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: September 30, 2021

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	**95-3885184**
State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
189 Second Avenue, Suite 2S **New York, New York**	**10003**
(Address of principal executive offices)	(Zip Code)

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Nonvoting Common Stock, $0.01 par value	**RDI**	**NASDAQ**
Class B Voting Common Stock, $0.01 par value	**RDIB**	**NASDAQ**

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 November 8, 2021, there were 20,128,815 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.

READING INTERNATIONAL, INC. AND SUBSIDIARIES

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

	September 30, 2021	December 31, 2020
ASSETS	(unaudited)	
Current Assets:		
Cash and cash equivalents	$ 90,887	$ 26,826
Receivables	2,565	2,438
Inventory	1,123	1,059
Prepaid and other current assets	10,910	8,414
Land and property held for sale	—	17,730
Total current assets	105,485	56,467
Operating property, net	306,610	353,125
Operating lease right-of-use assets	226,855	220,503
Investment and development property, net	9,647	11,570
Investment in unconsolidated joint ventures	4,882	5,025
Goodwill	26,784	28,116
Intangible assets, net	3,470	3,971
Deferred tax asset, net	4,709	3,362
Other assets	6,719	8,030
Total assets	$ 695,161	$ 690,169
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 40,513	$ 38,877
Film rent payable	1,709	2,473
Debt - current portion	2,586	41,459
Subordinated debt - current portion	702	840
Derivative financial instruments - current portion	220	218
Taxes payable - current	19,712	82
Deferred revenue	8,602	10,133
Operating lease liabilities - current portion	22,976	22,699
Other current liabilities	3,650	3,826
Total current liabilities	100,670	120,607
Debt - long-term portion	212,667	213,779
Derivative financial instruments - non-current portion	38	212
Subordinated debt, net	26,672	26,505
Noncurrent tax liabilities	7,499	13,070
Operating lease liabilities - non-current portion	222,918	212,806
Other liabilities	21,124	22,017
Total liabilities	$ 591,588	$ 608,996
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Class A non-voting common stock, par value $0.01, 100,000,000 shares authorized, 33,064,923 issued and 20,128,813 outstanding at September 30, 2021 and 33,004,717 issued and 20,098,607 outstanding at December 31, 2020	232	231
Class B voting common stock, par value $0.01, 20,000,000 shares authorized and 1,680,590 issued and outstanding at September 30, 2021 and December 31, 2020	17	17
Nonvoting preferred stock, par value $0.01, 12,000 shares authorized and no issued or outstanding shares at September 30, 2021 and December 31, 2020	—	—
Additional paid-in capital	151,383	149,979
Retained earnings/(deficits)	(12,981)	(44,553)
Treasury shares	(40,407)	(40,407)
Accumulated other comprehensive income	4,336	12,502
Total Reading International, Inc. stockholders' equity	102,580	77,769
Noncontrolling interests	993	3,404
Total stockholders' equity	103,573	81,173
Total liabilities and stockholders' equity	$ 695,161	$ 690,169

See accompanying Notes to the Unaudited Consolidated Financial Statements.

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue				
Cinema	$ 28,751	$ 7,339	$ 79,580	$ 54,866
Real estate	3,052	2,852	9,562	7,975
Total revenue	31,803	10,191	89,142	62,841
Costs and expenses				
Cinema	(29,237)	(15,817)	(82,485)	(71,769)
Real estate	(2,683)	(1,909)	(7,902)	(6,258)
Depreciation and amortization	(5,560)	(5,612)	(17,011)	(16,149)
General and administrative	(5,274)	(4,228)	(19,205)	(15,275)
Total costs and expenses	(42,754)	(27,566)	(126,603)	(109,451)
Operating income (loss)	(10,951)	(17,375)	(37,461)	(46,610)
Interest expense, net	(3,068)	(2,379)	(10,437)	(6,176)
Gain (loss) on sale of assets	2,559	(1)	92,345	(1)
Other income (expense)	440	10	2,236	(186)
Income (loss) before income tax expense and equity earnings of unconsolidated joint ventures	(11,020)	(19,745)	46,683	(52,973)
Equity earnings of unconsolidated joint ventures	(75)	(97)	158	(292)
Income (loss) before income taxes	(11,095)	(19,842)	46,841	(53,265)
Income tax benefit (expense)	895	490	(12,380)	5,070
Net income (loss)	$ (10,200)	$ (19,352)	$ 34,461	$ (48,195)
Less: net income (loss) attributable to noncontrolling interests	(105)	(124)	2,889	(389)
Net income (loss) attributable to Reading International, Inc.	$ (10,095)	$ (19,228)	$ 31,572	$ (47,806)
Basic earnings (loss) per share	$ (0.46)	$ (0.88)	$ 1.45	$ (2.20)
Diluted earnings (loss) per share	$ (0.46)	$ (0.88)	$ 1.41	$ (2.20)
Weighted average number of shares outstanding–basic	21,809,402	21,748,531	21,792,007	21,749,146
Weighted average number of shares outstanding–diluted	21,809,402	21,748,531	22,462,657	21,749,146

