,660	3,908	
Total investments		\$ 4,428	\$ 4,756	

For the quarter and six months ended June 30, 2024 and 2023, the recognized share of equity earnings from our investments in unconsolidated joint ventures are as follows:

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Rialto Cinemas	\$ 9	\$ 1	\$ 77	\$ 39
Mt. Gravatt	128	206	171	265
Total equity earnings	\$ 119	\$ 207	\$ 94	\$ 226

Note 10 – Prepaid and Other Assets

Prepaid and other assets are summarized as follows:

(Dollars in thousands)	Prepaid and other current assets	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 1,436	\$ 1,813	
Prepaid taxes	295	802	
Income taxes receivable	435	—	
Deposits	301	249	
Investments in marketable securities	18	17	
Total prepaid and other current assets	\$ 2,485	\$ 2,881	
Other non-current assets			
Other non-cinema and non-rental real estate assets	674	674	
Investment in Reading International Trust I	838	838	
Straight-line rent asset	7,202	7,445	
Long-term deposits	11	8	
Total other non-current assets	\$ 8,725	\$ 8,965	

Note 11 – Income Taxes

The interim provision for income taxes is different from the amount determined by applying the U.S. federal statutory rate to consolidated income or loss before taxes. The differences are attributable to foreign tax rate differential, unrecognized tax benefits, and change in valuation allowance. Our effective tax rate was

1.6
% and

3.9
% for the six months ended June 30, 2024 and 2023, respectively.

The difference is primarily due to an increase in unrecognized tax benefits in 2024. The forecasted effective tax rate is updated each quarter as new information becomes available.

Note 12 - Borrowings

Our Company's borrowings at June 30, 2024 and December 31, 2023, net of deferred financing costs and including the impact of interest rate derivatives on effective interest rates, are summarized below:

(Dollars in thousands) Denominated in USD	As of June 30, 2024						
	Maturity Date	Contractual Facility	Balance, Gross	Balance, Net ⁽¹⁾	Stated Interest Rate	Effective Interest Rate	
Trust Preferred Securities (US)	April 30, 2027	\$ 27,913	\$ 27,913	\$ 27,283	9.59 %	9.59 %	
Bank of America Credit Facility (US)	August 18, 2025	17,750	17,750	17,680	11.50 %	11.50 %	
Cinemas 1, 2, 3 Term Loan (US)	October 1, 2024	20,855	20,855	20,770	8.83 %	8.83 %	
Minetta & Orpheum Theatres Loan (US)	June 1, 2024	8,000	8,000	7,984	7.00 %	7.00 %	
Union Square Financing (US)	May 6, 2025	55,000	47,141	46,938	12.54 %	12.54 %	
Purchase Money Promissory Note (US)	September 18, 2024	198	198	198	5.00 %	5.00 %	
Denominated in foreign currency ("FC") ⁽²⁾							
NAB Corporate Term Loan (AU)	July 31, 2026	66,770	66,770	66,610	6.09 %	6.09 %	
NAB Bridge Facility (AU)	March 31, 2025	13,354	13,354	13,329	6.12 %	6.12 %	
Westpac Bank Corporate (NZ)	January 1, 2025	8,437	8,437	8,437	8.20 %	8.20 %	
		\$ 218,277	\$ 210,418	\$ 209,229			

(1) Net of deferred financing costs amounting to \$

1.2

million.

(2) The contractual facilities and outstanding balances of the foreign currency denominated borrowings were translated into U.S. dollars based on the applicable exchange rates as of June 30, 2024.

(Dollars in thousands) Denominated in USD	As of December 31, 2023						
	Maturity Date	Contractual Facility	Balance, Gross	Balance, Net ⁽¹⁾	Stated Interest Rate	Effective Interest Rate	
Trust Preferred Securities (US)	April 30, 2027	\$ 27,913	\$ 27,913	\$ 27,172	9.65 %	9.65 %	
Bank of America Credit Facility (US) ⁽³⁾	September 4, 2024	20,200	20,200	20,080	11.00 %	11.00 %	
Cinemas 1, 2, 3 Term Loan (US)	October 1, 2024	21,008	21,008	20,780	8.84 %	8.84 %	
Minetta & Orpheum Theatres Loan (US)	June 1, 2024	8,000	8,000	8,000	8.34 %	8.34 %	
U.S. Corporate Office Term Loan (US)							
	January 1, 2027	8,401	8,401	8,356	4.44 %	4.44 %	
	May 6, 2024	55,000	47,141	46,925	12.53 %	12.53 %	
Union Square Financing (US)		586	586	586	5.00 %	5.00 %	
Purchase Money Promissory Note (US)	September 18, 2024	586	586	586	5.00 %	5.00 %	
Denominated in foreign currency ("FC") ⁽²⁾							
NAB Corporate Term Loan (AU)	July 31, 2025	68,276	68,276	68,173	6.11 %	6.11 %	
Westpac Bank Corporate (NZ)	January 1, 2025	8,775	8,775	8,775	8.20 %	8.20 %	
Total		\$ 218,159	\$ 210,300	\$ 208,847			

(1) Net of deferred financing costs amounting to \$

1.5

million.

(2) The contractual facilities and outstanding balances of the foreign currency denominated borrowings were translated into U.S. dollars based on the applicable exchange rates as of December 31, 2023.

(3) This financing facility was extended after December 31, 2023.

Our loan arrangements are presented, net of the deferred financing costs, on the face of our consolidated balance sheet as follows:

Balance Sheet Caption (Dollars in thousands)	June 30, 2024	December 31, 2023
Debt - current portion	\$ 58,401	\$ 34,484
Debt - long-term portion	123,347	146,605
Subordinated debt - current portion	198	586
Subordinated debt - long-term portion	27,283	27,172
Total borrowings	\$ 209,229	\$ 208,847

Bank of America Credit Facility

Our Bank of America facility was amended on March 27, 2024, to among other terms and conditions, (i) extend the Maturity Date to August 18, 2025, (ii) require a \$

275,000 principal payoff, (iii) eliminate the minimum liquidity covenant, (iv) reduce the principal amortization amounts and provide a principal holiday period, and (v) require certain paydowns on the sale of certain real estate assets.

Interest is charged at

3.0% above the Bank of America Prime rate, which itself has a floor of
1.0% Payment-in-kind interest at a rate of
0.5% commenced on January 1, 2024, and will continue until December 31, 2024, increasing to
1.5% on January 1, 2025, until the facility is repaid in full. This loan is subject to mandatory prepayment out of a portion of the net proceeds realized by us in the event that we determine to sell certain specified assets.

Minetta and Orpheum Theatres Loan

On November 1, 2023, our \$

8.0 million loan with Santander Bank, which is secured by our Minetta and Orpheum Theatres, matured. On January 26, 2024, we extended this loan for a further six months to June 1, 2024. We are in discussions with Santander to extend the maturity date of this loan.

Cinemas 1,2,3 Term Loan

Our Cinemas 1,2,3 Term Loan is held by Sutton Hill Properties LLC ("SHP"), a

75% owned subsidiary of RDI. On September 29, 2023, we extended the maturity of this loan from October 3, 2023, to October 1, 2024. The loan is with Valley National Bank, carries an interest rate of
3.50% above monthly SOFR, with a floor of
7.50%, and includes provisions for a prepaid interest reserve.

Union Square Financing

On May 7, 2021, we closed on a new three year \$

55.0 million loan facility with Emerald Creek Capital secured by our
44 Union Square property and certain limited guarantees. Following the phase out of LIBOR, the facility bears a variable interest rate of TERM SOFR plus
6.9% and includes provisions for a prepaid interest and property tax reserve fund. On April 23, 2024, we executed the first 12 month extension on this loan, taking the maturity to May 6, 2025. The loan has one remaining 12-month option to extend, and may be repaid at any time, without the payment of any premium. As this option is within our control, we will continue to keep the loan classified as long-term.

Purchase Money Promissory Note

On September 18, 2019, we purchased for \$

5.5 million
407,000 shares of our Class A Common Stock in a privately negotiated transaction under our Share Repurchase Program. Of this amount, \$
3.5 million was paid by the issuance of a Purchase Money Promissory Note, which bears an interest rate of
5.0% per annum, payable in equal quarterly payments of principal plus accrued interest. The Purchase Money Promissory Note matures on September 18, 2024.

U.S. Corporate Office Term Loan

We repaid this \$

8.4 million loan in full in February 2024, with a portion of the proceeds from the sale of our Culver City office building.

Debt denominated in foreign currencies

Westpac Bank Corporate Credit Facility (NZ\$)

Our Westpac Corporate Credit Facility for NZ\$

13.8 million matures on January 1, 2025. The facility currently carries an interest rate and line of credit charge of
2.40% above the Bank Bill Bid Rate and
1.65% respectively. Westpac has waived the requirement to test certain covenants for each quarter since the third quarter of 2020, including the quarter ending June 30, 2024.

On August 13, 2024, we increased the limit on this facility by NZ\$

5.0 million to NZ\$
18.8 million. The maturity date remains January 1, 2025. See Note 20 Subsequent Events.

Australian NAB Corporate Term Loan (AU\$)

Prior to March 31, 2024, our Revolving Corporate Markets Loan Facility with National Australia Bank ("NAB") matured on July 31, 2025. It consisted of (i) an AU\$

100.0 million Corporate Loan facility at
1.75% above BBSY, of which AU \$
60.0 million was revolving and AU\$
40.0 million was core and (ii) a Bank Guarantee Facility of AU\$
5.0 million at a rate of
1.9% per annum.

On April 4, 2024, we amended this facility, which now matures on July 31, 2026. As part of the amendment, we obtained an additional AU\$

20.0 million bridge facility which matures on March 31, 2025 (or earlier, upon the sale of certain assets), and modified certain covenants. We are also required, from March 31, 2025, to make quarterly repayments of AU\$
1.5 million against the AU\$
100.0 million Corporate Loan facility, until maturity date, representing permanent reductions in that facility's ceiling. The bank guarantee facility was reduced to AU\$
3.0 million. No other changes were made.

Effective June 28, 2024, we entered into an Interest Rate Hedging Agreement with NAB on AU\$

50.0 million of the Corporate Loan Facility with the Termination date on July 31, 2026. The Interest Rate Collar transaction has a floor of
4.18% and a cap of
4.78%.

Note 13 – Other Liabilities

Other liabilities are summarized as follows:

	June 30, 2024	December 31, 2023
(Dollars in thousands)		
Current liabilities		
Lease liability	\$ 5,900	\$ 5,900
Accrued pension	532	684
Security deposit payable	119	74
Finance lease liabilities	41	40
Other	33	33
Other current liabilities	\$ 6,625	\$ 6,731
Other liabilities		
Lease make-good provision	6,018	6,050
Accrued pension	2,542	2,646
Deferred rent liability	1,255	1,314
Environmental reserve	1,656	1,656
Acquired leases	—	2
Finance lease liabilities	22	43
Other non-current liabilities	\$ 11,493	\$ 11,711

Pension Liability – Supplemental Executive Retirement Plan

Details of our Supplemental Executive Retirement Plan are disclosed in Note 13 – Pension and Other Liabilities in our 2023 Form 10-K.

Included in our current and non-current liabilities are accrued pension costs of \$

3.1 million on June 30, 2024. The benefits of our pension plan are fully vested and therefore

no

service costs were recognized for the quarter and six months ended June 30, 2024, and 2023. Our pension plan is unfunded.

During the quarter and six months ended June 30, 2024, the interest cost was \$

42,000 and \$

86,000, respectively, and the actuarial loss was \$

52,000 and \$

104,000, respectively. During the quarter and six months ended June 30, 2023, the interest cost was \$

50,000 and \$

99,000, respectively, and the actuarial loss was \$

51,000 and \$

103,000, respectively.

Note 14 – Accumulated Other Comprehensive Income

The following table summarizes the changes in each component of accumulated other comprehensive income attributable to RDI:

	Foreign Currency Items	Unrealized Gain (Losses) on Available- for-Sale Investments	Accrued Pension Service Costs	Hedge Accounting Reserve	Total
(Dollars in thousands)	(((((
Balance at January 1, 2024	\$ 986	\$ 18	\$ 1,669	\$ —	\$ 2,673
Change related to derivatives					()
Total change in hedge fair value recorded in Other Comprehensive Income	—	—	—	98	98
Amounts reclassified from accumulated other comprehensive income	—	—	—	—	—
Net change related to derivatives	—	—	—	98	98
Net current-period other comprehensive income (loss)	1,659	1	104	98	1,652
Balance at June 30, 2024	\$ 2,645	\$ 17	\$ 1,565	\$ 98	\$ 4,325

Note 15 – Commitments and Contingencies

Litigation Matters

We are currently involved in certain legal proceedings and, to the extent required, have accrued estimates of probable and estimable losses for the resolution of these claims, including legal costs.

- Where we are the *plaintiffs*, we accrue legal fees as incurred on an on-going basis and make no provision for any potential settlement amounts until received. In Australia, the prevailing party is usually entitled to recover its attorneys' fees, which recoveries typically work out to be approximately 60% of the amounts actually spent where first-class legal counsel is engaged at customary rates. Where we are a plaintiff, we have likewise made no provision for the liability for the defendant's attorneys' fees in the event we are determined not to be the prevailing party.
- Where we are the *defendants*, we accrue for probable damages that insurance may not cover as they become known and can be reasonably estimated, as permitted under ASC 450-20 *Loss Contingencies*. In our opinion, any claims and litigation in which we are currently involved are not reasonably likely to have a material adverse effect on our business, results of operations, financial position, or liquidity. It is possible, however, that future results of the operations for any particular quarter or annual period could be materially affected by the ultimate outcome of the legal proceedings. From time to time, we are involved with claims and lawsuits arising in the ordinary course of our business that may include contractual obligations, insurance claims, tax claims, employment matters, and anti-trust issues, among other matters.

Environmental and Asbestos Claims on Reading Legacy Operations

Certain of our subsidiaries were historically involved in railroad operations, coal mining, and manufacturing. Also, certain of these subsidiaries appear in the chain-of-title of properties that may suffer from pollution. Accordingly, certain of these subsidiaries have, from time to time, been named in and may in the future be named in various actions brought under applicable environmental laws. Also, we are in the real estate development business and may encounter from time to time environmental conditions at properties that we have acquired for development and which will need to be addressed in the future as part of the development process. These environmental conditions can increase the cost of such projects and adversely affect the value and potential for profit of such projects. We do not currently believe that our exposure under applicable environmental laws is material in amount.

From time to time, there are claims brought against us relating to the exposure of former employees to asbestos and/or coal dust. These are generally covered by an insurance settlement reached in September 1990 with our insurance providers. However, this insurance settlement does not cover litigation by people who were not employees of our historic railroad operations and who may claim direct or second-hand exposure to asbestos, coal dust and/or other chemicals or elements now recognized as potentially causing cancer in humans. Our known exposure to these types of claims, asserted or probable of being asserted, is not material.

Note 16 – Non-controlling Interests

These are composed of the following enterprises:

- Australia Country Cinemas Pty Ltd -
25
% noncontrolling interest owned by Panorama Group International Pty Ltd;
- Shadow View Land and Farming, LLC -
50
% noncontrolling membership interest owned by the estate of Mr. James J. Cotter, Sr. (the "Cotter Estate"); and,
- Sutton Hill Properties, LLC -
25
% noncontrolling interest owned by Sutton Hill Capital, LLC (which in turn is
50
% owned by the Cotter Estate).

The components of noncontrolling interests are as follows:

	June 30, 2024	December 31, 2023
Australian Country Cinemas, Pty Ltd	\$ 64	\$ 76
	()	()
Shadow View Land and Farming, LLC	2	2
	()	()
Sutton Hill Properties, LLC	525	165
	()	()
Noncontrolling interests in consolidated subsidiaries	\$ 463	\$ 91

The components of income attributable to noncontrolling interests are as follows:

(Dollars in thousands)	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Australian Country Cinemas, Pty Ltd		\$ 3	\$ 25	\$ 9
Shadow View Land and Farming, LLC		()	()	()
Sutton Hill Properties, LLC		198	108	361
Net income (loss) attributable to noncontrolling interests		()	()	()
	195	83	370	296

Summary of Controlling and Noncontrolling Stockholders' Equity

A summary of the changes in controlling and noncontrolling stockholders' equity is as follows:

(Dollars in thousands, except shares)	Common Stock				Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Reading International Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Class A Non-Voting Shares	Class A Par Value	Class B Voting Shares	Class B Par Value							
At January 1, 2024	20,664	\$ 237	1,681	\$ 17	\$ 155,402	\$ 79,489	40,407	\$ 2,673	\$ 33,087	\$ 91	\$ 32,996
Net income (loss)	—	—	—	—	—	13,228	—	—	13,228	175	13,403
Other comprehensive income, net	—	—	—	—	—	—	—	2,538	2,538	3	2,541
Share-based compensation expense	—	—	—	—	678	—	—	—	678	—	678
Restricted Stock Units	9	—	—	—	2	—	—	—	—	2	—
At March 31, 2024	20,673	\$ 237	1,681	\$ 17	\$ 156,078	\$ 92,717	40,407	\$ 5,211	\$ 17,997	\$ 269	\$ 17,728
Net income	—	—	—	—	—	9,341	—	—	9,341	195	9,536
Other comprehensive income, net	—	—	—	—	—	—	—	886	886	1	887
Share-based compensation expense	—	—	—	—	456	—	—	—	456	—	456
Restricted Stock Units	72	1	—	—	5	—	—	—	4	—	4
At June 30, 2024	20,745	\$ 238	1,681	\$ 17	\$ 156,529	\$ 102,058	40,407	\$ 4,325	\$ 9,994	\$ 463	\$ 9,531
(Dollars in thousands, except shares)	Common Stock				Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Reading International Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Class A Non-Voting Shares	Class A Par Value	Class B Voting Shares	Class B Par Value							
At January 1, 2023	20,410	\$ 235	1,680	\$ 17	\$ 153,784	\$ 48,816	40,407	\$ 1,957	\$ 62,856	\$ 423	\$ 63,279
Net income (loss)	—	—	—	—	—	11,111	—	—	11,111	213	11,324
Other comprehensive income, net	—	—	—	—	—	—	—	1,293	1,293	1	1,294
Share-based compensation expense	—	—	—	—	443	—	—	—	443	—	443
Restricted Stock Units	89	—	—	—	132	—	—	—	132	—	132
At March 31, 2023	20,499	\$ 235	1,680	\$ 17	\$ 154,095	\$ 59,927	40,407	\$ 3,250	\$ 50,763	\$ 209	\$ 50,972
Net income	—	—	—	—	—	2,778	—	—	2,778	83	2,861
Other comprehensive income, net	—	—	—	—	—	—	—	740	740	1	741
Share-based compensation expense	—	—	—	—	308	—	—	—	308	—	308
Restricted Stock Units	92	1	—	—	113	—	—	—	112	—	112
At June 30, 2023	20,591	\$ 236	1,680	\$ 17	\$ 154,290	\$ 62,705	40,407	\$ 3,990	\$ 47,441	\$ 125	\$ 47,566

Note 17 - Stock-Based Compensation and Stock Repurchases

Employee and Director Stock Incentive Plan

2020 Stock Incentive Plan
On November 4, 2020, the Company enacted the 2020 Stock Incentive Plan, which was also approved by the Company's stockholders on December 8, 2020 (as amended, the "2020 Plan"). Under the 2020 Plan, the number of permitted authorized shares for issuance was originally set at

1,250,000
, plus any shares reserved for awards outstanding under the 2010 Plan that were subsequently forfeited (for instance, through a then outstanding out-of-the-money option) or if the related shares are repurchased, a corresponding number of shares would automatically become available for issuance under the 2020 Plan. On December 7, 2023, the Company's stockholders, upon recommendation of the Company's board of directors, approved the First Amendment to the 2020 Stock Incentive Plan, increasing the number of Class A Common Stock reserved for issuance under the 2020 Plan by an additional

971,807
shares.

Under the 2020 Plan, the Company may grant stock options and other share-based payment awards of our Class A Common Stock to eligible employees, directors and consultants. At June 30, 2024, there were

1,486,907
shares of Class A Common Stock available for issuance under the 2020 Plan, which includes shares from the 2010 Plan that become available for issuance due to the forfeiture of then outstanding out-of-the-money stock options.

Stock options are granted at exercise prices equal to the grant-date market prices and typically expire on either the fifth or tenth anniversary of the grant date. In contrast to a stock option where the grantee buys our Company's share at an exercise price determined on the grant date, a restricted stock unit ("RSU") entitles the grantee to receive

one
share for every RSU based on a vesting plan, typically between one year and four years from grant. As discussed further below, a performance component has been added to

certain of the RSUs or options granted to management. At the time the options are exercised or RSUs vest and are settled, at the discretion of management, we will issue treasury shares or make a new issuance of shares to the option or RSU holder.

Stock Options

We have estimated the grant-date fair value of our stock options using the Black-Scholes option-valuation model, which takes into account assumptions such as the dividend yield, the risk-free interest rate, the expected stock price volatility, and the expected life of the options. We expensed the estimated grant-date fair values of options over the vesting period on a straight-line basis. Based on our historical experience, the "deemed exercise" of expiring in-the-money options and the relative market price to strike price of the options, we have not estimated any forfeitures of vested or unvested options.

Stock options to purchase

207,657

shares of Class A Common Stock were issued to the Board of Directors upon their reelection to the Board in December 2023 for their services for their 2024 term.

No

other stock options were granted in 2023. On June 6, 2024, we issued options to purchase

1,264,603

shares of Class A Common Stock to our senior executives. These options have a one-year vesting and a ten-year term and were granted in lieu of cash bonuses which would otherwise have been paid under our Company's Incentive Compensation Program.

No

other stock options were granted during the two quarters of 2024.

For the quarter and six months ended June 30, 2024, we recorded a compensation expense of \$

115,000

and \$

164,000

respectively, with respect to our prior stock option grants. For the quarter and six months ended June 30, 2023, we recorded a compensation expense of and \$

9,000

and \$

18,000

respectively, with respect to our prior stock option grants. At June 30, 2024, the total unrecognized estimated compensation expense related to non-vested stock options was \$

815,000

, which we expect to recognize over a weighted average vesting period of 1.03 years. The intrinsic, unrealized value of all options outstanding vested and expected to vest, at June 30, 2024, was nil, as the closing price of our Class A Common Stock on that date was \$

1.42

The following table summarizes the number of options outstanding and exercisable as of June 30, 2024, and December 31, 2023:

	Outstanding Stock Options - Class A Shares			
	Number of Options Class A	Weighted Average Exercise Price Class A	Estimated Average Remaining Years of Contractual Life Class A	Aggregate Intrinsic Value Class A
Balance - December 31, 2022	327,498	\$ 15.87	1.24	\$ —
Granted	207,657	1.92	—	—
Exercised	(—)	—	—	—
Forfeited	122,376	—	—	—
Balance - December 31, 2023	412,779	\$ 14.19	1.79	\$ —
Granted	1,264,603	1.47	—	—
Exercised	(—)	—	—	—
Forfeited	205,122	—	—	—
Balance - June 30, 2024	1,472,260	\$ 1.73	9.87	\$ —

Restricted Stock Units

The following table summarizes the status of RSUs granted to date as of June 30, 2024:

Grant Date	Restricted Stock Units					
	RSU Grants (in units)		Total Grants	Vested, June 30, 2024	Unvested, June 30, 2024	Forfeited, June 30, 2024
Directors	Management					
Opening balance	265,755	793,353	1,059,108	944,946	50,259	63,904
April 18, 2022	—	428,899	428,899	151,033	230,601	47,265
December 15, 2022	73,683	—	73,683	73,683	—	—
April 11, 2023	—	413,536	413,536	146,714	257,790	9,032
April 21, 2023	—	237,719	237,719	79,328	149,866	8,525
April 28, 2023	—	20,427	20,427	5,109	15,318	—
Total	339,438	1,893,934	2,233,372	1,400,813	703,834	128,726

Time vested RSU awards to management typically vest

25% on the anniversary of the grant date and the remainder over a period of four years. Beginning in 2020, a performance component has been added to certain management equity grants, which vest on the third anniversary of their grant date based on the achievement of certain performance metrics. From 2021 onwards, RSUs have two vesting structures, which include time vesting and performance vesting. The majority of RSUs vest

75% evenly over a period of four years, with the remaining

25% contingent upon the achievement of certain performance metrics, vesting in full on the third anniversary of the date of the grant. In the case of our Chief Executive Officer, RSUs vest

50% evenly over a period of four years with the remaining

50%, contingent upon the achievement of certain performance metrics, vesting in full on the third anniversary of the grant date. On April 11 and April 21, 2023, the Board of Directors determined that our Company was not in a position to pay cash bonuses that would otherwise have been earned by certain members of management under our Company's Incentive Compensation Plan for 2022, and authorized the issuance in lieu of such cash bonuses

85,139 RSUs, which vested on April 11, 2024 and

52,360 RSUs, which vested on April 21, 2024.

No RSUs were granted during the remainder of 2023 or the first two quarters of 2024, however, the Compensation Committee has not completed its final review of 2024 incentive compensation.

For the quarter and six months ended June 30, 2024, we recorded compensation expense of \$

341,000 and \$

1.0 million, respectively. For the quarter and six months ended June 30, 2023, we recorded compensation expense of \$

299,000 and \$

733,000, respectively. The total unrecognized compensation expense related to the non-vested RSUs was \$

2.6 million as of June 30, 2024, which we expect to recognize over a weighted average vesting period of 1.17 years.

Stock Repurchase Program

Our Stock Repurchase Program expired on March 10, 2024. It has not been renewed.

No stock has been repurchased by our Company since March 10, 2020.

Note 18 – Hedge Accounting

As of June 30, 2024, our Company held derivative instruments to the notional value of \$

33.4 million. The changes in fair value of that instrument were recorded in Other Comprehensive Income and released into interest expense in the same period(s) in which the hedged transactions affect earnings. As of December 31, 2023, our Company held

no derivative instruments. In the quarter and six months ended June 30, 2024 and June 30, 2023, respectively, the derivative instruments affected Comprehensive Income as follows:

(Dollars in thousands)	Location of Loss Recognized in Income on Derivatives	Amount of Loss (Gain) Recognized in Income on Derivatives			
		2024	2023	2024	2023
Interest rate contracts	Interest expense	\$ —	\$ (19)	\$ —	\$ (786)
Total		\$ —	\$ (19)	\$ —	\$ (786)
(Dollars in thousands)					
(Dollars in thousands)		Loss (Gain) Recognized in OCI on Derivatives (Effective Portion)			
		2024	2023	2024	2023
Interest rate contracts		\$ 98	\$ (16)	\$ 98	\$ 2
Total		\$ 98	\$ (16)	\$ 98	\$ 2
(Dollars in thousands)					
Line Item		Loss (Gain) Reclassified from OCI into Income (Effective Portion)			
		2024	2023	2024	2023
Interest expense		\$ —	\$ (220)	\$ —	\$ (785)
Total		\$ —	\$ (220)	\$ —	\$ (785)

Note 19 – Fair Value Measurements

ASC 820, *Fair Value Measurement* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and,

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following tables summarize our financial liabilities that are carried at cost and measured at fair value on a non-recurring basis as of June 30, 2024, and December 31, 2023, by level within the fair value hierarchy.

(Dollars in thousands)	Carrying Value ⁽¹⁾	Fair Value Measurement at June 30, 2024			Total
		Level 1	Level 2	Level 3	
Notes payable	\$ 182,307	\$ —	\$ —	\$ 183,045	\$ 183,045
Subordinated debt	28,111	—	—	27,771	27,771
	\$ 210,418	\$ —	\$ —	\$ 210,816	\$ 210,816

(Dollars in thousands)	Carrying Value ⁽¹⁾	Fair Value Measurement at December 31, 2023			Total
		Level 1	Level 2	Level 3	
Notes payable	\$ 181,801	\$ —	\$ —	\$ 148,325	\$ 148,325
Subordinated debt	28,499	—	—	27,832	27,832
	\$ 210,300	\$ —	\$ —	\$ 176,157	\$ 176,157

(1) These balances are presented before any deduction for deferred financing costs.

The following is a description of the valuation methodologies used to estimate the fair value of our financial assets and liabilities. There have been no changes in the methodologies used as of June 30, 2024, and December 31, 2023.

- Level 1** investments in marketable securities primarily consist of investments associated with the ownership of marketable securities in U.S. and New Zealand. These investments are valued based on observable market quotes on the last trading date of the reporting period.
- Level 2** derivative financial instruments are valued based on discounted cash flow models that incorporate observable inputs such as interest rates and yield curves from the derivative counterparties. The credit valuation adjustments associated with our non-performance risk and counterparty credit risk are incorporated in the fair value estimates of our derivatives. As of June 30, 2024, and December 31, 2023, we concluded that the credit valuation adjustments were not significant to the overall valuation of our derivatives.
- Level 3** borrowings include our secured and unsecured notes payable, trust preferred securities and other debt instruments. The borrowings are valued based on discounted cash flow models that incorporate appropriate market discount rates. We calculated the market discount rate by obtaining period-end treasury rates for fixed-rate debt, or LIBOR for variable-rate debt, for maturities that correspond to the maturities of our debt, adding appropriate credit spreads derived from information obtained from third-party financial institutions. These credit spreads take into account factors such as our credit rate, debt maturity, types of borrowings, and the loan-to-value ratios of the debt.

Our Company's financial instruments also include cash, cash equivalents, receivables and accounts payable. The carrying values of these financial instruments approximate the fair values due to their short maturities. Additionally, there were

no

transfers of assets and liabilities between levels 1, 2, or 3 during the quarter and six months ended June 30, 2024, and June 30, 2023.

Note 20 – Subsequent Events

On August 12, 2024, the date for the closing of our acquisition of the ground lessee's interest in the land and improvements constituting our Village East Theatre was extended to November 30, 2024, and our sublease of that facility was extended until September 1, 2026.

On August 13, 2024, we increased the limit of the Westpac Corporate Credit Facility by NZ\$

5.0 million to NZ\$

18.8 million.

This MD&A should be read in conjunction with the accompanying unaudited consolidated financial statements included in Part I, Item 1 (Financial Statements). The foregoing discussions and analyses contain certain forward-looking statements. Please refer to the "Cautionary Statement Regarding Forward-Looking Statements" included at the conclusion of this section and our "Risk Factors" set forth in our 2023 Form 10-K, Part 1 – Financial Information, Item 1A and the Risk Factors set out below.

Item 2 – Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations

The MD&A should be read in conjunction with our consolidated financial statements and related notes in this Report.

Business Overview & Updates

We continue to be optimistic about the current trajectory of our cinema business and the cinema industry as a whole. Although we remain positive, we are currently, and have in recent years, been impacted by multiple factors, such as COVID – 19, the 2023 Hollywood Strikes and current macroeconomic situations such as inflation, interest rates, labor increases and the declining value of the Australian and New Zealand dollars. These factors are largely beyond our control, and continue to adversely impact the profitability of our global cinema segment when compared to pre-pandemic levels:

- Cinema patronage levels have not yet returned to pre-pandemic levels;
- Inflationary pressures, ongoing supply chain issues, mandatory minimum wage increases, increased operating expenses all arising post-pandemic continue to push up our variable costs while we encounter consumer resistance to higher ticket prices;
- Increased fixed costs for third party cinema rents, some of which are increasing due to fixed rent escalations, some of which are fixed and some of which are adjusted by reference to changes in the cost-of-living index, which are exacerbated by having to also pay COVID-19 related rent deferrals for the periods of time when our operations were closed or restricted;
- Reserve banks in the U.S., Australia and New Zealand have increased interest rates causing our cost of borrowing to increase materially;
- Decreases in exchange rates for the Australian and New Zealand currencies when compared to the U.S. Dollar; and
- General market and economic conditions.

In addition to the above factors negatively influencing the profitability of our global cinema business, we continue to feel the repercussions of the 2023 Hollywood Strikes on our second quarter 2024 operations. Several notable movie titles initially slated for 2024 have been postponed to 2025, including *Captain America: Brave New World*, *Thunderbolts*, Disney's *Snow White*, *Elio, Mission: Impossible 8*, *SpongeBob SquarePants*, and James Cameron's eagerly awaited *Avatar* sequel. While certain second quarter 2024 movies such as *Kingdom of the Planet of the Apes*, *Bad Boys: Ride or Die* and *Inside Out 2* delivered impressive box office performances, they did not save the second quarter of 2024 in comparison to the same period in 2023. Three recent releases, in addition to *Inside Out 2*, which is now the highest grossing animated movie of all time worldwide, have exceeded box office expectations, but were released either late in the second quarter, or in the third quarter of 2024 and, consequently, did not materially impact our results in the first two quarters: *Despicable Me 4* (global box office to date of \$809 million), *Twisters* (global box office to date of \$312 million) and *Deadpool & Wolverine* (global box office to date of \$1.0 billion). However, the remaining 2024 film lineup looks strong, featuring highly anticipated releases expected to continue driving audiences to our big screens, including: *Joker: Folie a Deux*, *Wicked*, *Moana 2*, *Gladiator 2* and *Mufasa: Lion King*. Even though we continue to monitor the above factors, we are optimistic about the long-term outlook for our industry for several reasons: (i) more product is being produced catering to niche cinema audiences, like those for concert films and faith-based movies, (ii) major studios and distributors, including streaming platforms such as Amazon, Apple TV and Netflix recognize the economic importance of the theatrical movie release window not only for its contribution to box office revenues, but also as a platform to publicize and differentiate their product from other product available on cable or through streaming, and (iii) the attendance levels of certain highly anticipated, well marketed movies have demonstrated that moviegoers will leave their homes for a night at the movies at attendance rates comparable to pre-pandemic blockbusters.

We continue to work with our landlords to address our occupancy costs, which are high at current revenue levels. Acknowledging that that there is an excess of cinemas in the U.S. we have been assessing our U.S. holdings and intend to continue to close non-performing locations where reasonable accommodations cannot be worked out with the applicable landlord. Since the beginning of the fourth quarter of 2022, we have not renewed our leases at three locations in Hawaii, one location in Texas and one location in Northern California (all of which suffered from negative theater level cash flow). While from time to time in these negotiations, certain of our existing U.S. cinema landlords have engaged in legal proceedings, in each such pending case, we have reached tentative agreements as to revised going forward lease terms, which agreements are currently being documented. We continue to be confident that in the coming years, our cinema revenue will once again support our real estate development ventures. We have one project in Australia for eight screens in the pipeline today.

Recognizing our needs for administrative space reduced in 2024, we streamlined our operations by divesting our administrative building in Culver City, California, freeing up \$1.2 million in cash after covering mortgage settlements, brokerage commissions, and transactional fees. It is our expectation that this asset disposition will yield savings of approximately \$1.5 million in operational and holding expenses between now and the end of 2025. At the present time, we are managing our California overhead by working remotely, while we work to relocate in less expensive right-sized space.

Additionally, we anticipate sustained improvements in the operational performance of our cinemas as our global circuit continues its recovery. One driving factor for this optimism is the ongoing expansion and refinement of our Food and Beverage ("F&B") menus. Notably, as mentioned above, in 2023, we can sell beer and wine in 100% of our U.S. cinemas and can sell liquor in all, but three, U.S. Cinemas. We are in the process of seeking the licenses to sell liquor at each of these U.S. Cinemas, along with beer and wine. Looking ahead, we are committed to obtaining liquor licenses and enriching our F&B offerings across our circuits in Australia and New Zealand. This strategic focus displays our dedication to enhancing the overall cinema experience for our valued customers.

Recent Box Office Improvements

Despite the impact from the 2023 Hollywood Strikes, the box office revenue of certain movies released during the second quarter of 2024 demonstrated strength. As mentioned above, sequel movies such as *Inside Out 2*, *Kingdom of the Planet of the Apes*, and *Bad Boys: Ride or Die* delivered record breaking results. *Inside Out 2* has soared to over \$1.5 billion in worldwide box office, becoming the highest grossing animated movie worldwide of all time. This Disney sequel's domestic opening in June 2024 increased over 71% from the initial movie released in 2015 and became Pixar's top-grossing movie of all time. *Kingdom of the Planet of the Apes* currently has a worldwide gross of over \$397 million, becoming the 2nd best domestic 20th Century Studios movie ever. With a worldwide gross of over \$400 million, *Bad Boys Ride or Die*, the fourth movie in the series, has now helped the franchise reach over \$1.2 billion worldwide. Further growing the second quarter 2024 box office, *Civil War* brought in over \$122 million making it A24's 2nd highest-grossing movie behind *Everything, Everywhere, All at Once*.

The achievement of these films not only reinforces our confidence in the enduring strength of the global cinema industry but also highlights its resilience in the face of past and continuing challenges such as rising operating expenses, labor shortages, changes to movie release dates and supply chain disruptions. As we enter the third quarter of 2024, we are ready to build on this momentum with another exciting movie lineup. Audiences have already been treated to *Inside Out 2*, *Despicable Me 4* and *Twisters* and now *Deadpool & Wolverine*. *Despicable Me 4* grossed almost \$809 million worldwide, catapulting the franchise to over a \$5 billion worldwide gross, making it the 3rd highest movie of 2024 at the domestic box office. *Twisters* had a positive impact at the box office by having a domestic opening gross of over \$81 million and over a 97% increase from its 1996 domestic opening.