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 September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income (loss)	$ (10,200)	$ (19,352)	$ 34,461	$ (48,195)
Foreign currency translation gain (loss)	(4,138)	3,478	(8,494)	(1,574)
Gain (loss) on cash flow hedges	57	63	173	(142)
Other	52	47	155	131
Comprehensive income (loss)	(14,229)	(15,764)	26,295	(49,780)
Less: net income (loss) attributable to noncontrolling interests	(105)	(124)	2,889	(389)
Less: comprehensive income (loss) attributable to noncontrolling interests	—	(2)	—	(7)
Comprehensive income (loss)	$ (14,124)	$ (15,638)	$ 23,406	$ (49,384)

See accompanying Notes to the Unaudited Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2021	2020
Operating Activities		
Net income (loss)	$ 34,461	$ (48,195)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Equity earnings of unconsolidated joint ventures	(158)	292
Distributions of earnings from unconsolidated joint ventures	—	235
Gain recognized on foreign currency transactions	(1,915)	—
(Gain) Loss on sale of assets	(92,345)	1
Amortization of operating leases	17,473	15,593
Amortization of finance leases	37	79
Change in operating lease liabilities	(16,305)	(14,659)
Interest on hedged derivatives	—	—
Change in net deferred tax assets	(1,570)	(1,515)
Depreciation and amortization	17,011	16,149
Other amortization	965	741
Stock based compensation expense	1,521	1,063
Net changes in operating assets and liabilities:		
Receivables	52	3,757
Prepaid and other assets	2,272	(3,056)
Payments for accrued pension	(513)	(513)
Accounts payable and accrued expenses	8,395	4,349
Film rent payable	(710)	(6,767)
Taxes payable	20,507	1,916
Deferred revenue and other liabilities	(6,938)	2,522
Net cash provided by (used in) operating activities	(17,760)	(28,008)
Investing Activities		
Purchases of and additions to operating and investment properties	(11,511)	(16,310)
Change in restricted cash	(6,148)	—
Contributions to unconsolidated joint ventures	—	(240)
Proceeds from sale of assets	145,165	—
Net cash provided by (used in) investing activities	127,506	(16,550)
Financing Activities		
Repayment of borrowings	(79,357)	(28,910)
Repayment of finance lease principal	(37)	(77)
Proceeds from borrowings	45,337	87,764
Capitalized borrowing costs	(1,481)	(275)
Repurchase of Class A Nonvoting Common Stock	—	(1,150)
(Cash paid) proceeds from the settlement of employee share transactions	(116)	(43)
Noncontrolling interest contributions	—	30
Noncontrolling interest distributions	(5,300)	—
Net cash provided by (used in) financing activities	(40,954)	57,339
Effect of exchange rate changes on cash and cash equivalents	(4,731)	2,859
Net increase (decrease) in cash and cash equivalents	64,061	15,640
Cash and cash equivalents at January 1	26,826	12,135
Cash and cash equivalents at September 30	$ 90,887	$ 27,775
Supplemental Disclosures		
Interest paid	$ 9,677	$ 7,618
Income taxes (refunded) paid	(6,265)	(712)
Non-Cash Transactions		
Additions to operating and investing properties through accrued expenses	1,889	2,595

See accompanying Notes to the Unaudited Consolidated Financial Statements.

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 have historically held undeveloped land in urban and suburban centers in the United States, Australia, and New Zealand. However, in the first quarter of 2021, we monetized our undeveloped land in Coachella, California, and Manukau, New Zealand. In the second quarter of 2021, we monetized our retail center Auburn/Redyard, Australia, which included approximately 2.6 acres of undeveloped land. In the second quarter of 2021, we monetized our Royal George theatre in Chicago. In the third quarter of 2021, we also monetized our Invercargill property in New Zealand.

The table below summarizes the results of operations for each of our business segments for the quarter and nine months ended September 30, 2021 and 2020, 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.

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Revenue:				
Cinema exhibition	$ 28,751	$ 7,339	$ 79,580	$ 54,866
Real estate	3,177	3,023	9,948	9,928
Inter-segment elimination	(125)	(171)	(386)	(1,953)
	$ 31,803	**$ 10,191**	**$ 89,142**	**$ 62,841**
Segment operating income (loss):				
Cinema exhibition	$ (5,057)	$ (13,410)	$ (20,680)	$ (33,318)
Real estate	(1,485)	(844)	(3,907)	(1,464)
	$ (6,542)	**$ (14,254)**	**$ (24,587)**	**$ (34,782)**

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Segment operating income (loss)	$ (6,542)	$ (14,254)	$ (24,587)	$ (34,782)
Unallocated corporate expense				
Depreciation and amortization expense	(300)	(215)	(917)	(634)
General and administrative expense	(4,109)	(2,906)	(11,957)	(11,194)
Interest expense, net	(3,068)	(2,379)	(10,437)	(6,176)
Equity earnings of unconsolidated joint ventures	(75)	(97)	158	(292)
Gain (loss) on sale of assets	2,559	(1)	92,345	(1)
Other income (expense)	440	10	2,236	(186)
Income (loss) before income tax expense	**$ (11,095)**	**$ (19,842)**	**$ 46,841**	**$ (53,265)**

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, 2020 ("2020 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 nine months ended September 30, 2021, are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

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, (v) allocation of insurance proceeds to various recoverable components, and (vi) 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.

New Accounting Standards and Accounting Changes

1) In the fourth quarter of 2020, we adopted certain practical expedients provided by *ASU 2020-04 Reference Rate Reform (Topic 848)*. This new guidance contains optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. We have elected certain expedients which permit us to i) continue the method of assessing hedge effectiveness such that the reference rate on the hypothetical derivative matches the reference rate on the hedging instrument and ii) to continue to assert probability of the relevant hedged interest payments regardless of any expected modification in terms related to reference rate reform.

   The guidance allows for different expedient elections to be made at different points in time, and to this end the Company intends to reassess its elections of such expedients as and when alternations become necessary.

2) On April 8, 2020, the FASB released FASB Staff Q&A *Topic 842 and Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic*. This provides optional relief when accounting for modifications to leases obtained as a result of COVID-19 which otherwise would have required full modification assessment under ASC 842. Where we have obtained rent concessions from our landlords, or provided concessions to our tenants, we have elected not to perform the standard Topic 842 modification evaluation where the concession does not result in the total consideration required by the contract being substantially less than the total consideration originally required by the contract. Under the guidance, where we have received or provided deferrals of rent, we have recorded the deferrals as receivables or payables, and where we have received or provided abatements, we have recorded these as variable rents in the consolidated statements of income.

3) In the second quarter of 2020, in order to account for certain wage subsidies received from the Australian and New Zealand governments, we adopted *International Accounting Standard 20 - Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20").* The aim of these Australian and New Zealand government subsidies is to protect as many jobs as possible during the COVID-19 Pandemic by subsidizing the wages of employees, using the administrative capabilities of employers to forward such subsidies to their employees. The subsidies are not loans to employees or employers. U.S. GAAP has no codified accounting guidance concerning the measurement and presentation of such government grants, and in lieu of such guidance, common practice is to refer to IAS 20. IAS 20 permits entities to account for government grants on a gross basis, showing grants receivable as income and the associated expense as costs, or on a net basis, by deducting the grant from the related expense. The nature of the wage subsidies is such that, without them, our Company would likely have reduced its wages and salaries expense through the termination of certain employees. Our Company has therefore elected to present wages and salaries expense net of government grants. The impacted wages and salaries costs are contained within 'other operating expenses' and 'general and administrative expenses' in our cinema and real estate segments. For the quarter and nine months ended September 30, 2021, our Australian operations received subsidies totaling AU$nil and AU$3.5 million (U.S.$2.3 million) respectively. For the quarter and nine months ended September 30, 2021, our New Zealand operations received subsidies of NZ$288,000 (U.S.$200,000) in this same period. There were no unfulfilled conditions or contingencies relating to these subsidies at September 30, 2021.

4) On January 1, 2020, we adopted *ASU 2017-04, Intangibles – Goodwill and Other (Topic 350)*: Simplifying the Test for Goodwill Impairment. This new guidance removes the second step of the two-step impairment test for measuring goodwill and is to be applied on a prospective basis only. Adoption of this standard has no material effect on our consolidated financial statements.

5) On January 1, 2020, we adopted *ASU 2016-13, Financial Instruments – Credit Losses (Topic 326)*. This new guidance replaces the incurred loss impairment methodology under prior GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. We have no history of significant bad debt losses and as such adoption of this standard has no material effect on our consolidated financial statements.

Note 3 – Impact of COVID-19 Pandemic and Liquidity

General
On March 11, 2020, the World Health Organization ("WHO") declared the novel coronavirus, COVID-19, a global pandemic. In March 2020 we temporarily closed all of our live theatres and cinema operations in the U.S., Australia and New Zealand. Operating restrictions adopted in Australia and New Zealand also affected many of our tenants at our retail shopping centers. These closures materially negatively impacted our revenues and profitability. However, as a result of the successful implementation of our management's plans developed in the third quarter of 2020 to meet the challenges of COVID-19, as executed over the following three quarters, and the increasing health of the cinema segment, we have concluded that our Company has sufficient resources to meet its obligations as they become due within one year after the issuance of this report on Form 10-Q.