Again, we look forward to a diverse range of upcoming releases for the remainder of 2024, including (i) *Beetlejuice Beetlejuice*, *Transformers One, Joker: Folie a Deux*, *Venom: the Last Dance*, *Wicked*, *Moana 2*, *Gladiator 2*, *Mufasa: Lion King* and *Sonic the Hedgehog 3* and (ii) critically acclaimed films from specialty distributors, including, without limitation, director John Crowley's *We Live in Time*, director Andrea Arnold's *Bird*, director RaMell Ross' *Nickel Boys*, director Luca Guadagnino's *Queer*, director James Mangold's *A Complete Unknown* and director Pedro Almodovar's *The Room Next Door*.

Real Estate Developments

In the United States, during the first quarter of 2024, we sold our underutilized administrative office building in Culver City, California for \$10.0 million.

With respect to our 44 Union Square property in New York City, during the first quarter we engaged a new leasing broker, George Comfort & Sons (www.gcomfort.com), to head the leasing efforts for the remaining space at 44 Union Square. While the space was originally designed for office uses, given the dramatic presence of the property on Union Square, the rebound in foot traffic being enjoyed by Union Square and our building's significant branding potential, we are considering, a range of uses beyond traditional office tenants, including short term and special purpose uses.

As of June 30, 2024, all of our tenants (excluding one tenant completing refurbishment upgrade works and one tenant completing make good works) were currently open for business at our Australian and New Zealand properties. Most of the rentable retail portions of our Courtenay Central location in New Zealand continue to be closed due to seismic concerns, however one tenant remains open and trading. Furthermore, there is also one tenant trading on our Wakefield property. Our open land areas in Wellington are generating parking revenues.

Due to our liquidity needs, our development endeavors have largely been put on hold. Our limited capital expenditures during 2023 and the first half of 2024 have been largely focused on the enhancement of our existing cinemas. To increase our liquidity, in addition to our industrial property in Williamsport, Pennsylvania, the Company has listed for sale its property assets in (i) Townsville (Queensland), Australia, (ii) Wellington, New Zealand and (iii) Rotorua, New Zealand.

Company Overview

We are an internationally diversified company principally focused on the development, ownership, and operation of entertainment and real estate assets in the United States, Australia, and New Zealand. Currently, we operate in two business segments:

- Cinema exhibition, through our 60 cinemas as of June 30, 2024.
- Real estate, including real estate development and the rental of retail, commercial, and live theatre assets.

We believe these two business segments complement and support one another. Prior to COVID-19, we used cash flows generated by our cinema operations to fund the front-end cash demands of our real estate development business. Post pandemic, we relied more upon income from our real estate assets, and tapped into the imbedded value in those assets, to support our Company through the COVID-19 crisis. As the impact of residual macroeconomic issues diminishes and the movie release schedule improves in terms of both quality and

quantity thereby enticing patrons back to our cinemas, we believe that we will once again be able to rely on the cash flows generated by our cinema portfolio. For example, a 100-basis point reduction in rates would save us \$2 million per year.

Despite our confidence in the long-term viability of the cinema industry, in light of our upcoming liquidity needs due to debt maturities and other factors, we have identified certain real estate assets to monetize and will be exploring the monetization of other properties to the extent our liquidity needs require. We are steadfast in our belief that our two-pronged, diversified international business strategy will keep carrying our Company through these difficult times as we continue to navigate the uncertainty and challenges posed by the recent macroeconomic obstacles. See Note 3 – *Liquidity and Impairment Assessment*.

Key Performance Indicators

Food and Beverage Spend Per Patron

A key performance indicator utilized by management in our cinema segment is F&B Spend Per Patron ("SPP"). This metric is calculated by dividing our post-tax Food & Beverage Revenues by the number of cinema attendees during a specific period.

One of our strategic priorities has been to continue upgrading the food and beverage menu at several of our global cinemas. As of June 30, 2024, we have a total of 38 theater locations with elevated food and beverage menus (i.e. menus that are beyond traditional popcorn, soda, and candy). We use SPP to assess our food and beverage performance compared to our competitors. While various factors like labor and cost of goods affect our F&B profitability, SPP indicates our ability to maintain strong top-line performance. It also reflects our success in generating additional revenue by promoting and selling supplementary products to our customers during their visits. Furthermore, this metric helps us evaluate how well we differentiate our F&B offerings from competitors. Management uses F&B SPP to adjust pricing strategies, measure the effectiveness of marketing initiatives, optimize menu offerings, and ensure that prices remain accessible to our customers.

Food & Beverage Spend Per Patron (in functional currency)	Three Months Ended			Six Months Ended		
	June 30,		% Change Favorable/(Unfavorable)	June 30,		% Change Favorable/(Unfavorable)
	2024	2023		2024	2023	
United States	\$8.12	\$8.11	0.1 %	\$7.93	\$7.96	(0.4)%
Australia	\$7.67	\$7.48	2.5 %	\$7.66	\$7.56	1.3 %
New Zealand	\$6.60	\$6.88	(4.1)%	\$6.64	\$6.87	(3.3)%

Average Ticket Price per Patron

Another key performance indicator used by management in our cinema segment is Average Ticket Price ("ATP") per Patron, which is calculated based on our total Box Office Revenues on a post-tax basis divided by our cinema attendance during a specific period. ATP measures our operational cinema performance when compared to that of our competitors. ATP is a useful metric for evaluating our ability to achieve a strong top line performance, gauging the effectiveness of our cinemas' pricing strategies and our ability to entice customers back to our theaters. Management uses ATP to adjust and inform ticket pricing schemes for our individual theaters, measures the effectiveness of our content programming, and ensures that price barriers are not created for our guests.

Average Ticket Price (in functional currency)	Quarter Ended			Six Months Ended		
	June 30,		% Change Favorable/(Unfavorable)	June 30,		% Change Favorable/(Unfavorable)
	2024	2023		2024	2023	
United States	\$13.27	\$12.95	2.5 %	\$13.52	\$12.81	5.5 %
Australia	\$13.11	\$14.05	(6.7)%	\$13.35	\$14.07	(5.1)%
New Zealand	\$11.35	\$12.37	(8.2)%	\$11.56	\$12.41	(6.8)%

Real Estate Key Performance Indicators

The key performance indicators used by management in our real estate segment with respect to our properties held for rent (other than our Live Theatres) are net operating income, occupancy factor (the percentage of the net rentable area of our properties that is leased) and average lease duration. Set forth in the table below is a comparison of these indicators for the second quarter and six months ended June 30, 2024 compared to the corresponding periods in 2023. As a matter of clarification, we have not included in our calculation of net rentable area available for lease any space that is closed for renovation or redevelopment (such as our Courtenay Central property).

Real Estate (in functional currency)	Quarter Month Ended				Six Months Ended		
	June 30,		% Change Favorable/(Unfavorable)	June 30,		% Change Favorable/(Unfavorable)	
	2024	2023		2024	2023		
United States	Net Operating Income	(322,788)	(86,343)	(273.8)%	(853,151)	(408,422)	(108.9)%
Australia	Net Operating Income	736,841	274,227	168.7 %	1,470,388	783,154	87.8 %
	Occupancy Factor	95%	95%	0.0 %age points	95%	95%	0.0 %age points
	Average Lease Duration	3.25 years	2.06 years	1.19 years	3.25 years	2.06 years	1.19 years
New Zealand	Net Operating Income	(797,503)	(565,221)	(41.1)%	(1,412,421)	(1,154,592)	(22.3)%
	Occupancy Factor	100%	100%	0.0 %age points	100%	100%	0.0 %age points
	Average Lease Duration	1 years	3.87 years	(2.87) years	1 years	3.87 years	(2.87) years

In the case of our Live Theatres, with respect to key performance indicators, we primarily look to the live theater rental revenue and ancillary income from the theatres. This key performance indicator represents box office revenues less amounts paid to producers for license fee settlements, plus ancillary income earned by us from certain theater operations. Our live theater rental revenue and ancillary income for the second quarter of 2024 was \$415,814 which decreased from \$566,196 in the second quarter of 2023.

Historically, in the case of our development properties (such as 44 Union Square in New York City and our various international properties such as Newmarket Village in Australia), we have no specific key performance standards to compare performance from period to period. Rather we continue to analyze budgets and projections and compare actual results to budgeted or projected results from time to time.

Cinema Exhibition Overview

We operate our worldwide cinema exhibition businesses through various subsidiaries under various brands:

- in the U.S., under the Reading Cinemas, Consolidated Theatres and Angelika Film Center brands.
- in Australia, under the Reading Cinemas, Angelika, and, for our one unconsolidated joint venture theatre, Event Cinemas brands.
- in New Zealand, under the Reading Cinemas and our two unconsolidated joint venture theatres, Rialto Cinemas brands.

Shown in the following table are the number of locations and screens in our cinema circuit in each country, by state/territory/region, our cinema brands, and our interest in the underlying assets as of June 30, 2024.

Country	State / Territory / Region	Location Count	Screen Count	Interest in Asset Underlying the Cinema		Operating Brands
				Leased	Owned	
United States	Hawaii	6	74			
	California	6	72	6		Reading Cinemas, Angelika Film Center
	New York	3	16	2	1	Angelika Film Center
	Texas	1	9	1		Angelika Film Center
	New Jersey	1	12	1		Reading Cinemas
	Virginia	1	8	1		Angelika Film Center
	Washington, D.C.	1	3	1		Angelika Film Center
	U.S. Total	19	193	18	1	
Australia	Victoria	9	62	9		Reading Cinemas
	New South Wales	6	44	6		Reading Cinemas
	Queensland	7	64	4	3	Reading Cinemas, Angelika Cinemas, Event Cinemas(1)
	Western Australia	4	27	3	1	Reading Cinemas
	South Australia	2	15	2		Reading Cinemas
	Tasmania	2	14	2		Reading Cinemas, State Cinema by Angelika
	Australia Total	30	226	26	4	
New Zealand	Wellington	2	15	1	1	Reading Cinemas
	Otago	3	15	2	1	Reading Cinemas, Rialto Cinemas(2)
	Auckland	2	15	2		Reading Cinemas, Rialto Cinemas(2)
	Canterbury	1	8	1		Reading Cinemas
	Southland	1	5	1		Reading Cinemas
	Bay of Plenty	1	5		1	Reading Cinemas
	Hawke's Bay	1	4		1	Reading Cinemas
	New Zealand Total	11	67	7	4	
	GRAND TOTAL	60	486	51	9	

(1) Our Company has a 33.3% unincorporated joint venture interest in a 16-screen cinema located in Mt. Gravatt, Queensland managed by Event Cinemas.

(2) Our Company is a 50% joint venture partner in two New Zealand Rialto Cinemas, with a total of 13 screens. We are responsible for the booking of these cinemas and our joint venture partner, Event Cinemas, manages their day-to-day operations.

Our cinema revenues consist primarily of cinema ticket sales, F&B sales, screen advertising, gift card sales, cinema rentals, and online convenience fee revenue generated by the sale of our cinema tickets through our websites and mobile apps. Cinema operating expenses consist of the costs directly attributable to the operation of the cinemas, including (i) film rent expense, (ii) operating costs, such as employment costs and utilities, and (iii) occupancy costs. Cinema revenues and certain expenses fluctuate with the availability of quality first run films and the number of weeks such first run films stay in the market. For a breakdown of our current cinema assets that we own and/or manage, please refer to *Part I, Item 1 – Our Business* of our 2023 Form 10-K. We now present a discussion of recent material developments.

Cinema Additions and Pipeline

The latest additions to our cinema portfolio as of June 30, 2024, were as follows:

- Armadale, Western Australia, Australia:** On January 13, 2023, we took over an existing six-screen cinema in Armadale, Australia, a suburb of Perth in Western Australia.
- South City Square, Brisbane, Australia:** On August 24, 2023, we launched our first-ever Angelika Cinemas outside of the United States at South City Square in Woolloongabba, Brisbane. The location operates as an eight-screen complex, featuring elevated food and beverage offerings (including alcoholic beverages), and recliner seating. Three of the auditoriums, known as Soho Lounge cinemas, offer table-service.
- Busselton, Western Australia, Australia:** On September 22, 2023, we opened a five-screen complex in the newly expanded Busselton Central Shopping Centre precinct of Busselton, Western Australia. The state-of-the-art complex features a TITAN LUXE screen, elevated food and beverage offerings, and recliner seating.

Our Board has authorized management to proceed with the negotiation of lease for one new state-of-the-art cinema, located in Noosa, Queensland, Australia.

Cinema Upgrades

As of June 30, 2024, the upgrades to our cinema circuits' film exhibition technology and amenities over the years are as summarized in the following table:

	Location Count	Screen Count
Screen Format		
Digital (all cinemas in our cinema circuit)	60	486
IMAX	1	1
TITAN XC and TITAN LUXE	26	32
Dine-in Service		
Gold Lounge (AU/NZ) ⁽¹⁾	11	29
Premium (AU/NZ) ⁽²⁾	17	45
Spotlight (U.S.) ⁽³⁾	1	6
Upgraded Food & Beverage menu (U.S.)⁽⁴⁾	16	n/a
Premium Seating (features recliner seating)	33	198
Liquor Licenses⁽⁵⁾	46	n/a

(1) **Gold Lounge:** This is our "First Class Full Dine-in Service" in our Australian and New Zealand cinemas, which includes an upgraded F&B menu (with alcoholic beverages), luxury recliner seating features (intimate 25-50 seat cinemas) and waiter service.

(2) **Premium Service:** This is our "Business Class Dine-in Service" in our Australian and New Zealand cinemas, which typically includes upgraded F&B menu (some with alcoholic beverages) and may include luxury recliner seating features (less intimate 80-seat cinemas), but no waiter service.

(3) **Spotlight Service:** Our first dine-in cinema concept in the U.S. at Reading Cinemas in Murrieta, California. Six of our 17 auditoriums at this cinema feature waiter service before the movie begins with a full F&B menu, luxury recliner seating, and laser focus on customer service. Our Spotlight service has been temporarily suspended since the initial COVID-19 shutdown.

(4) **Upgraded Food & Beverage Menu:** Features an elevated F&B menu including a menu of locally inspired and freshly prepared items that go beyond traditional concessions, which we have worked with former Food Network executives to create. The elevated menu also includes beer, wine and/or spirits at most of our locations.

(5) **Liquor Licenses:** Licenses are applicable at each cinema location, rather than each cinema auditorium. As of today, we (i) have licenses in 100% of our cinemas operating in the U.S. to sell beer and wine and (ii) we are working to add liquor to our licenses in our three New York City cinemas. In Australia, 83% of our cinemas are licensed and we have one liquor licenses pending. In New Zealand, 33% of our cinemas are licensed and we have zero liquor licenses pending.

Recent Enhancements

United States

Renovation Work: As of June 30, 2024, we have converted 110 of our 193 U.S. auditoriums to luxury recliner seating. As of the date of this Report, we are engaging in discussions with certain landlords in the U.S. about tenant allowances to upgrade certain U.S. cinemas.

Australia and New Zealand

Rouse Hill renovation: Our Reading Cinema in Rouse Hill (NSW) will undergo a lease obligated refurbishment focusing on the foyer, concessions, including the introduction of hot food offerings, and the addition of another all reclining Premium auditorium. The preliminary drawings have been completed and we are developing construction drawings for applicable approvals.

Angelika Film Centre, South City Square: Australia's first Angelika opened on August 24, 2023 in the Woolloongabba (Queensland) South City Square development. The complex offers eight screens, all reclining seating, and exceptional hot food and liquor offerings.

Other Cinema Upgrades: In addition, during the three-year period of 2021 to 2023, we improved our Reading Cinemas in Sunbury (VIC) and the State Cinema (TAS) in Australia.

During 2024, we will continue to focus on the enhancement of our proprietary online ticketing and Food & Beverage capabilities, together with improving and expanding our social media platforms and interfaces. These are intended to enhance the convenience of our offerings and to promote guest affinity with the experiences and products we offer.

Cinema Closures

On May 7, 2023, The Hutt Pop-Up in New Zealand was permanently closed due to the expiration of our lease for that location. We chose not to continue the cinema as it was only brought online as a "pop up" to address a temporary opening in the market. Since the fourth quarter of 2022, we have closed five cinema locations, all of which were loss makers: three in Hawaii, one in Northern California and one in Texas.

Real Estate Overview

Through our various subsidiaries, we engage in the real estate business through the development, ownership, rental or licensing to third parties of retail, commercial, and live theatre assets. Our real estate business is intended to create long-term value for our stockholders through the continuous improvement and development of our investment and operating properties, including our ETCs, and has, in recent times and will over the next 12 months, assist our liquidity needs through various asset monetizations. In addition to owning the fee interests in nine of our cinemas (as presented in the table under *Cinema Exhibition Overview*), as of June 30, 2024, we:

- own our 44 Union Square property in Manhattan comprised of retail and office space which is currently in the lease-up phase. The cellar, ground floor, and second floor of the building are now fully leased to Petco, which is in occupancy of its premises on a full rent paying basis;
- own and operate two ETCs known as Newmarket Village (in a suburb of Brisbane) and the Belmont Common (in a suburb of Perth) in Australia;
- own and operate another ETC known as Cannon Park in Townsville, Australia, which is currently held for sale;
- own property assets in Wellington, New Zealand, (including Courtenay Central, historically operated as an ETC), which are all currently held for sale;
- own and operate our administrative office building in South Melbourne, Australia;
- own and operate the fee interests in two developed commercial properties in Manhattan improved with live theatres comprised of a single stage in each location;
- own a 75% managing member interest in a limited liability company which in turn owns the fee interest in and improvements constituting our Cinemas 1,2,3 located in Manhattan;
- own an approximately 26.6-acre property in Williamsport, Pennsylvania, which is currently being held for sale; and
- own approximately 201-acres principally in Pennsylvania from our legacy railroad business, including the Reading Viaduct in downtown Philadelphia;

For a breakdown of our real estate assets, made current by our discussion below, please refer to *Part I, Item 1 – Our Business* of our 2023 Form 10-K. We now present a discussion of recent material developments.

Real Estate Held for Development

The combination of the COVID-19 pandemic, the lack of any material U.S. public pandemic financial assistance due to our public company status, the 2023 Hollywood Strike, increased interest rates, inflation, increased labor costs, and decreases in the value of the Australian Dollar and New Zealand Dollar vis-à-vis the U.S. Dollar, have significantly impacted our cinema operations and necessitated capital conservation to sustain our cinema operations and service our debt. This has required us to rethink our real estate business plan and to monetize a number of properties that had pre-COVID been slated for long term development.

To date, we have monetized the following property assets:

- (i) Our non-income producing land holdings in Coachella, California and Manukau, New Zealand;
- (ii) Our Redyard ETC in Auburn, Australia;
- (iii) Our Royal George live theatre complex in Chicago (slated for redevelopment, and now being redeveloped for residential purposes by the new owner);
- (iv) The land underlying our cinema in Invercargill, New Zealand;
- (v) Our non-competitive four-screen strata title cinema in Maitland, Australia; and
- (vi) Our administrative office building in Culver City, California.

These properties were identified for sale and sold in significant part because of (i) our need for liquidity due to the circumstances referred to above, (ii) the amount of capital required to materially increase their value in the immediate to mid-term, (iii) they were either non-income producing or provided immaterial cash flow and (iv) in the case of our Culver City office building, the property was not required for our operations because it exceeded our office size requirements.

As of the date of this Report, we have classified the following properties as held for sale:

- (i) The land underlying our cinema in Rotorua, New Zealand;
- (ii) Our approximately 3.7 acre five-parcel assemblage in the entertainment center of Wellington, New Zealand, which includes the Courtenay Central building;
- (iii) Our ETC properties in Townsville (QLD) in Australia known as Cannon Park; and
- (iv) Our industrial land in Williamsport, Pennsylvania (also currently non-income producing).

In the case of Rotorua, Courtenay Central and Cannon Park, if the potential buyer elects to have a cinema use on the property, we intend to lease back our existing Reading Cinema or a potentially new cinema, in the event the potential buyer elects to build a new cinema.

Our remaining assets held for development include the Cinemas 1,2,3 in Manhattan, and our various historic railroad properties, the principal of these being our holding in downtown Philadelphia, which is discussed in greater detail below.

United States:

44 Union Square Redevelopment (New York, N.Y.) – On January 27, 2022, we finalized a long-term lease agreement with Petco, securing occupancy of the cellar, ground floor, and second floor of the building, amounting to 42% of the leasable area. Petco commenced full-rent, cash-paying occupancy and officially opened its doors to the public on June 1, 2023. During mid-March 2024, we engaged George Comfort & Sons as our exclusive leasing broker for the remaining space. Originally designated for office use, the property's striking presence in Union Square, coupled with the resurgence of foot traffic in the area, and its exceptional branding potential, prompt us to explore a spectrum of uses beyond traditional office tenants. This includes consideration for short-term and special-purpose arrangements.

Mineetta Lane Theatre (New York, N.Y.) – Prior to the pandemic, our theater hosted Audible productions featuring a limited cast and special live performances streamed on the Audible platform. Public performances resumed on October 8, 2021, after an approximate 1.5-year hiatus due to the COVID-19 pandemic, during which we provided certain abatements. Audible has since resumed full operations and extended its license agreement with us through March 15, 2026, with an option to extend for an additional year.

Orpheum Theatre (New York, N.Y.) – Before COVID-19, our Orpheum Theatre was home to STOMP. While shows ceased from April 2020 to June 2021 due to the pandemic, performances afterward were intermittent. During this time, we provided certain abatements. STOMP concluded its 30-year run at our theater on January 8, 2023. Under our termination agreement, we retain the rights to host any future productions of the show. Following STOMP's departure, new productions such as *The Empire Strips Back* and Comedian Rachel Bloom's *Death, Let Me Do My Show* brought fresh excitement to audiences during 2023. During the first quarter of 2024, the Orpheum hosted Eddie Izzard's *Hamlet* which had a four-week run through April 14, 2024. And, on September 14, 2024 performances of *The Big Gay Jamboree* begin at the Orpheum. This new show from a book by Marla Mindelle, the co-author and original star of the Off Broadway hit musical-comedy *Titanique is being produced by* (i) LuckyChap, the producing team, which includes Margot Robbie, behind *Barbie* and *Saltburn* and (ii) multiple-Tony-winning Broadway producing veterans Sue Wagner and John Johnson (*Stereophonic, Lempicka*).

Cinemas 1,2,3 (New York, N.Y.) – Currently operated as the Cinemas 123 by Angelika, we have historically treated this property as an asset held for long term development. However, in light of a variety of factors, such as market conditions in Manhattan for real estate assets, cost of capital and demands on our liquidity, we have begun to explore alternatives for this property. These alternatives may include, again by way of example, the bringing in of a capital partner, the entering into a long-term ground lease (which could serve as the basis for medium to long term finance), and/or the sale (in whole or in part) of our interest in the property.

The Philadelphia Viaduct and Adjacent Properties (Philadelphia, Pennsylvania) – This continues to be an area of focus in 2024 as we continue our efforts to develop and maximize the potential of our real estate holdings in Philadelphia. Since 2023, we have resumed work on this project, particularly concentrating on the Reading Viaduct—an 0.7-mile-long raised rail bed and bridge system spanning the Callowhill and Poplar neighborhoods, extending to Vine Street in the heart of the city's Central Business District, near the proposed new home of the Philadelphia 76ers. Comprising approximately 6.5 acres of land, along with various connecting bridges over public streets and sidewalks, the Reading Viaduct represents a significant contiguous land holding unobstructed by public thoroughfares. While there has been interest from the City of Philadelphia and the City Center District in acquiring the Reading Viaduct for park purposes, no concrete steps have been taken to proceed with condemnation or transfer of the property. We are currently evaluating whether a dedicated public park is the most beneficial use of the space. While a public park and pedestrian corridor, similar to the New York High Line, could be integral to the Viaduct's development, we are also exploring mixed-use options such as residential, retail, and entertainment developments. Recent developments in the area, such as the announcement of a \$158 million federal grant for the Chinatown Stitch project in mid-March 2024, further highlight the potential of the Reading Viaduct. This project aims to reconnect the Chinatown community and surrounding neighborhoods by capping the Vine Street Expressway I-676, which directly intersects with the Reading Viaduct at Vine Street. We believe that capping the expressway at our property would significantly enhance the attractiveness and viability of the Reading Viaduct for future development.

Australia:

Newmarket Village ETC (Brisbane, Australia) – Through 2024 and into 2025 we plan to continue operating our Newmarket Village ETC, which includes Reading Cinemas as an anchor tenant. Our site includes a 23,218 square foot parcel adjacent to the center, improved with an office building. Over the next few years, we will be evaluating different development options for this space. As of the date of this Report, the combined center and office building is 99% leased.

Cannon Park Center ETC, (Queensland, Australia) – We own two adjoining properties in Townsville, Queensland, Australia, (Cannon Park City Center and Cannon Park Discount Center) comprising approximately 9.4-acres which we operate as our Cannon Park Center ETC. The total gross leasable area of the two properties is 126,368 square feet. Our six-screen Reading Cinema is an anchor tenant. These properties are currently 94% leased. This property is currently being marketed for sale.

The Belmont Common, (Belmont, Perth, Australia) – The total gross leasable area of the Belmont Common is 60,116 square feet. Our ten-screen Reading Cinema is the anchor tenant with six third-party tenants. The site is currently 100% leased.

New Zealand:

Wellington, New Zealand, including Courtenay Central – Our Wellington properties include five contiguous parcels representing approximately 161,082 square feet of land located in the entertainment core of Wellington and within walking distance and offering direct views of Wellington Harbor. Assembled over a period of years, we believe our properties represent the largest commercial assemblage available anywhere in Wellington. After recently encountering certain challenges with our development plans, we engaged JLL as our exclusive sales agent to market these key property assets that represent a once-in-a-lifetime development opportunity for a well-capitalized buyer. All five contiguous parcels are currently being marketed for sale by JLL.

□ Taking into account this generational development opportunity, together with, among other things, (i) the June 2023 opening of Takina, Wellington's first and state-of-the-art Convention and Exhibition Center (wcec.co.nz) directly across the street from our properties, (ii) the loosening of certain height and density restrictions, and (iii) the lack of comparable building sites, we believe the international and local market will support a compelling sales price, despite the current interest rate environment.

□ It is our intention to structure any monetization transaction to preserve for us the right to lease or operate any cinema that is built or operated on the assemblage, in the future.

For a complete list of our principal properties, see *Part I, Item 2 – Properties* under the heading "*Investment and Development Property*" in our 2023 Form 10-K."

Corporate Matters

Refer to *Part I – Financial Information, Item 1 – Notes to Consolidated Financial Statements-- Note 17 – Stock-Based Compensation and Stock Repurchases* for details regarding our stock repurchase program and Board, Executive and Employee stock-based remuneration programs.

Please refer to our 2023 Form 10-K for more details on our cinema and real estate segments.

RESULTS OF OPERATIONS

The table below summarizes the results of operations for each of our principal business segments along with the non-segment information for the quarter and six months ended June 30, 2024, and June 30, 2023, respectively:

(Dollars in thousands)	Quarter Ended		% Change Fav/ (Unfav)	Six Months Ended		% Change Fav/ (Unfav)
	June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023	
SEGMENT RESULTS						
Revenue						
Cinema exhibition	\$ 42,941	\$ 61,055	(30) %	\$ 84,213	\$ 103,042	(18) %
Real estate	5,013	5,217	(4) %	9,946	10,282	(3) %
Inter-segment elimination	(1,146)	(1,216)	5 %	(2,298)	(2,463)	7 %
Total revenue	46,808	65,054	(28) %	91,861	110,861	(17) %
Operating expense						
Cinema exhibition	(40,564)	(52,581)	23 %	(82,436)	(95,482)	14 %
Real estate	(2,461)	(2,104)	(17) %	(4,696)	(4,319)	(9) %
Inter-segment elimination	1,146	1,218	(6) %	2,298	2,463	(7) %
Total operating expense	(41,879)	(53,467)	22 %	(84,834)	(97,338)	13 %
Depreciation and amortization						
Cinema exhibition	(2,554)	(2,894)	12 %	(5,141)	(5,768)	11 %
Real estate	(1,358)	(1,619)	16 %	(2,874)	(3,206)	10 %
Total depreciation and amortization	(3,912)	(4,513)	13 %	(8,015)	(8,974)	11 %
General and administrative expense						
Cinema exhibition	(1,093)	(1,106)	1 %	(2,071)	(1,933)	(7) %
Real estate	(248)	(208)	(19) %	(539)	(466)	(16) %
Total general and administrative expense	(1,341)	(1,314)	(2) %	(2,610)	(2,399)	(9) %
Segment operating income						
Cinema exhibition	(1,270)	4,474	(>100) %	(5,435)	(141)	(>100) %
Real estate	946	1,286	(26) %	1,837	2,291	(20) %
Total segment operating income (loss)	\$ (324)	\$ 5,760	(>100) %	\$ (3,596)	\$ 2,150	(>100) %
NON-SEGMENT RESULTS						
Depreciation and amortization expense	(99)	(176)	44 %	(201)	(355)	43 %
General and administrative expense	(3,929)	(3,794)	(4) %	(8,063)	(7,889)	(2) %
Interest expense, net	(5,252)	(4,875)	(8) %	(10,537)	(8,991)	(17) %
Equity earnings in our consolidated joint ventures	119	207	(43) %	34	226	(58) %
Gain (loss) on sales of assets	9	—	—	(1,116)	—	(6) %
Other income (expense)	(216)	(86)	(>100) %	123	91	35 %
Income before income taxes	(9,592)	(2,964)	(>100) %	(23,318)	(14,768)	(58) %
Income tax benefit (expense)	156	103	51 %	379	583	(35) %
Net income (loss)	\$ (9,536)	\$ (2,861)	(>100) %	\$ (22,939)	\$ (14,185)	(62) %
Net income (loss) attributable to Reading International, Inc.						
Less: net income (loss) attributable to noncontrolling interests	(195)	(83)	(>100) %	(370)	(296)	(25) %
Net income (loss) attributable to Reading International, Inc.	\$ (9,341)	\$ (2,776)	(>100) %	\$ (22,569)	\$ (13,889)	(62) %
Basic earnings (loss) per share	\$ (0.42)	\$ (0.12)	(>100) %	\$ (1.01)	\$ (0.63)	(60) %

Consolidated and Non-Segment Results:

Second Quarter Net Results

Revenue

Revenue for the quarter ended June 30, 2024, decreased by \$18.2 million, to \$46.8 million, compared to the same period in the prior year, primarily due to (i) a weaker movie slate due to the negative impacts of the 2023 Hollywood Strikes, (ii) decreased U.S. and New Zealand property rent revenue, in part due to loss of third party rent revenue from our Culver City Office building, due to the abandonment by that tenant of their premises at the building in July 2023 (we subsequently sold the property in February 2024), (iii) lower U.S. live theatre revenue, and (iv) a softening of the AU/NZ foreign exchange rates.

Revenue for the six months ended June 30, 2024, decreased by \$19.0 million, to \$91.9 million, when compared to the same period in the prior year. This decrease is attributable to lower cinema performances in all countries, as a result of a weaker film slate and a decline in attendance, and reduced rent income in the U.S. and New Zealand.

Segment Operating Income/(Loss)

Our total segment operating income for the quarter ended June 30, 2024, decreased by \$6.1 million, from a gain of \$5.8 million to a loss of \$0.3 million, primarily due to a weaker film slate, and lower U.S. and NZ rent revenue.

Our total segment operating income for the six months ended June 30, 2024, decreased by \$5.7 million, from an income of \$2.2 million to a loss of \$3.6 million, primarily due to (i) weakened cinema performance, as attendance declined year-over-year, (ii) a loss in third party rent revenue as the result of the abandonment of the third party tenant of its premises in July 2023, and (iii) an increase in general and administrative expenses.

During the second quarter of 2024, both the Australia and New Zealand dollars devalued against the U.S. dollar. The average Australia dollar exchange rate against the U.S. dollar for the second quarter of 2024 decreased 1.3% compared to the same period in 2023. The average New Zealand dollar exchange rate against the U.S. dollar for the second quarter of 2024 decreased 2.1% compared to the same period in 2023. The devaluation of the Australia and New Zealand currencies negatively impacts segment operating income and positively impacts segment operating loss in U.S. dollar terms.

Net Income/(Loss)

Our net loss attributable to Reading International, Inc. for the quarter ended June 30, 2024, increased by \$6.6 million, from a loss of \$2.8 million to a loss of \$9.3 million, when compared to the same period in the prior year, primarily due to weakened cinema and real estate performance along with increased interest expense.

For the six months ended June 30, 2024, net loss attributable to Reading International, Inc. increased by \$8.7 million, from a loss of \$13.9 million to a loss of \$22.6 million, when compared to the same period in the prior year primarily due to decreased segment results, increased interest expense, and a loss on the sale of our Culver City office building.

Income Tax Expense

Income tax benefit for the three months ended June 30, 2024, increased by \$0.1 million compared to the equivalent prior-year period. The change between 2024 and 2023 is primarily related to an increase in pretax loss in 2024, offset by an increase in reserve for valuation allowance in 2024.

Income tax benefit for the six months ended June 30, 2024, decreased by \$0.2 million compared to the equivalent prior-year period. The change between 2024 and 2023 is primarily related to an increase in reserve for valuation allowance in 2024, partially offset by an increase in pretax loss in 2024.

Business Segment Results

Cinema Exhibition

The following table details our cinema exhibition segment operating results for the quarter and six months ended June 30, 2024, and June 30, 2023, respectively:

	Quarter Ended				Six Months Ended				Fav(Ufav)	
	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	Quarter Ended	Six Months Ended
(Dollars in thousands)										
REVENUE										
United States										
Admissions revenue	\$ 11,681	27%	\$ 18,712	31%	\$ 23,922	28%	\$ 30,755	30%	(38)%	(22)%
Food & beverage revenue	7,452	17%	11,998	20%	14,413	17%	19,445	19%	(36)%	(26)%
Advertising and other revenue	359	1%	300	5%	350	5%	360	5%	(2)%	(21)%
Australia										
Admissions revenue	\$ 21,480	50%	\$ 34,017	50%	\$ 42,785	51%	\$ 55,826	54%	(20)%	(20)%
Food & beverage revenue	10,851	25%	14,138	23%	21,113	25%	24,509	24%	(23)%	(14)%
Advertising and other revenue	6,348	15%	7,526	15%	11,114	14%	13,116	13%	(16)%	(8)%
New Zealand										
Admissions revenue	\$ 18,543	43%	\$ 22,940	38%	\$ 35,867	43%	\$ 40,151	39%	(19)%	(11)%
Food & beverage revenue	1,103	2%	1,600	2%	1,923	2%	2,331	2%	(20)%	(20)%
Advertising and other revenue	161	0%	185	0%	294	0%	353	0%	(13)%	(17)%
	\$ 2,918	7%	\$ 4,101	7%	\$ 5,561	7%	\$ 7,065	7%	(29)%	(21)%
Total revenue	\$ 42,941	100%	\$ 61,058	100%	\$ 84,213	100%	\$ 103,042	100%	(30)%	(18)%
OPERATING EXPENSE										
United States										
Film rent and advertising cost	\$ (6,272)	15%	\$ (10,450)	17%	\$ (12,411)	15%	\$ (16,609)	16%	40%	26%
Food & beverage cost	(2,012)	5%	(3,149)	5%	(3,918)	5%	(5,130)	5%	36%	24%
Occupancy expense	(3,206)	7%	(6,389)	10%	(8,993)	11%	(12,503)	12%	50%	28%
Other operating expense	(1,201)	3%	(1,936)	3%	(2,031)	3%	(2,776)	3%	11%	13%
Australia										
Film rent and advertising cost	\$ (20,578)	48%	\$ (30,881)	51%	\$ (43,419)	52%	\$ (59,113)	53%	33%	21%
Food & beverage cost	(4,947)	12%	(6,704)	11%	(9,395)	11%	(11,070)	11%	26%	15%
Occupancy expense	(4,596)	9%	(7,159)	9%	(8,840)	11%	(10,736)	9%	1%	1%
Other operating expense	(6,163)	14%	(8,480)	7%	(12,324)	15%	(15,528)	11%	(8)%	(7)%
New Zealand										
Film rent and advertising cost	\$ (17,085)	40%	\$ (18,806)	40%	\$ (31,459)	40%	\$ (34,786)	35%	7%	2%
Food & beverage cost	(4,252)	9%	(5,201)	9%	(6,454)	9%	(7,974)	7%	37%	27%
Occupancy expense	(225)	1%	(266)	1%	(430)	1%	(458)	0%	15%	6%
Other operating expense	(1,141)	3%	(1,041)	3%	(1,643)	3%	(1,856)	2%	11%	1%
	\$ (2,901)	7%	\$ (3,284)	5%	\$ (5,649)	7%	\$ (6,263)	6%	12%	10%
Total operating expense	\$ (40,563)	94%	\$ (52,584)	86%	\$ (82,436)	98%	\$ (95,482)	93%	23%	14%
DEPRECIATION, AMORTIZATION, IMPAIRMENT AND GENERAL AND ADMINISTRATIVE EXPENSE										
United States										
Depreciation and amortization	\$ (1,250)	3%	\$ (1,579)	3%	\$ (2,521)	3%	\$ (3,062)	3%	21%	18%
Impairment of long-lived assets		0%		0%		0%		0%	(>100)%	(>100)%
General and administrative expense	(739)	0%	(743)	1%	(1,372)	2%	(1,165)	1%	1%	(10)%
Australia										
Depreciation and amortization	\$ (1,989)	5%	\$ (2,322)	4%	\$ (3,893)	5%	\$ (4,227)	4%	14%	8%
Impairment expense	(1,192)	3%	(1,174)	2%	(2,382)	3%	(2,419)	2%	(20)%	(20)%
General and administrative expense	(355)	0%	(363)	0%	(529)	1%	(768)	1%	2%	9%
New Zealand										
Depreciation and amortization	\$ (1,126)	4%	\$ (1,537)	5%	\$ (3,061)	4%	\$ (3,181)	5%	(1)%	(3)%
Impairment expense	(112)	0%	(141)	0%	(238)	0%	(257)	0%	21%	17%
General and administrative expense	(112)	0%	(141)	0%	(238)	0%	(287)	0%	21%	17%
Total depreciation, amortization, general and administrative expense	\$ (3,648)	8%	\$ (4,000)	7%	\$ (7,212)	9%	\$ (7,701)	7%	9%	6%
OPERATING INCOME (LOSS) – CINEMA										
United States										
	\$ (1,088)	(3)%	\$ 814	1%	\$ (4,527)	(5)%	\$ (3,514)	(3)%	(>100)%	(29)%
Australia	(87)	(0)%	2,064	5%	(582)	(0)%	2,858	3%	(>100)%	(>100)%
New Zealand	(2)	(0)%	1,576	3%	(202)	(0)%	53	0%	(>100)%	(>100)%
Total Cinema operating income (loss)	\$ (1,270)	(3)%	\$ 4,474	7%	\$ (5,435)	(5)%	\$ (141)	(0)%	(>100)%	(>100)%

Second Quarter Results

Revenue

For the quarter ended June 30, 2024, cinema revenue decreased by \$18.1 million, to \$42.9 million compared to the same period in the prior year. This decrease was primarily due to (i) weaker movie slate as a result of the 2023 Hollywood Strikes, and (ii) weakening of AU/NZ foreign exchange rates.