Vaccination programs are advancing in the jurisdictions in which we operate, but periodic closures and limitations on operating activities are expected to continue until the COVID-19 spread is considered materially contained. No assurances can be given as to when material containment within each of the jurisdictions that affect our business will be achieved. Even where businesses have been allowed to reopen, operational limitations on density, hours of operation, and other operating factors, and varying degrees of public concern about interacting with third parties, are impacting the return to normal operations.

Cinema Segment Ongoing Impact
As of September 30, 2021, substantially all of our U.S. cinemas are trading. Our Consolidated Theatre at Kapolei is temporarily closed due to renovations. Our Consolidated Theatre at Kahala was temporarily closed due to renovations but reopened on November 5, 2021. Our New Zealand circuit is fully open except for our Reading Cinemas at New Lynn which is temporarily closed due to an outbreak of the Delta variant of COVID-19 in Auckland, and Courtenay Central, which continues to be closed due to seismic concerns which predated the pandemic. A return to operation of this center has been delayed by our efforts to respond to COVID-19. We have been able to fully open our Australian circuit in 2021, and despite a resurgence of the COVID-19 virus in Q3 of 2021, all our Australian cinemas are open as of the date of this Report.

The global performance of certain movies released in the first nine months of 2021 is encouraging. While not at 2019 pre-COVID levels, we see strong evidence that the general public wants to enjoy movies in a cinema environment. Relative to 2020, fewer tentpole movies are being rescheduled to later dates, an indication that Hollywood studios and other film distributors are growing in confidence that audiences are available, and are willing to go to the cinema again. Despite this, our results have not returned to pre-COVID levels, and continue to be adversely impacted in Australia and New Zealand, where outbreaks continue to result in lockdowns and consequential temporary closures of our cinemas. We continue to have confidence in the movies anticipated for release in the remainder of 2021 and in 2022, but there can be no assurances regarding their (i) box office potential, (ii) release dates, or (iii) portion of revenues generated by the theatrical window.

Real Estate Segment Ongoing Impact
Substantially all of our tenants in our Australian and New Zealand real estate businesses (excluding Courtenay Central) are currently open for trading. In the U.S., much of our real estate income has traditionally been generated by rental revenue from our live theatres. As of the date of this report, our Minetta and Orpheum theatres are conducting public performances.

Liquidity Impact
The continued disruption of our global cinemas caused by COVID-19 led to a significant decrease in our Company's revenues and earnings for the three and nine month periods ended September 30, 2021, as compared to pre-COVID-19 operations. Such effects will likely continue, to varying degrees, until the virus is materially contained. As compared to the nine months ended September 30, 2020, our revenues and earnings have increased as we have been able to reopen many of our cinemas. Even though we are encouraged by the return of patrons to our cinemas and theatres and the movie releases expected in the coming months, we cannot provide any assurances as to the nature or pace of a return to prior operating levels. With regards to our real estate operations, while all our New Zealand and Australian real estate tenants are currently trading (other than certain tenants who have closed for reasons unrelated to COVID-19), our real estate revenue and earnings may continue to be affected by any rent relief that we may deem necessary to provide to certain tenants experiencing continuing impacts from COVID-19.

Going Concern
Management continues to evaluate the going concern assertion required by *ASC 205-40 Going Concern* as it relates to our Company. Management's evaluation is informed by current liquidity positions, cash flow estimates, known capital and other expenditure requirements and commitments and management's 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*.

The cumulative impact of COVID-19 on our cinema business led to the conclusion in the third quarter of 2020 that there was substantial doubt regarding our Company's ability to continue as a going concern. Management's plans to alleviate such substantial doubt included the adoption of plans to refinance our 44 Union Square property and the monetization of certain real estate assets.

By June 2021, management had successfully executed these plans, as detailed at *Note 11 – Borrowings* regarding our refinancing plans, and *Note 6 – Real Estate Transactions* regarding our asset monetization plans. The execution of these plans generated cash inflows of $179.1 million. We have no material debt maturing until 2023. Using the funds generated, we have reduced our debt from $282.6 million at December 31, 2020 to $242.6 million at September 30, 2021. There have been no material business developments in the quarter ended September 30, 2021, that have negatively impacted our assessment of our going concern position.