For the six months ended June 30, 2024, cinema revenue decreased by \$18.8 million, to \$84.2 million compared to the same period in the prior year. This decrease was primarily driven by (i) weaker movie slates, and (ii) and lower Average Ticket Price in AU and NZ, along with (iii) a weakening of AU/NZ foreign exchange rates. This was offset by a higher Average Ticket Price in the U.S and higher F&B per capita in Australia.

Cinema Segment Operating Income/(Loss)

Cinema segment operating income for the quarter ended June 30, 2024, decreased by \$5.7 million, from an income of \$4.5 million to a loss of \$1.3 million when compared to the same period in the prior year. This decline of Operating Income is due to a decrease in cinema revenue for all countries as a result of the 2023 Hollywood Strikes.

Cinema segment operating loss for the six months ended June 30, 2024, increased by \$5.3 million, to a loss of \$5.4 million when compared to the same period in the prior year primarily due to the same reasons as above.

Operating expense

Operating expenses for the quarter ended June 30, 2024, decreased by \$12.0 million, to \$40.6 million, compared to the same quarter in the prior year. Operating expenses for the six months ended June 30, 2024, decreased by \$13.0 million, to \$82.4 million, compared to the same time period in the prior year. These decreases were due to, decreased film rent expense, decreased food & beverage cost, and decreased U.S. occupancy costs offset by increased Australia occupancy and other operating expenses.

Real Estate

The following table details our real estate segment operating results for the quarters and six months ended June 30, 2024 and June 30, 2023, respectively.

(Dollars in thousands)	Quarter Ended			Six Months Ended			% Change Fav/Unf			
	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	June 30, 2024	% of Revenue	June 30, 2023	% of Revenue	Quarter Ended	Six Months Ended
REVENUE										
United States	Live theatre rental and ancillary income	\$ 416	8%	\$ 566	11%	\$ 828	8%	\$ 906	9%	(27%) (9%)
	Property rental income	1,057	21%	1,268	24%	2,439	22%	2,483	24%	(15%) (14%)
Australia	Property rental income	1,423	30%	1,396	35%	2,391	30%	3,385	35%	(19%) (12%)
New Zealand	Property rental income	3,177	63%	2,991	57%	6,261	63%	6,128	60%	6% (2%)
		353	7%	392	8%	718	7%	765	7%	(10%) (6%)
Total revenue		\$ 5,013	100%	\$ 5,217	100%	\$ 9,345	100%	\$ 10,282	100%	(4%) (3%)
OPERATING EXPENSE										
United States	Live theatre cost	\$ (27)	5%	\$ (181)	3%	\$ (410)	4%	\$ (533)	3%	(25%) (16%)
	Property cost	(359)	7%	(225)	4%	(778)	8%	(666)	6%	(60%) (17%)
	Occupancy expense	(212)	4%	(240)	5%	(455)	5%	(478)	5%	12% 6%
Australia	Property cost	(196)	4%	(196)	4%	(1,147)	11%	(1,024)	11%	(24%) (9%)
	Occupancy expense	(651)	13%	(593)	11%	(1,172)	12%	(1,105)	11%	(10%) (6%)
New Zealand	Property cost	(119)	2%	(106)	2%	(67)	10%	(872)	9%	2% 1%
	Occupancy expense	(423)	8%	(276)	5%	(321)	9%	(2,414)	26%	(49%) (3%)
		(111)	2%	(100)	2%	(221)	2%	(202)	2%	(11%) (9%)
		(534)	11%	(376)	7%	(913)	9%	(740)	7%	(42%) (23%)
Total operating expense		\$ (2,461)	49%	\$ (2,104)	40%	\$ (4,696)	47%	\$ (4,319)	42%	(17%) (9%)
DEPRECIATION, AMORTIZATION, GENERAL AND ADMINISTRATIVE EXPENSE										
United States	Depreciation and amortization	\$ (677)	14%	\$ (795)	15%	\$ (1,416)	14%	\$ (1,534)	15%	15% 8%
	General and administrative expense	(212)	4%	(160)	3%	(420)	5%	(337)	3%	(33%) (42%)
Australia	Depreciation and amortization	(869)	18%	(859)	18%	(1,149)	19%	(1,181)	18%	7% (3%)
	General and administrative expense	(36)	1%	(49)	1%	(50)	1%	(120)	1%	27% 54%
New Zealand	Depreciation and amortization	(551)	11%	(635)	12%	(1,142)	11%	(1,283)	12%	13% 11%
	General and administrative expense	(36)	1%	(49)	1%	(50)	1%	(120)	1%	27% 54%
		(807)	16%	(884)	19%	(1,291)	19%	(1,414)	16%	14% 19%
		(130)	3%	(189)	4%	(316)	3%	(389)	4%	31% 19%
		0%	(0%)			0%	0%	0%	0%	100% 7%
		(130)	3%	(188)	4%	(316)	3%	(389)	4%	31% 19%
Total depreciation, amortization, general and administrative expense		\$ (1,606)	32%	\$ (1,827)	35%	\$ (3,413)	34%	\$ (3,672)	36%	12% 7%
OPERATING INCOME (LOSS) - REAL ESTATE										
United States		\$ (204)	(4%)	\$ 233	4%	\$ (579)	(6%)	\$ 16	0%	(>100%) (11%)
Australia		1,461	29%	1,225	23%	2,921	29%	2,639	26%	19% (11%)
New Zealand		(311)	(6%)	(172)	(3%)	(511)	(5%)	(364)	(4%)	(81%) (40%)
Total real estate operating income (loss)		\$ 946	19%	\$ 1,268	25%	\$ 1,837	18%	\$ 2,241	22%	(26%) (20%)

Second Quarter Results

Revenue

Real estate revenue for the quarter ended June 30, 2024, decreased slightly by \$0.2 million, to \$5.0 million, compared to the same period in the prior year. This rent revenue decrease was primarily due to intercompany rent income loss from the sale of our Matland property

in the fourth quarter of 2023 and the third party and intercompany rent income loss from our Culver City headquarter building due to the abandonment by that tenant of their premises at the building in July 2023 (we subsequently sold the property in February 2024). Additionally, as a result of the Orpheum Theater being "dark" for May and June 2024, there was a decrease in Live theater rental and ancillary income contributing to the real estate revenue being \$0.2 million lower compared to the same period in the prior year.

For the six months ended June 30, 2024, real estate revenue decreased by \$0.3 million, to \$9.9 million, compared to the same period in the prior year. Aligning with the second quarter of 2024, the small decrease was due to the decrease in U.S. rental income, partially offset by the increase in rental income in Australia.

Real Estate Segment Income/(Loss)

Real estate segment operating income for the quarter ended June 30, 2024 decreased by \$0.3 million to \$0.9 million, compared to the same period in the prior year. This change was primarily due to the loss in income from the sale of our (i) Culver City office building in February 2024 and (ii) Maitland (NSW) property in October 2023.

For the six months ended June 30, 2024, real estate segment operating income decreased by \$0.5 million, to \$1.8 million, compared to the same period in the prior year. This decrease in operating income was due to reduction in U.S. and NZ's rental income. This decrease was similarly driven by the loss of income from the sale of our (i) Culver City office building in February 2024 and (ii) Maitland (NSW) property sold in October 2023.

LIQUIDITY AND CAPITAL RESOURCES

Our Financing Strategy

Prior to the COVID-19 pandemic, we used cash generated from operations and other excess cash to the extent not needed to fund capital investments contemplated by our business plan, to pay down our loans and credit facilities. This provided us with availability under our loan facilities for future use and thereby, reduced interest charges. On a periodic basis, we reviewed the maturities of our borrowing arrangements and negotiated renewals and extensions where necessary.

However, disruptions to our cinema cash flow caused by the (i) COVID-19 pandemic and government efforts to address the pandemic, (ii) the historic rise in interest rates and inflation which occurred following the pandemic and (iii) the 2023 Hollywood Strikes, we have needed to defer capital expenditures and to rely on borrowings and the proceeds of asset monetizations to cover our costs of operations, pay interest expense and pay down debt. Since March 31, 2020, we have paid down our institutional debt by \$52.6 million.

Our bank loans with Bank of America, NAB, and Westpac require that our Company comply with certain covenants. Furthermore, our Company's use of loan funds from NAB and Westpac is limited due to limitations on the expatriation of funds from Australia and New Zealand to the United States. We believe that our lenders understand that we are doing everything that can reasonably be done, and that, generally speaking, our relationships with our lenders are good.

While our Company believes that there will be recovery in the global cinema business, we still face macroeconomic headwinds such as increased interest rates, inflation, supply chain issues and increased film rent, labor and operating costs, many of which are beyond our control. We are closely monitoring our debt maturity dates to arrange necessary amendments. As of June 30, 2024, we have debt of \$58.8 million coming due in the next 12 months.

If our Company is unable to generate sufficient cash flow in the upcoming months, we will be required to adopt one or more alternatives, such as reducing, delaying or eliminating planned capital expenditures, monetizing additional assets, restructuring our debt and/or our lease obligations or finding additional sources of liquidity (such as additional borrowings). In February 2024, we sold our Culver City office building for \$10.0 million. While we incurred a loss of \$1.1 million on the transaction, we were able to reduce debt by \$8.4 million and to free up cash in the amount of \$1.2 million which was used to support operational activities. Further, due to the scope and extent of office vacancies in Los Angeles County, we anticipate that we will be able to save approximately \$1.5 million between now and the end of 2025 by moving to other premises. We listed as an asset held for sale our industrial property in Williamsport, Pennsylvania. This property was historically used as a rail yard, and, accordingly, has direct access to the area's rail system. We carry the property on our books at a book value (the lower of cost or market, as opposed to fair market value) of \$0.5 million. This asset was selected since it is currently for our Company non-income producing and, based on recent appraisals, we believe that it would free up amounts of cash.

In order to further bolster our liquidity and capital resources, in this second quarter 2024, we have classified our Cannon Park property in Townsville, Australia and our Wellington property assemblage in New Zealand, with book values of \$18.8 million and \$17.2 million, respectively, as properties held for sale. Our Wellington assemblage consists of five parcels aggregating 161,082 square feet located in the entertainment center of Wellington and within walking distance of the Wellington harbor. We are also looking to monetize the land under certain of our other New Zealand cinemas, while retaining leases of the cinemas located upon such parcels.

For more information about our borrowings, please refer to *Part I – Financial Information, Item 1 – Notes to Consolidated Financial Statements-- Note 12 – Borrowings*. For more information about our efforts to manage our liquidity issues, see *Part I – Financial Information, Item 1 – Notes to Consolidated Financial Statements – Note 3 – Liquidity and Impairment Assessment*.

The changes in cash and cash equivalents for the six months ended June 30, 2024, and June 30, 2023, respectively, are discussed as follows:

(Dollars in thousands)	Six Months Ended June 30,		% Change
	2024	2023	
Net cash provided by (used in) operating activities	\$ (13,157)	\$ (8,808)	(49) %
Net cash provided by (used in) investing activities	7,398	(3,430)	>100 %
Net cash provided by (used in) financing activities	1,125	(712)	>100 %
Effect of exchange rate on cash and restricted cash	(80)	(188)	57 %
Increase (decrease) in cash and cash equivalents and restricted cash	\$ (4,714)	\$ (13,138)	64 %

Operating activities

Cash used in operating activities for the six months ended June 30, 2024, increased by \$4.3 million, to \$13.2 million compared to cash used in the same period of prior year of \$8.8 million. This was primarily driven by an increase in Net Loss and offset by an operating liabilities increase from accounts payable.

Investing activities

Cash provided in investing activities during the six months ended June 30, 2024 was \$7.4 million compared to cash used in the same period of prior year of \$3.4 million. This was due to \$9.7 million proceeds from sale of the Culver City office building in February 2024.

Financing activities

Cash provided in financing activities for the six months ended June 30, 2024, increased by \$1.8 million, to \$1.1 million compared to cash used in the same prior year period. This was primarily due to the new bridge loan of \$13.0 million from NAB on April 10, 2024, partially offset by the payoff of the Citizens loan of \$8.4 million, following the sale of the Culver City office buildings and additional \$0.3 million debt repayments that was required when our Bank of America Credit Facility was amended on March 27, 2024.

The table below presents the changes in our total available resources (cash and borrowings), debt-to-equity ratio, working capital, and other relevant information addressing our liquidity for the six months ended June 30, 2024, and preceding four years:

(\$ in thousands)	As of and for the 6-months Ended June 30, 2024	Year Ended December 31			
		2023	2022	2021	2020
Total Resources (cash and borrowings)					
Cash and cash equivalents (unrestricted)	\$ 9,242	\$ 12,906	\$ 29,947	\$ 83,251	\$ 26,826
Unused borrowing facility	7,859	7,859	12,000	12,000	15,490
Restricted for capital projects	7,859	7,859	12,000	12,000	9,377
Unrestricted capacity	—	—	—	—	6,113
Total resources at period end	17,101	20,765	41,947	95,251	42,316
Total unrestricted resources at period end	9,242	12,906	29,947	83,251	32,939
Debt-to-Equity Ratio					
Total contractual facility	\$ 218,277	\$ 218,159	\$ 227,633	\$ 248,948	\$ 300,449
Total debt (gross of deferred financing costs)	210,418	210,300	215,633	236,948	284,959
Current	58,599	35,070	38,026	12,060	42,299
Non-current	151,819	175,230	177,607	224,888	242,660
Finance lease liabilities	63	83	209	—	—
Total book equity	9,531	32,996	63,279	105,060	81,173
Debt-to-equity ratio	22.08	6.37	3.41	2.26	3.51
Changes in Working Capital					
Working capital (deficit) ⁽¹⁾	\$ (89,787)	\$ (88,373)	\$ (74,152)	\$ (6,673)	\$ (64,140)
Current ratio	0.40	0.30	0.39	0.94	0.47
Capital Expenditures (including acquisitions)	\$ 2,175	\$ 4,711	\$ 9,780	\$ 14,428	\$ 16,759

(1) Our working capital is reported as a deficit, as we receive revenue from our cinema business ahead of the time that we have to pay our associated liabilities. We use the money we receive to pay down our borrowings in the first instance.

As of June 30, 2024, we had \$9.2 million in unrestricted cash and cash equivalents compared to \$12.9 million on December 31, 2023. On June 30, 2024, our total outstanding borrowings were \$210.4 million compared to \$210.3 million on December 31, 2023.

We manage our cash, investments, and capital structure to meet the short-term and long-term obligations of our business, while maintaining financial flexibility and liquidity. We forecast, analyze, and monitor our cash flows to enable investment and financing within the overall constraints of our financial strategy. In the past, we used cash generated from operations and other excess cash to the extent not needed for any capital expenditures, to pay down our loans and credit facilities providing us some flexibility on our available loan facilities for future use and thereby, reducing interest charges.

CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

The following table provides information with respect to the maturities and scheduled principal repayments of our recorded contractual obligations and certain of our commitments and contingencies, either recorded or off-balance sheet, as of June 30, 2024:

(Dollars in thousands)	2024	2025	2026	2027	2028	Thereafter	Total
Debt ⁽¹⁾	\$ 31,855	\$ 87,688	\$ 62,764	\$ —	\$ 21,288	\$ 112,162	\$ 182,307
Operating leases, including imputed interest	30,207	29,007	26,751	23,446	—	—	242,861
Finance leases, including imputed interest	44	22	—	—	—	—	66
Subordinated debt ⁽¹⁾	198	—	—	27,913	—	—	28,111
Pension liability	263	547	576	607	638	443	3,074
Interest pension liability	79	137	108	77	45	11	457
Estimated interest on debt ⁽²⁾	9,346	10,737	5,238	1,313	—	—	26,634
Village East purchase option ⁽³⁾	5,900	—	—	—	—	—	5,900
Total	\$ 77,892	\$ 128,138	\$ 95,437	\$ 53,356	\$ 21,971	\$ 112,616	\$ 489,410

(1) Information is presented gross of deferred financing costs.

(2) Estimated interest on debt is based on the anticipated loan balances for future periods and current applicable interest rates.

(3) Represents the lease liability of the option associated with the ground lease purchase of the Village East Cinema, which on November 4, 2022, we modified to settle on or before July 1, 2024.

Litigation

We are currently involved in certain legal proceedings and, as required, have accrued estimates of probable and estimable losses for the resolution of these claims.

Please refer to *Part I, Item 3 – Legal Proceedings* in our 2023 Form 10-K for more information. There have been no material changes to our litigation since our 2023 Form 10-K, except as set forth in *Notes to Consolidated Financial Statements-- Note 15 – Commitments and Contingencies* included herein in *Part I – Financial Information, Item 1 – Financial Statements* on this Quarterly Report on Form 10-Q. This note sets out our litigation accounting policies.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements or obligations (including contingent obligations) that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in the financial condition, revenue or expense, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING POLICIES

We believe that the application of the following accounting policies requires significant judgments and estimates in the preparation of our Consolidated Financial Statements and hence, are critical to our business operations and the understanding of our financial results:

(i) Impairment of Long-lived Assets (other than Goodwill and Intangible Assets with indefinite lives) – we evaluate our long-lived assets and finite-lived intangible assets using historical and projected data of cash flows as our primary indicator of potential impairment and we take into consideration the seasonality of our business. If the sum of the estimated, undiscounted future cash flows is less than the carrying amount of the asset, then an impairment is recognized for the amount by which the carrying value of the asset exceeds its estimated fair value based on an appraisal or a discounted cash flow calculation. For certain non-income producing properties or for those assets with no consistent historical or projected cash flows, we obtain appraisals or other evidence to evaluate whether there are impairment indicators for these assets.

No impairment losses were recorded for long-lived and finite-lived intangible assets for the quarter ended June 30, 2024.

(ii) Impairment of Goodwill and Intangible Assets with indefinite lives – goodwill and intangible assets with indefinite useful lives are not amortized, but instead, tested for impairment at least annually on a reporting unit basis. The impairment evaluation is based on the present value of estimated future cash flows of each reporting unit plus the expected terminal value. There are significant assumptions and estimates used in determining the future cash flows and terminal value. The most significant

assumptions include our cost of debt and cost of equity assumptions that comprise the weighted average cost of capital for each reporting unit. Accordingly, actual results could vary materially from such estimates.

No impairment losses were recorded for goodwill and indefinite-lived intangible assets for the quarter ended June 30, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Our statements in this quarterly report, including the documents incorporated herein by reference, contain a variety of forward-looking statements as defined by the Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "may," "will," "expect," "believe," "intend," "future," and "anticipate" and similar references to future periods. Examples of forward-looking statements include, among others, our expectations regarding renovations and addition of cinemas; our beliefs regarding the impact of the 2023 Hollywood Strikes on the cinema business; our expected operating results, including our ultimate return to pre-pandemic type results; our expectations regarding the recovery and future of the cinema exhibition industry, including the strength of movies anticipated for release in the future; our expectations regarding people returning to our theatres and continuing to use discretionary funds on entertainment outside of the home; our beliefs regarding the impact of our cinema-anchored real estate developments; our beliefs regarding the success of our diversified business strategy; our beliefs regarding the future of the Reading Viaduct; our expectations regarding the impact of streaming and mobile video services on the cinema exhibition industry; our belief regarding the attractiveness of 44 Union Square to potential tenants and ability to lease space on acceptable terms; our expectations regarding the timing of the completions our renovation projects; our expectations regarding the effects of our enhanced F&B offerings on our operating results; our expectations regarding credit facility covenant compliance and our ability to continue to obtain necessary covenant waivers and loan extensions on terms acceptable to us; and our expectations of our liquidity and capital requirements and the allocation of funds; our expectations regarding our ability timely monetize certain assets and to generate sufficient cash proceeds from such sales; and our expectations concerning our ability to negotiate arrangements with our landlords to abate and/or defer the payment of rent.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- with respect to our cinema and live theatre operations:
 - reduced consumer demand due to inflationary pressures;
 - the adverse continuing effects of external events of the past COVID-19 pandemic and Hollywood Strikes on our Company's results from operations, liquidity, cash flows, financial condition, and access to credit markets;
 - the adverse continuing impact of the COVID-19 pandemic or other contagious diseases on short-term and/or long-term entertainment, leisure and discretionary spending habits and practices of our patrons;
 - the decrease in attendance at our cinemas and theatres due to (i) increased ticket prices (ii) a change in consumer behavior in favor of alternative forms or mediums of entertainment, and (iii) limited availability of wide release content;
 - reduction in operating margins (or negative operating margins) due to (i) decreased attendance, (ii) limited availability of wide release content, and (iii) increased operating expenses;
 - unwillingness of employees to report to work due to the adverse effects of contagious diseases or to otherwise conduct work under any revised work environment protocols;
 - competition from cinema operators who have successfully used debtor laws to reduce their debt and/or rent exposure;
 - the uncertainty as to the scope and extent of our government's responses to future outbreak of infectious diseases;
 - the disruptions or reductions in the utilization of entertainment, shopping, and hospitality venues, as well as in our operations, due to pandemics, epidemics, widespread health emergencies, or outbreaks of infectious diseases or to changing consumer tastes and habits;
 - the number and attractiveness to moviegoers of the films released in future periods, and potential changes in release dates for motion pictures;
 - the lack of availability of films in the short- or long-term as a result of (i) major film distributors releasing scheduled films on alternative channels or (ii) disruptions of film production or (iii) rescheduling of movie releases into later periods, as most currently experienced due to the effects of the 2023 Hollywood Strikes;
 - the amount of money spent by film distributors to promote their motion pictures;
 - the licensing fees and terms required by film distributors from motion picture exhibitors in order to exhibit their films;
 - the comparative attractiveness of motion pictures as a source of entertainment and willingness and/or ability of consumers (i) to spend their dollars on entertainment and (ii) to spend their entertainment dollars on movies in an outside-the-home environment;

- the extent to which we encounter competition from other cinema exhibitors, from other sources of outside-the-home entertainment, and from inside-the-home entertainment options, such as "home cinemas" and competitive film product distribution technology, such as, streaming, cable, satellite broadcast, video on demand platforms, and Blu-ray/DVD rentals and sales;
- our ability to continue to obtain, to the extent needed, waivers or other financial accommodations from our lenders and landlords;
- the impact of major movies being released directly to one of the multitudes of streaming services available;
- the impact of certain competitors' subscription or advance pay programs;
- the failure of our new initiatives to gain significant customer acceptance and use or to generate meaningful profits;
- the cost and impact of improvements to our cinemas, such as improved seating, enhanced F&B offerings, and other improvements;
- the ability to negotiate favorable rent abatement, deferral and repayment terms with our landlords (which may include lenders who have foreclosed on the collateral held by our prior landlords);
- disruptions during cinema improvements;
- in the U.S., the impact of the termination and phase-out of the so called "Paramount Decree;"
- the risk of damage and/or disruption of cinema businesses from earthquakes as certain of our operations are in geologically active areas;
- the impact of protests, demonstrations, and civil unrest on, among other things, government policy, consumer willingness to go to the movies;
- labor shortages and increased labor costs related to such shortages and to increasingly costly labor laws and regulations applicable to part time non-exempt workers. Disruptions in film supply and film marketing due to the 2023 Hollywood Strikes; and
- the ability to negotiate terms and conditions, including price, for the asset monetization transactions for the assets we have held for sale as of June 30, 2024.

- with respect to our real estate development and operation activities:
 - the increased costs of wages, supplies, services and other development expenses from inflation;
 - the impact on tenants from inflationary pressures;
 - uncertainty as to governmental responses to infectious diseases;
 - the rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own;
 - the ability to negotiate and execute lease agreements with material tenants;
 - the extent to which we can obtain on a timely basis the various land use approvals and entitlements needed to develop our properties;
 - the risks and uncertainties associated with real estate development;
 - the availability and cost of labor and materials;
 - the ability to obtain all permits to construct improvements;
 - the ability to finance improvements, including, but not limited to increased cost of borrowing and tightened lender credit policies;
 - the disruptions to our business from construction and/or renovations;
 - the possibility of construction delays, work stoppage, and material shortage;
 - competition for development sites and tenants;
 - environmental remediation issues;
 - the extent to which our cinemas can continue to serve as an anchor tenant that will, in turn, be influenced by the same factors as will influence generally the results of our cinema operations;
 - the increased depreciation and amortization expense as construction projects transition to leased real property;
 - the ability to negotiate and execute joint venture opportunities and relationships;
 - the risk of damage and/or disruption of real estate businesses from earthquakes as certain of our operations are in geologically active areas;
 - the disruptions or reductions in the utilization of entertainment, shopping and hospitality venues, as well as in our operations, due to pandemics, epidemics, widespread health emergencies, or outbreaks of infectious diseases, or to changing consumer tastes and habits; and
 - the impact of protests, demonstrations, and civil unrest on government policy, consumer willingness to visit shopping centers.
- with respect to our operations generally as an international company involved in both the development and operation of cinemas and the development and operation of real estate and previously engaged for many years in the railroad business in the United States:
 - our ability to renew, extend, renegotiate or replace our loans that mature in 2024 and beyond, and the impact of increasing interest rates;
 - our ability to grow our Company and provide value to our stockholders;

- our ongoing access to borrowed funds and capital and the interest that must be paid on that debt and the returns that must be paid on such capital, and our ability to borrow funds to help cover the cessation of cash flows we experienced during the COVID-19 pandemic;
- our ability to reallocate funds among jurisdictions to meet short-term liquidity needs;
- the relative values of the currency used in the countries in which we operate;
- changes in government regulation, including by way of example, the costs resulting from the requirements of Sarbanes-Oxley and other increased regulatory requirements;
- our labor relations and costs of labor (including future government requirements with respect to minimum wages, shift scheduling, the use of consultants, pension liabilities, disability insurance and health coverage, and vacations and leave);
- our exposure from time to time to legal claims and to uninsurable risks, such as those related to our historic railroad operations, including potential environmental claims and health-related claims relating to alleged exposure to asbestos or other substances now or in the future recognized as being possible causes of cancer or other health related problems, and class actions and private attorney general wage and hour and/or safe workplace-based claims;
- our exposure to cybersecurity risks, including misappropriation of customer information or other breaches of information security;
- the impact of future major outbreaks of contagious diseases;
- the availability of employees and/or their ability or willingness to conduct work under any revised work environment protocols;
- the increased risks related to employee matters, including increased employment litigation and claims relating to terminations or furloughs caused by cinema and ETC closures;
- our ability to generate significant cash flow from operations if our cinemas and/or ETCs continue to experience demand at levels significantly lower than historical levels, which could lead to a substantial increase in indebtedness and negatively impact our ability to comply with the financial covenants, if applicable, in our debt agreements;
- our ability to comply with credit facility covenants and our ability to obtain necessary covenant waivers and necessary credit facility amendments;
- changes in future effective tax rates and the results of currently ongoing and future potential audits by taxing authorities having jurisdiction over our various companies;
- inflationary pressures on labor and supplies, and supply chain disruptions;
- changes in applicable accounting policies and practices;
- changes in future effective tax rates and the results of currently ongoing and future potential audits by taxing authorities having jurisdiction over our various companies;
- the impact of the conflict events occurring in Eastern Europe and the threats of potential conflicts in the Asia-Pacific region; and
- the impact of the conflict events occurring in Israel and the threats of other potential conflicts in the Middle East.

The above list is not necessarily exhaustive, as business is by definition unpredictable and risky, and subject to influence by numerous factors outside of our control, such as changes in government regulation or policy, competition, interest rates, supply, technological innovation, changes in consumer taste and fancy, weather, earthquakes, pandemics, and the extent to which consumers in our markets have the economic wherewithal to spend money on beyond-the-home entertainment. Refer to *Item 1A - Risk Factors*, as well as the risk factors set forth in any other filings made under the Securities Act of 1934, as amended, including any of our Quarterly Reports on Form 10-Q, for more information.

Given the variety and unpredictability of the factors that will ultimately influence our businesses and our results of operation, no guarantees can be given that any of our forward-looking statements will ultimately prove to be correct. Actual results will undoubtedly vary and there is no guarantee as to how our securities will perform either when considered in isolation or when compared to other securities or investment opportunities.

Forward-looking statements made by us in this quarter report are based only on information currently available to us and are current only as of the date of this Quarterly Report on Form 10-Q for the period ended June 30, 2024. We undertake no obligation to publicly update or to revise any of our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law. Accordingly, you should always note the date to which our forward-looking statements speak.

Item 3 – Quantitative and Qualitative Disclosure about Market Risk

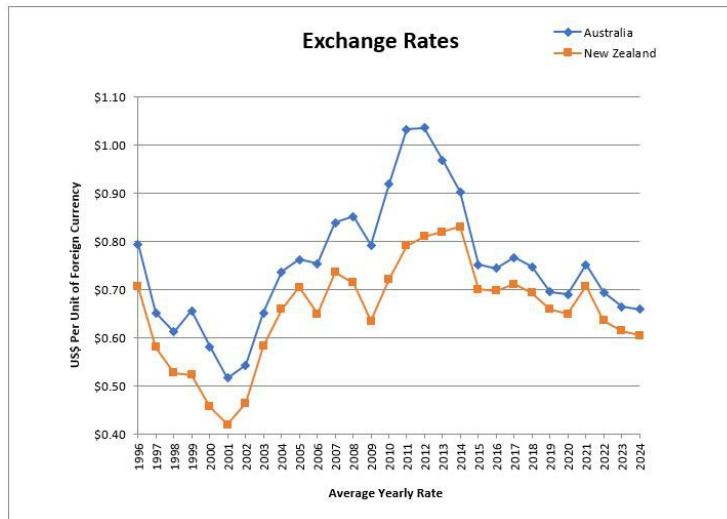
The SEC requires that registrants include information about potential effects of changes in currency exchange and interest rates in their filings. Several alternatives, all with some limitations, have been offered. We base the following discussion on a sensitivity analysis that models the effects of fluctuations in currency exchange rates and interest rates. This analysis is constrained by several factors, including the following:

- It is based on a single point in time; and
- It does not include the effects of other complex market reactions that would arise from the changes modeled.

Although the results of such an analysis may be useful as a benchmark, they should not be viewed as forecasts.

Currency Risk

While we report our earnings and net assets in U.S. dollars, substantial portions of our revenue and of our obligations are denominated in either Australian or New Zealand dollars. The value of these currencies can vary significantly compared to the U.S. dollar and compared to each other. We do not hedge the currency risk, but rather have relied upon the natural hedges that exist as a result of the fact that our film costs are typically fixed as a percentage of the box office, and our local operating costs and obligations are likewise typically denominated in local currencies. However, we do have intercompany debt and our ability to service this debt could be adversely impacted by declines in the relative value of the Australian and New Zealand dollars compared to the U.S. dollar. Also, our use of local borrowings to mitigate the business risk of currency fluctuations has reduced our flexibility to move cash between jurisdictions. Set forth below is a chart of the exchange ratios between these two currencies in relation to US dollars since 1996:



In recent periods, we have paid material intercompany dividends and have repaid intercompany debt, using these proceeds to fund capital investment in the United States. Accordingly, our debt levels in Australia are higher than they would have been if funds had not been returned for such purposes. On a company wide basis, this means that a reduction in the relative strength of the U.S. dollar versus

the Australian dollar and/or the New Zealand dollar would effectively raise the overall cost of our borrowing and capital and make it more expensive to return funds from the United States to Australia and New Zealand.

Our Company transacts business in Australia and New Zealand and is subject to risks associated with fluctuating foreign currency exchange rates. During the second quarter of 2024, the average Australian dollar and New Zealand dollar weakened against the U.S. dollar by 1.3% and 2.1%, respectively, compared to the same prior year period.

At June 30, 2024, approximately 36.9% and 8.9% of our assets were invested in assets denominated in Australian dollars (Reading Entertainment Australia) and New Zealand dollars (Reading New Zealand), respectively, including approximately \$5.4 million in cash and cash equivalents. At December 31, 2023, approximately 36.4% and 8.9% of our assets were invested in assets denominated in Australian dollars (Reading Entertainment Australia) and New Zealand dollars (Reading New Zealand), respectively, including approximately \$5.8 million in cash and cash equivalents.

Our policy in Australia and New Zealand is to match revenues and expenses, whenever possible, in local currencies. As a result, we have procured a majority of our expenses in Australia and New Zealand in local currencies. Despite this natural hedge, recent movements in foreign currencies and the current holding of U.S. dollars by certain Australian and New Zealand subsidiaries have had an effect on our current earnings. The effect of the translation adjustment on our assets and liabilities noted in our other comprehensive income was an increase of \$0.9 million for the quarter ended June 30, 2024. As we continue to progress our acquisition and development activities in Australia and New Zealand, no assurances can be given that the foreign currency effect on our earnings will not be material in the future.

Historically, our policy has been to borrow in local currencies to finance the development and construction of our long-term assets in Australia and New Zealand. As a result, the borrowings in local currencies have provided somewhat of a natural hedge against the foreign currency exchange exposure. We have also historically paid management fees to the U.S. to cover a portion of our domestic overhead. The fluctuations of the Australian and New Zealand currencies, however, may impact our ability to rely on such funding for ongoing support of our domestic overhead.

We record unrealized foreign currency translation gains or losses that could materially affect our financial position. As of June 30, 2024, and December 31, 2023, the balance of cumulative foreign currency translation adjustments were approximately a (\$2.6) million loss and (\$1.0) million loss, respectively.

Interest Rate Risk

Our exposure to interest rate risk arises out of our long-term floating-rate borrowings. To manage the risk, we utilize interest rate derivative contracts to convert certain floating-rate borrowings into fixed-rate borrowings. It is our Company's policy to enter into interest rate derivative transactions only to the extent considered necessary to meet its objectives as stated above. Our Company does not enter into these transactions or any other hedging transactions for speculative purposes.

Historically, we maintain most of our cash and cash equivalent balances in short-term money market instruments with original maturities of three months or less. Due to the short-term nature of such investments, a change of 1% in short-term interest rates would not have a material effect on our financial condition. The negative spread between our borrowing costs and earned interest will exacerbate as we hold cash to provide a safety net to meet our expenses.

We have a combination of fixed and variable interest rate loans. In connection with our variable interest rate loans, a change of approximately 1% in short-term interest rates would have resulted in an approximate \$506,000 increase or decrease in our quarterly interest expense.

For further discussion on market risks, please refer to *Part I, Item 1A – Risk Factors* included on our 2023 Form 10-K.

Item 4 – Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Company's reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such, term is defined under Rule 13a-15(e) promulgated under the Exchange Act. Based upon that evaluation, we concluded that, as of June 30, 2024, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no other changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the second quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – Other Information

Item 1 – Legal Proceedings

The information required under Part II, Item 1 (*Legal Proceedings*) is incorporated by reference to the information contained in *Notes to Consolidated Financial Statements-- Note 15 – Commitments and Contingencies* included herein in Part I – *Financial Information*, Item 1 – *Financial Statements* on this Quarterly Report on Form 10-Q.

For further details on our legal proceedings, please refer to *Part I, Item 3 – Legal Proceedings*, contained in our 2023 Form 10-K.

Item 1A – Risk Factors

There have been no material changes to the risk factors we previously disclosed in Item 1A of our 2023 Form 10-K.

We encourage investors to review the risks and uncertainties relating to our business disclosed under the heading Risk Factors or otherwise in the 2023 Form 10-K, as well as those contained in Part I – Forward-Looking Statements thereof, as revised or supplemented by our Quarterly Reports filed with the SEC since the filing of the 2023 Form 10-K.

Item 2 – Sales of Equity Securities and Use of Proceeds

None.

Item 3 – Defaults upon Senior Securities

None.

Item 4 – Mine Safety Disclosure

Not applicable.