The Company's financial position following the successful execution of these plans, and our forecasts and cash flow estimates based on our current expectations of industry performance and recovery, mean that our Company has sufficient resources to meet its obligations as they become due within one year after the issuance of this report on Form 10-Q. Management's forecasts and cash flow estimates are based on the current expectation that the global cinema industry will continue to recover in 2021 and into 2022. Forecasts are by their nature inherently uncertain, but the effects of COVID-19 continue to cause greater forecasting difficulties than would otherwise exist in more stable economic times. While we are seeing substantial evidence of recovery, and at various times during the first nine months of 2021, 58 of our 62 cinemas worldwide have been open for business, our forecasts rely upon the ability and desire of moviegoers to return to the movie theatres. Many factors influencing this are outside of management's control, but are, nevertheless, material, individually and in the aggregate, to the realization of management's forecasts and expectations throughout the period of COVID-19.

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, 2020, 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 recorded an impairment charge of $217,000. As noted above, the financial performance of our cinemas has been improving at a rate better than that which was expected during the December 31, 2020, impairment analysis process. This improved performance at an asset group level, and the impacts of this performance on our impairment modelling, resulted in no impairment charges being recognized for the quarter and nine months ended September 30, 2021. Actual performance against our forecasts is dependent on several variables and conditions, many of which are subject to the uncertainties associated with COVID-19 and as a result, actual results may materially differ from management's estimates.

Our Company also considers that the events and factors described above constitute impairment indicators under *ASC 350 Intangibles – Goodwill and Other*. Our Company performed a quantitative goodwill impairment test and determined that its goodwill was not impaired as of December 31, 2020. 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 improvements in trading conditions in the first and second quarters of 2021, no impairment of goodwill has been recognized for the quarter and nine months ended September 30, 2021. Actual performance against our forecasts is dependent on several variables and conditions, many of which are subject to the uncertainties associated with COVID-19 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. Our Australian and New Zealand assets and liabilities are translated from their functional currencies of Australian dollar ("AU$") and New Zealand dollar ("NZ$"), respectively, to the U.S. dollar based on the exchange rate as of September 30, 2021. 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.

Due to the natural-hedge nature of our funding policy, we have not historically used derivative financial instruments to hedge against the risk of foreign currency exposure. However, in certain circumstances, we move funds between jurisdictions where circumstances encouraged us to do so from an overall economic standpoint. 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 September 30, 2021	As of and for the nine months ended September 30, 2021	As of and for the twelve months ended December 31, 2020	As of and for the quarter ended September 30, 2020	As of and for the nine months ended September 30, 2020
Spot Rate					
Australian Dollar	0.7228		0.7709	0.7160	
New Zealand Dollar	0.6899		0.7194	0.6608	
Average Rate					
Australian Dollar	0.7344	0.7592	0.6904	0.7156	0.6770
New Zealand Dollar	0.7004	0.7117	0.6504	0.6619	0.6384

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 September 30, 2021	Quarter Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Numerator:				
Net income (loss) attributable to Reading International, Inc	$ (10,095)	(19,228)	$ 31,572	$ (47,806)
Denominator:				
Weighted average number of common stock – basic	21,809,402	21,748,531	21,792,007	21,749,146
Weighted average dilutive impact of awards	—	—	670,650	—
Weighted average number of common stock – diluted	21,809,402	21,748,531	22,462,657	21,749,146
Basic earnings (loss) per share	$ (0.46)	(0.88)	$ 1.45	$ (2.20)
Diluted earnings (loss) per share	$ (0.46)	(0.88)	$ 1.41	$ (2.20)
Awards excluded from diluted earnings (loss) per share	492,344	674,676	517,344	674,676

Our weighted average number of common stock - basic increased, primarily as a result of the vesting of restricted stock units. During the first nine months of 2021, we did not repurchase any shares of Class A Common Stock.

Certain 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

As of September 30, 2021, and December 31, 2020, property associated with our operating activities is summarized as follows:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Land	$ 69,416	$ 82,286
Building and improvements	219,238	253,419
Leasehold improvements	58,305	59,054
Fixtures and equipment	193,664	201,518
Construction-in-progress	9,405	9,285
Total cost	550,028	605,562
Less: accumulated depreciation	(243,418)	(252,437)
Operating property, net	**$ 306,610**	**$ 353,125**

Depreciation expense for operating property was $5.1 million and $16.4 million for the quarter and nine months ended September 30, 2021, respectively, and $5.4 million and $15.6 million for the quarter and nine months ended September 30, 2020, respectively.