Item 5 – Other Information

During the quarter ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

Item 6 – Exhibits

10.1*†	Amendment Deed dated April 4, 2024, between National Australia Bank Limited and Reading Entertainment Australia Pty Ltd.
10.2†	First Omnibus Loan Modification and Extension Agreement dated April 23, 2024, by and between Reading Tammany Owner LLC and US Development, LLC, collectively as borrower, and Emerald Creek Capital, LLC, as administrative agent and collateral agent for the lender.
31.1*	Certification of the Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following material from our Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Filed or furnished herewith

† Certain portions of this exhibit have been omitted pursuant to Items 601(a)(5) and 601(b)(10)(iv) of Regulation S-K. Information in this exhibit that has been omitted has been noted in this document with a placeholder identified by the mark "[***]". The Company hereby agrees to furnish a copy of any omitted schedules or exhibits to the SEC upon request.

* Filed herewith

** Furnished herewith

SIGNATURES

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

READING INTERNATIONAL, INC.

Date: August 14, 2024

By: */s/ Ellen M. Cotter*
Ellen M. Cotter
President and Chief Executive Officer

Date: August 14, 2024

By: */s/ Gilbert Avanes*
Gilbert Avanes
Executive Vice President, Chief Financial Officer and Treasurer

PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED BECAUSE THEY ARE BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. INFORMATION THAT HAS BEEN OMITTED HAS BEEN NOTED IN THIS DOCUMENT WITH A PLACEHOLDER IDENTIFIED BY THE MARK "[*]"**

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Execution Version

National Australia Bank Limited
Reading Entertainment Australia Pty Ltd
Each Guarantor

Amendment Deed

Corporate Markets Loan & Bank Guarantee Facility Agreement

Ref: BMH/OSM 9143151 3468-6050-0780v1

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Contents

1	Definitions	3
2	Consideration	3
3	Conditions precedent	4
3.1	Conditions precedent to Effective Date	4
3.2	Satisfaction of conditions precedent	4
4	Amendment of Facility Agreement	4
4.1	Amendment	4
4.2	Parties bound	5
5	Representations and warranties	5
5.1	General	5
5.2	Survival of representations and warranties	5
6	Acknowledgments	5
7	General	6
7.1	Amendment	6
7.2	Construction	6
7.3	Counterparts	6
7.4	Deed	6
7.5	Duty	6
7.6	Entire understanding	6
7.7	Further steps	6
7.8	Governing law and jurisdiction	6
7.9	Legal costs	7
Schedule	Corporate Guarantors	8
Execution		14
Annexure		17

Date 4 April 2024

Parties

National Australia Bank Limited ABN 12 004 044 937 of Level 17, 395 Bourke Street, Melbourne, Victoria 3000 (Bank)

Reading Entertainment Australia Pty Ltd ACN 070 893 908 of 98 York Street, South Melbourne, Victoria 3205 (Borrower)

Each entity listed in the schedule (Corporate Guarantor)

Agreed terms

1 Definitions

In this deed words and expressions which are defined or given a specific meaning in the Amended Facility Agreement but which are not defined or given a specific meaning in this deed have the same meaning as in the Amended Facility Agreement. Otherwise, terms have the following meanings:

Amended Facility Agreement	The Facility Agreement as amended in accordance with this deed.
Effective Date	The date on which each of the conditions precedent set out in clause 3 have been satisfied (subject to clause 3.2(d)).
Facility Agreement	The Facility Agreement between the Bank, the Borrower, the Corporate Guarantors, dated 24 June 2011, as amended from time to time.

2 Consideration

The Borrower and each Corporate Guarantor have entered into this deed in consideration of the Bank agreeing to amend the Facility Agreement in accordance with this deed.

3468-6050-0780v1
Amended Deed

3 Conditions precedent

3.1 Conditions precedent to Effective Date

The amendments to the Facility Agreement effected by this deed, and the occurrence of the Effective Date, are subject to the following conditions precedent that:

- (a) at least two clear Business Days (or such shorter period as the Bank may agree) before the Effective Date, the Bank has received, in form and substance satisfactory to the Bank:
 - (i) a fully executed original copy of this deed, duly executed by the Borrower and each Corporate Guarantor;
 - (ii) a non-refundable establishment fee of \$50,000 in respect of the Bridge Facility;
 - (iii) a non-refundable establishment fee of \$150,000 in respect of the Corporate Markets Loan Facility;
 - (iv) anything which the Bank has reasonably requested that the Borrower or a Corporate Guarantor provide to it in relation to any Transaction Document;
- (b) the representations and warranties set out in clauses 8.1 and 8.2 of the Amended Facility Agreement are correct and not misleading on the date that the Borrower and each Corporate Guarantor execute this deed;
- (c) no Event of Default or Potential Event of Default subsists; and
- (d) the Effective Date is no later than 30 April 2024, or such later date agreed by the Bank.

3.2 Satisfaction of conditions precedent

- (a) The Borrower and each Corporate Guarantor must use their best endeavours to satisfy the conditions precedent.
- (b) Any certificates or copies of documents referred to in clause 3.1 must be certified by a company secretary or director of the Borrower or a Corporate Guarantor (as applicable) as being true, complete and current.
- (c) The conditions precedent are for the benefit of the Bank.
- (d) The Bank may waive, or agree to a delay of, the satisfaction of any of the conditions precedent in writing at any time before or after the time by which they must be satisfied.

4 Amendment of Facility Agreement

4.1 Amendment

On and from the Effective Date, the Facility Agreement is amended in the form of the annexure, by deleting the items struck through, and by adding the items underlined.

4.2 Parties bound

The parties will be bound by the Amended Facility Agreement on and from the Effective Date.

5 Representations and warranties

5.1 General

The Borrower and the Corporate Guarantors each represent and warrant that at the time of its execution of this deed:

- (a) it has capacity unconditionally to execute, deliver and comply with its obligations under this deed;
- (b) it has taken all necessary action to authorise the unconditional execution and delivery of, and compliance with, its obligations under this deed;
- (c) this deed constitutes the valid and legally binding obligations of it and is enforceable against it in accordance with its terms;
- (d) it has duly executed each of the Transaction Documents to which it is expressed to be a party;
- (e) the Transaction Documents are valid and enforceable in accordance with their respective terms; and
- (f) its unconditional execution and delivery of, and compliance with its obligations under, this deed do not contravene its constituent documents or any obligation of it under any law or to any other person.

5.2 Survival of representations and warranties

The representations and warranties in clause 5.1 survive the execution of this deed and the amendment of the Facility Agreement.

6 Acknowledgments

The Borrower and each Corporate Guarantor:

- (a) agree to the amendment of the Facility Agreement effected by this deed;
- (b) agree that this deed is a Transaction Document for the purposes of the Amended Facility Agreement;
- (c) acknowledge that the Bank has agreed to execute this deed at the request of the Borrower and the Corporate Guarantors and that, except as expressly set forth herein, this is without prejudice to any other current or future right the Bank may have against the Borrower or a Corporate Guarantor, or any other Security Provider or under or in connection with any Transaction Document; and
- (d) agree that each Collateral Security to which it is a party extends to and secures its obligations to the Bank under the Amended Facility Agreement.

7 General

7.1 Amendment

This deed may only be varied or replaced by a deed executed by all of the parties to this deed.

7.2 Construction

Clause 1.2 of the Facility Agreement applies to this deed as if set out in full in this deed with such changes as are necessary.

7.3 Counterparts

This deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one deed.

7.4 Deed

This document is a deed. Factors which might suggest otherwise are to be disregarded.

7.5 Duty

The Borrower, as between the parties, is liable for and must pay all duty (including any fine, interest or penalty except where it arises from default by the other party) on or relating to this deed, any document executed under it or any dutiable transaction evidenced or effected by it.

7.6 Entire understanding

(a) This deed contains the entire understanding between the parties as to the subject matter of this deed.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this deed are merged in and superseded by this deed and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

(i) affects the meaning or interpretation of this deed; or

(ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

7.7 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this deed and to perform its obligations under it.

7.8 Governing law and jurisdiction

(a) This deed is governed by and is to be construed in accordance with the laws applicable in the Relevant Jurisdiction.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Relevant Jurisdiction and any courts which have jurisdiction to hear appeals from

any of those courts and waives any right to object to any proceedings being brought in those courts.

7.9 Legal costs

(a) The Borrower must pay, and if paid by the Bank reimburse the Bank, the cost of stamping and registering this deed and the reasonable legal and other costs and expenses of the Bank in relation to:

- (a) the negotiation, preparation and execution of this deed; and
- (b) the performance of the Bank's Obligations under this deed.

(b) Except as expressly stated otherwise in this deed, each party must pay its own legal and other costs and expenses of performing its obligations under this deed.

Schedule

Guarantors	Capacity	Address
Name		
Reading Entertainment Australia Pty Ltd ACN 070 893 908	In its own capacity.	Address: 98 York Street, South Melbourne VIC 3205 Australia Fax: 03 9685 0999
		Attention: Managing Director AND TO: Reading International Inc.
		Address: 5995 Sepulveda Blvd, Suite 300 Culver City California 90230 United States of America Fax: +1 213 235 2229 Attention: Chief Financial Officer
Australia Country Cinemas Pty Ltd ACN 076 276 349	In its own capacity.	Same as for Borrower.
Reading Cinemas Asset Management Pty Ltd ACN 122 571 420	In its own capacity.	Same as for Borrower.
Burwood Developments Pty Ltd ACN 105 384 905	In its own capacity.	Same as for Borrower.
Epping Cinemas Pty Ltd ACN 073 997 172	In its own capacity.	Same as for Borrower.
Hotel Newmarket Pty Ltd ACN 094 367 969	In its own capacity.	Same as for Borrower.
Newmarket Properties Pty Ltd ACN 105 386 409	In its own capacity.	Same as for Borrower.

Guarantors	Capacity	Address
Name		
Newmarket Properties No. 2 Pty Ltd ACN 109 038 806	In its own capacity.	Same as for Borrower.
Newmarket Properties #3 Pty Ltd ACN 126 697 505	In its own capacity.	Same as for Borrower.
Reading Armadale Pty Ltd ACN 107 939 211	In its own capacity.	Same as for Borrower.
Reading Belmont Pty Ltd ACN 126 697 498	In its own capacity.	Same as for Borrower.
Reading Bundaberg 2012 Pty Ltd ACN 122 406 320	In its own capacity.	Same as for Borrower.
Reading Charlestown Pty Ltd ACN 123 938 483	In its own capacity.	Same as for Borrower.
Reading Cinemas Pty Ltd ACN 073 808 643	In its own capacity.	Same as for Borrower.
Reading Cinemas Management Pty Ltd ACN 122 406 311	In its own capacity.	Same as for Borrower.
State Cinema Hobart Pty Ltd ACN 108 861 061	In its own capacity.	Same as for Borrower.
Reading Dandenong Pty Ltd ACN 129 018 739	In its own capacity.	Same as for Borrower.
Reading Elizabeth Pty Ltd ACN 114 582 099	In its own capacity.	Same as for Borrower.

Guarantors	Capacity	Address
Name		
Reading Exhibition Pty Ltd ACN 103 529 782	In its own capacity.	Same as for Borrower.
Reading Licences Pty Ltd ACN 089 544 605	In its own capacity.	Same as for Borrower.
Reading Maitland Pty Ltd ACN 126 697 461	In its own capacity.	Same as for Borrower.
Reading Melton Pty Ltd ACN 109 074 517	In its own capacity.	Same as for Borrower.

Guarantors	Capacity	Address
Name		
Reading Properties Pty Ltd ACN 071 195 429	In its own capacity.	Same as for Borrower.
Reading Properties Indooroopilly Pty Ltd ACN 121 284 884	As trustee for the Landplan Property Partners Discretionary Trust.	Same as for Borrower.
Reading Noosa Pty Ltd ACN 128 819 483	As trustee for the Reading Property Partners No. 1 Discretionary Trust.	Same as for Borrower.
Reading Property Holdings Pty Ltd ACN 126 289 772	In its own capacity.	Same as for Borrower.
Reading Rouse Hill Pty Ltd ACN 123 245 885	In its own capacity.	Same as for Borrower.
Reading Sunbury Pty Limited ACN 109 074 571	In its own capacity.	Same as for Borrower.
Rhodes Peninsula Cinema Pty Limited ACN 120 827 812	In its own capacity.	Same as for Borrower.
Westlakes Cinema Pty Ltd ACN 108 531 308	In its own capacity.	Same as for Borrower.
Reading Busselton Pty Ltd ACN 143 633 096	In its own capacity.	Same as for Borrower.
Reading Cannon Park Pty Ltd ACN 609 837 569	In its own capacity.	In its own capacity.
Angelika Anywhere Pty Ltd ACN 642 993 593	In its own capacity.	In its own capacity.

Guarantors	Capacity	Address
Name		
Reading Jindalee Pty Ltd ACN 629 483 914	In its own capacity.	Same as for Borrower.
Devonport Pty Ltd ACN 629 484 126	In its own capacity	Same as for Borrower.
Reading Altona Pty Ltd ACN 634 384 311	In its own capacity	Same as for Borrower.

Guarantors	Capacity	Address
Name		
Reading South City Square Pty Ltd ACN 616 892 936	In its own capacity.	Same as for Borrower.
Reading Traralgon Pty Ltd ACN 618 457 202	In its own capacity	Same as for Borrower.
Reading Burwood Pty Ltd ACN 619 050 396	In its own capacity	Same as for Borrower.
Reading Cinemas Auburn Pty Ltd ACN 633 008 401	In its own capacity	Same as for Borrower.
Reading Auburn Pty Ltd ACN 126 697 470	In its own capacity	Same as for Borrower.

Execution

Executed as a deed
Executed by _____
Reading Entertainment Australia Pty _____
Ltd ACN 070 893 908 _____
Australia Country Cinemas Pty Ltd _____
ACN 076 276 349 _____
Reading Cinemas Asset Management _____
Pty Ltd ACN 122 571 420 _____
Burwood Developments Pty Ltd _____
ACN 105 384 905 _____
Epping Cinemas Pty Ltd _____
ACN 073 997 172 _____
Hotel Newmarket Pty Ltd _____
ACN 094 367 969 _____
Newmarket Properties Pty Ltd _____
ACN 105 386 409 _____
Newmarket Properties No. 2 Pty Ltd _____
ACN 109 038 806 _____
Newmarket Properties #3 Pty Ltd _____
ACN 126 697 505 _____
Reading Armadale Pty Ltd _____
ACN 107 939 211 _____
Reading Belmont Pty Ltd _____
ACN 126 697 498 _____
Reading Bundaberg 2012 Pty Ltd _____
ACN 122 406 320 _____
Reading Charlestown Pty Ltd _____
ACN 123 938 483 _____
Reading Cinemas Pty Ltd _____
ACN 073 808 643 _____
Reading Cinemas Management Pty Ltd _____
ACN 122 406 311 _____
State Cinema Hobart Pty Ltd _____
ACN 108 861 061 _____
Reading Dandenong Pty Ltd _____
ACN 129 018 739 _____

/s/ Ellen Cotter

.....
Ellen Cotter
Director/Company Secretary
Tick if signatory signing electronically. By ticking this
box, the signatory warrants that they are signing this
document in accordance with section 110A(2) of the
Corporations Act 2001 (Cth).

/s/ Wayne Douglas Smith

.....
Wayne Douglas Smith
Director
 Tick if signatory signing
electronically. By ticking this box,
the signatory warrants that they are
signing this document in accordance
with section 110A(2) of the
Corporations Act 2001 (Cth)

Corrs Chambers Westgarth

Executed by)
Reading Elizabeth Pty Ltd)
ACN 114 582 099)
Reading Exhibition Pty Ltd)
ACN 103 529 782)
Reading Licences Pty Ltd)
ACN 089 544 605)
Reading Maitland Pty Ltd)
ACN 126 697 461)
Reading Melton Pty Ltd)
ACN 109 074 517)
Reading Properties Pty Ltd)
ACN 071 195 429)
Reading Properties Indooroopilly Pty)
Ltd ACN 121 284 884)
Reading Noosa Pty Ltd)
ACN 128 819 483)
Reading Property Holdings Pty Ltd)
ACN 126 289 772)
Reading Rouse Hill Pty Ltd)
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ACN 108 531 308)
Reading Busselton Pty Ltd)
ACN 143 633 096)
Reading Cannon Park Pty Ltd)
ACN 609 837 569)
Angelika Anywhere Pty Ltd)
ACN 642 993 593)
Reading Jindalee Pty Ltd)
ACN 629 483 914)
Reading Devonport Pty Ltd)
ACN 629 484 126)

/s/ Ellen Cotter

.....
Ellen Cotter
Director/Company Secretary
Tick if signatory signing electronically. By ticking this
box, the signatory warrants that they are signing this
document in accordance with section 110A(2) of the
Corporations Act 2001 (Cth).

/s/ Wayne Douglas Smith

.....
Wayne Douglas Smith
Director
 Tick if signatory signing
electronically. By ticking this box,
the signatory warrants that they are
signing this document in accordance
with section 110A(2) of the
Corporations Act 2001 (Cth)

Corrs Chambers Westgarth

Executed by _____)
Reading Altona Pty Ltd _____)
ACN 634 384 311 _____)
Reading South City Square Pty Ltd _____)
ACN 616 892 936 _____)
Reading Traralgon Pty Ltd _____)
ACN 618 457 202 _____)
Reading Burwood Pty Ltd _____)
ACN 619 050 396 _____)
Reading Cinemas Auburn Pty Ltd _____)
ACN 633 008 401 _____)
Reading Auburn Pty Ltd _____)
ACN 126 697 470 _____)

/s/ Daniel Launchbury

.....

Daniel Launchbury
Director/Company Secretary
 The witness was physically present when the
signatory signed the document
OR
 The witness was not physically present when the
signatory signed the
document. By ticking this box, the signatory warrants
that they observed the signatory signing the
document by audio visual link in accordance with the
Electronic Transactions (Victoria) Act 2000.

/s/ Meagan Zwerwer

.....

Meagan Zwerwer
Director
 Tick if signatory signing
electronically. By ticking this box,
the signatory warrants that they are
signing this document in accordance
with the Electronic Transactions
(Victoria) Act 2000.

Annexure

Amended Facility Agreement

Annexure Amended Facility Agreement

National Australia Bank Limited

Reading Entertainment Australia Group

Corporate Markets Loan & Bank Guarantee Facility Agreement

Ref: BMH/OSM 9143151 3437-2604-4972v1

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Contents

Corrs Chambers Westgarth

<u>1</u>	<u>Interpretation</u>	6
<u>1.1</u>	<u>Definitions</u>	6
<u>1.2</u>	<u>Construction</u>	25
<u>1.3</u>	<u>Headings</u>	26
<u>1.4</u>	<u>Corporations Act, GST and Accounting Standards</u>	26
<u>1.5</u>	<u>Subsisting Events of Default and Potential Events of Default</u>	26
<u>1.6</u>	<u>Not used</u>	27
<u>1.7</u>	<u>Inconsistency</u>	27
<u>2</u>	<u>Consideration</u>	27
<u>3</u>	<u>Conditions precedent</u>	27
<u>3.1</u>	<u>Not used</u>	27
<u>3.2</u>	<u>Conditions precedent to Advances and Drawings</u>	27
<u>4</u>	<u>Facility</u>	27
<u>4.1</u>	<u>Nature</u>	27
<u>4.2</u>	<u>Purpose</u>	28
<u>4.3</u>	<u>Advances and Drawings</u>	28
<u>4.4</u>	<u>Funding Notices</u>	28
<u>4.5</u>	<u>Not used</u>	29
<u>4.6</u>	<u>Not used</u>	29
<u>4.7</u>	<u>Not used</u>	29
<u>4.8</u>	<u>Bank Guarantee Facility</u>	29
<u>4.9</u>	<u>Cancellation</u>	29
<u>4.10</u>	<u>Market disruption</u>	30
<u>4.11</u>	<u>Alternative basis of interest or funding</u>	30
<u>4.12</u>	<u>Pricing Review Events</u>	30
<u>4.13</u>	<u>Consequences of a Pricing Review</u>	31
<u>5</u>	<u>Payments</u>	31
<u>5.1</u>	<u>Not used</u>	31
<u>5.2</u>	<u>Voluntary prepayments</u>	31
<u>5.3</u>	<u>Indemnity in respect of Bank Guarantees</u>	32
<u>5.4</u>	<u>Mandatory prepayments</u>	33
<u>5.5</u>	<u>Repayment</u>	34
<u>5.6</u>	<u>Amounts may not be redrawn</u>	34
<u>6</u>	<u>Interest and fees</u>	35
<u>6.1</u>	<u>Pricing Periods</u>	35
<u>6.2</u>	<u>Payment and rate</u>	36
<u>6.3</u>	<u>Computation of interest</u>	36
<u>6.4</u>	<u>Capitalisation of interest</u>	36

Corrs Chambers Westgarth

<u>6.5</u>	<u>Merger</u>	36
<u>6.6</u>	<u>Reset Margin</u>	37
<u>7</u>	<u>Payments</u>	37
<u>7.1</u>	<u>Place, manner and time of payment</u>	37
<u>7.2</u>	<u>Gross-up</u>	38
<u>7.3</u>	<u>Appropriation</u>	38
<u>8</u>	<u>Representations and warranties</u>	38
<u>9</u>	<u>General obligations</u>	42
<u>9.1</u>	<u>Fees</u>	42
<u>9.2</u>	<u>Records</u>	43
<u>9.3</u>	<u>Financial Statements and other financial information</u>	43
<u>9.4</u>	<u>Adjustments for AASB 16</u>	44
<u>9.5</u>	<u>Other information</u>	45
<u>9.6</u>	<u>Other financial undertakings</u>	46
<u>9.7</u>	<u>Insurance</u>	49
<u>9.8</u>	<u>Financial ratios</u>	49
<u>9.9</u>	<u>Environment</u>	51
<u>9.10</u>	<u>No default</u>	53
<u>9.11</u>	<u>Obligations of Trustees</u>	53
<u>9.12</u>	<u>Release for Permitted Disposals</u>	54
<u>10</u>	<u>Events of Default</u>	54
<u>10.1</u>	<u>Nature</u>	54
<u>10.2</u>	<u>Effect of Event of Default</u>	57
<u>10.3</u>	<u>Cash Cover Account regarding Bank Guarantees</u>	58
<u>10.4</u>	<u>Review Events</u>	59
<u>10.5</u>	<u>Reviews</u>	59
<u>10.6</u>	<u>Equity Cure</u>	59
<u>11</u>	<u>Costs and expenses</u>	60
<u>11.1</u>	<u>Interpretation</u>	60
<u>11.2</u>	<u>Nature</u>	60
<u>11.3</u>	<u>Remuneration</u>	61
<u>12</u>	<u>Indemnities</u>	61
<u>12.1</u>	<u>Nature</u>	61
<u>12.2</u>	<u>Representatives</u>	61
<u>12.3</u>	<u>Currency deficiency</u>	61
<u>12.4</u>	<u>Independence and survival</u>	62
<u>12.5</u>	<u>Accounting for transactions</u>	62
<u>12.6</u>	<u>Liability for Regulatory Events</u>	63

Corrs Chambers Westgarth

<u>13</u>	<u>Goods and Services Tax</u>	63
<u>13.1</u>	<u>Taxable supply</u>	63
<u>13.2</u>	<u>Adjustment events</u>	64
<u>13.3</u>	<u>Payments</u>	64
<u>14</u>	<u>Increased costs</u>	64
<u>15</u>	<u>Illegality</u>	65
<u>15.1</u>	<u>Prepayment</u>	65
<u>15.2</u>	<u>Facility terminated</u>	65
<u>16</u>	<u>Guarantee and indemnity</u>	65
<u>16.1</u>	<u>Guarantee</u>	65
<u>16.2</u>	<u>Nature of guarantee`</u>	65
<u>16.3</u>	<u>Indemnity</u>	66
<u>16.4</u>	<u>Reinstatement of rights</u>	66
<u>16.5</u>	<u>Rights of the Bank are protected</u>	66
<u>16.6</u>	<u>No merger</u>	67
<u>16.7</u>	<u>Extent of Guarantor's obligations</u>	67
<u>16.8</u>	<u>Guarantor's rights are suspended</u>	67
<u>16.9</u>	<u>Guarantor's rigth of proof limited</u>	68
<u>16.10</u>	<u>No set-off against assignees</u>	68
<u>16.11</u>	<u>Suspense account</u>	68
<u>16.12</u>	<u>Right to prove</u>	68
<u>16.13</u>	<u>Release of Guarantors</u>	69
<u>16.14</u>	<u>New Guarantors</u>	69
<u>16.15</u>	<u>Consideration`</u>	69
<u>16.16</u>	<u>New Guarantors</u>	69
<u>17</u>	<u>Attorney</u>	69
<u>17.1</u>	<u>Appointment</u>	69
<u>17.2</u>	<u>Not used</u>	70
<u>17.3</u>	<u>General</u>	70
<u>18</u>	<u>General</u>	70
<u>18.1</u>	<u>Set-off</u>	70
<u>18.2</u>	<u>Bank</u>	70
<u>18.3</u>	<u>Supervening legislation</u>	71
<u>18.4</u>	<u>Time of the essence</u>	71
<u>18.5</u>	<u>Business Days</u>	71
<u>18.6</u>	<u>Confidentiality</u>	72
<u>18.7</u>	<u>Exchange rate</u>	73

Corrs Chambers Westgarth

<u>18.8</u>	<u>Records as evidence</u>	73
<u>18.9</u>	<u>Further assurances</u>	73
<u>18.10</u>	<u>Amendment</u>	74
<u>18.11</u>	<u>Waiver and exercise of rights</u>	74
<u>18.12</u>	<u>Rights cumulative</u>	74
<u>18.13</u>	<u>Approval and consent</u>	74
<u>18.14</u>	<u>Assignment</u>	74
<u>18.15</u>	<u>Counterparts</u>	75
<u>18.16</u>	<u>Sovereign immunity</u>	75
<u>18.17</u>	<u>Governing law and jurisdiction</u>	75
<u>18.18</u>	<u>Telephone recording</u>	76
<u>18.19</u>	<u>Legal advice</u>	76
<u>18.20</u>	<u>Further assurances</u>	76
<u>18.21</u>	<u>Exclusion of certain provisions</u>	76
<u>18.22</u>	<u>Notice of changes</u>	77
<u>19</u>	<u>Notices</u>	77
<u>19.1</u>	<u>General</u>	77
<u>19.2</u>	<u>How to give a communication</u>	77
<u>19.3</u>	<u>Particulars for delivery of notices</u>	77
<u>19.4</u>	<u>Communications by post</u>	78
<u>19.5</u>	<u>Communications by fax</u>	78
<u>19.6</u>	<u>After hours communications</u>	78
<u>19.7</u>	<u>Process service</u>	78
<u>Schedule 1 - Transaction Parties</u>		79
<u>Schedule 2 - Facilities</u>		82
<u>Schedule 3 - Collateral Security</u>		83
<u>Schedule 4 - Not used</u>		86
<u>Schedule 5 - Conditions Precedent</u>		87
<u>Schedule 6 - Verification Certificate</u>		88
<u>Schedule 7 - Funding Notice</u>		90
<u>Schedule 8 - Guarantor Accession Deed</u>		91
<u>Schedule 9 - Compliance Certificate</u>		93

Date

Parties

National Australia Bank Limited ABN 12 004 044 937 of Level 17, 395 Bourke Street, Melbourne, Victoria 3000 (Bank)

Reading Entertainment Australia Pty Ltd ACN 070 893 908 of 98 York Street, South Melbourne, Victoria 3205 (Borrower)

Each person listed in schedule 1 (each an Original Guarantor)

Agreed terms

1 Interpretation

1.1 Definitions

In this document:

AASB 16 means Accounting Standard AASB 16, issued by the Australian Accounting Standards Board under section 334 of the Corporations Act.

Accounting Standards means accounting principles and practices consistently applied which are generally accepted in Australia and are consistent with any applicable legislation in each case as in effect on the date of this document, including instruments in force under section 334 of the Corporations Act and provisions of such instruments.

Adjusted EBITDA means, for any period, EBITDA adjusted to include any Management Fees paid in cash and exclude:

- (a) any non-cash impairment for non-current assets included in the consolidated financial statements of the Reading Entertainment Australia Group during the relevant period;
- (b) any net gains or losses on asset sales
- (c) ~~non-operating~~ income or losses—(except any interest income);
- (d) share of profit or loss in connection with a joint venture with a person who is not a Reading Entertainment Australia Group Member
- (e) accrued Management Fees, and
- (f) any net foreign exchange amounts (whether realised or unrealised) included in the consolidated financial statements of the Reading Entertainment Australia Group during the relevant period.

and subject to adjustment in respect of any further extraordinary items with the Bank's Written consent.

Advance means the principal amount of an advance made under the Corporate Markets Loan Facility or the Bridge Facility or, where appropriate, requested under the Corporate Markets Loan Facility or the Bridge Facility.

Aggregate Amount means, in relation to a Drawing, the aggregate of the Face Values of all Bank Guarantees comprising that Drawing.

Amendment Deed means the document entitled 'Amendment Deed' executed in March 2019 between the Bank and the Transaction Parties.

Annual Compliance Certificate means, in relation to a Financial Year, a certificate substantially in the form of schedule 9.

Approved Valuer means a company or firm of duly qualified and licensed real estate valuers acceptable to the Bank in all respects and instructed by (or with the approval of) the Bank.

[April 2024 Amendment Date has the meaning given to the term Effective Date in the April 2024 Amendment Deed.](#)

[April 2024 Amendment Deed means the Amendment Deed dated on or about \[April\] 2024 between the Borrower, each Guarantor and the Bank, under which this document is amended.](#)

Attorney means any attorney appointed under this document and any sub- attorney appointed by an Attorney.

August 2023 Amendment Date has the meaning given to the term Effective Date in the August 2023 Amendment Deed.

August 2023 Amendment Deed means the Amendment Deed dated on or about August 2023 between the Borrower, each Guarantor and the Bank, under which this document is amended.

Authorisation includes any authorisation, consent, licence, permission, approval or exemption from any Government Body. If a Government Body could prohibit anything being done in connection with any matter or otherwise intervene within a specified time after notice has been given to it or any document lodged or filed with it in connection with the matter, the relevant matter will not be taken to have been authorised until the specified time limit has expired without the Government Body taking any relevant action.

Authorised Representative means, in relation to any party to this document, a person with the right to act as the agent of that party for the purposes of this document. It includes a director or company secretary of that party (if it is a corporation) and, in the case of the Bank, an employee of the Bank whose title contains the word "manager", "director", "associate" or a similar term and a lawyer for the Bank. It also includes a person appointed by a party as an Authorised Representative of that party whose appointment is notified by the appointor to the other party in a notice which contains the specimen signature of the appointee.

Availability Period means in respect of each Facility, the period beginning on the date on which the conditions precedent are satisfied or waived by the Bank in accordance with the Transaction Documents and ending on the Termination Date.

Available Commitment means in respect of a Facility, the Facility Limit less the Outstanding Accommodation relating to that Facility.

Bank Guarantee means each bank guarantee issued (or deemed to have been issued) in accordance with this document.

Bank Guarantee Facility means the Facility described as such in schedule 2 and granted pursuant to clause 4.14.1(a)(e)(ii)(iii).

Base Rate means, in relation to a Pricing Period:

(a) the rate (expressed as a percentage yield per annum to maturity, and not being less than zero) being the arithmetic average (rounded up to the nearest four decimal places) of the buying rates published at or about 10.15 am on the first Business Day of the Pricing Period on the Reuters Screen under the heading "BBSY" for Bills with a tenor as nearly as possible equal to that Pricing Period; or

(b) if:

(i) the rate is not displayed for a term equivalent to that period; or

(ii) the basis of the calculation of the rate is changed after the date of this document so that in the opinion of the Bank it ceases to reflect the cost of providing the Facility,

the Base Rate will be the rate per centum per annum, and not being less than zero, determined by the Bank to be the average of the buying rates quoted to the Bank by at least three Reference Banks at or about that time on that date. The buying rates must be for bills of exchange accepted by a leading Australian bank and which have a term equivalent to the period. If there are no buying rates, the rate will be determined by the Bank having regard to indexes or other bases which the Bank determines to be as near as practicable to the indexes and bases used to determine the rate referred to in paragraph (a).

Beneficiary means in relation to a Bank Guarantee, the person who from time to time is entitled to make a claim for payment under that Bank Guarantee against the Bank.

Bill means a bill of exchange as defined in the Bills of Exchange Act 1909 (but does not include a cheque). It includes a document which, when signed by the persons named as drawer and acceptor in the relevant document, will become such a bill of exchange.

Break Costs means, in relation to any financial accommodation provided or to be provided by the Bank under a Facility, any liability or costs incurred by the Bank by reason of:

- (a) liquidating or re-deploying deposits or other funds acquired or contracted for by or on account of the Borrower or the Bank;
- (b) terminating or reversing any agreement or arrangement (including by entering into new agreements or arrangements to close out or net off existing agreements or arrangements) entered into by or on account of the Borrower or the Bank with a counterparty or an internal department of the Bank responsible for such agreements or arrangements to hedge, fix, swap or limit its effective cost of funding; or
- (c) any loss of any margins in relation to future lending or loss of any fees.

Bridge Facility means the Committed Revolving Corporate Markets Loan described as Bridge Facility in schedule 2 and granted pursuant to clause 4.1(a)(iii).

Business Day means a day which is not a Saturday, Sunday or bank or public holiday in Melbourne.

Cannon Park Property means the land and improvements known as Cannon Park City Centre and Cannon Park Discount Centre, Corner Hervey Range Road and Pioneer Drive, Thuringowa Central, Queensland, described in title references 50442105, 50442106 and 51155321.

Cannon Park Property Release Date means, the date on which the Bank is satisfied in its absolute discretion that:

- (a) the Cannon Park Property is sold; and
- (b) the Borrower will apply the Net Sale Proceeds from that sale in permanent reduction of the Facility Limit of the Bridge Facility,

in accordance with the terms of this document.

Cash means all cash on hand, short term deposits and cash equivalents.

Cash Cover Rate means the rate (expressed as a rate per centum per annum) determined by the Bank (in good faith) to be the interest rate which it would pay on deposits at call for an amount similar to the amount at which the relevant deposit is made.

Calculation Date means 31 March, 30 June, 30 September and 31 December in each year.

Calculation Period means each period of twelve months ending on a Calculation Date.

Change of Control means there is a change (from that prevailing at the date of this document) in the persons who control any of the following in respect of a Transaction Party:

- (a) more than 50% of the votes eligible to be cast in the election of directors or any similar matter; or
- (b) the right to appoint or remove directors (or members of a governing body having functions similar to a board of directors) representing more than

50% of the votes exercisable by the directors (or persons have similar functions); or

(c) an interest of more than 50% in any category of the profits, distributions or net liquidation proceeds,

Provider, however, that none of the above shall be deemed to be a "change of control: so long as Parent continues to control, directly or indirectly, such transaction Party.

Collateral Security means:

(a) any Guarantee by which any person Guarantees the Borrower compliance with its obligations under any of the Transaction Documents;

(b) any Security which secures the payment of money owing (actually or contingently) from time to time by:

- (i) any Transaction Party in relation to any of the Transaction Documents; or
- (ii) any person in relation to a Guarantee of any Transaction compliance with its obligations under any of the Transaction Documents; and

(c) without limiting the generality of paragraphs (a) and (b) each thing listed in schedule 3.

Contaminant means a noxious, harmful or hazardous condition (including an odour, temperature, sound, vibration or radiation) or substance the presence or use of which (having regard, without limitation, to the nature and quantity of the substance and other substances with which it is stored or used) does or may result in the breach of an Environmental Law or the issuing of an order or direction under an Environmental Law.

Corporate Markets Loan Facility means the Facility described as such in schedule 2 and granted pursuant to clause 4.1(a)(i) 4.1(a)(ii).

Corporations Act means the Corporations Act 2001 (Cth).

Current Bank Guarantee means a Bank Guarantee which has not Matured or Expired.

Daily Interest Rate means, for any day, the Interest Rate on that day divided by 365.

Debt to Debt plus Equity Ratio means, as at any date, the ratio of:

- (a) Total Gross Debt outstanding on that date; to
- (b) Total Gross Debt outstanding plus Equity on that date.

Delay Event means, in respect of clause 9.5(h), a declaration of emergency and/or natural disaster by the Queensland Government which:

- (a) has a direct adverse effect on the Cannon Park Property; and
- (b) reasonably prevents the Borrower from complying with its obligation under clause 9.5(h) by 31 August 2024.

Disposal means a sale, lease, transfer or other disposal by any Transaction Party of any interest in:

- (a) any share or stock (whether or not ordinary or preference and whether or not redeemable) or any other instrument convertible or exchangeable into or entitling a person to acquire or subscribe for any share or stock;
- (b) the whole or any part of a business, business unit or line of business; or
- (c) any other asset under a particular transaction or related transactions not in the ordinary course of business of the Reading Entertainment Australia Group taken as a whole.

Distribution means:

- (a) in relation to any share capital of a Transaction Party, any dividend, charge, interest, fee, payment or other distribution (whether in cash or in kind) or redemption, repurchase, defeasance, retirement or redemption;
- (b) any interest, any redemption or early redemption of any amount of principal or any other payment in respect of any shareholder loan or other subordinated loans made to any Transaction Party; or
- (c) any loan or other financial accommodation made available by a Transaction Party to a person other than another Transaction Party.

Drawing means each Bank Guarantee issued or to be issued in accordance with this document under the same Funding Notice.

EBIT means, in relation to any period and without double counting, operating profit (loss) of the Reading Entertainment Australia Group (on a consolidated basis) from ordinary operations before interest, income tax and minority interests, but after deduction of depreciation and amortisation for that period, as determined in accordance with Accounting Standards.

EBITDA means, in relation to any period, EBIT for the Reading Entertainment Australia Group for that period, plus depreciation and amortisation as determined in accordance with Accounting Standards

Encumbrance means any interest in or right over property and anything which would at any time prevent, restrict or delay the registration of any interest in or dealing with property. It includes a Security Interest.

Environmental Assessment Report means a report in relation to compliance with Environmental Law of the Land and any activities carried out on the Land.

Environmental Law means any legislation, regulations or related codes, standards or policies which relate to environmental and planning matters, including matters concerning land use, development, building works, pollution, contamination, waste, toxic and hazardous substances, disposal of waste or other substances, human health, conservation of natural or cultural resources, heritage and resource allocation.

Environmental Liability means any liability, obligation, expense, penalty or fine arising out of a breach of Environmental Law which could be imposed on any Transaction Party or the Bank in respect of the Land as a result of

activities carried on during the ownership, occupation or control of the Land by that Transaction Party, the Bank, any predecessor in title or any previous occupier or controller of the Land.

Equity means total assets minus total liabilities of the Reading Entertainment Australia Group (on a consolidated basis).

Event of Default means any event or circumstance described in clause [10.1.10.1](#).

Excluded Financial Indebtedness means Financial Indebtedness of the kind referred to in paragraph (a), (c) or (d) of the definition of Permitted Financial Indebtedness.

Excluded Property means:

- (a) the present or future interest of Reading Exhibition Pty Ltd in the Garden City Cinema joint venture with Village Roadshow Exhibition and Birch Carroll & Coyle or the assets the subject of the joint venture or the relevant joint venture agreement; and
- (b) the present or future interest of Epping Cinemas Pty Ltd in the lease granted by Bevendale Pty Ltd or the property the subject of the lease to the extent that the existence of a charge over that interest or property would cause a breach of the that lease.

Expired means, in relation to a Bank Guarantee, that its Expiry Date has passed whether or not a claim has been made under it by the Beneficiary.

Expiry Date means, in relation to a Bank Guarantee, the date specified in that Bank Guarantee as the latest date by which the Beneficiary may make a claim under it.

Face Value means, in relation to a Bank Guarantee:

- (a) subject to paragraph [\(b\)\(ii\)](#), the amount specified in that Bank Guarantee as the aggregate maximum amount which the Beneficiary may claim under it;
- (b) if the Beneficiary makes a claim, then between when the Beneficiary makes the first of those claims and the first to occur of the Bank Guarantee Maturing or Expiring, the Face Value of the Bank Guarantee will be the difference between its original face value and the aggregate of all valid claims made under it.

Facility means each of the facilities listed in schedule 2 (and each Facility may be referred to by the Facility Name listed in schedule 2).

Facility Limit means, in respect of each Facility, the relevant Facility Limit set out in schedule 2, as reduced under this document including in accordance with clause [5.65.6](#).

Financial Close means the initial Funding Date.

Financial Indebtedness means any indebtedness or other liability (present or future, actual or contingent) relating to any financial accommodation including indebtedness or other liability:

- (a) for money borrowed or raised;
- (b) relating to the sale or negotiation of any negotiable instrument;
- (c) as lessee under any finance lease, as hirer under any hire purchase agreement or as purchaser under any title retention agreement;
- (d) relating to any preference share or unit categorised as debt under Accounting Standards;
- (e) under any commodity, currency or interest rate swap agreement, forward exchange rate agreement or futures contract (as defined in any statute);
- (f) under any Guarantee relating to any financial accommodation; or
- (g) for any deferred purchase price (other than in the nature of warranty retention amounts) for any asset or service.

Financial Ratio means any of the financial ratios referred to in clause 9.89-8.

Financial Statements means a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, notes comprising a summary of significant accounting policies and other explanatory note; and any directors' declarations, directors' reports and auditor's reports attached to, intended to be read with or required by the Corporations Act to accompany, all or any of those documents.

Financial Year means a period of 12 months ending on 31 December.

Fixed Charges Cover Ratio means at any date the ratio of:

- (a) the aggregate amount of:
 - (i) Adjusted EBITDA in respect of the 12 month period ending on that date; and
 - (ii) Total Lease Payments in respect of the 12 month period ending on that date,
- to
- (b) the aggregate amount of:
 - (i) Gross Interest Expense paid or payable by the Reading Entertainment Australia Group (whether payable in respect of the Facilities or otherwise) in respect of the 12 month period ending on that date; and
 - (ii) Total Lease Payments in respect of the 12 month period ending on that date;

Freehold Property means each freehold property owned by a Transaction Party that is the subject of a real property mortgage referred to in of schedule 3.

Funding Date means a date on which:

- (a) an Advance is, or is proposed to be, made; or
- (b) a Bank Guarantee is, or is proposed to be, issued,

under this document.

Funding Notice means a notice in accordance with clause [4.4.4-4](#).

Government Body means any person or body exercising an executive, legislative, judicial or other governmental function. It includes any public authority constituted under a law of any country or political sub-division of any country. It also includes any person deriving a power directly or indirectly from any other person or body referred to in this definition.

Gross Interest Expense means, in relation to any period, the aggregate of all interest and amounts in the nature of interest (including commissions, discount fees, acceptance fees, facility fees, the interest element of a finance lease and fees or charges) payable in connection with any Financial Indebtedness of the Reading Entertainment Australia Group (other than Excluded Financial Indebtedness) for that period on a consolidated basis, whether accrued, paid, payable or expensed (including interest expense under each of the Facilities).

Guaranteee means:

- (a) a guarantee, indemnity, undertaking, letter of credit, Security, acceptance or endorsement of a negotiable instrument or other obligation (actual or contingent) given by any person to secure compliance with an obligation by another person;
- (b) an obligation (actual or contingent) of a person to ensure the solvency of another person or the ability of another person to comply with an obligation, including by the advance of money or the acquisition for valuable consideration of property or services; and
- (c) an option under which a person is obliged on the exercise of the option to buy:
 - (i) any debt or liability owed by another person; or
 - (ii) any property which is subject to a Security Interest.

Guaranteed Money means all money:

- (a) which now or in the future is owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents;
- (b) which having now or in the future become owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents, ceases to be owing by reason of any law relating to insolvency and remains unpaid by the Transaction Party and unreleased by the Bank; or
- (c) that now or in the future may become owing (actually or contingently) by a Transaction Party to the Bank under or in relation to any of the Transaction Documents, for any reason, whether such money is payable;
- (d) by a Transaction Party alone or jointly or severally with any other person;

- (e) by a Transaction Party in its own right or in any capacity;
- (f) to the Bank in its own right or in any capacity; and
- (g) by a Transaction Party as liquidated or unliquidated damages caused or contributed to by any breach by the Transaction Party of any obligation owed by the Transaction Party (or any other Transaction Party) to the Bank under or in relation to any of the Transaction Documents,

and if any Transaction Document or any obligation of a Transaction Party to the Bank under or in relation to any of the Transaction Documents is void, voidable or otherwise unenforceable by the Bank in accordance with its terms, it includes all money which would have been within this definition if that Transaction Document or obligation was not void, voidable or otherwise unenforceable.

Guarantor means the Original Guarantors and each person that becomes a guarantor under clause [16.16](#). If there are more than one, **Guarantor** means each of them individually and every two or more of them jointly.

Guarantor Accession Deed means a deed substantially in the form of schedule 8.

Half means each six month period ending on 30 June and 31 December in each year.

Hedging Transaction means a contract, agreement or arrangement (other than in respect of the price of electricity, gas, oil, foreign exchange or any other non-interest rate derivative contract) which is a futures contract or an interest rate hedge, swap, option, swaption, forward rate agreement or any other contract, agreement or arrangement similar to or having in respect of its subject matter a similar effect to any of the preceding.

Indemnity Amount means, in relation to a Bank Guarantee, the amount or, as the case may be, the aggregate of the amounts payable by the Borrower in relation to a Bank Guarantee in accordance with clause [5.35.3](#).

Insolvency means:

- (a) in relation to a corporation, its winding up or dissolution or its administration, provisional liquidation or any administration having a similar effect;
- (b) in relation to an individual, his or her bankruptcy; and
- (c) in relation to a person, any arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of that person's creditors or members of a moratorium involving any of them.

Insolvency Event means any of the following:

- (a) a person is or states that the person is unable to pay own money (or funds or commitments provided by another Reading Entertainment Australia Group Member) when they become due and payable;

- (b) a person is taken or must be presumed to be insolvent or unable to pay the person's debts under any applicable legislation
- (c) an order is made for the winding up or dissolution or an effective resolution is passed for the winding up or dissolution of a corporation;
- (d) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in relation to a corporation or an effective resolution is passed to appoint any such person and the action is not stayed, withdrawn or dismissed within 10 Business Days;
- (e) a controller is appointed in relation to any property of a corporation;
- (f) a corporation is deregistered under the Corporations Act or notice of its proposed deregistration is given to the corporation;
- (g) a distress, attachment or execution is levied or becomes enforceable against any property of a person;
- (h) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of Borrower arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them;
- (i) a petition for the making of a sequestration order against the estate of a person is presented and the petition is not stayed, withdrawn or dismissed within seven days or a person presents a petition against himself or herself;
- (j) a person presents a declaration of intention under section 54A of the Bankruptcy Act 1966; or
- (k) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in relation to a person.

Insurance means insurance which a Transaction Party is obliged to take out or maintain under a Transaction Document.

Interest Rate means, in relation to a Pricing Period for an Advance until it becomes due and owing, an interest rate equal to the aggregate of the Base Rate for that Pricing Period and the Margin.

Interim Compliance Certificate means a certificate in substantially the form set out in schedule 10.

Jindalee Cinema means the property located at 6 Amazons Place, Jindalee, QLD 4074.

Land means any land owned or occupied by a Transaction Party that forms part of the Secured Property.

Leasehold Properties means each leasehold property leased by a Transaction Party that is the subject of a mortgage of lease referred to in schedule 3 (including the mortgage of lease described at item 11 of schedule 3).

Leverage Ratio means as at any date the ratio of:

- (a) Total Gross Debt outstanding on that date; to
- (b) Adjusted EBITDA in respect of the 12 month period ending on that date.

Letter of Waiver means the letter entitled Letter of Waiver, Leverage Ratio and Financial Charges Cover Ratio for the Calculation Periods ending 31 December 2022, 31 March 2023, 30 June 2023 and 31 September 2023 issued by the Bank to the Borrower dated 1 August 2023.

Loan to Value Ratio at any date means the ratio (expressed as a percentage) of:

- (a) the aggregate of the Total Gross Debt outstanding on that date and any Outstanding Accommodation in relation a Current Bank Guarantee as at that date; to
- (b) the market value of the Freehold Properties and Leasehold Properties included in the Secured Property as noted in the most recent Valuation provided to the Bank pursuant to this document and accepted by the Bank.

Management Fees means management and consulting fees payable to Reading International Inc or any of its affiliates (other than any affiliate who is a Reading Entertainment Australia Group Member) each Financial Year.

Margin means in relation to a Pricing Period for an Advance, **1.75% per annum.**[±]

- (i) **1.75% per annum for each Pricing Period which commences before and until the Relevant Date; and**
- (ii) **1.50% per annum for each Pricing Period which commences on and from the Relevant Date.**

Material Adverse Effect means a material adverse effect on:

- (a) the business, operation, property, condition (financial or otherwise) of a Transaction Party or the Reading Entertainment Australia Group taken as a whole;
- (b) the ability of a Transaction Party to perform its obligations under the Transaction Documents; or
- (c) the validity or enforceability of the whole or any material part of any Transaction Document or any rights or remedies of the Bank under the Transaction Documents.

Maitland Property means the land and improvements comprising 9/1A Ken Tubman Drive, Maitland, NSW 2320 being the whole of Lot 1 in SP41681.

Matured means, in relation to a Bank Guarantee, that the Beneficiary has made a claim and is not entitled to claim any more under the relevant Bank Guarantee.

Merchant Services Agreement means the agreement for merchant services between the Bank and Reading Entertainment Australia Group.

Minimum Liquidity means all unrestricted Cash of the Borrower, determined on a consolidated basis, as detailed in the Borrower's management accounts.

Month means a calendar month.

Net Sale Proceeds means in relation to the sale of the Maitland PropertyCannon Park Property or the Waurn Ponds Property, the gross sale or disposal price set out in the relevant sale contract less the aggregate of estate agent commissions, conveyancing fees, adjustments (for both water and council rates), land tax owners corporation fees and fees associated with the discharge or release of an Encumbrance over the Maitland PropertyCannon Park Property or the Waurn Ponds Property (as applicable) and any GST payable in relation to the sale contract.

Outstanding Accommodation means at any time, the aggregate of:

- (a) [the aggregate of the unpaid Advances outstanding under the Corporate Markets Loan Facility or the Bridge Facility (as applicable);
- (b) the Face Values of all Current Bank Guarantees and all Indemnity Amounts in relation to each Bank Guarantee which are due and payable; and
- (c) [for the purposes of clauses 5.56.5, 1010 and 18.1418.14 only and for no other purposes, any other amounts which the Borrower owes to the Bank or which the Borrower may owe to the Bank under or in connection with the Facilities and includes:
 - (i) any other amounts which the Borrower owes to the Bank or which the Borrower may owe to the Bank under or in connection with any Hedging Transaction; and
 - (ii) all interest, costs and fees payable under the Transaction Documents,whether such amounts are owing actually or contingently and whether such amounts are then due for payment or will or may become due for payment and includes all interest, costs and fees payable under the Transaction Documents.

When used in relation to any Facility, it means the Outstanding Accommodation in relation to Advances or Drawings under that Facility (as applicable).

Overdue Money means money due and payable from time to time under each Transaction Document.

Overdue Rate means at any time, the aggregate of the Interest Rate and a default margin of 1.00% per annum.

Parent means Reading International Cinemas LLC.

Parent Subordination Agreement mean

deed of subordination to be entered into by the Borrower, the Parent and the Bank.

Permitted Disposal means a disposal:

- (a) of assets between the Transaction Parties;
- (b) represented by a lease or licence of real property granted by a Transaction Party in the ordinary course of business of the Reading Entertainment Australia Group;
- (c) of trading stock or cash made in the ordinary course of business;
- (d) of plant and equipment in exchange for other assets comparable or superior as to type, value and quality;
- (e) of obsolete or redundant assets;
- (f) arising as a result of a Permitted Encumbrance or a Distribution or payment permitted by clause 9.6(f) or clause 9.6(k);
- (g) of assets that are the subject of a floating charge (or its equivalent) under a Collateral Security, provided the disposal is made in the ordinary course of business;
- (h) where the aggregate value of the assets disposed of in the 12 month period ending on the date of the relevant disposal (and including the value of the relevant disposal) does not exceed \$2,000,000;
- (i) of the Maitland PropertyCannon Park Property or the Waurn Ponds Property;
- (j) of cash under any Permitted Distribution; and
- (k) of cash being payments of any expenses pursuant to clause 9.13(b).

Permitted Distribution means a Distribution:

- (a) made by a Transaction Party only in form of dividend provided that no Event of Default, Potential Event of Default or Review Event subsists or will occur from making such Distribution; or
- (b) follow repayment of the Bridge Facility and cancellation of the Bridge Facility Limit, any remaining The Net Sale Proceeds in respect of the Cannon Park Property or the Waurn Ponds Property; or
- (c) made with the Banks' prior written consent

Permitted Encumbrance means:

- (a) an Encumbrance which has been approved by the Bank (including the Security Interests created by any Transaction Document);
- (b) any right of set off or combination arising by operation of law or practice over money deposited with a bank or financial institution in the ordinary course of the business of a Transaction Party;
- (c) an Encumbrance which arises by operation of law in the ordinary course of the business of a Transaction Party provided the debt secured by that Encumbrance is paid when due or contested in good faith by appropriate proceedings;
- (d) every easement, restrictive covenant, caveat or similar restriction over property, right of way, exception, encroachment, reservation, restriction,

condition or limitation which arises in the ordinary course of the ordinary business of the relevant Transaction Party and does not either by itself or in the aggregate materially interfere with or impair the operation or use of a property affected thereby, have a Material Adverse Effect or otherwise restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security;

- (e) every right reserved to, or vested in, any municipality or governmental or other public authority by the terms of any right, power, franchise, grant, licence or permit to control or regulate any part of the property of a Transaction Party, or to use that property in any manner which does not either by itself or in the aggregate materially interfere with or impair the operation or the use thereof, have a Material Adverse Effect or otherwise restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security;
- (f) every Encumbrance incurred or deposits made in the ordinary course of ordinary business to secure the performance of tenders, statutory obligations, surety bonds, bids, leases, government contracts, performance and return of money bonds (provided that such Encumbrances do not restrict or prevent the Bank exercising its rights against any Secured Property under the relevant Collateral Security) or in connection with worker compensation, unemployment insurance and other types of social security;
- (g) every Encumbrance incurred or deposit made in the ordinary course of the business of a Transaction Party in respect of a leasehold property, the purchase of assets or the use of utilities, provided that:
 - (i) in relation to an Encumbrance incurred or deposit made in respect of the purchase of assets which secures an aggregate amount greater than \$250,000 the Bank has given prior written consent to the Borrower; and
 - (ii) the recourse of the holder of that Encumbrance is limited to the leasehold interest, the assets purchased or use of utilities and the proceeds of enforcement of the Encumbrance.
- (h) every retention of title arrangement in respect of trading stock acquired or to be acquired by a Transaction Party in the ordinary course of business;
- (i) any easement, caveat or other restriction in relation to a Freehold Property that would be apparent from a title search conducted before the date of this document.

Permitted Financial Accommodation means:

- (a) financial accommodation granted by a Transaction Party to another Transaction Party;
- (b) loan granted by Reading Entertainment Australia Group to the Parent and/or Reading New Zealand Ltd, up to ~~\$13,400,000~~\$15,100,000;

- (c) any trade credit extended by a Transaction Party to its customers on normal commercial terms and in the ordinary course of business;
- (d) ~~1~~ additional financial accommodation up to a maximum aggregate amount not exceeding ~~\$1,700,000~~15,900,000; or
- (e) any other financial accommodation granted with the prior consent of the Bank.

Permitted Financial Indebtedness means:

- (a) trade debt incurred in the ordinary course of business of the Transaction Parties;
- (b) Financial Indebtedness incurred under the Transaction Documents;
- (c) Financial Indebtedness owing from one Transaction Party to another Transaction Party;
- (d) any Subordinated Debt;
- (e) a \$225,000 loan from the landlord of the Westlakes Cinema property;
- (f) a \$400,000 loan from the landlord of the Rhodes Cinema property;
- (g) Financial Indebtedness arising under any performance or similar bond guaranteeing performance by a Transaction Party under any contract entered into in the ordinary course of business;
- (h) Financial Indebtedness arising under a guarantee given to a landlord in respect of a lease entered into by a Transaction Party;
- (i) Financial Indebtedness under finance or capital leases of vehicles, plant, equipment or computers; and
- (j) Financial Indebtedness not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed \$2,000,000 in aggregate for the Transaction Parties at any time.

PPS Act means the Personal Property Securities Act 2009 (Cth).

PPS property means all property (other than Excluded Property) over which the Borrower or a Security Provider is legally capable under the PPS Act of granting a security interest.

Potential Event of Default means any thing which, with the giving of notice, lapse of time or determination of materiality, will constitute an Event of Default.

Pricing Period means, in relation to an Advance under the Corporate Markets Loan Facility or the Bridge Facility (as applicable), the period having the duration selected in accordance with clause 6.16.1 and beginning on the Funding Date in relation to the Advance.

Quarter means each three month period ending on 31 March, 30 June, 30 September and 31 December in each year.

Reading Entertainment Australia Group means, at any time, the Borrower and any subsidiary of the Borrower and Reading Entertainment Australia Group Member means any one of them.

Release Date means the Business Day following the later of:

- (a) the latest of the Expiry Dates of all Current Bank Guarantees; and
- (b) the date on which the Bank is satisfied in its reasonable opinion that it has been paid all amounts which are then or may in the future become due and payable to the Bank under any of the Transaction Documents and that there is no prospect that any amounts which the Bank has received in relation to any of the Transaction Documents will subsequently be made void or be required to be repaid in whole or in part.

Relevant Date means the date on which the Bank receives the Annual Compliance Certificate in accordance with clause 9.5(b) for the Financial Year ending on 31 December 2023.

Relevant Jurisdiction means Victoria.

Relevant Period means the period from (and including) 31 August 2020 to (and including) the Relevant Date.

Receiver means a receiver or receiver and manager appointed by the Bank under any Transaction Document and any person who derives a right directly or indirectly from a Receiver.

Reference Banks means each of Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia and Westpac Banking Corporation, or any other banks or financial institutions determined by the Bank from time to time following consultation with the Borrower.

Regulatory Event means any:

- (a) change in, or introduction of a new, law or other form of regulation;
- (b) change in, or introduction of a new, practice or policy of an Government Body;

- (c) investigation into a Transaction Party or any related entity of a Transaction Party by a Government Body;
- (d) application for or grant of an injunction or order in respect of any Encumbrance, Facility or account held with the Bank made by a Government Body, or
- (e) change in, or introduction of a new, code of practice or custom relating to the provision of the Services which a reasonable and prudent banker would comply with,

whether in Australia or elsewhere, that in the Bank's good faith opinion, applies in any way to a Transaction Party, or the Service.

Representative of a person means an officer, employee, contractor or agent of that person.

Reset Margin means the reset margin (if any) applicable if a Pricing Period is, or becomes, shorter than three months, as determined in accordance with clause 6.6. It is 0.02% per annum (indicatively).

Restatement Deed means the document entitled 'Restatement Deed' executed in December 2015 between the Bank and the Transaction Parties.

Review Event means any event or circumstance described in clause [10.4](#)[10.4](#).

Revolving Tranche means at any time, the aggregate of the unpaid Advances outstanding under the Corporate Markets Loan Facility at that time less the Term Tranche at that time.

Secured Property means all property which, from time to time, is subject to a Security which forms part of the Collateral Security.

Security means any document or transaction which reserves or creates a Security Interest.

Security Interest means any interest or right which secures the payment of a debt or other monetary obligation or the compliance with any other obligation. It includes any retention of title to any property and any right to set off or withhold payment of any deposit or other money.

Security Provider means each person who gives a Collateral Security (other than a related body corporate of the Bank).

Service means any service the Bank provides to the Borrower under or in relation to a Facility including making or processing any payment or issuing any document.

Subordinated Debt means:

- (a) Financial Indebtedness that is or may become owing by the Borrower to Reading International Cinemas, LLC, that is fully subordinated on the terms set out in the Parent Subordination Agreement; and
- (b) Financial Indebtedness that is or may become owing by a Transaction Party to Reading International Inc (or any subsidiary or affiliate of

Reading International Inc) that is fully subordinated on substantially the same terms (except for the name and other details of the subordinated lender) as those set out in the Parent Subordination Agreement.

Tax means a tax (including any tax in the nature of a goods and services tax), rate, levy, impost or duty (other than a tax on the net overall income of the Bank) and any interest, penalty, fine or expense relating to any of them.

Term Tranche means the first \$43,000,000 of the unpaid Advances outstanding under the Corporate Markets Loan Facility

j., as that amount may be reduced from time to time in accordance with clause 5.65.6.

Termination Date means, in respect of each Facility, the Termination Date set out in schedule 2, or such other date agreed in writing by the parties.

Total Gross Debt means, on any date, all Financial Indebtedness of the Reading Entertainment Australia Group, but excluding any Excluded Financial Indebtedness.

Total Lease Payments means the aggregate amount of all rental expenditure of the Reading Entertainment Australia Group, other than rental expenditure payable to any Transaction Party, calculated in accordance with Accounting Standards, for that period.

Transaction Documents means:

- (a) this document;
- (b) not used;
- (c) each Guarantor Accession Deed;
- (d) the Collateral Security;
- (e) the Parent Subordination Agreement;
- (f) the ISDA Master Agreement dated 17 June 2011 between the Bank and the Borrower, as amended from time to time;
- (g) each deed of consent referred to in item 12 (Deed of consent) of schedule 3 upon it being executed by the relevant parties;
- (h) any agreement relating to the priority of any Security which is a Collateral Security;
- (i) the Merchant Services Agreement;
- (j) any document which the Borrower and the Bank agree is a Transaction Document for the purposes of this document; and
- (k) each document entered into for the purpose of amending, novating, restating or replacing any of them.

Transaction Parties means the Borrower and each Guarantor.

Trust means, in relation to any Transaction Party that enters into a Transaction Document in the capacity as trustee of a trust, the relevant trust.

Trust Deed means, in relation to a Trust, the trust deed or other document which establishes or evidences that Trust.

Trustee means a Transaction Party that enters into a Transaction Document acting as the trustee of a Trust.

Valuation means a valuation of the Freehold Properties or leasehold properties included in the Secured Property addressed to the Bank, by an Approved Valuer in form and substance satisfactory to the Bank in all respects.

Verification Certificate means a certificate in substantially the form set out in schedule 6.

[Waurn Ponds Property means the leasehold land improvements known as Reading Cinema Waurn Ponds, Corner Pioneer Road and Princes Highway, Waurn Ponds Victoria and described in certificate of title volume 10530 folio 739.](#)

[Waurn Ponds Property Release Date means, the date on which the Bank is satisfied in its absolute discretion that:](#)

- [\(a\) | the Waurn Pond Property is sold; and](#)
- [\(a\) | the Borrower will apply the Net Sale Proceeds from that sale in permanent reduction of the Facility Limit of the Bridge Facility, in accordance with the terms of this document.](#)

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it; and
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;

- (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
- (iv) an obligation includes a representation or warranty and a reference to a failure to comply with an obligation includes a breach of representation or warranty;
- (v) a right includes a benefit, remedy, discretion or power;
- (vi) time is to local time in Melbourne;
- (vii) "\$" or "dollars" is a reference to Australian currency;
- (viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
- (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
- (x) any thing (including any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them;
- (xi) this document includes all schedules and annexures to it; and
- (xii) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document.

1.3 Headings

Headings do not affect the interpretation of this document.

1.4 Corporations Act, GST and Accounting Standards

Unless expressed to the contrary:

- (a) "control", "controller", "corporation", "disclosing entity", "holding company", "marketable security", "prospective liability", "public company", "related body corporate", and "subsidiary" each has the meaning which it is defined to have in the Corporation Act.
- (b) "adjustment event", "consideration", "GST", "input tax credit", "supply", "taxable supply", and "tax invoice" each has the meaning which it is defined to have in the A New Tax System (Goods and Services Tax) Act 1999, and
- (c) "economic entity", "entity" and "finance lease" each has the meaning which it has in the Accounting Standards.
- (d) terms have the meanings given to them in the PPS Act.

1.5 Subsisting Events of Default and Potential Events of Default

- (a) An Event of Default subsists if it has occurred and has not been waived by the Bank in accordance with this document or remedied.

(b) A Potential Event of Default subsists if it exists and has not been waived by the Bank in accordance with this document or remedied.

1.6 Not used

1.7 Inconsistency

If there is any inconsistency between this document and any other Transaction Document, then this document prevails to the extent of that inconsistency.

2 Consideration

The Borrower enters into this document in consideration of the Bank agreeing to make the Facility available in accordance with this document.

3 Conditions precedent

3.1 Not used

3.2 Conditions precedent to Advances and Drawings

The obligation of the Bank to make any Advances or Drawings is subject to the further conditions precedent that the Bank is satisfied in its absolute discretion that:

(a) [the representations and warranties set out in clause 8.18.1 are correct and in all material respects not misleading in any material respect when the Funding Notice is given and on the Funding Date];

(b) [all fees and charges then due and payable in connection with the Facility have been paid (including the Restructure Fee set out in clause 9.19.1(a)(e)); and

(c) no Event of Default or Potential Event of Default subsists when the Funding Notice is given and on the Funding Date.

4 Facility

4.1 Nature

(a) [Subject to clauses 33 and 10.240.2, the Bank will make available:

(i) [the revolving Corporate Markets Loan Facility under which it will make Advances; **and**

(ii) [the Bank Guarantee Facility under which it will issue Bank Guarantees at the request of the Borrower;**and**

(iii) **on and from the April 2024 Amendment Date, the revolving Bridge Facility under which it will make Advances,** in accordance with this document.

(b) The Borrower may request one or more Advances and Drawings in accordance with this clause 4.4, but so that the Outstanding Accommodation under each Facility does not at any time exceed the relevant Facility Limit.

4.2 Purpose

The Borrower must only use Advances and Drawings under each Facility for the relevant purposes set out in schedule 2, and the Borrower must promptly repay to the Bank all Advances and Drawings not used for these purposes.

4.3 Advances and Drawings

(a) The Borrower may request an Advance or a Drawing by giving a Funding Notice to the Bank by 11.00 am at least one clear Business Day before the date the proposed Advance or Drawing is required.

(b) An Advance under the Corporate Markets Loan Facility or the Bridge Facility (as applicable) must not be for an amount which, when added to the Outstanding Accommodation (if any) under that Facility, causes the Facility Limit for that Facility to be exceeded. In determining whether an Advance will cause the Facility Limit to be exceeded:

- (i) the amount of all Advances repaid on the Funding Date are excluded from the calculation of the Outstanding Accommodation; and
- (ii) the aggregate amount of all other Advances which the Borrower has requested to be made on the same Funding Date are included in that calculation.

(c) The Aggregate Amount of a Drawing under the Bank Guarantee Facility must not, when added to the Outstanding Accommodation (if any) under that Facility, cause the Facility Limit for that Facility to be exceeded at any time during the Funding Period. In determining whether the Aggregate Amount of a Drawing will cause the Facility Limit to be exceeded:

- (i) the Face Value of all Bank Guarantees under a Facility which will mature on the Funding Date for the relevant Drawing are excluded from the calculation of the Outstanding Accommodation; and
- (ii) the Aggregate Amount of all other Drawings which the Borrower has requested to be made under the same Facility and on the same Funding Date are included in that calculation.

(d) The Bank is only obliged to make Advances or accept any Drawings during the Availability Period.

4.4 Funding Notices

(a) A Funding Notice must:

- (i) be substantially in the form of schedule 7;
- (ii) be signed by an Authorised Representative of the Borrower;

(iii) specify the proposed Funding Date which must be a Business Day during the Availability Period;
(iii)(iv) specify the Facility under which the proposed Advance is to be made;
(iv)(v) specify the amount of the proposed Advance or the Aggregate Amount of the proposed Drawing;
(v)(vi) specify the duration of the Pricing Period for each Advance; and
(vi)(vii) in the case of any Drawing, specify whether the Drawing is:

(A) to comprise the issue of a new Bank Guarantee, and if so, also specify the date to be shown as the Expiry Date, the person to be named as the Beneficiary and the Face Value of each requested Bank Guarantee; or
(B) deemed to comprise an existing bank guarantee that prior to the date of this document has been issued by the Bank at the request of the Borrower and, if so, specify the date shown as the Expiry Date, the person named as the Beneficiary and the Face Value of that bank guarantee.

(b) The requirement of a Funding Notice is for the benefit of the Bank. The Bank may waive the requirement at any time and in any manner.
(c) A Funding Notice is irrevocable from the time of its actual receipt in legible form by the Bank.

4.5 Not used

4.6 Not used

4.7 Not used

4.8 Bank Guarantee Facilities

In the case of the Bank Guarantee Facility on the Funding Date specified in the Funding Notice:

(a) the Bank must for the purposes of a Drawing contemplated under clause 4.4.4(a)(a)(vii)(vi)(A)(A), issue each Bank Guarantee requested in the Funding Notice in accordance with that Funding Notice; or
(b) the parties agree that for the purposes of a Drawing contemplated under clause 4.4.4(a)(a)(vii)(vi)(B)(B), the existing bank guarantee referred to in the Funding Notice is deemed to be a Bank Guarantee issued in accordance with the Bank Guarantee Facility and that Funding Notice.

4.9 Cancellation

The Borrower may cancel the Available Commitment or any part of it (being \$100,000 or an integral multiple of that amount) by giving 30 notice to the Bank specifying the amount to be cancelled and the date on which the cancellation takes effect. The cancellation takes effect on the date

specified in the notice (which must be a date not earlier than five Business Days after the date the Bank receives the notice).

4.10 Market disruption

(a) If the Bank determines that a Market Disruption Event occurs or has occurred in relation to an Advance, then the Bank will promptly notify the Borrower, and the Interest Rate on that Advance for that Pricing Period will be the rate per annum which is the sum of:

- (i) the Margin for the Advance; and
- (ii) the rate notified to the Borrower as soon as practicable and in any event no later than the Business Day before interest is due to be paid in respect of that Pricing Period, to be that which expresses as a percentage rate per annum the cost to the Bank of funding that Advance from whatever source or sources the Bank may reasonably select.

(b) For the purposes of clause [4.104-10\(a\)\(a\)](#):

- (i) Market Disruption Event means:
 - (A) at or about the time on the day (Quotation Day) for the Bank to determine the Screen Rate for the relevant currency and Pricing Period, the Screen Rate is not available and the Bank is unable to specify another page or service displaying an appropriate rate; or
 - (B) in relation to an Advance, before 5.00 pm (local time) on the Business Day after the Quotation Day for the relevant period, the Bank notifies the Borrower, that as a result of market circumstances not limited to the Bank the cost to the Bank of funding the Advance exceeds the Screen Rate.
- (ii) Screen Rate means the rate specified in paragraph (a) of the definition of

4.11 Alternative basis of interest or funding

If a Market Disruption Event occurs and the Bank or the Borrower so requires, the Bank and the Borrower will enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or discount.

4.12 Pricing Review Events

(a) The Bank has the right to review the pricing applicable to a Facility (Review):

- (i) at any time if the Bank reasonably believes that an Event of Default subsists;
- (ii) at any time:
 - (A) a change occurs in the financial markets which affects financial institutions generally; and/or

(B) a general change occurs in the cost of funds in the financial markets in which the Bank raises funds (not being a change resulting from a change in the Bank's credit rating or any other matter relating specifically to the Bank).

(b) The Bank may request the Borrower to provide information in connection with a Review and the Borrower must provide such information as soon as possible following receipt of the request.

4.13 Consequences of a Pricing Review

(a) Following a Review, the Bank may, by giving written notice to the Borrower and/or by way of advertisement in the local or national press:

- (i) introduce a new fee, charge or premium or change an existing fee, charge or premium (including its amount, the way in which it is calculated and when it is charged); and
- (ii) change the acceptance margin, line fee, interest rate or yield rate applicable to a Facility including by changing or introducing a margin (including by making the margin positive or negative), or substituting a different indicator rate for the relevant indicator rate (except where the rate is a fixed rate).

(b) Where the Bank gives the Borrower notice under clause 4.10(a)(e) by way of advertisement in the local or national press, the Bank will also endeavour to directly notify the Borrower of the change although the Bank will not be precluded from charging the new or adjusted pricing if it does not directly notify the Borrower.

(c) An introduction or change of a matter specified in clause 4.10(a)(e) takes effect on the date specified in the relevant notice to the Borrower (which must be at least 30 days after the date on which the notice is given to the Borrower).

5 Payments

5.1 Not used

5.2 Voluntary prepayments

(a) In relation to any Advance, the Borrower:

- (i) may prepay any Advance or a part of it (being a minimum of \$100,000 or an integral multiple of that amount) by giving 5 Business Days' notice to the Bank specifying the amount to be prepaid and the date on which the prepayment will be made;
- (ii) may, subject to clauses 4.3 and 5.6 clause 4.3, redraw any amount prepaid in accordance with this clause 5.25.2 which forms part of the Revolving Tranche or the Bridge Facility (as applicable); and

(iii) must make any prepayment under this document together with accrued interest on the amount prepaid, any fees payable under clause 9.19.1 and any Break Costs, but otherwise without premium or penalty.

(b) The Borrower may reimburse or repay the Face Value in respect of any Current Bank Guarantee by:

- (i) providing to the Bank, cash collateral (on terms satisfactory to the Bank and subject to clause 10.3.10.3) in an amount not less than the Face Value of the Bank Guarantee; or
- (ii) cancelling that Bank Guarantee by returning the original to the Bank together with written confirmation from the Beneficiary that the Bank has no further liability under that Bank Guarantee.

5.3 Indemnity in respect of Bank Guarantees

- (a) Without limiting clause 12.1.12.4, the Borrower indemnifies the Bank against any liability, loss, cost or expense sustained or incurred in relation to any Bank Guarantee or as a direct or indirect consequence of any claim made or purported to be made under any Bank Guarantee, or anything done by any person who is or claims to be entitled to the benefit of a Bank Guarantee.
- (b) Without limiting clause 5.3.5.3(a)(a), the Borrower must pay to the Bank all amounts claimed by or paid to any Beneficiary in relation to any Bank Guarantee (whether or not the Beneficiary was entitled to make that claim or the Bank was required to make that payment), including any payment made by the Bank under clause 10.2.10.2(a)(a)(iv)(v)(B)(B).
- (c) The Borrower's obligation under clause 5.4.5.4 are absolute and unconditional. They are not affected by any reduction, termination or other impairment by set-off, deduction, abatement, counterclaim, agreement, defence, suspension, deferment or otherwise.
- (d) The Borrower is not released, relieved or discharged from any obligation under this document, nor will such obligation be prejudiced or affected for any reason, including:

 - (i) any falsity, inaccuracy, insufficiency or forgery of or in any demand, certificate or declaration or other document which on its face purports to be signed or authorised under a Bank Guarantee;
 - (ii) any failure by the Bank to enquire whether a cable, telex or other notification was inaccurately transmitted, received or given by an unauthorised person (other than where such failure occurs due to the wilful default or fraud of the Bank);
 - (iii) the impossibility or illegality of performance of, or any invalidity of or affecting, any Transaction Document or Bank Guarantee or any other document;
 - (iv) any act of any Government Body or arbitrator including any law, judgment, decree or order at any time in effect in any jurisdiction

affecting any Transaction Document or Bank Guarantee or any document delivered under a Transaction Document;

- (v) any failure to obtain any consent, license or other authorisation necessary or desirable in connection with any Transaction Document or any Bank Guarantee; or
- (vi) any other cause or circumstance, foreseen or unforeseen, whether or not similar to any of the above, affecting any Transaction Document or Bank Guarantee or any transaction under a Transaction Document or Bank Guarantee,
- (vii) and the Bank need not inquire into any of these matters.