Investment and Development Property, net

As of September 30, 2021, and December 31, 2020, our investment and development property is summarized below:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Land	$ 4,196	$ 5,936
Construction-in-progress (including capitalized interest)	5,451	5,634
Investment and development property	**$ 9,647**	**$ 11,570**

Construction-in-Progress – Operating and Investing 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 nine months ended September 30, 2021, are shown below:

(Dollars in thousands)	Balance, December 31, 2020	Additions during the period	Completed during the period	Transferred to Held for Sale	Foreign currency translation	Balance, September 30, 2021
Courtenay Central development	7,255	66	—	—	(299)	7,022
Cinema developments and improvements	6,357	5,115	(4,662)	—	(19)	6,791
Other real estate projects	1,307	1,024	(1,135)	(121)	(32)	1,043
Total	**$ 14,919**	**$ 6,205**	**$ (5,797)**	**$ (121)**	**$ (350)**	**$ 14,856**

Real Estate Transactions - Sales

Beginning in 2020, we reviewed our various real estate holdings in light of the fact that our cash flow from cinema operations had been materially adversely affected by the governmentally mandated cinema closings ordered in response to the COVID-19 pandemic and that, for the foreseeable future, other sources of cash would be needed to support our operations and that only very limited funds would be available for capital investment in our properties. Between the fourth quarter of 2020 and the second quarter of 2021, we classified as assets held for sale disposal groups and thereafter monetized the following real estate assets: The Auburn/Redyard Entertainment Themed Center ("ETC"), the Royal George Theatre, Coachella (land), and Manukau (land). In addition, in the third quarter of 2021, we monetized our Invercargill, New Zealand, property, comprised of a cinema and ancillary land. A 'disposal group' represents assets to be disposed of in a single transaction. A disposal group may represent a single asset, or multiple assets. Each of these transactions is discussed separately below.

Invercargill, New Zealand

On August 30, 2021, we sold our cinema building and land in Invercargill for $3.8 million (NZ$5.4 million) to the owner of the adjacent property, which is currently undergoing a major redevelopment. This property, not then classified as held for sale, was monetized in a transaction whereby the purchaser leased back the Reading Cinema to our company.

The gain on sale on this property is calculated as follows:

(Dollars in thousands)		**September 30 2021**
Sales price	$	3,803
Net book value		(1,425)
Gain on sale, gross of direct costs		2,378
Direct sale costs incurred		(6)
Gain on sale, net of direct costs	**$**	**2,372**

Auburn/Redyard, New South Wales

In January 2021, we classified our Auburn / Redyard ETC as held for sale, reflecting the fact that approximately 2.6 acres of this property was non-income producing land. This disposal group, which consists of land, the ETC building and related property, plant and equipment, was transferred to Land and Property Held for Sale at its book value of $30.2 million (AU$39.1 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 sale of Auburn/Redyard was completed on June 9, 2021, for $69.6 million (AU$90.0 million). As part of the transaction, we entered into a lease with the purchaser for the cinema portion of the Auburn/Redyard site.

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

(Dollars in thousands)		**June 30 2021**
Sales price	$	69,579
Net book value		(30,231)
Gain on sale, gross of direct costs		39,348
Direct sale costs incurred		(622)
Gain on sale, net of direct costs	**$**	**38,726**

Royal George Theatre, Chicago

In February 2021, we classified our Royal George Theatre as held for sale as part of our strategy to monetize certain real estate assets. This disposal group, which consists of the Royal George Theatre building and the associated property, plant and equipment, was transferred to Land and Property Held for Sale at its book value of $1.8 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. On June 30, 2021, we received net sale proceeds of $6.8 million (net of closing costs).

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

(Dollars in thousands)		**June 30 2021**
Sales price	$	7,075
Net book value		(1,824)
Gain on sale, gross of direct costs		5,251
Direct sale costs incurred		(295)
Gain on sale, net of direct costs	**$**	**4,956**

Coachella, California

In December 2020, we classified the non-income producing land at Coachella (held through Shadow View Land and Farming LLC) as held for sale. This disposal group, which consists of land and certain improvements to that land, was transferred to Land and Property Held for Sale at its book value of $4.4 million, being the lower of cost and fair value less costs to sell. No adjustments to the book value of this asset were required. The sale of this land was completed on March 5, 2021 for $11.0 million. As a 50% member in Shadow View Land and Farming LLC, our Company received the benefit of 50% of the sale proceeds, being $5.3 million. As the other 50% member was related to our controlling stockholder, these actions were approved by our Audit and Conflicts Committee.

The gain on sale of this property, including both our interests and those of the other 50% owner of Shadow View Land and Farming, LLC, is calculated as follows:

(Dollars in thousands)		**March 31, 2021**
Sales price	$	11,000
Net book value		(4,351)
Gain on sale, gross of direct costs		6,649
Direct sale costs incurred		(301)
Gain on sale, net of direct costs	**$**	**6,348**

Manukau, New Zealand

In December 2020, we classified our non-income producing land at Manukau, New Zealand, as held for sale. This disposal group, which consists of land and certain improvements to that land, was transferred to Land Held for Sale at its book value of $13.6 million, being the lower of cost and fair value less costs to sell. No adjustments to the book value of this asset were required. The sale of this land was completed on March 4, 2021, for $56.1 million (NZ$77.2 million), of which NZ$1.0 million was received on February 23, 2021, and the balance of funds was received on March 4, 2021.