- (e) The Bank is irrevocably authorised and directed by the Borrower to pay immediately against a demand appearing or purporting to be made by or on behalf of a Beneficiary, any sums up to the Face Value of a Bank Guarantee which may be demanded from the Bank from time to time without any reference to or any necessity for confirmation or verification on the part of the Borrower, and notwithstanding any instructions from the Borrower to the contrary.
- (f) The obligations of the Borrower will not be affected or in any way limited by any falsity, inaccuracy, insufficiency or forgery of or in any notice or demand pursuant to any liability or the failure of the Bank to enquire (other than where such failure arises due to the wilful default or fraud of the Bank) whether any notice or demand has been inaccurately transmitted or received from any cause whatsoever or has been given or sent by an unauthorised person.

5.4 Mandatory prepayments

- (a) Unless the Bank otherwise agrees, if any of the assets, business or undertaking of any Transaction Party is the subject of any Disposal (other than a Permitted Disposal) the Borrower must apply or ensure is applied an amount equal to the cash or equivalent proceeds received by the Transaction Party from the Disposal net of reasonable transaction costs and Taxes in prepayment of Outstanding Accommodation or at the Borrower's election in permanent reduction of the unused portion of one or more of the Facility Limits.
- (b) The Borrower must, in relation to the Permitted Disposal under paragraph (i) of that definition:
 - (i) ~~apply an amount equal to \$20,000,000 of the Net Sale Proceeds in permanent reduction of the Outstanding Accommodation under the Corporate Markets Loan Facility in respect of the Cannon Park Property, apply the Net Sale Proceeds in permanent reduction of the Outstanding Accommodation and the Facility Limit under the Bridge Facility; and~~
 - (ii) ~~in respect of the Waurn Ponds Property, apply the Net Sale Proceeds in permanent reduction of the Outstanding Accommodation and the Facility Limit under the Bridge Facility.~~

5.5 Repayment

Subject to clause 10.210.2 and clause 10.310.3, each Borrower must:

(a) pay instalments, in permanent reduction of the Outstanding Accommodation and the Facility Limit for the Corporate Markets Loan Facility, of \$1,500,000 on the last Business Day of the Quarter ending 31 March 2025 and on the last Business Day of each Quarter thereafter until the Corporate Markets Loan Facility is repaid in full:

- (i) \$500,000 on 31 October 2021;
- (ii) \$500,000 on 30 April 2022;
- (iii) \$500,000 on 31 October 2022;
- (iv) \$500,000 on 30 April 2023; and
- (v) \$500,000 on 31 October 2023;

(b) repay the Outstanding Accommodation in respect of each Facility on the Termination Date in respect of that Facility; and

(c) subject to clause 5.86, and any other provision in a Transaction Document that provides otherwise, pay any other amounts payable in connection with the Transaction Documents, to the Bank on demand.

5.6 ~~Tranches~~ Amounts may not be redrawn

Amounts repaid or prepaid:

(a) which form part of the Term Tranche; or

(b) from the proceeds of the sale of the Cannon Park Property or the Waurn Ponds Property under clause 5.4(b)(ii).

may not be redrawn, and the Facility Limit in respect of the Corporate Markets Loan Facility or the Bridge Facility (as applicable) will be reduced by the aggregate amount of such repayments or prepayments.

5.7 ~~Release of Cannon Park Property on Cannon Park Property Release Date~~

(a) On the Cannon Park Property Release Date, the Bank releases and discharges the registered freehold mortgage over Cannon Park Property 719329379 dated 27 March 2019 granted by Reading Cannon Park Pty Ltd in favour of the Bank.

(a)(b) Subject to this clause 5.7, each Transaction Party acknowledges and agrees that nothing in this document or any other Transaction Document terminates, releases or otherwise affects any other Collateral Security granted by a Transaction Party under a Transaction Document.

5.8 ~~Release of Waurn Ponds Property on Waurn Ponds Property Release Date~~

(a) On the Waurn Ponds Property Release Date, the Bank releases and discharges the registered caveat AJ188641H with respect to the

(b) leasehold mortgage over the Waurn Ponds Property dated 12 September 2011 granted by Reading Cinemas Pty Ltd, in favour of the Bank.
(b) Subject to this clause 5.8, each Transaction Party acknowledges and agrees that nothing else in this document or any other Transaction Document terminates, releases or otherwise affects any other Collateral Security granted by a Transaction Party under a Transaction Document.

6 Interest and fees

6.1 Pricing Periods

(a) Subject to clause 6.1.6.1(c)(e), the Pricing Period for each Advance must be a period of 30, 60 or 90 days or six Months or another period agreed by the Bank.
(b) Subject to clause 6.1.6.1(c)(e), the first Pricing Period for an Advance commences on its Funding Date and will have the duration specified in the relevant Funding Notice. Each subsequent Pricing Period for the Advance:
(i) commences on the day after the preceding Pricing Period for the Advance expires; and
(ii) is a period notified by the Borrower to the Bank at least two Business Days before the last day of the current Pricing Period, but if the Borrower does not give notice, is of the same duration as the Pricing Period which immediately precedes it.
(c) A Pricing Period:
(i) which would otherwise end on a day which is not a Business Day ends on the next Business Day and a Pricing Period which would otherwise end after the Termination Date ends on the Termination Date. For the avoidance of doubt, if a Pricing Period ends on a day that is not followed by a Business Day, the Bank may extend that Pricing Period accordingly (except where this would be contrary to clause 6.1.6.1(c)(e)(ii)(#), in which case the Bank may shorten the Pricing Period); and
(ii) May be adjusted by the Bank where necessary so that:
(A) a Pricing Period starts on a Business Day;
(B) all Advances will have the same Pricing Period;
(C) a Pricing Period does not end after the Termination Date; and
(D) if a new Advance is made during a Pricing Period for an existing Advance, the first Pricing Period for that new Advance ends on the same day as the Pricing Period for the existing Advance.

6.2 Payment and rate

(a) In respect of the Corporate Markets Loan Facility and the Bridge Facility (as applicable):

- (i) interest for each day is calculated by applying the Daily Interest Rate to the Advance at the end of that day (excluding any amount to which the Overdue Rate applies); and
- (ii) the Borrower must pay accrued interest in respect of:
 - (A) each Pricing Period, on the First Business Day after the expiry of that Pricing Period; and
 - (B) the last Pricing Period, for the period up to and including the Termination Date, on the Termination Date.

(b) The Borrower must pay interest on Overdue Money, and such interest must be paid on demand by the Bank.

(c) The interest rate on Overdue Money will be the Overdue Rate.

6.3 Computation of interest

Interest will:

- (a) accrue from day to day;
- (b) be computed from and including the day when the money on which interest is payable becomes owing to the Bank by the Borrower until but excluding the day of payment of that money; and
- (c) be calculated on the actual number of days elapsed on the basis of a 365 day year.

6.4 Capitalisation of interest

The Bank may:

- (a) capitalise, on a monthly or other periodical basis as the Bank determines, any part of any interest which becomes due and payable and interest is payable in accordance with this document on capitalised interest; and
- (b) continue to capitalise interest despite:
 - (i) that as between the Bank and the Borrower the relationship of Bank and customer has ceased;
 - (ii) any composition agreed to by the Bank;
 - (iii) any judgment or order against the Borrower; or
 - (iv) any other thing.

6.5 Merger

If the liability of the Borrower to pay to the Bank any money payable under a Transaction Document becomes merged in any deed, judgment, order or other thing, the Borrower must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate

payable under the Transaction Documents and that fixed by or payable under that deed, judgment, order or other thing.

6.6 Reset Margin

- (a) The Borrower must pay a Reset Margin where a Pricing Period is, or becomes, shorter than 3 months.
- (b) The Reset Margin (if any) for a Pricing Period:
 - (i) will be determined by the Bank on the commencement of that period;
 - (ii) will be advised to the Borrower in writing shortly after the commencement of that period; and
 - (iii) will be fixed for that period.
- (c) Subject to clause 6.6(b), if a Reset Margin is applicable to a Facility, the Bank may vary the rate of the Reset Margin from time to time (and any rate set out in this document is indicative only). The Bank publishes Reset Margin rates periodically on nab.com.au.
- (d) The Reset Margin will be payable in arrears:
 - (i) on the first Business Day following the end of each Pricing Period that is shorter than 3 months;
 - (ii) on the Termination Date of the relevant Facility; and
 - (iii) upon the early repayment or all or part of the relevant Advance.
- (e) The Reset Margin is calculated on a daily basis on the outstanding principal amount of the relevant Advance on the basis of a 365 day year and the actual number of days elapsed.

7 Payments

7.1 Place, manner and time of payment

Each Transaction Party must make payments to the Bank under the Transaction Documents:

- (a) at the address specified in clause 19.3 or at such other place reasonably required by the Bank;
- (b) in a manner reasonably required by the Bank;
- (c) by 11.00 am local time in the place where payment is required to be made; and
- (d) in immediately available funds and without set-off, counter claim, condition or, unless required by law, deduction or withholding.

7.2 **Gross-up**

If a Transaction Party is required by law to deduct or withhold Taxes from any payment it must:

- (a) make the required deduction and withholding;
- (b) pay the full amount deducted or withheld in accordance with the relevant law;
- (c) deliver to the Bank an original receipt for each payment; and
- (d) pay an additional amount with such payment so that, after all applicable deductions or withholdings, the Bank actually receives for its own benefit the full amount which would have been payable to the Bank if no deduction or withholding had been required.

7.3 **Appropriation**

Subject to any express provision to the contrary in any Transaction Document, the Bank may appropriate any payment towards the satisfaction of any money due for payment by the Borrower in relation to a Transaction Document in any way that the Bank thinks fit and despite any purported appropriation by the Borrower.

8 Representations and warranties

8.1 **Nature**

Each Transaction Party represents and warrants that:

- (a) **duly incorporated:** if it purports to be a corporation, it is duly incorporated in accordance with the laws of its place of incorporation, validly exists under those laws and has the capacity to sue or be sued in its own name and to own its property and conduct its business as it is being conducted;
- (b) **capacity:** it has capacity unconditionally to execute and deliver and comply with its obligations under the Transaction Documents;
- (c) **action taken:** it has taken all necessary action to authorise the unconditional execution and delivery of, and the compliance with its obligations under, the Transaction Documents to which it is a party;
- (d) **binding obligations:** each Transaction Document constitutes the valid and legally binding obligations of, and is enforceable against it by the Bank in accordance with its terms (subject to any necessary stamping or registration and to equitable principles and insolvency laws);
- (e) **priority:** each Security Interest which each Transaction Document purports to create exists and has the priority which the Bank has agreed to (subject to any necessary stamping and registration);
- (f) **authorisations:** each authorisation from, and filing and registration with, a Government Body necessary to enable it to unconditionally execute

and deliver and comply with its obligations under the Transaction Documents to which it is a party has been obtained, effected and complied with;

- (g) no contravention: the unconditional execution and delivery of, and compliance with its obligations by it under, the Transaction Documents to which it is a party do not:
 - (i) contravene any law to which it or any of its property is subject or any order or directive from a Government Body binding on it or any of its property;
 - (ii) contravene its constituent documents;
 - (iii) contravene any agreement or instrument to which it is a party;
 - (iv) contravene any obligation it has to any other person; or
 - (v) require it to make any payment or delivery in relation to any Financial Indebtedness (other than Excluded Financial Indebtedness) before the scheduled date for that payment or delivery;
- (h) correct information: all information given and each statement made to any Bank by it or at its direction in relation to the Transaction Documents, is correct, complete and not misleading;
- (i) full disclosure: it has disclosed to the Bank all information which the Borrower has or has access to and which is relevant to the assessment by the Bank of the nature and amount of the risks undertaken by the Bank becoming a creditor of or taking a Security from it;
- (j) ~~Financial Statements~~: the Financial Statements of each of Transaction Party given to the Bank under clause [9.39.3](#):
 - (i) are a true, fair and accurate statement of their respective financial performance and position and their respective consolidated financial performance and position at the date to which they are prepared; and
 - (ii) have been prepared in accordance with clause [9.29.2](#) and [9.39.3](#), except for such departures expressly disclosed in those Financial Statements;
- (k) ~~no change in financial position~~: there has been no change in the financial performance or position of a Transaction Party since the date to which the last ~~Financial Statements~~ given to the Bank under clause [9.39.3](#) were prepared, which has a Material Adverse Effect;
- (l) no related party transaction: no person has contravened or will contravene sections 208 or 209 of the Corporations Act due to a Transaction Party entering into or performing its obligations under a Transaction Document;
- (m) no proceeding: except as notified to the Bank in writing before the date of this document, no litigation, arbitration or administrative proceeding is

current, pending or, to the knowledge of the Borrower, threatened, which has, or the adverse determination of which would be likely to have, a Material Adverse Effect;

- (n) no trust: except as notified to the Bank in writing before the date of this document, no Transaction Party enters into a Transaction Document as trustee of any trust;
- (o) sole owner and no Encumbrances: except as notified to the Bank in writing before the date of this document:
 - (i) each Transaction Party is the sole legal and beneficial owner of the property it purports to own; and
 - (ii) there are no Encumbrances over the property of any Transaction Party other than Permitted Encumbrances;
- (p) no existing default: no Event of Default, Review Event or Potential Event of Default subsists;
- (q) ranking of obligations: each obligation of the Borrower under this document ranks at least pari passu with all unsecured and unsubordinated obligations of the Borrower except obligations mandatorily preferred by law;
- (r) warranties correct: the representations and warranties given by any Transaction Party in any Transaction Document are correct in all material respects and not misleading in any material respect and will be when given or repeated;
- (s) no immunity: each Transaction Party and its property are free of any right of immunity from set-off, proceedings or execution in relation to its obligations under any Transaction Document;
- (t) insurance: the Insurances are enforceable against the relevant insurer in accordance with their terms and are not void or voidable;
- (u) trust provisions: in relation to each Transaction Party which enters into any Transaction Document as trustee of a Trust:
 - (i) the Trustee has power as trustee of the Trust to execute and perform its obligations under the Transaction Documents;
 - (ii) the Trustee, in executing the Transaction Documents and entering into those transactions, have properly performed their obligations to the beneficiaries of the Trust;
 - (iii) all necessary action required by the Trust Deed to authorise the unconditional execution and delivery of, and compliance with its obligations under, the Transaction Documents has been taken;
 - (iv) the Trustee is the only trustee of the Trust;
 - (v) no effective action has been taken to remove the Trustee as trustee of the Trust or to appoint an additional trustee of the Trust;

- (vi) (A) the Trustee has a right to be fully indemnified out of the property of the Trust in relation to all of its obligations under the Transaction Documents;
- (B) the Trustee has not released or disposed of its equitable lien over the property of the Trust which secures that indemnity; and
- (C) the property of the Trust is sufficient to satisfy that indemnity;

- (vii) the Trustee has complied with all of its obligations as trustee of the Trust in relation to execution of the Transaction Documents;
- (viii) no effective action has been taken or, so far as the Trustee is aware, is contemplated by the beneficiaries of the Trust to terminate the Trust;
- (ix) the Trustee has disclosed to the Bank full details of:
 - (A) the Trust and any other trust or fiduciary relationship affecting the property of the Trust and, without limitation, has given to the Bank copies of any instruments creating or evidencing the Trust; and
 - (B) the Trustee's other trusteeships (if any);
- (x) the Trust is properly constituted and the Trust Deed is not void, voidable or otherwise unenforceable;
- (xi) the rights of the beneficiaries of the Trust in relation to, and their interest in, the property of the Trust are subject to:
 - (A) the rights of the Bank in relation to, and their respective interests in, the property of the Trust; and
 - (B) any rights or interests in the property of the Trust to which the Bank may from time to time be subrogated; and
- (xii) the Trustee:
 - (A) if it is a corporation, is duly incorporated in accordance with the laws of its place of incorporation, validly exists under those laws and has the capacity to sue and be sued in its own name, to own property and to act as trustee of the Trust;
 - (B) if it is natural person, has the capacity to be trustee of the Trust;
- (v) solvency: each Transaction party is not insolvent;
- (w) corporate benefit: each of the Transaction Parties will receive corporate benefit by entering into the Transaction Documents to which they are a party.

8.2 General

- (a) The interpretation of any statement contained in any representation or warranty will not be restricted by reference to or inference from any other statement contained in any other representation or warranty.
- (b) The Borrower acknowledges that the Bank enters into the Transaction Documents in reliance on each representation and warranty.
- (c) Each representation and warranty survives the execution of the Transaction Documents and is deemed to be repeated with reference to the facts and circumstances then existing on the date each Funding Notice is issued, on each Funding Date, on the last day of each Funding Period and on each day that an Annual Compliance Certificate or Interim Compliance Certificate is given.

9 General obligations

9.1 Fees

The Borrower must pay to the Bank:

- (a) restructure fee: on or before execution of the Restatement Deed, a non- refundable Restructure Fee of \$30,000 (which fee has been paid);
- (b) restructure fee: on or before the 'Amendment Date' referred to in the Amendment Deed, a non-refundable Restructure & Application Fee of \$300,000 (less the \$20,000 work fee referred to in the term sheet dated 17 December 2018 if the Borrower has paid that work fee to the Bank);
- (c) Corporate Markets Loan Facility ~~Fee~~fee: a non-refundable facility fee on the Facility Limit in respect of the Corporate Markets Loan Facility calculated at ~~0.95%~~per annum from the date of the 'Variation Date' under the Restatement Deed and at1.00% per annum from the date of Amendment the 'Amendment Date' under the Amendment Deed and 1.25% per annum on and from the April 2024 Amendment Date, which will:
 - (i) accrue from day to day from the date of this document up to and including the Termination Date;
 - (ii) be payable quarterly in arrears, on the first Business Day of each Quarter;
 - (iii) be calculated on the actual number of days elapsed and on the basis of a 365 day year;
- (d) Reset Fee: on the first Business Day of each Pricing Period (other than the first Pricing Period) a non-refundable fee of \$150.00;
- (e) Bank Guarantee service fee: on and from the first services fee charge date following the August 2023 Amendment Date, a non-refundable fee of 1.90% per annum, calculated on the Face Value of the Bank Guarantee, payable on a pro-rata basis half yearly in arrears, with the first payment due six months after the relevant Funding Date of the Bank

Guarantee, and subsequent payments due every six months thereafter until the Bank Guarantee Matures or Expires or is cancelled. This fee will be calculated on the actual number of days elapsed and on the basis of a 365 day year; and

- (f) Bank Guarantee issuance fee: a non-refundable fee in respect of each Bank Guarantee of 0.95% calculated on the Face Value of the Bank Guarantee (or \$125 whichever is greater), payable on the relevant Funding Date of the Bank Guarantee; and
- (g) Bridge Facility fee: a non-refundable facility fee on the Facility Limit in respect of the Bridge Facility calculated at 1.25% per annum, which will:
 - (i) accrue from day to day from the April 2024 Amendment Date up to and including the Termination Date;
 - (ii) be payable quarterly in arrears, on the first Business Day of each Quarter;
 - (iii) be calculated on the actual number of days elapsed and on the basis of a 365 day year.

9.2 Records

The Borrower must ensure that each Transaction Party:

- (a) prepares and keeps books, accounts and other records in accordance with the law and Accounting Standards; and
- (b) on demand, makes the same available for inspection and copying by the Bank.

9.3 Financial Statements and other financial information

The Borrower must give to the Bank:

- (a) Annual Financial Statements: as soon as practicable, and in any event within 120 days after the end of each Financial Year the consolidated audited Financial Statements of the Reading Entertainment Australia Group for that Financial Year;
- (b) Quarterly Financial Statements: as soon as practicable, and in any event within 45 days after the end of each Quarter (other than the Quarter ending 31 December) the consolidated unaudited Financial Statements of the Reading Entertainment Australia Group for that Quarter (showing both actual and budget figures and any information regarding the effect of AASB 16 on EBITDA, including but limited to, AASB 16 interest expense and AASB 16 depreciation);
- (c) group structure diagram: within 120 days after the end of each Financial Year, a group structure diagram in relation to Reading International Inc. and the Reading Entertainment Australia Group which lists all the then Group Members and which contains such other information in relation to the legal relationship between Reading International Inc. and the Reading Entertainment Australia Group Members as the Bank reasonably requires;

- (d) budget: as soon as practicable, and in any event before 31 March for each Financial Year, a consolidated budget for the Reading Entertainment Australia Group for the current Financial Year showing the budgeted profit and loss, balance sheet and cash flow for the Reading Entertainment Australia Group and such other matters customarily dealt with in such budgets;
- (e) Parent Subordination Agreement: as soon as practicable, and in any event by no later than 30 November 2023 (or such later date as agreed by the Bank in writing in its absolute discretion):
 - (i) a fully executed original copy of the Parent Subordination Agreement, duly executed by the Borrower and the Parent; and
 - (ii) a legal opinion from the Borrower's US counsel, addressed to the Lender, in relation to the due execution of the Parent Subordination Agreement by the Parent,
- (f) other financial information: promptly on reasonable notice from the Bank, such additional information in relation to the financial condition and the operations of the Borrower and each other Transaction Party as the Bank reasonably requests from time to time.

The Borrower must ensure that all Financial Statements given to the Bank under the Transaction Documents are prepared in accordance with the Corporations Act and the Accounting Standards.

If after the date of this document there is a change in the accounting principles or practices referred to in the definition of 'Accounting Standards' and the Bank or the Borrower reasonably considers that, if the change were to apply for the purposes of this document, the change would have a material effect on the Financial Statements or the calculation of the financial ratios in clause 9.89.8, the Bank and the Borrower shall endeavour to agree mutually acceptable changes to this document so that the accounting change can be adopted for the purposes of this document.

9.4 Adjustments for AASB 16

- (a) The parties acknowledge that:
 - (i) AASB 16 took effect on and from 1 January 2019, which changed or eliminated the distinction between operating leases and finance leases; and
 - (ii) the parties are continuing to assess the potential effect of AASB 16 on the calculation of the financial ratios referred to in clause 9.89.8 and the related definitions.
- (b) For each Calculation Date occurring on or prior to 31 December 2021:

- (i) the financial ratios referred to in clause 9.89.8 and the related definitions will be calculated ignoring any changes following AASB 16 taking effect on 1 January 2019; and
- (ii) the Company must provide with its Financial Statements and other financial information any reconciliation statements (audited, where applicable) necessary to enable the financial ratios in clause 9.89.8 and the related definitions to be calculated in accordance with clause 9.4(b)(i)(9-4(b)(i)).
- (c) If, in the reasonable opinion of the Borrower or the Bank, at any time after 31 December 2021, taking into account the AASB 16 changes when calculating the financial ratios referred to in clause 9.89.8 and the related definitions would materially alter the effect of, or the calculation of, those financial ratios or related definitions, the Borrower and the Bank will negotiate in good faith to amend the relevant undertakings and definitions so that they have an effect comparable to that as if the AASB 16 changes did not apply.

9.5 Other information

The Borrower must give to the Bank:

- (a) other information: on reasonable notice from the Bank, any other information in the possession or under the control of a Transaction Party which in the Banks reasonable opinion is necessary to verify the Borrower's compliance with any Transaction Document;
- (b) Annual Compliance Certificate: as soon as practicable, and in any event within 120 days after the end of each Financial Year, an Annual Compliance Certificate for that Financial Year signed by at least one director of the Borrower;
- (c) Interim Compliance Certificate: as soon as practicable, and in any event within 45 days after the end of each Quarter (other than the Quarter ending 31 December) an Interim Compliance Certificate for the previous 12 months signed by at least one director of the Borrower;
- (d) tenancy schedule: as soon as practicable, and in any event within 120 days of the end of each Financial Year an updated tenancy schedule for each Freehold Property, including (without limitation) the following details:
 - (i) the name of each tenant;
 - (ii) area let by each tenant;
 - (iii) current passing rent paid by each tenant;
 - (iv) the lease start date;
 - (v) the lease term;
 - (vi) the lease maturity date;
 - (vii) the option term (if any);
 - (viii) rent review details; and

- (ix) any other material or special clauses or conditions;
- (e) Valuations: on demand (provided that no more than one demand is made in a Financial Year and the Bank reasonably considers that there has been a material devaluation of the freehold and leasehold interests subject to the Collateral Security), a Valuation in respect of each Freehold Property and leasehold interest that is subject to the Collateral Security. Each Valuation is to the Bank, conducted by an Approved Valuer and in a form and substance (other than as to value) reasonably satisfactory to the Bank;
- (f) details of any proceeding: full details of any litigation, arbitration, administrative proceeding or native title claim which affects a Transaction Party and which has or the adverse determination of which would be likely to have a Material Adverse Effect, as soon as it is commenced or to the knowledge of the Borrower is threatened; ~~and~~
- (g) claims: on being notified of it, full details of any event which entitles the Borrower or the Bank to claim more than \$1,000,000 under the Insurances ~~and~~
~~(g)(h)[**]~~

9.6 Other financial undertakings

Each Transaction Party must ensure that:

- (a) negative pledge: no Encumbrances exist on its property, except Permitted Encumbrances;
- (b) permitted financial transactions: it does not, without the prior written consent of the Bank:
 - (i) incur any Financial Indebtedness except Permitted Financial Indebtedness;
 - (ii) provide any financial accommodation (excluding trade credit in the ordinary course of business) except Permitted Financial Accommodation;
- (c) disposals: must not dispose of any of its assets, either in a single transaction or in a series of transactions whether related or not and whether voluntary or involuntary, except Permitted Disposals;
- (d) mergers: a Transaction Party does not:
 - (i) enter into any merger, reconstruction or amalgamation; or
 - (ii) acquire any property or business or make any investment if the property, business or investment is substantial in relation to the relevant Transaction Party,

if it would have or be likely to have a Material Adverse Effect;

- (e) maintain status: it does everything necessary to maintain its corporate existence in good standing and:
 - (i) ensures that it has the right and is properly qualified to conduct its business in all relevant jurisdictions; and
 - (ii) obtains and maintains all Authorisations necessary for the conduct of its business;
 - (iii) comply with all laws affecting it or its business in all relevant jurisdictions
- (f) Distributions: it must not make any Distribution except a Permitted Distribution;
- (g) Taxes: must
 - (i) promptly pay when they become due for payment (or reimburse the Bank on demand for) all Taxes payable by it from time to time other than Taxes being contested in good faith where it has made adequate provisioning;
 - (ii) not transfer any Tax losses to any person other than to the Borrower in connection with the preparation of consolidated annual Financial Statements or in connection with the Reading Entertainment Australia Group's tax consolidation arrangements; and
 - (iii) not become a member of a consolidated group for the purposes of Part 3-90 of the Income Tax Assessment Act 1936 and the Income Tax Act 1997 including any amendments thereto (including any amendments made by the New Business Tax (Consolidation Act (No. 1)) 2002 and the New Business Tax System (Consolidation, Value Shifting, Damages and other Measures) Act 2002) other than in accordance with a Tax Sharing Agreement or otherwise on terms approved by the Bank;
- (h) Guarantor coverage:
 - (i) Subject to paragraph (ii), the Borrower shall ensure that at all times:
 - (A) the aggregate of total assets (calculated on the same basis as total assets of the Reading Entertainment Australia Group) of the Guarantors represents at least 90 per cent of total assets of the Reading Entertainment Australia Group; and
 - (B) the aggregate EBITDA of the Guarantors (calculated on the same basis as EBITDA of the Reading Entertainment Australia Group) represents at least 90 per cent of EBITDA of the Reading Entertainment Australia Group;

(C) any member of the Reading Entertainment Australia Group which contributes 5 per cent of more of EBITDA of the Reading Entertainment Australia Group is a Guarantor; and

(D) any member of the Reading Entertainment Australia Group which holds intellectual property which the Bank considers to be material to the operations of the Reading Entertainment Australia Group is a Guarantor

(and in each case the figures for the Guarantors will be calculated on an unconsolidated basis and excluding all intra-Reading Entertainment Australia Group items and investments in Subsidiaries); and

(ii) where an entity becomes a member of the Reading Entertainment Australia and is required to become a Guarantor to comply with paragraph (i), the Borrower shall ensure:

(A) the entity becomes an Additional Guarantor by executing a Guarantor Accession Deed;

(B) the entity executes a general security agreement over all its assets in favour of the Bank, in form and substance consistent with the general security agreements previously executed by the other Guarantors; and

(C) provides the Bank with any documents or evidence in relation to the entity as the Bank may reasonably consider necessary in respect of the entering into, validity and enforceability of the accession documents,

as soon as reasonably practicable and in any event within 45 days.

Provided the Borrower complies with this paragraph (ii), the Borrower will not be in breach of paragraph (i) by reason only that the entity is not a Guarantor.

(i) Major developments: in respect of any major development projects to be undertaken by the Transaction Parties (that are outside of the budgeted capital expenditure that has been disclosed to the Bank):

(i) the Bank is provided with development budgets and other information reasonably requested by the Bank; and

(j) Major acquisitions: in respect to any acquisitions or investments in assets to be undertaken by the Transaction Parties, the Bank's written consent is obtained for (and prior to) the purchase of:

(i) any freehold title or ground lease with a remaining tenor of 25 years or more and a consideration greater than \$50,000,000; and

(ii) the purchase of any other operating business assets with a consideration greater than \$25,000,000.

(k) Management Fees: no Management Fees are paid except:

- (i) written consent; and
- (ii) at any time after the Relevant Date, if no Event of Default subsists and provided that the aggregate amount of Management Fees paid per Financial Year does not exceed \$5,000,000.
- (l) Preservation and protection of Security: it does everything necessary or reasonably required by the Bank to:
 - (i) keep the Secured Property in good repair and in good working order;
 - (ii) promptly pay when they become due for payment (or reimburse the Bank on demand for) all Taxes payable in respect of the Secured Property;
 - (iii) preserve and protect the value of the Secured Property as a whole; and
 - (iv) protect and enforce its title and the Bank's titles as mortgagee to the Secured Property
- (m) [mandatory hedging: in respect of the Borrower only, as soon as practicable, but in any event by 30 June 2024, it enters into an interest rate Hedging Transaction with the Bank in respect of at least 50% of the Facility Limit of the Corporate Markets Loan Facility on such terms in accordance with the Borrower's hedging strategy.](#)

9.7 Insurance

- (a) Subject to the provisions of the Transaction Documents, the Borrower must effect and maintain insurance over and in relation to the Secured Property, the business operations of the Group (including business interruption) and for public liability with insurers, for amounts, against risks and on terms and conditions:
 - (i) that the Bank reasonably requires; or
 - (ii) if the Bank does not notify the Borrower of its requirements, that a prudent and reasonable owner of the Secured Property would effect and maintain, including insurance for full replacement value on a reinstatement basis.
- (b) Subject to the provisions of the Transaction Documents, the Borrower must give to the Bank on demand a certificate in form and substance satisfactory to the Bank from the insurer to the effect that the required Insurances are current and no premium is overdue.

9.8 Financial ratios

- (a) The Borrower must ensure that:
 - (i) Fixed Charges Cover Ratio:
 - (A) [subject to clause 9.8\(a\)\(i\)\(B\), at each Calculation Date commencing 31 March 2024 until 30 June 2025 \(inclusive\).](#)

the Fixed Charges Cover Ratio for the Calculation Period ending on that Calculation Date is not less than 1.40 times at 30 June 2023, the Bank agreed to waive its right to test the Fixed Charges Cover Ratio on that Calculation Date for that Calculation Period, in accordance with the Letter of Waiver;

(B) at the Calculation Date 31 December 2024 only, the Fixed Charges Cover Ratio for the Calculation Period ending on that Calculation Date is not less than 1.35 times 30 September 2023, the Bank agreed to waive its right its right to test the Fixed Charges Cover Ratio on that Calculation Date for that Calculation Period, in accordance with the Letter of Waiver; and

(C) at each other Calculation Date commencing 31 December 2023 30 September 2025, the Fixed Charges Cover Ratio for the Calculation Period ending on that Calculation Date is not less than 1.50 times 1.75 times.

(ii) Leverage Ratio:

(A) at 30 June 2023, the Bank agreed to waive its right to test the Leverage Ratio on that Calculation Date for that Calculation Period, in accordance with the Letter of Waiver;

(B) at 30 September 2023, the Bank agreed to waive its right to test the Leverage Ratio on that Calculation Date for that Calculation Period, in accordance with the Letter of Waiver;

(C) at 31 December 2023, the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 4 times;

(D) at 31 March 2024, the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 3.75 times;

(A) at the Calculation Date 30 September 2025, the Leverage Ratio for the Calculation Period ending on that Calculation Date is less than or equal to 4.25 times;

(B) at each Calculation Date commencing 31 December 2025 until 31 March 2026 (inclusive), the Leverage Ratio for the Calculation Period ending on that Calculation Date is less than or equal to 4.00 times; and

(E) at each other Calculation Date commencing 30 June 2026 30 June 2024, the Leverage Ratio for the Calculation Period ending on that Calculation Date is less than or equal to 3.50 times 3.25 times;

(iii) ~~Debt to Debt plus Equity Ratio~~: at each Calculation Date, the ~~Debt to Debt plus Equity Ratio~~ for the Calculation Period ending on that date is less than or equal to 55%;

(iv) Loan to Value Ratio: at each Calculation Date, the Loan to Value Ratio for the Calculation Period ending on that date is less than or equal to 70%; and
(v) Minimum Liquidity: the Borrower's Minimum Liquidity is at least \$5,000,000 at all times.

(b) A financial ratio or amount to be determined under clause 9.89.8(a)(e) must be tested or determined by reference to the most recently prepared Financial Statements. The calculation of any amounts on a consolidated basis must be made in accordance with the requirements of the Accounting Standards relating to the consolidation of entities.

9.9 Environment

(a) Each Transaction Party must ensure that at all times all practical and reasonable steps that can be taken and measures and precautions that can be adopted are taken or adopted by each Transaction Party to ensure that:

- (i) all persons, things and activities of any kind on or using the Land comply with all Environmental Laws and any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law;
- (ii) if there is any non-compliance with any Environmental Law or any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law:
 - (A) the impact on the Land and the environment is minimised; and
 - (B) steps are taken as quickly as possible to rectify the non-compliance, eliminate or reduce any liability arising from the non-compliance and to ensure the non-compliance does not recur;
- (iii) it or any person on the Land does not:
 - (A) allow onto or permit to exist on the Land any Contaminant; or
 - (B) allow a Contaminant to escape or be released into the environment,
 - if to do so would be in breach of any Environmental Law or any consent, permit, approval, licence, authorisation, certification, order or direction granted or issued under any Environmental Law or could give rise to an order or direction being issued under any Environmental Law; and
- (iv) if any Contaminant is discovered on or affecting the Land (other than a Contaminant which is safely stored in accordance with lawful authority) or, without lawful authority, escapes or is released from the Land into the environment.

(A) the impact on the Land and the environment is minimised; and

(B) steps are taken as quickly as possible to safely contain the Contaminant and to remove the Contaminant from the environment or the Land or reduce the levels of the Contaminant to a level required or recommended by the relevant Government Body as safe and in either case to eliminate or reduce any liability arising from the Contaminant and do all things necessary to restore the Land and the environment.

(b) If there is any non-compliance under clauses 9.99.9(a)(i)(f), (i)(g) or (i)(h) or any Contaminant is discovered or the Borrower has reason to believe that there is some Contaminant on the Land requiring action to be taken under clause 9.99.9(a)(v)(a)(iv), the Borrower must immediately notify the Bank.

(c) If there is or the Bank has reason to believe that there may be any non-compliance under clauses 9.99.9(a)(i)(f), (i)(g) or (i)(h) or any Contaminant is discovered or the Bank has reason to believe that there is some Contaminant on the Land requiring action to be taken under clause 9.99.9(a)(v)(a)(iv), the Borrower, at the request of the Bank, must procure and furnish to the Bank, in a form acceptable to the Bank, an Environmental Assessment Report in relation to the Land and any operations conducted on it.

(d) The Borrower indemnifies the Bank from and against all:

- (i) Environmental Liability; and
- (ii) damages, losses, outgoings, costs, charges or expenses suffered or incurred by the Bank in respect of any action, claim or demand made or brought in respect of or otherwise arising from or in connection with any breach of any Environmental Law in relation to the Land.

(e) The Borrower must immediately notify the Bank of:

- (i) the existence of any Contaminant on or adjacent to or affecting the Land; and
- (ii) the receipt by any Transaction Party of any notice, order or direction:

- (A) to clean up any Contaminant on the Land; or
- (B) alleging any breach of Environmental Law.