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

(Dollars in thousands)		**March 31, 2021**
Sales price	$	56,058
Net book value		(13,618)
Gain on sale, gross of direct costs		42,440
Direct sale costs incurred		(1,514)
Gain on sale, net of direct costs	**$**	**40,926**

Real Estate Transactions - Acquisitions

Exercise of Option to Acquire Ground Lessee's Interest in Ground Lease and Improvements Constituting the Village East Cinema

On August 28, 2019, we exercised our option to acquire the ground lessee's interest in the then 13-year ground lease underlying and the real property assets constituting our Village East Cinema in Manhattan. The purchase price under the option was $5.9 million. It was initially agreed that the transaction would close on or about May 31, 2021. On March 29, 2021, we extended the closing date to January 1, 2023.

Note 7 – 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 September 30, 2021 and December 31, 2020:

(Dollars in thousands)	Interest	September 30, 2021	December 31, 2020
Rialto Cinemas	50.0%	$ 1,023	$ 1,065
Mt. Gravatt	33.3%	3,859	3,960
Total investments		**$ 4,882**	**$ 5,025**

For the quarter and nine months ended September 30, 2021 and 2020, the recognized share of equity earnings from our investments in unconsolidated joint ventures are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Rialto Cinemas	$ (49)	$ (24)	$ 2	$ (132)
Mt. Gravatt	(26)	(73)	156	(160)
Total equity earnings	**$ (75)**	**$ (97)**	**$ 158**	**$ (292)**

Note 8 – Goodwill and Intangible Assets

The table below summarizes goodwill by business segment as of September 30, 2021 and December 31, 2020.

(Dollars in thousands)	Cinema	Real Estate	Total
Balance at December 31, 2020	$ 22,892	$ 5,224	$ 28,116
Foreign currency translation adjustment	(1,332)	—	(1,332)
Balance at September 30, 2021	**$ 21,560**	**$ 5,224**	**$ 26,784**

Our Company is required to test goodwill and other intangible assets for impairment on an annual basis and, if current events or circumstances require, on an interim basis. Our next annual evaluation of goodwill and other intangible assets is scheduled during the fourth quarter of 2021. 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 September 30, 2021, we were not aware that any events indicating potential impairment of goodwill had occurred outside of those described at *Note 3 – Impact of COVID-19 Pandemic and Liquidity*.

The tables below summarize intangible assets other than goodwill, as of September 30, 2021 and December 31, 2020, respectively.

	As of September 30, 2021			
(Dollars in thousands)	Beneficial Leases	Trade Name	Other Intangible Assets	Total
Gross carrying amount	$ 12,326	$ 9,058	$ 4,967	$ 26,351
Less: Accumulated amortization	(11,990)	(7,589)	(3,285)	(22,864)
Less: Impairments	—	—	(17)	(17)
Net intangible assets other than goodwill	**$ 336**	**$ 1,469**	**$ 1,665**	**$ 3,470**

(Dollars in thousands)	As of December 31, 2020 Beneficial Leases	Trade Name	Other Intangible Assets	Total
Gross carrying amount	$ 12,451	$ 9,058	$ 4,764	$ 26,273
Less: Accumulated amortization	(10,375)	(7,377)	(4,533)	(22,285)
Less: Impairments	—	—	(17)	(17)
Net intangible assets other than goodwill	**$ 2,076**	**$ 1,681**	**$ 214**	**$ 3,971**

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 transferrable liquor licenses, which are indefinite-lived assets). The table below summarizes the amortization expense of intangible assets for the quarter and nine months ended September 30, 2021

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Beneficial lease amortization	$ 28	$ 27	$ 87	$ 77
Other amortization	262	279	518	483
Total intangible assets amortization	**$ 290**	**$ 306**	**$ 605**	**$ 560**

Note 9 – Prepaid and Other Assets

Prepaid and other assets are summarized as follows:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Prepaid and other current assets		
Prepaid expenses	$ 1,913	$ 1,946
Prepaid rent	563	162
Prepaid taxes	1,792	455
Income taxes receivable	217	5,572
Deposits	244	245
Investment in marketable securities	25	26
Restricted cash	6,156	8
Total prepaid and other current assets	**$ 10,910**	**$ 8,414**
Other non-current assets		
Straight-line rent asset	4,737	6,050
Other non-cinema and non-rental real estate assets	1,134	1,134
Investment in Reading International Trust I	838	838
Long-term deposits	10	8
Total other non-current assets	**$ 6,719**	**$ 8,030**

Note 10 – Income Taxes

The U.S. Coronavirus Aid, Relief, and Economic Security Act (“The CARES Act”) was enacted on March 27, 2020, to provide, among other things, tax relief to companies impacted by the COVID-19 pandemic. The CARES Act includes, among other items, provisions for net operating loss carryback, modifications to the business interest expense deduction, a technical correction to tax depreciation methods for qualified improvement property, and alternative minimum tax credit refunds. During the quarter ended March 31, 2020, we recorded a tax benefit arising from the carryback of the net operating loss generated in the taxable year ended December 31, 2019.