(f) If requested by the Bank, the Borrower must provide the Bank with a copy of each environmental consent, permit, approval, licence, authorisation, certification, order and direction relating to the Land together with confirmation that:

- (i) it is complying with the terms and conditions of each consent, permit, approval, licence, authorisation, certification, order and direction; and
- (ii) it has renewed each consent, permit, approval, licence, authorisation, certification, order and direction as appropriate.

(g) The Borrower must:

- (i) when reasonably required by the Bank, obtain or permit the Bank to obtain an Environmental Assessment Report from a person approved by the Bank in relation to the Land; and
- (ii) promptly comply with any reasonable recommendation contained in any Environmental Assessment Report relating to compliance with Environmental Law in relation to the Land and obtain any consent, permit, approval, licence, authorisation, certification, order and direction required in order to comply with that recommendation.

9.10 No default

The Borrower must ensure that an Event of Default does not occur.

9.11 Obligations of Trustees

If a Transaction Party is a Trustee the Borrower must ensure that it:

- (a) ensures that the property of the Trust is not mixed with any other property;
- (b) complies with its obligations as trustee of the Trust;
- (c) does not release, dispose of or otherwise prejudice its right of indemnity against, and equitable lien over, the property of the Trust and its right of indemnity (if any) against the beneficiaries of the Trust in relation to any money owing to the Bank;
- (d) at the Bank's Request
 - (i) exercises its right of indemnity against, and equitable lien over, the property of the Trust and its right of indemnity (if any) against the beneficiaries of the Trust in relation to any money owing to the Bank; and
 - (ii) assigns to the Bank those indemnities and that equitable lien and otherwise facilitates the subrogation of the Bank to those indemnities and that equitable lien;
- (e) does not, if the Trust is a unit trust, consent to or register the transfer of units in the Trust or cancel, repurchase, redeem or issue any units in the Trust;
- (f) ensures that:
 - (i) another person is not appointed as trustee of the Trust;
 - (ii) the Trust is not terminated or its terms varied;

- (iii) the Trustee does not resign and is not removed or replaced as trustee of the Trust;
- (iv) the property of the Trust is not resettled;
- (v) the capital of the property of the Trust is not distributed at any time; and
- (vi) income of the Trust is not distributed to anyone other than a Transaction Party while an Event of Default or Potential Event of Default subsists;
- (g) prepares and keeps full and true records and books of accounts of the Trust and makes them available for inspection and copying by the Bank on demand; and
- (h) does not default in performing or observing its obligations under the Transaction Documents.

9.12 Release for Permitted Disposals

The Bank must on request from (and at the cost of) a Transaction Party release from the Collateral Security that part of the Secured Property that is the subject of a Permitted Disposal (other than a Permitted Disposal of the kind referred to in paragraph (a) of that term's definition).

10 Events of Default

10.1 Nature

Each of the following is an Event of Default (whether or not caused by anything outside the control of any Transaction Party):

- (a) non-payment: a Transaction Party does not pay on the due date any principal, interest and fees due for payment by it under a Transaction Document in accordance with the relevant Transaction Document unless the Bank is satisfied that the sole reason for such failure to pay is caused by administrative or technical error in the banking system generally which is beyond the control of that Transaction Party and payment is made within 2 Business Days after its due date;
- (b) other non-compliance: (subject to clause 10.6.10.6 in the case of a failure to comply with a Financial Ratio other than the Fixed Charges Cover Ratio) a Transaction Party does not comply with any other obligation under a Transaction Document and if that default is capable of rectification:
 - (i) it is not rectified within 10 Business Days (or any other longer period agreed by the Bank) after its occurrence; or
 - (ii) the Transaction Party does not during that period take all action which in the Bank's reasonable opinion is necessary to rectify that default;

- (c) untrue warranty: a representation, warranty or statement made or deemed to be made by a Transaction Party in a Transaction Document is untrue or misleading in any material respect or a reply by a Transaction Party to a requisition made by, or on behalf of, the Bank is untrue or misleading in any material respect;
- (d) void document: a Transaction Document is void, voidable or otherwise unenforceable by the Bank or is claimed to be so by a Transaction Party;
- (e) compliance unlawful: it is unlawful for a Transaction Party to comply with any of its obligations under a Transaction Document or it is claimed to be so by a Transaction Party;
- (f) loss of priority: a Security Interest created by or purportedly created by a Collateral Security does not have or ceases to have the priority which it purports to have under the relevant Transaction Document or becomes ineffective to secure the payment of the money or compliance with the obligations which it purports to secure, otherwise than by any act of the Bank;
- (g) Insolvency Event: an Insolvency Event occurs in relation to a Transaction Party;
- (h) authorisation ceasing: an Authorisation from a Government Body necessary to enable:
 - (i) a Transaction Party to comply with its obligations under a Transaction Document or carry on its principal business or activity;
 - (ii) a Transaction Party to carry on its principal business or activity; or
 - (iii) the Bank to exercise its rights under a Transaction Document, is withheld or ceases to be in full force and effect and, in the case of clause [10.1\(h\)\(i\)10.1\(h\)\(i\)](#), would have a Material Adverse Effect;
- (i) Material Adverse Effect: an event or series of events whether related or not, including any material adverse change in the property or financial condition of a Transaction Party, occurs which has a Material Adverse Effect;
- (j) cross default:
 - (i) Financial Indebtedness (other than Excluded Financial Indebtedness) of a Transaction Party in excess of \$500,000 becomes due for payment before its stated maturity other than by the exercise of an option of the Transaction Party to pay it before its maturity;
 - (ii) a Transaction Party fails to pay when due for payment (or within any applicable grace period) any Financial Indebtedness (other than Excluded Financial Indebtedness) in excess of \$500,000;
 - (iii) an obligation by a person to a Transaction Party to provide financial accommodation or to acquire or underwrite Financial Indebtedness (other than Excluded Financial Indebtedness) in

excess of \$500,000 ceases before its stated maturity other than by the exercise of an option of the Transaction Party to cancel that obligation; or

- (iv) a marketable security issued by a Transaction Party and having a face value over \$500,000 is required to be redeemed or repurchased before its stated maturity other than by the exercise of an option of the issuer to redeem or repurchase;
- (k) cessation of business: a Transaction Party ceases or threatens to cease to carry on its business or a substantial part of its business;
- (l) enforcement of other Security: a person who holds a Security over property of a Transaction Party exercises a right under that Security against the property to recover any money the payment of which is secured by that Security or enforce any other obligation the compliance with which is secured by it;
- (m) undertaking: an undertaking given to the Bank (or its lawyers) by or on behalf of a Transaction Party (or its lawyers) is not honoured in accordance with its terms and if capable of rectification, is not rectified within three Business Days (or any other longer period agreed by the Bank) after its occurrence;
- (n) reduction of capital: if a Transaction Party is a corporation:
 - (i) it reduces or takes any action to reduce its capital other than by the redemption of redeemable preference shares;
 - (ii) it passes or takes any action to pass a resolution of the type referred to in section 254N of the Corporations Act;
 - (iii) it:
 - (A) buys or takes any action to buy, or
 - (B) financially assists (within the meaning of section 260A of the Corporations Act) or takes any action to financially assist any person to acquire, shares in itself or in a holding company of it,
- (o) investigation: if a Transaction Party is a corporation, an investigation is instituted under the Corporations Act or other legislation into, or an inspector is appointed to investigate, its affairs, which would have a Material Adverse Effect;
- (p) environmental claim: a Government Body takes any action, there is a legally valid claim or there is a legally enforceable requirement for expenditure or for cessation or alteration of activity under an Environmental Law, which, in the reasonable opinion of the Bank, would have a Material Adverse Effect;
- (q) Trust: if a Transaction Party is a Trustee:
 - (i) the Trustee ceases to be the trustee or the only trustee of the Trust or any action is taken for the removal of the Trustee as

trustee of the Trust, or for the appointment of another person as trustee in addition to the Trustee;

- (ii) an application or order is sought or made in any court, which is not withdrawn or dismissed within ten Business Days, for:
 - (A) the property of the Trust to be administered by the court; or
 - (B) an account to be taken in relation to the Trust; or
- (iii) non-compliance by the Trustee with its obligations as trustee under the Trust Deed which has a Material Adverse Effect.

10.2 Effect of Event of Default

- (a) If an Event of Default subsists the Bank may at any time by notice to the Borrower do any or all of the following:
 - (i) cancel Facility: cancel any or all of the Facilities or any part of a Facility, specified in the notice;
 - (ii) accelerate: make so much of the Outstanding Accommodation which is not then immediately due and payable, any unpaid accrued interest or fees and any other money owing by the Borrower to the Bank in relation to the Transaction Documents either:
 - (A) payable on demand; or
 - (B) immediately due for payment;
 - (iii) Not used
 - (iv) Bank Guarantees:
 - (A) by notice to the Borrower require the Borrower to pay immediately to the Bank the aggregate of the Face Values for all Current Bank Guarantees as at the date of the notice, together with any unpaid accrued interest or fees and any other money (including all Indemnity Amounts) owing by the Borrower to the Bank in relation to the Transaction Documents;
 - (B) pay the Beneficiaries of any one or more of the Current Bank Guarantees the amount agreed between the Bank and the relevant Beneficiary sufficient to obtain from the Beneficiary an unconditional release of the Bank's relevant Bank Guarantee on terms satisfactory to the Bank (acting reasonably).
 - (v) engage consultants: at the cost of the Borrower, appoint (or require the Borrower to appoint) such accountancy, financial management and other consultants as the Bank may nominate to investigate the business affairs and financial condition of any Transaction Party and whether each Transaction Party has complied with each Transaction Document to which it is a party

and to make recommendations relating to the manner in which the Transaction Party carries on its business. Each Transaction Party agrees to provide all assistance and information required by the consultants (including making all financial records available and giving access to all premises and records) to enable the consultants to conduct their examination promptly, completely and accurately. No Transaction Party is obliged to accept the recommendations of any consultant, and the Bank will assume no liability with respect to any actions a Transaction Party takes, or does not take, as a result of those recommendations; or

- (vi) treasury related transactions: if there are any Hedging Transactions or treasury related transactions in existence between the Bank and the Borrower (Open Positions) then:
 - (A) the Bank may close out the Open Positions, by entering into opposite positions for the balance of the unexpired term, or by such other means as may be usual in the relevant market. Any such close out must be at market rates prevailing at the time;
 - (B) any costs incurred by the Bank in closing out Open Positions must be paid by the Borrower to the Bank immediately upon demand by the Bank;
 - (C) any gain derived from the closing out of the Open Positions will be credited to the Borrower and set off against the Amount Owing; and
 - (D) the Bank will give the Borrower reasonable particulars of the manner of close out of the Open Positions and the basis of calculation of any amounts payable by or to the relevant Borrower arising from that close out.

- (b) On receipt of a notice under clause [10.210.2\(a\)\(a\)\(ii\)\(A\)\(A\)](#) or [10.210.2\(a\)\(a\)\(ii\)\(B\)\(B\)](#), the Borrower must immediately pay in full the amounts referred to in that notice.

10.3 Cash Cover Account regarding Bank Guarantees

- (a) The Bank must credit so much of the money paid by the Borrower under clause [10.210.2\(a\)\(a\)\(iv\)\(iv\)\(A\)\(A\)](#) which the Bank appropriates towards the Face Values of Current Bank Guarantees to an account maintained by the Bank for this purpose (Cash Cover Account).
- (b) The following provisions apply to the Cash Cover Account:
 - (i) the account will be in the name of the Borrower;
 - (ii) despite the Cash Cover Account being in the name of the Borrower, until the Release Date the money held in the account is not owed by the Bank to the Borrower and the Borrower is not entitled to withdraw or be paid any of that money (including interest credited to the account);

- (iii) the Bank must credit to the account interest at the Cash Cover Rate from time to time and that interest will be credited to the account monthly and on the Release Date; and
- (iv) without limiting this clause 10.3 10.3, the Bank may apply any amounts from time to time held in the account towards payment of any amounts due and payable from time to time to the Bank under any Transaction Document.

(c) On the Release Date, the Bank must pay to the Borrower the credit balance of the Cash Cover Account.

10.4 Review Events

Each of the following is a Review Event (whether or not caused by anything outside the control of any Transaction Party):

- (a) there is an Insolvency Event in respect of Reading International Inc; and
- (b) a Change of Control occurs in relation to any Transaction Party.

10.5 Reviews

- (a) In addition to any other review rights the Bank has under this document, the Bank may conduct a review of any Facility following a Review Event.
- (b) If a Review Event has occurred, then, at any time or from time to time:
 - (i) the Bank may change any of the conditions applying to the Facility including, but not limited to, increasing or otherwise varying the fees payable in connection with the Facility; and/or
 - (ii) the Bank may terminate the Facility. If the Bank terminates the Facility, the Termination Date occurs on the date 30 days after the date the Bank notifies the Borrower that it wishes to terminate the Facility.
- (c) The Bank may not change any of the conditions applying to the Facility unless it has first given 30 days prior notice to the Borrower of the intended change.
- (d) If the Bank gives notice of any change to the conditions of any Facility and the Borrower refuses to accept the changes before the end of the period of notice, then at the end of that period, the Facility will become repayable within 30 days of any demand by the Bank.
- (e) Nothing in this clause affects the Bank's rights if any Event of Default occurs.

10.6 Equity Cure

- (a) If a breach of a Financial Ratio (other than the Fixed Charges Cover Ratio) occurs, the Borrower will have the right subject to clause 10.6(b) 10.6(b) to cure the breach by procuring additional Subordinated Debt or an equity contribution by way of subscription for new shares in the Borrower (or a combination of both) in an amount sufficient to cure

the breach when applied in prepayment of the Outstanding Accommodation (Equity Cure).

- (b) **Equity Cure may not be used:**
 - (i) more than 3 times during the term of the Facilities; or
 - (ii) in respect of breach of a Financial Ratio on a Calculation Date, where Equity Cure has been used to cure a breach on the preceding Calculation Date.
- (c) The Borrower must notify the Bank of its intention to provide an Equity Cure and effect the Equity Cure, within 10 Business Days of the delivery of the Compliance Certificate that identified the breach.
- (d) The amount of an Equity Cure will be deemed to be applied as of the first day of the relevant test period in prepayment of the Outstanding Accommodation. The breach of the Financial Ratio will be taken to have been cured immediately upon the requisite proceeds being applied in prepayment and the Borrower confirming to the Bank that the amount prepaid when the Financial Ratio is recalculated is sufficient to ensure that the relevant Financial Ratio is met.
- (e) Notwithstanding clause 10.6(d), any Equity Cure will be disregarded when calculating the Leverage Ratio for the purposes of determining the Margin.

11 Costs and expenses

11.1 Interpretation

A reference to "cost and expenses" in a Transaction Document includes legal costs and expenses on a full indemnity basis.

11.2 Nature

The Borrower must on demand pay and if paid by the Bank reimburse to the Bank:

- (a) the Bank's reasonable costs and expenses relating to:
 - (i) any Valuation obtained for the purposes of any Transaction Document;
 - (ii) the negotiation, preparation, execution, stamping and registration of the Transaction Documents or any document contemplated by them;
 - (iii) any consent, request for consent (whether or not given), communication or waiver of any right, or the variation, replacement or discharge of any Transaction Document or any document contemplated by it;
 - (iv) the enforcement or attempted enforcement or the preservation of any rights of the Bank under the Transaction Documents;

- (v) the occurrence of any Event of Default or Potential Event of Default; and
- (vi) the lodgment or removal of any Encumbrance on the Secured Property by any person; and
- (b) subject to clause 18.14~~18.14(d)(e)~~, any Taxes and registration or other fees (including fines and penalties relating to the Taxes and fees) which are payable or are assessed by a relevant Government Body or other person to be payable in relation to the Transaction Documents or any document or transaction contemplated by them.

11.3 Remuneration

The Bank, any Receiver and any Attorney must be remunerated by the Borrower for any services rendered by them in relation to the enforcement of any right under the Transaction Documents. The rate of the remuneration and the manner of payment will be that determined by the Bank, acting reasonably.

12 Indemnities

12.1 Nature

The Borrower indemnifies the Bank on demand against any liability, loss, cost or expense (including Break Costs) caused or contributed to by:

- (a) any failure by any Transaction Party to comply with any obligation under any Transaction Document;
- (b) any Event of Default or Potential Event of Default;
- (c) the enforcement or attempted enforcement of any right by the Bank, any Receiver or any Attorney under the Transaction Documents;
- (d) any Drawing requested by the Borrower not being granted by the Bank for any reason other than a default by the Bank;
- (e) any payment not being made by the Borrower in accordance with any Transaction Document; or
- (f) any act by the Bank in reliance on any communication purporting to be from the Borrower or to be given on behalf of the Borrower.

12.2 Representatives

The Borrower indemnifies each Receiver and Attorney and their respective Representatives and the Representatives of the Bank against any liability, loss, cost and expense caused by anything the Bank is indemnified against under clause 12.1~~12.1~~ and the Bank holds the benefit of this clause 12.2~~12.2~~ on trust for those persons.

12.3 Currency deficiency

If there is any deficiency between:

- (a) an amount payable by a Transaction Party under a Transaction Document which is received by the Bank in a currency other than the currency payable under the Transaction Document because of a judgment, order or otherwise; and
- (b) the amount produced by converting the payment received from the currency in which it was paid into the currency in which it was agreed to be paid either directly or through a currency other than that in which it was agreed to be paid, the Borrower must pay to the Bank the deficiency and any loss, costs or expenses resulting from it.

12.4 Independence and survival

Each indemnity in a Transaction Document is a continuing obligation, separate and independent from the other obligations of the Borrower and survives the termination of that Transaction Document.

12.5 Accounting for transactions

- (a) The Borrower irrevocably authorises the Bank to open such accounts as the Bank requires in connection with a Facility.
- (b) The Borrower irrevocably authorises the Bank to debit from any account in the name of the Borrower (including an account the Bank opens in the Borrower's name) any amounts payable by the Borrower in relation to that Facility or account, including interest, costs, Taxes, enforcement expenses and any amount payable under an indemnity.
- (c) If the Borrower authorises the Bank to debit any amount from an account, the Bank can debit that amount from that account even if it causes the account to become overdrawn. Alternatively, if there are insufficient cleared funds in that account, the Borrower authorises the Bank to debit that amount from any account of the Borrower the Bank decides, including an account the Bank opens in the Borrower
- (d) Where the Bank debits an account in the name of the Borrower, opened by:
 - (i) the Borrower, the Borrower must pay the Bank interest (including default interest if applicable) on any debit balance in accordance with the terms of that account;
 - (ii) the Bank, the Borrower must pay the Bank interest on the overdrawn balance of that account at the Overdue Rate applying to the relevant Facility or, if there is none, in accordance with the terms normally applied by the Bank to accounts of that type; or
 - (iii) either the Borrower or the Bank, the overdrawn balance of the account in excess of the applicable Facility Limit is immediately payable without further notice.

- (e) Unless otherwise provided, the Bank may apply any payment under or in connection with this document towards satisfying obligations under this document as the Bank sees fit.
- (f) Where the Bank is authorised to debit an amount from an account under this document, it can do so without prior notice.

12.6 Liability for Regulatory Events

- (a) The Borrower acknowledges that the Services may be interrupted, prevented, delayed or otherwise adversely affected by a Regulatory Event.
- (b) To the extent permitted by Law:
 - (i) the Bank is not liable for any loss incurred by a Borrower or any other person if an event described in clause [12.6.12.6\(a\)\(a\)](#) occurs, irrespective of the nature or cause of that loss, and the Bank has no obligation to contest any Regulatory Event or to mitigate its impact on the Borrower or the Bank; and
 - (ii) the Borrower releases the Bank from all liability in connection with any loss incurred by a Borrower or any other person if an event described in clause [12.6.12.6\(a\)\(a\)](#) occurs.
- (c) To the extent that the Bank's ability cannot be excluded, the Bank's liability is limited to the cost of having the Service supplied again.
- (d) The Bank may use and disclose to any other financial institution or agency, any information about any Borrower, the Services or any person connected with it or the Services, for any purpose which the Bank, or any other financial institution, considers appropriate or necessary in connection with any Regulatory Event or the Services and this may result in information being transmitted overseas.
- (e) The Borrower agrees to provide information to the Bank about it, the Services or any person connected with it or the Services on request, and to promptly procure any consents the Bank requires to give effect to clause [12.6.12.6\(d\)\(a\)](#).

13 Goods and Services Tax

13.1 Taxable supply

- (a) If GST is payable by the Bank on any supply made under a Transaction Document, the Borrower must pay to the Bank an amount equal to the GST payable on the supply.
- (b) That amount must be paid at the same time that the consideration for the supply is to be provided under the Transaction Document and must be paid in addition to the consideration expressed elsewhere in the Transaction Document.

(c) On receiving that amount from the Borrower, the Bank must provide the Borrower with a tax invoice for the supply.

13.2 Adjustment events

If an adjustment event arises in relation to a supply made by the Bank to the Borrower under a Transaction Document, a corresponding adjustment must be made between the Bank and the Borrower in relation to any amount paid to the Bank by the Borrower under clause [13.13.4](#) and payments to give effect to the adjustment must be made.

13.3 Payments

If the Borrower is required under a Transaction Document to pay for or reimburse an expense or outgoing of the Bank or is required to make a payment under an indemnity in relation to an expense or outgoing of the Bank, the amount to be paid by the Borrower is the sum of:

- (a) the amount of the expense or outgoing less any input tax credit in relation to that expense or outgoing that the Bank is entitled to; and
- (b) if the Bank's recovery from the Borrower is in relation to a taxable supply, an amount equal to the GST payable by the Bank in relation to that recovery.

14 Increased costs

If the Bank determines that:

- (a) the cost to it of providing, funding or maintaining the Facility is increased;
- (b) an amount payable to the Bank or the effective return to the Bank under a Transaction Document is reduced;
- (c) the effective return to the Bank under any Transaction Document as a proportion of the capital of the Bank is reduced; or
- (d) the Bank must make a payment or forego any interest or other return calculated by reference to any amount received or receivable by it from any Transaction Party under a Transaction Document,

because of:

- (e) any law, regulation or Government Body directive or request (whether or not having the force of law) introduced or made after the date of this document, including those relating to taxation, capital adequacy or reserve requirements or banking or monetary controls; or
- (f) any change in the interpretation or application of any of them.

the Borrower must, within two Business Days after a demand by the Bank, pay to the Bank the amount which, in the Bank opinion, will compensate the Bank for the increased cost, reduction, payment or foregone interest or other return.

15 Illegality

15.1 Prepayment

If because of any change after the date of this document in:

- (a) a law, regulation or a Government Body directive or request which is legally enforceable or compliance with which is in accordance with the practice of responsible Banks in the relevant jurisdiction; or
- (b) the interpretation or application of any of them,

the Bank determines that it is or it will become impossible or illegal or contrary to that Government Body directive or request for:

- (c) the Bank to fund, provide or maintain the Facility or otherwise comply with its obligations under the Transaction Documents; or
- (d) a person from whom the Bank has raised or proposes to raise money in relation to the Facility to fund, provide or maintain that money,

the Borrower must, within five Business Days after receipt of a notice from the Bank to do so, pay the amount referred to in clause [10.2\(a\)\(ii\)\(A\)](#) [10.2\(a\)\(ii\)\(A\)](#) or [10.2\(a\)\(ii\)\(B\)](#) [10.2\(a\)\(ii\)\(B\)](#) as if that notice were a notice under clause [10.2\(a\)\(ii\)\(A\)](#) [10.2\(a\)\(ii\)\(A\)](#) or [10.2\(a\)\(ii\)\(B\)](#) [10.2\(a\)\(ii\)\(B\)](#).

15.2 Facility terminated

The Bank's obligation to make Advances or Drawings under this document terminates on the giving of a notice under clause [15.1](#) [15.1](#).

16 Guarantee and indemnity

16.1 Guarantee

- (a) Each Guarantor unconditionally and irrevocably guarantees the payment to the Bank of the Guaranteed Money.
- (b) If the Borrower does not pay the Guaranteed Money on time and in accordance with the Transaction Documents, then the Guarantors agree to pay the Guaranteed Money on demand from the Bank.
- (c) A demand may be made at any time and from time to time and whether or not the Bank or the Bank has made demand on the Borrower or any other Transaction Party.

16.2 Nature of guarantee

- (a) The guarantee in clause [16.1](#) [16.1](#) is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Guaranteed Money.
- (b) As between each Guarantor and the Bank (but without affecting the obligations of any other Transaction Party) each Guarantor is liable under this document in relation to the Guaranteed Money as a sole and principal debtor and not as surety.

16.3 Indemnity

- (a) Each Guarantor indemnifies the Bank against any liability or loss arising and any costs it suffers or incurs:
 - (i) if a Transaction Party does not, is not obliged to or is unable to pay the Guaranteed Money in accordance with the Transaction Documents;
 - (ii) if a Guarantor is not obliged to pay the Bank an amount under clause [16.16](#);
 - (iii) if the Bank is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator (of an insolvent person) in connection with a payment by a Transaction Party under or in connection with a Transaction Document;
 - (iv) if a Guarantor defaults under the Guarantee in clause [16.146.1](#); or
 - (v) in connection with any person exercising, or not exercising, rights under the Guarantee in clause [16.146.1](#).
- (b) Each Guarantor agrees to pay amounts due under this indemnity immediately on demand from the Bank.

16.4 Reinstatement of rights

- (a) Following an Insolvency Event in respect of a Transaction Party, a person may claim that a transaction (including a payment) in connection with this Guarantee or the Guaranteed Money is void or voidable.
- (b) If a claim is made and upheld, conceded or comprised:
 - (i) the Bank is immediately entitled as against the Guarantors to the rights in respect of the Guaranteed Money to which it was entitled immediately before the transaction; and
 - (ii) on request from the Bank, each Guarantor agrees to do anything (including signing any document) to restore to the Bank any Security Interest (including this Guarantee) held by it from the Guarantors immediately before the transaction.

16.5 Rights of the Bank are protected

Rights given to the Bank under this Guarantee (and each Guarantor's liabilities under it) are not affected by any act or omission by the Bank or by anything else that might otherwise affect them under law or otherwise, including:

- (a) the fact that it varies or novates any agreement under which the Guaranteed Money is expressed to be owing, such as by increasing the Facility Limit or extending the term;
- (b) the fact that it releases any Transaction Party or gives it a concession, such as more time to pay;
- (c) the fact that a Transaction Party opens an account with it;

- (d) the fact that it releases, loses the benefit of or does not obtain any Security Interest;
- (e) the fact that it does not register any Security Interest which could be registered;
- (f) the fact that it releases any person who gives a guarantee or indemnity in connection with any Transaction Party's obligations (including under clause [16.13](#)[16.12](#));
- (g) the fact that a person becomes a Guarantor after the date of this document (including under clause [16.14](#)[16.14](#));
- (h) the fact the obligations of any person who guarantees any Transaction enforceable;
- (i) the fact that any person who was intended to guarantee any TransactionParty's obligations does not do so or does not do so effectively;
- (j) changes in the membership, name or business of any person;
- (k) the fact that a person who is a co-surety or co-indemnifier for payment of the Guaranteed Money is discharged under an agreement or by operation of law.

16.6 No merger

- (a) This Guarantee does not merge with or adversely affect, and is not adversely affected by, any of the following:
 - (i) any other guarantee, indemnity, or Security Interest, or other right or remedy to which the Bank is entitled; or
 - (ii) a judgment which the Bank obtains against the Guarantors in connection with the Guaranteed Money or any other amount payable under this Guarantee.
- (b) The Bank may still exercise rights under this Guarantee as well as under the judgment, other guarantee, indemnity, Security Interest, or other right or remedy.

16.7 Extent of Guarantor's obligations

If more than one person is named as "Guarantor", each of them is liable for all the obligations under this Guarantee both individually and jointly with any one or more other persons named as 'Guarantor'.

16.8 Guarantor's rights are suspended

As long as any of the Guaranteed Money remains unpaid, the Guarantor may not, without the Banks consent

- (a) reduce its liability under this Guarantee by claiming that it or any other Transaction Party or any other person has a right of set-off or counterclaim against the Bank;

- (b) exercise any legal right to claim to be entitled to the benefit of another guarantee, indemnity, or Security Interest given in connection with the Guaranteed Money or any other amount payable under this Guarantee;
- (c) claim an amount from another Transaction Party, or another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor"), under a right of indemnity in respect of this guarantee; or
- (d) claim an amount in the insolvency of a Transaction Party or of another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor").

16.9 Guarantor's right of proof limited

Each Guarantor agrees not to exercise a right of proof after an event occurs relating to the insolvency of a Transaction Party or another guarantor of the Guaranteed Money (including a person who has signed this document as a "Guarantor") independently of an attorney appointed under clause [16.12](#)[16.12](#).

16.10 No set-off against assignees

If the Bank assigns or otherwise deals with its rights under this Guarantee, the Guarantors may not claim against any assignee (or any other person who has an interest in this Guarantee) any right of set-off or other right the Guarantors have against the Bank.

16.11 Suspense account

The Bank may place in a suspense account any payment it receives from the Guarantors if there is currently an Insolvency Event, or an Insolvency Event is likely to occur, in relation to any Transaction Party, but must apply it towards satisfying the Guaranteed Money within six months unless the winding up of the relevant Guarantor has commenced.

16.12 Right to prove

- (a) The Guarantor irrevocably appoints the Bank and each of its Authorised Representatives individually as its attorney and agrees to formally approve all action taken by an attorney under this clause [16.16](#).
- (b) Each attorney may, at any time while any Guaranteed Money is outstanding:
 - (i) do anything which a Guarantor may lawfully do to exercise their right of proof in respect of a Transaction Party after an Insolvency Event occurs in respect of such Transaction Party. These things may be done in the Guarantor's name and they include signing and delivering documents, taking part in legal proceedings and receiving any dividends arising out of the right of proof;
 - (ii) delegates its powers (including this power) and may revoke a delegation; and

(iii) exercise its powers even if this involves a conflict of duty and even if it has a personal interest in doing so.

(c) The attorney need not account to a Guarantor for any dividend received on exercising the right of proof under clause 16.12~~16.12(1)(f)~~ except to the extent that any dividend remains after the Bank has received all of the Guaranteed Money and all other amounts payable under the Guarantee.

16.13 Release of Guarantors

(a) The Bank must, at the Borrower's cost, execute any release documentation in respect of the Bank's right under clause 16.16.

(b) As between the Transaction Parties and the Bank, the Bank is not obliged to consent to a release unless required to do by the terms of another Transaction Document.

(c) The rights and obligations of the remaining Guarantors under the Guarantee in clause 16.1~~16.1~~ will continue in full force and effect despite the release of a Guarantor under this clause 16.13~~16.13~~.

16.14 New Guarantors

If a Subsidiary of any Transaction Party is required by the terms of a Transaction Document to become a Guarantor, the Borrower must ensure that such subsidiary executes a Guarantor Accession Deed as a new Transaction Party.

16.15 Consideration

Each Guarantor acknowledges having executed this document in return for the Bank entering into the Transaction Documents at the request of the Guarantor and other valuable consideration.

16.16 New Guarantors

(a) A person automatically becomes a party to this document as a Guarantor and Transaction Party (after the date of this document) by signing and delivering to the Bank a Guarantor Accession Deed and doing anything else which the Bank reasonably requests to ensure the enforceability of that persons under obligations a Guarantor.

(b) Each of the other parties to this document irrevocably appoints the Bank as its agent to sign on its behalf any Guarantor Accession Deed.

(c) The execution of a Guarantor Accession Deed will not operate to release any party from its obligations under any Transaction Document.

17 Attorney

17.1 Appointment

If and for so long as an Event of Default occurred and is continuing, the Borrower irrevocably appoints the Bank its attorney with the power:

(a) at any time to:

- (i) do everything which in the Attorney's reasonable opinion is necessary or expedient to enable the exercise of any right of the Bank in relation to the Transaction Documents;
- (ii) not used;
- (iii) complete the Transaction Documents to which it is a party; and
- (iv) appoint its directors, officers, employees and solicitors as substitutes and otherwise delegate its powers to any of them (except this power of delegation); and

(b) at any time after a notice is given under

clause 10.240-2(a)(a)(ii)(iii)(A)(A) or 10.240-2(a)(a)(ii)(iii)(B)(B); to do all acts and things which the Borrower is obliged to do under the Transaction Document or which in the Attorney's opinion are necessary or expedient to enable the exercise of any right of the Bank in relation to the Transaction Documents.

17.2 Not used

17.3 General

- (a) Any Attorney may exercise any right solely for the benefit of the Bank, even if the exercise of the right constitutes a conflict of interest or duty.
- (b) The Borrower by this document ratifies anything done or not done by the Attorney pursuant to the power of attorney.
- (c) The power of attorney is granted:
 - (i) to secure the compliance by the Borrower with its obligations to the Bank under the Transaction Documents and any proprietary interests of the Bank under the Transaction Documents; and
 - (ii) for valuable consideration (receipt of which is acknowledged) which includes entry into of this document by the Bank at the Borrower's request.

18 General

18.1 Set-off

The Bank may set off any money due for payment by the Bank to the Borrower, whatsoever, including any money in any currency held by the Bank for the account of the Borrower in any place, against any money due for payment by the Borrower to the Bank under a Transaction Document.

18.2 Bank's certificate

- (a) A certificate by the Bank relating to any amount owing under a Transaction Document or as to its opinion in relation to any matter under any Transaction Document is *prima facie* evidence against the Borrower

of the matters certified unless proven incorrect or there is a manifest error.

- (b) The Bank is not obliged to give the reasons for its determination or opinion in relation to any matter under any Transaction Document. Any certification, determination or opinion relating to an amount must contain reasonable detail as to how the amount was calculated.
- (c) A determination or an opinion of an Authorised Representative of the Bank which is given to the Borrower or otherwise expressed or acted on by the Bank as being a determination or an opinion of the Bank will be deemed to be a determination or opinion of the Bank.

18.3 Supervening legislation

Any present or future legislation which operates:

- (a) to lessen or vary in favour of the Borrower any of its obligations in connection with the Transaction Documents; or
- (b) to postpone, stay, suspend or curtail any rights of the Bank under the Transaction Documents,

is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

18.4 Time of the essence

Time is of the essence as regards any obligations of the Borrower or any date or period determined under the Transaction Documents, and if any date or period is altered by agreement between the parties, time is of the essence as regards such altered date or period.

18.5 Business Days

- (a) If the day on or by which anything, other than making a payment, must be done by the Borrower under a Transaction Document is not a Business Day, that thing must be done on or by the preceding Business Day.
- (b) If a payment would otherwise be due on a day which is not a Business Day it will be due on the immediately following Business Day. However, if this would result in the payment being due in the month after the original due day or after the Termination Date it will be due on the immediately preceding Business Day.
- (c) If anything, including making a payment, is to be done by the Borrower on or by a particular day and it is done:
 - (i) after the time by which a Transaction Document states it must be done or, if the Transaction Document does not state a time, after 4.00 pm in the place where it is to be done; or
 - (ii) on a day which is not a Business Day,it will be deemed to have been done at 9.00 am on the next Business Day.

18.6 Confidentiality

- (a) The Bank must keep any information or document relating to a Transaction Party confidential. However, the Bank may disclose to any person any information or document relating to a Transaction Party:
 - (i) where permitted in a Transaction Document;
 - (ii) to another party to a Transaction Document;
 - (iii) to a potential transferee, assignee, participant or sub-participant of the Banks interests under a Transaction Document or to any other person who is considering entering into contractual relations with it in connection with a Transaction Document;
 - (iv) to the Bank's related bodies corporate and shareholders, or to any employee, banker, lawyer, auditor or other consultant of the Bank, its related bodies corporate or its shareholders;
 - (v) to the professional advisers or consultants of any party involved in connection with any Facility who are bound by a duty or obligation of confidence;
 - (vi) if required by law or by any Government Body or stock exchange;
 - (vii) in connection with any legal proceedings relating to a Transaction Document or a document delivered under or in relation to a Transaction Document;
 - (viii) if the information or document is in the public domain; or
 - (ix) with the consent of the Borrower (which must not be unreasonably withheld or delayed).
- (b) ~~Subject to paragraph (c)(e),~~ the Transaction Parties shall keep confidential and not disclose to any other person the terms of the Transaction Documents.
- (c) However, the Transaction Parties and any officers or employees of each Transaction Party may disclose such information:
 - (i) with the prior written consent of the Bank;
 - (ii) to the extent required by any applicable law or regulation;
 - (iii) to the extent it reasonably deems necessary in connection with any actual or contemplated proceedings or a claim with respect to this clause ~~18.6~~^{18.6}; or
 - (iv) ~~to the extent permitted by clause 18.6(a)(e) (other than paragraph (iii)) as if each reference in that clause to the 'Bank' where to a 'Transaction Party' and each reference to the 'Borrower' were to the 'Bank', or~~
 - (v) Reading International, Inc. or any other holding company of a Transaction Party (who in turn may disclose such information to their officers or employees or to the extent required by any applicable law or regulation or rule of any stock exchange).

(d) The Bank and the Transaction Parties agree that:

- (i) neither of them will disclose information of the kind mentioned in section 275(1) of the PPS Act; and
- (ii) this document does not create a Security Interest.

(e) This clause ~~18.6~~^{18.6} survives the termination of this document.

(f) The Bank acknowledges that:

- (i) information provided from time to time by the Transaction Parties to the Bank may constitute confidential non-public information; and
- (ii) ~~trading in marketable securities of Reading International Inc while in possession of the information referred to clause 18.6~~^{18.6}~~(f)(i)(ii)~~ will violate United States' federal securities laws.

(g) The Bank agrees to:

- (i) take reasonable precautions to maintain the confidentiality of the information referred to in clause ~~18.6~~^{18.6}~~(f)(i)(ii)~~; and
- (ii) advise any party to whom the information referred to in clause ~~18.6~~^{18.6}~~(f)(i)(ii)~~ is disclosed that it may not trade in the marketable securities of Reading International Inc while in the possession of such information.

(h) This clause ~~18.6~~^{18.6} will not be deemed to restrict the provision of information by any party to the Internal Revenue Service of the United States of America.

18.7 Exchange rate

Subject to any express provision to the contrary, if for the purposes of a Transaction Document it is necessary to convert one currency into another currency, the conversion must be effected using an exchange rate selected by the Bank acting reasonably and in accordance with its usual practices.

18.8 Records as evidence

The Bank may maintain records specifying:

- (a) payments made by the Bank for the account of a Transaction Party under a Transaction Document;
- (b) payments by a Transaction Party for the account of the Bank under a Transaction Document; and
- (c) interest, fees, charges, costs and expenses payable in relation to the Transaction Documents,

and those records will against the Borrower constitute prima facie evidence of the matters set out in them.

18.9 Further assurances

The Borrower must promptly execute all documents and do all things that the Bank from time to time reasonably requires to:

- (a) effect, perfect or complete the provisions of each Transaction Document or any transaction contemplated by it;
- (b) establish the priority of or reserve or create any Security Interest contemplated by or purported to be reserved or created by a Transaction Document; and
- (c) stamp and register each Transaction Document in any relevant jurisdiction and by any person that the Bank thinks fit.

18.10 Amendment

This document may only be varied or replaced by a document executed by the parties.

18.11 Waiver and exercise of rights

- (a) A right in favour of the Bank under a Transaction Document, a breach of an obligation of the Borrower under a Transaction Document or an Event of Default can only be waived by an instrument signed by the Bank. No other act, omission or delay of the Bank constitutes a waiver binding, or estoppel against, the Bank.
- (b) A single or partial exercise or waiver by the Bank of a right relating to a Transaction Document does not prevent any other exercise of that right or the exercise of any other right.
- (c) The Bank and its Representatives are not liable for any loss, cost or expense of the Borrower caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right and the Bank holds the benefit of this clause [18.11](#)[19.11](#) on trust for itself and its Representatives.

18.12 Rights cumulative

The rights of the Bank under the Transaction Documents are cumulative and in addition to its other rights.

18.13 Approval and consent

Except where a Transaction Document expressly provides otherwise, the Bank may conditionally or unconditionally give or withhold any consent under a Transaction Document and is not obliged to give its reasons for doing so.

18.14 Assignment

- (a) The Borrower must not dispose of or Encumber any right under the Transaction Documents without the consent of the Bank.
- (b) The Bank may assign any of its rights or novate, sub-participate, sell- down or transfer by whatever form or otherwise deal with any or all of its rights and obligations under any Transaction Document without the consent of, or notice to, the Borrower.
- (c) If an Event of Default subsists then, in order to facilitate the Bank to deal with its rights and obligations, the Bank may (but is not obliged to), from time to time, separate and sever any of its rights (or any part of any of its

rights) described in a notice given by the Bank to the Borrower from its other rights and obligations under any Transaction Document. Any such notice is effective on the time of delivery to separate and sever the rights described in the notice so that:

- (i) those rights and obligations are independent from, and may be assigned (including at law), novated, sub-participated, sold-down, transferred or otherwise dealt with separately from, any other of the rights and obligations of the Bank under that Transaction Document;
- (ii) those rights and obligations may be exercised differently from any other rights and obligations of the Bank under that Transaction Document; and
- (iii) the Outstanding Accommodation in respect of those rights may be calculated separately from the other Outstanding Accommodation.

(d) If the Bank assigns its rights or transfers its rights and obligations under this document or any other Transaction Document, no Transaction Party will be required to pay any net increase in the aggregate amount of costs, Taxes, fees or charges which is a direct consequence of the assignment or transfer.

18.15 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

18.16 Sovereign immunity

The Borrower irrevocably waives any immunity that it or its property has from:

- (a) set-off;
- (b) legal, arbitral or administrative proceedings;
- (c) any process or order of any court, administrative tribunal or arbitrator for the satisfaction or enforcement of a judgment, order or arbitral award or for the arrest, detention or sale of any property; or
- (d) service on it of any process, judgment, order or arbitral award,

on the grounds of sovereignty or otherwise under any law of any jurisdiction where any proceedings may be brought or enforced in relation to any Event of Default under a Transaction Document.

18.17 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in the Relevant Jurisdiction.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the Relevant Jurisdiction and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

18.18 Telephone recording

The Borrower consents to the Bank recording any telephone conversations between it and the Bank in relation to any Facility that are customarily recorded in the finance industry or where the Borrower is notified prior to the commencement of the telephone conversation and such recordings being used in any arbitral or legal proceedings and any telephone recording remains the Bank sole property at all times.

18.19 Legal's advice

The Borrower acknowledges that, except as expressly set out in a Transaction Document:

- (a) none of the Bank or any of its advisers have given any representation or warranty or other assurance to it in relation to any Transaction Document or the transactions contemplated by any Transaction Document, including as to Tax or other effects;
- (b) it has not relied on the Bank or any of its advisers or on any conduct (including any recommendation) by the Bank or any of its advisers; and
- (c) it has obtained its own independent financial, Tax and legal advice.

18.20 Further assurances

Whenever the Bank requests a Transaction Party to do anything:

- (a) to ensure any Transaction Document (or any security interest (as defined in the PPS Act) or other Security Interest, right or power under any Transaction Document) is fully effective, enforceable and perfected with the contemplated priority;
- (b) for more satisfactorily assuring or securing to the Bank the property the subject of any such security interest or other Security in a manner consistent with the Transaction Documents; or
- (c) for aiding the exercise of any right or power in any Transaction Document,

the Transaction Party shall do it promptly at its own cost. This may include obtaining consents, getting documents completed and signed, supplying information, delivering documents and evidence of title and executed blank transfers, and giving possession or control with respect to any Secured Property.

18.21 Exclusion of certain provisions

Where there is a Security Interest under any Transaction Document:

- (a) to the extent permitted, sections 142 and 143 of the PPS Act are excluded in full and will not apply to that Security Interest and the Bank need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d), and 132(4) of the PPS Act; and

(b) each Transaction Party waives its right to receive from the Bank any notice required under s157 of the PPS Act or the provisions of the PPS Act referred to in s144 of the PPS Act, except section 135.

This does not affect any rights a person has or would have other than by reason of the PPS Act and applies despite any other clause in any Transaction Document.

18.22 Notice of changes

Each Transaction Party agrees to notify the Bank at least 14 days before:

- (a) a Transaction Party (or if the Transaction Party is trustee of a Trust or a partner of a partnership, the Trust or the partnership) changes its name;
- (b) any ABN, ARBN or ARSN allocated to a Transaction Party (or if the Transaction Party is trustee of a Trust or a partner of a partnership, the Trust or the partnership) changes, is cancelled or otherwise ceases to apply to it (or if it does not have an ABN, ARBN or ARSN, one is allocated, or otherwise starts to apply, to it); or
- (c) the Borrower becomes trustee of a trust, or a partner in a partnership, which is not expressly contemplated in the Transaction Documents.

19 Notices

19.1 General

A notice, demand, certification, process or other communication relating to a Transaction Document must be in writing in English and may be given by an Authorised Representative of the sender.

19.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

- (a) personally delivered;
- (b) left at the party's current address for notices;
- (c) sent to the party's current address for notice by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail; or
- (d) sent by fax to the party's current tax number for notices.

19.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices are initially:

Transaction Parties:

As set out in schedule 1.

Bank:

Address: Level 17, 395 Bourke Street, Melbourne, Victoria 3000

Attention: Jonathan Kerr

(b) Each party may change its particulars for delivery of notices by notice to each other party.

19.4 Communications by post
Subject to clause 19.6, a communication is given if posted:
(a) within Australia to an Australian address, three Business Days after posting; or
(b) in any other case, ten Business Days after posting.

19.5 Communications by fax
Subject to clause 19.6, a communication is given if sent by fax when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

19.6 After hours communications
If a communication is given:
(a) after 5.00 pm in the place of receipt; or
(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,
it is taken as having been given at 9.00 am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

19.7 Process service
Any process or other document relating to litigation, administrative or arbitral proceedings relating to a Transaction Document may be served on a party to this document by any method contemplated by this clause 19.7 or in accordance with any applicable law.

Schedule 1

Original Guarantors

Name Name	CAN	Particulars for delivery of notices
Reading Entertainment Australia Pty Ltd	070 893 908	Address: 98 York Street, South Melbourne VIC 3205 Australia Fax: 03 9685 0999 Attention: Managing Director AND TO: Reading International Inc. Address: 5995 Sepulveda Blvd, Suite 300 Culver City California 90230 United States of America Fax: +1 213 235 2229 Attention: Chief Financial Officer
Australia Country Cinemas Pty Ltd	076 276 349	Same as for Borrower
Reading Cinemas Asset Management Pty Ltd	122 571 420	Same as for Borrower
Burwood Developments Pty Ltd	105 384 905	Same as for Borrower
Epping Cinemas Pty Ltd	073 997 172	Same as for Borrower
Hotel Newmarket Pty Ltd	094 367 969	Same as for Borrower
Newmarket Properties Pty Ltd	105 386 409	Same as for Borrower
Newmarket Properties No. 2 Pty Ltd	109 038 806	Same as for Borrower
Newmarket Properties #3 Pty Ltd	126 697 505	Same as for Borrower
Reading Auburn Pty Ltd	126 697 470	Same as for Borrower
Reading Armadale Pty Ltd	107 939 211	Same as for Borrower

Name	ACN	Particulars for delivery of notices
Reading Belmont Pty Ltd	126 697 498	Same as for Borrower
Reading Charlestown Pty Ltd	123 938 483	Same as for Borrower
Reading Cinemas Pty Ltd	073 808 643	Same as for Borrower
Reading Cinemas Management Pty Ltd	122 406 311	Same as for Borrower
State Cinema Hobart Pty Ltd	108 861 061	Same as for Borrower
Reading Dandenong Pty Ltd	129 018 739	Same as for Borrower
Reading Elizabeth Pty Ltd	114 582 099	Same as for Borrower
Reading Exhibition Pty Ltd	103 529 782	Same as for Borrower
Reading Licences Pty Ltd	089 544 605	Same as for Borrower
Reading Maitland Pty Ltd	126 697 461	Same as for Borrower
Reading Melton Pty Ltd	109 074 517	Same as for Borrower
Reading Bundaberg 2012 Pty Ltd (formerly Reading Moonee Ponds Pty Ltd)	122 406 320	Same as for Borrower
Reading Properties Pty Ltd	071 195 429	Same as for Borrower
Reading Properties Indooroopilly Pty Ltd as trustee for The Landplan Property Partners Discretionary Trust	121 284 884	Same as for Borrower
Reading Noosa Pty Ltd as trustee for the Reading Property Partners No. 1 Discretionary Trust	128 819 483	Same as for Borrower
Reading Property Holdings Pty Ltd	126 289 772	Same as for Borrower
Reading Rouse Hill Pty Ltd	123 245 885	Same as for Borrower
Reading Sunbury Pty Limited	109 074 571	Same as for Borrower
Rhodes Peninsula Cinema Pty Ltd	120 827 812	Same as for Borrower
Westlakes Cinema Pty Ltd	108 531 308	Same as for Borrower

Name	ACN	Particulars for delivery of notices
Reading Busselton Pty Ltd	143 633 096	Same as for Borrower
Reading Cannon Park Pty Ltd	609 837 569	Same as for Borrower
Angelika Anywhere Pty Ltd	642 993 593	Same as for Borrower
Reading Jindalee Pty Ltd	629 483 914	Same as for Borrower
Reading Devonport Pty Ltd	629 484 126	Same as for Borrower
Reading Altona Pty Ltd	634 384 311	Same as for Borrower
Reading South City Square Pty Ltd	616 892 936	Same as for Borrower
Reading Traralgon Pty Ltd	618 457 202	Same as for Borrower
Reading Burwood Pty Ltd	619 050 396	Same as for Borrower
Reading Cinemas Auburn Pty Ltd	633 008 401	Same as for Borrower

Schedule 2

Facilities

Facility Name	Granted pursuant to	Facility Limit	Purpose	Termination Date
Corporate	Clause	<u>\$100,000,000</u>	General corporate purposes	<u>31 July 2026</u> 31 July 2025
Markets Loan	<u>4.14.1(a)(a)(i)(ii)</u>	<u>\$100,500,000</u>	and Advances not exceeding	<u>July 2025</u>
Facility		subject to clause 5.6	\$3,000,000 to finance costs associated with completing the fit out works related to the Jindalee Cinema.	
Bank	Clause	<u>\$3,000,000</u>	To support other cinema	<u>31 July 2026</u> 31 July 2025
Guarantee	<u>4.14.1(a)(a)(ii)(iii)</u>	<u>\$5,000,000</u>	operations now or in the future operating from third party leased premises.	
Facility				
Bridge Facility	<u>Clause 4.1(a)(iii)</u>	<u>\$20,000,000</u>	<u>Provision of funds to Reading</u> <u>International Inc.</u>	<u>31 March 2025</u>

Schedule 3

Collateral Security

Item	Description	Grantor	Secured Party	Details
1	Fixed and floating charge	Each Transaction Party	The Bank	Over all present and after acquired property but excluding the land and improvements known as 78 Middleborough Road, Old Burwood Road, Burwood Victoria and the other Excluded Property.
2	First ranking mortgage	Originally granted by the Borrower but subsequently assumed by Reading Properties Pty Ltd	The Bank	The land and improvements known as 98 York Street, South Melbourne, Victoria and described in certificate of title volume 9944 folio 571.
4	First ranking mortgage	Originally granted by Reading Properties Pty Ltd but subsequently assumed by Reading Maitland Pty Ltd	The Bank	The land and improvements known as Reading Maitland Cinema, Ken Tubman Drive, Maitland New South Wales and described in certificate of title 1/SP41681.
5	First ranking mortgage	Originally granted by Reading Properties Pty Ltd but subsequently assumed by Reading Belmont Pty Ltd	The Bank	The land and improvements known as Reading Cloverdale Cinema 237 Knutsford Avenue, Cloverdale Western Australia and described in certificate of title volume 2189 folio 801.
6	First ranking mortgage	Originally granted by Reading Properties Pty Ltd but subsequently assumed by Reading Bundaberg 2012 Pty Ltd (formerly Reading Moonee Ponds Pty Ltd)	The Bank	The land and improvements known as Reading Bundaberg Cinema 1 Johanna Boulevard, Kensington, Queensland and described in certificate of title 50013631.

Schedule 3

Item	Description	Grantor	Secured Party	Details
7	First ranking mortgage	Newmarket Properties Pty Ltd	The Bank	The land and improvements known as Reading Newmarket Shopping Centre, 400 Newmarket Road, Newmarket Queensland and described in certificate of title 50617438.
8	First ranking mortgage	Newmarket Properties No. 2 Pty Ltd	The Bank	The land and improvements known as Corner Enoggera Road and Edmondstone Street, Newmarket Queensland and described in certificate of title 16548229.
9	First ranking mortgage	Originally granted by A.C.N. 143 633 096 Pty Ltd, but subsequently assumed by Newmarket Properties #3 Pty Ltd	The Bank	The land and improvements known as 14 Edmondstone Street, Newmarket Queensland and described in certificate of title 12106104.
10	Guarantee and indemnity	Transaction Parties	The Bank	Set out in clause 16 ¹⁶ .
11	Mortgage of lease	Reading Cinemas Pty Ltd	The Bank	The leasehold land improvements known as Reading Cinema Waurn Ponds, Corner Pioneer Road and Princes Highway, Waurn Ponds Victoria and described in certificate of title volume 10530 folio 739.
12	Deed of consent	Relevant landlords	The Bank	Deeds of consent
13	Deed of subordination	Borrow Reading International Cinemas LLC	The Bank	Deed of subordination between the Borrower, Reading International Cinemas LLC and the Bank

Schedule 3

cinema properties except for cinema

Item	Description	Grantor	Secured Party	Details
14	First ranking mortgage	Reading Cannon Park Pty Ltd ACN 609 837569	The Bank	The land and improvements known as Cannon Park City Centre and Cannon Park Discount Centre, Corner Hervey Range Road and Pioneer Drive, Thurwingowa Central, Queensland, described in title references 50442105, 50442106 and 51155321.
15	First ranking mortgage	Hotel Newmarket Pty Ltd ACN 094 367 969	The Bank	The land and improvements known as 16 Edmondstone Street, Newstead, Queensland, described in title reference 17441054.

Schedule 4

Not used

Schedule 5

Not used

Schedule 6

Verification Certificate

To: National Australia Bank Limited
Level 17, 395 Bourke Street
Melbourne VIC 3000

[date]

Reading Entertainment Australia Pty Ltd Facility Agreement

I, [] being the person whose name and signature appear at the bottom of this document, am a Director of the company named at the bottom of this document (Transaction Party) refer to the Corporate Markets Loan & Bank Guarantee Facility Agreement dated on or about the date of this document between, amongst others, Reading Entertainment Australia Pty Ltd as Borrower and National Australia Bank Limited as Bank (Facility Agreement) and certify as follows:

1 Certificate of incorporation

A copy of the certificate of incorporation/registration and any certificate of change of name of the Transaction Party is attached and marked A. The copy is true, complete and up-to-date and there have been no amendments or variations since the date of the copy.

2 Extract of minutes of meeting of directors

A true and correct extract of minutes of meeting of directors of the Transaction Party duly convened and held on the date mentioned in the extract is attached and marked B. The resolutions set out in the extract were duly approved, remain in full force and effect and have not been rescinded, amended, modified or revoked. The resolutions confirm that the Transaction Party derives a corporate benefit from the Transaction Documents.

3 Power of attorney

[If applicable: An original power of attorney of the Transaction Party dated [date] appointing attorneys in respect of the Transaction Documents is attached and marked C. This power of attorney remains in full force and has not been revoked.]

4 Specimen signatures

[In the case of the Borrower, insert: The following are the signatures of the persons appointed as Authorised Representatives of the Transaction Party for the purposes of the Transaction Documents.]

Schedule 6

[In the case of any other Transaction Party insert: The signatures of the persons appointed as Authorised Representatives of the Transaction Party for the purposes of the Transaction Documents are set out in the Verification Certificate provided by the Borrower.]

[In the case of the Borrower, insert:

Authorised Representatives

Signature
Nme:
Title:

Signature
Nme:
Title:

Signature
Nme:
Title:

5 Solvency declaration

(a) As at the date of execution of each Transaction Document the Transaction Party is solvent (as defined in section 95A(1) of the Corporations Act) and will not become insolvent (as defined in section 95A(2) of the Corporations Act) by entering into and complying with its obligations under each Transaction Document to which it is expressed to be a party.

(b) To the best of my knowledge, no application or order has been made, no proceedings have been commenced, no resolutions have been passed or proposed in a notice of meeting and no other steps have been taken for:

- (i) the winding up, dissolution or administration of the Transaction Party; or
- (ii) the Transaction Party entering into an arrangement, compromise or composition with or assignment of the benefit of its creditors or a class of them.

6 Trust deed

[If applicable: A copy of the Trust Deed of the Trust of which the Transaction Party is sole trustee is attached and marked D. The copy is true, complete and up-to-date and there have been no amendments or variations since the date of the copy.]

7 Definitions

Terms given a defined or specific meaning in the Facility Agreement and not separately defined in this certificate have the same meaning in this document unless the context requires otherwise.

[Name of person] who is a

Director of [name of Transaction Party]

Date:

Schedule 7

Funding Notice

To: National Australia Bank Limited
Level 17, 395 Bourke Street
Melbourne VIC 3000

[date]

Reading Entertainment Australia Pty Ltd Facility Agreement

I refer to the Corporate Markets Loan & Bank Guarantee Facility Agreement dated [insert date] between, amongst others, Reading Entertainment Australia Pty Ltd as Borrower and National Australia Bank Limited as Bank (Facility Agreement). A term which has a defined meaning in the Facility Agreement has the same meaning in this Funding Notice.

The Borrower requires an Advance/a Drawing details of which are as follows:

(a) the Funding Date is [];
[either]
(b) [the Facility under which the Advance is to be provided is the [Corporate Markets Loan Facility/Bridge Facility];
(b)(c) the amount of the Advance is [];
(e)(d) the duration of the first Pricing Period for the Advance is [];
[or]
(e)(e) the Beneficiary, Face Value and Expiry Date of each Bank Guarantee is:

Beneficiary	Face value	Expiry date

[Name of person] who is an

Authorised Representative of Reading Entertainment Australia Pty Ltd

Schedule 8

Guarantor Accession Deed

Date

Parties

[New Guarantor] (Guarantor)

National Australia Bank Limited ABN 12 004 044 937 of Level 17, 395 Bourke Street, Melbourne, Victoria 3000 (Bank)

Agreed terms

1 Interpretation

Facility Agreement means the Corporate Markets Loan & Bank Guarantee Facility Agreement dated [date] between, amongst others, Reading Entertainment Australia Pty Ltd as Borrower and National Australia Bank Limited as Bank together with all supplements to it.

Terms defined or given a meaning in the Facility Agreement have the same meaning in this document.

2 Transaction Document

This document is a Transaction Document for the purposes of the Facility Agreement.

3 Accession

(a) The Guarantor:

(i) agrees with each person who is or becomes a party to the Facility Agreement that with effect on and from the date of this document, it will be bound by the Facility Agreement as a Guarantor and a Transaction Party; and

(ii) makes in relation to itself in favour of the Bank the representations and warranties set out in clause 8.18.1 of the Facility Agreement.

(b) Each party agrees with the Guarantor that, with effect from the date of this document, the Guarantor will have the benefit of the Facility Agreement as a Transaction Party and Guarantor.

Schedule 8

4 Notice

The address for notice of the Guarantor for the purposes of clause 19.3 of the Facility Agreement is:

Address:

Fax:

Attention:

5 Governing law

This document is governed by the laws of Victoria.

Executed as a deed.

Schedule 9

Annual Compliance Certificate

To: National Australia Bank Limited
Level 28, 500 Collins Street
Melbourne VIC 3000
[date]

1

1.1 We refer to the Facility Agreement (Facility Agreement).

1 We refer to the Facility Agreement (Facility Agreement) dated [insert date] between, amongst others, Reading Entertainment Australia Pty Ltd as Borrower and National Australia Bank Limited as Bank. A term which has a defined meaning in the Facility Agreement has the same meaning in this Compliance Certificate.

2 | This is an Annual Compliance Certificate given for the purpose of clause 9.49.4(b)(b) of the Facility Agreement.

2 We confirm that:

- (a) the Fixed Charges Cover Ratio for the Financial Year ending [date] was [].
- (b) the Leverage Ratio for the Financial Year ending [date] was [].
- (c) ~~the Debt to Debt plus Equity Ratio for the Financial Year ending [date] was []~~
- (d) ~~(c) the Loan to Value Ratio for the Financial Year ending [date] was []~~
- (e) ~~(d) the Borrower Minimum Liquidity at [insert date] is \$[TBC]~~

3 We confirm that, as at the date of this Compliance Certificate:

- (a) no Event of Default, Review Event or Potential Event of Default has occurred and is continuing [or provide details of any Event of Default, Review Event or Potential Event of Default];
- (b) there are no Taxes or other statutory payments which are due and payable by a Transaction Party but unpaid [or provide details of any Taxes and other statutory payments which are being contested]; and
- (c) | the representations and warranties in clause 8.18.1 of the Facility Agreement which are to be repeated as at the date of this Compliance Certificate are correct.

4 We confirm that the position of the Reading Entertainment Australia Group with respect to the following liabilities is as follows:

Schedule 9

Liability	Lodgement Cycle (Ann/Qtr/Mth - Please Circle)	Current (Yes/No - Please Circle)	If current, last payment details (Use brackets where refund)	If not current, Outstanding Details	Comments (eg Arrangement with ATO)
GST	A Q M	YesNo	Amt:Date:	Amt:Date:	
PAYG-Withholding	A Q M	YesNo	Amt:Date:	Amt:Date:	
PAYG-Instalments (Income Tax)	A Q M	YesNo	Amt:Date:	Amt:Date:	
Employer Superannuation Contributions	A Q M	YesNo	Amt:Date:	Amt:Date:	
Payroll Tax	A M	YesNo	Amt:Date:	Amt:Date:	
Workcover		YesNo	Amt:Date:	Amt:Date:	
Other Taxes?		YesNo	Amt:Date:	Amt:Date:	

* Where amounts are outstanding please provide the following information to support the advised position:

- Copy of the latest ATO Running Balance Account Statement (RBA);

-

Yes / No (please circle);

If No - What statements are outstanding with associated liability amount?

Is any Group Member required to provide superannuation coverage under an industrial award?

Yes / No (please circle)

If Yes With reference to Industrial Awards, in accordance with any Award(s) that may have application to my/our industry and employees, I/We confirm that the prescribed amounts provided for in the Award(s) are being contributed to an eligible fund(s).

[Name of person] who is a

Director of Reading Entertainment Australia Pty Ltd

For and on behalf of Reading Entertainment Australia Pty Ltd

Schedule 10

Interim Compliance Certificate

To: National Australia Bank Limited

Level 28, 500 Collins Street

Melbourne VIC 3000

[date]

Reading Entertainment Australia Pty Ltd Facility Agreement

1 We refer to the Facility Agreement (Facility Agreement) dated [insert date] between, amongst others, Reading Entertainment Australia Pty Ltd as Borrower and National Australia Bank Limited as Bank. A term which has a defined meaning in the Facility Agreement has the same meaning in this Compliance Certificate.

[This is an Interim Compliance Certificate given for the purpose of clause 9.49.4(c)(e) of the Facility Agreement.

2 We confirm that:

(a) the Fixed Charges Cover Ratio for the [3, 6 or 12] month period ending

[Calculation Date] was [].

(b) the Leverage Ratio for the [3, 6 or 12] month period ending [Calculation Date] was [].

(c) the Loan to Value Ratio for the 12 month period ending [Calculation Date] was [].

3 We confirm that, as at the date of this Compliance Certificate:

(a) no Event of Default, Review Event or Potential Event of Default has occurred and is continuing [or provide details of any Event of DefaultReview Event or Potential Event of Default]; and

(b) [the representations and warranties in clause 8.18.1 of the Facility Agreement which are to be repeated as at the date of this Compliance Certificate are correct.

4 I confirm that the position of the Reading Entertainment Australia Group with respect to the following liabilities is as follows:

Liability Description	Lodgement CycleAnn/Qtr/Mth(Please Circle)	Current (Yes/No) (Please Circle)	If CurrentLast Payment Details(Use brackets where refund)	If Not CurrentOutstanding Details	Comments(eg Repayment Arrangement entered with ATO)
GST	A Q M	YesNo	Amt:Date:	Amt:Date:	
PAYG-Withholding	A Q M	YesNo	Amt:Date:	Amt:Date:	
PAYG-Instalments (Income Tax)	A Q M	YesNo	Amt:Date:	Amt:Date:	
Employer Superannuation Contributions	Q M%	YesNo	Amt:Date:	Amt:Date:	
Payroll Tax	A M	YesNo	Amt:Date:	Amt:Date:	
Workcover		YesNo	Amt:Date:	Amt:Date:	
Other Taxes?		YesNo	Amt:Date:	Amt:Date:	

* Where amounts are outstanding please provide the following information to support the advised position:

- Copy of the latest ATO Running Balance Account Statement (RBA);
- Yes / No (please circle);

If No - What statements are outstanding with associated liability amount?

Is any Group Member required to provide superannuation coverage under an industrial award?

Yes / No (please circle)

If Yes With reference to Industrial Awards, in accordance with any Award(s) that may have application to my/our industry and employees, I/We confirm that the prescribed amounts provided for in the Award(s) are being contributed to an eligible fund(s).

[Name of person] who is a
 Director of Reading Entertainment Australia Pty Ltd
 For and on behalf of Reading Entertainment Australia Pty Ltd

FIRST OMNIBUS LOAN MODIFICATION AND EXTENSION AGREEMENT

THIS FIRST OMNIBUS LOAN MODIFICATION AND EXTENSION AGREEMENT (this "Agreement") dated as of April 23, 2024 by and between Reading Tammany Owner LLC, a Delaware limited liability company and US Development, LLC, a Nevada limited liability company (collectively, the "Borrower") and EMERALD CREEK CAPITAL 3, LLC, as administrative agent ("Administrative Agent") and Lender (as defined in the Loan Agreement).

RECITALS:

A. Pursuant to that certain Loan Agreement, that certain Building Loan Agreement, and that certain First Amendment to the Loan Agreement, by and among Lender, Administrative Agent and Borrower, dated as of May 7, 2021, April 13, 2023, and May 13, 2022, respectively (as amended hereby and as the same may be further amended, modified, restated, supplemented, replaced or otherwise modified from time to time, collectively, the "Loan Agreement"), Lender made a loan to Borrower in the aggregate principal amount of up to \$43,000,000.00 (the "Senior Loan"), and of up to \$6,000,000.00 (the "Junior Loan") (collectively, the "Loan"), which Loan is evidenced by, among other things, that certain Amended, Restated and Consolidated Note in the amount of up to \$43,000,000.00, dated as of May 7, 2021, and that certain Building Loan Note in the amount of up to \$6,000,000.00, dated as of April 13, 2023, made by Borrower to the order of Administrative Agent for the benefit of Lender (collectively, the "Note").

B. Capitalized terms used and not defined herein have the meaning ascribed to them in the Loan Agreement.

C. The Loan is secured by, among other things, that certain Agreement of Consolidation and Modification of Mortgage, and that certain Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement (collectively, the "Mortgage"), which encumbers certain property owned by Borrower known as 44-48 Union Square (a/k/a 44-48 Union Square East), New York, New York 10003, which is more specifically described in the Mortgage (the "Property"), and an Assignment of Leases and Rents, and Building Loan Assignment of Leases and Rents (collectively, the "Assignment of Rents").

D. The Loan Agreement, Note, Mortgage, Assignment of Rents, and the other instruments, documents and agreements that evidence and secure the Loan are collectively referred to as the "Loan Documents".

E. The Maturity Date of the Loan is May 6, 2024.

F. Subject to terms and conditions set forth herein, Administrative Agent and Lender agree to extend the term of the Loan for a period of one year to May 6, 2025 (the "Extension").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby covenant and agree as follows:

1. **Incorporation.** The Recitals set forth at the beginning of this Agreement are hereby incorporated in and made a part of this Agreement by this reference.

2. Acknowledgment of Outstanding Principal Balance: Fund . Borrower and Lender agree that as of April 23, 2024, (i) the outstanding principal balance of the Senior Loan is \$43,000,000.00, (ii) the outstanding principal balance of the Junior Loan is \$4,140,910.80, (iii) the remaining balance of the Senior Loan Interest Reserve Funds is \$132,135.82, (iv) the remaining balance of the Junior Loan Interest Reserve Funds is \$52,879.43, and (v) the remaining balance of the Tax Reserve Funds is \$22,240.00.

3. Condition Precedent: This Agreement shall become effective on the date the following conditions are satisfied:

- (a) Borrower shall have executed and delivered this Agreement to Administrative Agent
- (b) Borrower shall have taken, or caused to be taken such other actions and executed and delivered such other documentation as may be reasonably requested by Administrative Agent or its counsel in order to give effect to this Agreement, and to perform, preserve and protect the continued priority and effectiveness of the Loan Documents, as hereby amended.
- (c) Borrower shall have delivered to Administrative Agent a bring down of title for the Property showing that there have been no liens or encumbrances against the Property from and after the Closing Date, unless consented to in writing by Administrative Agent.
- (d) Borrower shall submit to Administrative Agent evidence satisfactory to Lender that the Policies (as defined in the Loan Agreement) are still in full force and effect and all Insurance Premiums (as defined in the Loan Agreement) have been paid in full, so that the coverage of the Policies will extend beyond the Maturity Date.
- (e) Borrower shall have deposited with Administrative Agent an additional \$678,736.96 in Interest Reserve Funds into the Account for the Senior Loan, and an additional \$126,323.09 in Interest Reserve Funds for the Junior Loan. Borrower acknowledges that this replenishment amount equates to the first quarterly interest reserve replenishment amount, to be followed by a second quarterly reserve replenishment, and subsequently a six-month replenishment amount.
- (f) Borrower shall have deposited with Administrative Agent an additional \$287,311.40 in Tax Reserve Funds into the Account.
- (g) Borrower shall have paid to Administrative Agent an extension fee in the amount of \$215,000.00 for the Senior Loan and \$60,000.00 for the Junior Loan.

4. Modification to the Loan Agreement and Loan Documents .

- (a) Section 1.1 is hereby amended as follows:

(i) The definition of "**Maturity Date**" is amended and restated in its entirety to read as follows: "Maturity Date" shall mean May 6, 2025 or such other date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise."

5. No Defenses, Counterclaims or Rights of Offset. As a material inducement to Lender and Administrative Agent to enter into this Agreement, Borrower hereby acknowledges, admits, and agrees that, as of the date of the execution and delivery of this Agreement, there exists no rights of offset, defense, counterclaims, claims, or objections in favor of Borrower against the Lender or Administrative Agent with respect to the Loan Documents, as amended to date or alternatively, that any and all such rights of offset, defenses, counterclaims, claims, or objections are hereby unconditionally and irrevocably waived and released.

6. No Other Changes or Modification. Nothing contained in this Agreement shall (a) be deemed to cancel, extinguish, release, discharge or constitute payment or satisfaction of the Notes or to affect the obligations represented by the Notes, or (b) be deemed to impair in any manner the validity, enforceability or priority in the Loan Agreement, the Mortgage, any other Loan Document or any lien thereof.

7. Confirmation and Reaffirmation. All of the terms, covenants, conditions, waivers and consents contained in the Loan Documents shall, remain in full force and effect. The Loan Documents, as hereby amended, and the indebtedness evidenced thereby are hereby ratified and confirmed, and each and every grant, provision, covenant, condition, obligation, right and power contained therein or existing with respect thereto shall continue in full force and effect. Borrower hereby acknowledges and agrees that the Loan Documents, as amended, are enforceable against Borrower in accordance with their terms.

8. Further Assurances. Upon request of the Administrative Agent, Borrower shall make, execute, and deliver (or shall cause to be made, executed, and delivered) to Administrative Agent any and all such other documents and instruments that they may consider reasonably necessary to correct any errors in or omissions from this Agreement, or any of the Loan Documents, or to effectuate, complete, perfect, continue or preserve their respective obligations thereunder or any of the liens, security interests, grants, rights, or other interests of or in favor of Administrative Agent thereunder. Borrower shall take all such actions that Administrative Agent may reasonably request from time to time in order to accomplish and satisfy the provisions of this Agreement.

9. Miscellaneous.

(a) The caption and section headings in this Agreement are for convenience only and are not intended to define, alter, limit or enlarge in any way the scope of the meaning of this Agreement or any term or provisions set forth in this Agreement.

(b) This Agreement may be executed simultaneously in any number of counterparts and sent via facsimile (and/or electronic email/pdf) to the parties, each of which when so executed and delivered shall be taken to be an original, but such counterparts shall together constitute but one and the same document. Telefacsimile transmissions (or such electronic copies) of any executed original counterpart signature page to this Agreement and/or retransmission of such any executed telefacsimile transmission (or such electronic copies) shall be deemed to be the same as the delivery of an executed original and the parties may not claim any defect based upon the other parties' inability to produce a "hard" signature copy.

(c) This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement and obligations of such parties hereunder are and at all times shall be deemed to be for the exclusive benefit of such parties and their respective successors and assigns, and nothing set forth herein shall be deemed to be for the benefit of any other person.

(d) This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law.

[Signature page follows]

BORROWER:

Reading Tammany Owner LLC

By: /s/ Gilbert Avanes
Name: Gilbert Avanes
Title: Authorized Signatory

US Development, LLC

By: /s/ Gilbert Avanes
Name: Gilbert Avanes
Title: Authorized Signatory

LENDER:

EMERALD CREEK CAPITAL 3, LLC

By: Emerald Creek Advisors LLC, its Manager

By: /s/ Mark Bahiri
Name: Mark Bahiri
Title: Managing Member

ADMINISTRATIVE AGENT:

EMERALD CREEK CAPITAL 3, LLC

By: Emerald Creek Advisors LLC, its Manager

By: /s/ Mark Bahiri
Name: Mark Bahiri
Title: Managing Member

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ellen M. Cotter, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Reading International, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Ellen M. Cotter
Ellen M. Cotter
President and Chief Executive Officer
August 14, 2024

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gilbert Avanes, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Reading International, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ Gilbert Avanes*
Gilbert Avanes
Executive Vice President, Chief Financial Officer and Treasurer
August 14, 2024

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

Ellen M. Cotter, Chief Executive Officer, and Gilbert Avanes, Chief Financial Officer, of Reading International, Inc. (the "Company"), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do each hereby certify, that, to his or her knowledge:

- The Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the "Report") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: August 14, 2024

/s/ Ellen M. Cotter

Name: Ellen M. Cotter
Title: President and Chief Executive Officer

/s/ Gilbert Avanes

Name: Gilbert Avanes
Title: Executive Vice President, Chief Financial Officer and Treasurer