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 26.4% and 9.5% for the nine months ended September 30, 2021, and 2020, respectively. The difference between 2021 and 2020 is primarily related to the increase in pretax income in 2021, partially offset by an income tax benefit of approximately $5.6 million recorded during the second quarter of 2021 due to the recognition of previously unrecognized tax benefits. The forecasted effective tax rate is updated each quarter as new information becomes available.

Note 11 – Borrowings

Our Company's borrowings at September 30, 2021 and December 31, 2020, net of deferred financing costs and including the impact of interest rate derivatives on effective interest rates, are summarized below:

	As of September 30, 2021					
(Dollars in thousands)	**Maturity Date**	**Contractual Facility**	**Balance, Gross**	**Balance, Net(1)**	**Stated Interest Rate**	**Effective Interest Rate**
Denominated in USD						
Trust Preferred Securities (USA)	April 30, 2027	$ 27,913	$ 27,913	$ 26,672	4.13%	4.13%
Bank of America Credit Facility (USA)	March 6, 2023	55,000	42,800	42,645	4.00%	4.00%
Bank of America Line of Credit (USA)	March 6, 2023	5,000	5,000	5,000	3.08%	3.08%
Cinemas 1, 2, 3 Term Loan (USA)	April 1, 2022	24,189	24,189	23,826	4.25%	4.25%
Minetta & Orpheum Theatres Loan (USA)(2)	November 1, 2023	8,000	8,000	7,936	2.14%	5.15%
U.S. Corporate Office Term Loan (USA)	January 1, 2027	9,000	9,000	8,920	4.64% / 4.44%	4.61%
Purchase Money Promissory Note (USA)	September 18, 2024	2,216	2,216	2,216	5.00%	5.00%
Union Square Financing (USA)	May 6, 2024	55,000	43,000	41,920	7.00%	7.00%
Denominated in foreign currency ("FC") (3)						
NAB Corporate Term Loan (AU)	December 31, 2023	74,087	74,087	73,944	1.81%	1.81%
Westpac Bank Corporate (NZ)	December 31, 2023	9,548	9,548	9,548	2.95%	2.95%
		$ 269,953	**$ 245,753**	**$ 242,627**		

(1) Net of deferred financing costs amounting to $3.1 million.
(2) The interest rate derivative associated with the Minetta & Orpheum loan provides for an effective fixed rate of 5.15%.
(3) 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 September 30, 2021.

	As of December 31, 2020					
(Dollars in thousands)	**Maturity Date**	**Contractual Facility**	**Balance, Gross**	**Balance, Net(1)**	**Stated Interest Rate**	**Effective Interest Rate**
Denominated in USD						
Trust Preferred Securities (USA)	April 30, 2027	$ 27,913	$ 27,913	$ 26,505	4.27%	4.27%
Bank of America Credit Facility (USA)	March 6, 2023	55,000	51,200	50,990	4.00%	4.00%
Bank of America Line of Credit (USA)	March 6, 2023	5,000	5,000	5,000	3.15%	3.15%
Cinemas 1, 2, 3 Term Loan (USA)	April 1, 2022	24,625	24,625	24,248	4.25%	4.25%
Minetta & Orpheum Theatres Loan (USA)(2)	November 1, 2023	8,000	8,000	7,914	2.20%	5.15%
U.S. Corporate Office Term Loan (USA)	January 1, 2027	9,186	9,186	9,095	4.64% / 4.44%	4.64%
Union Square Financing (USA)	March 31, 2021	50,000	40,623	40,620	17.50%	17.50%
Purchase Money Promissory Note	September 18, 2024	2,883	2,883	2,883	5.00%	5.00%
Denominated in foreign currency ("FC")(3)						
NAB Corporate Term Loan (AU)	December 31, 2023	94,821	92,508	92,307	1.81%	1.81%
Westpac Bank Corporate (NZ)	December 31, 2023	23,021	23,021	23,021	2.95%	2.95%
Total		**$ 300,449**	**$ 284,959**	**$ 282,583**		

(1) Net of deferred financing costs amounting to $2.4 million.
(2) The interest rate derivative associated with the Minetta & Orpheum loan provides for an effective fixed rate of 5.15%.
(3) 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, 2020.

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

Balance Sheet Caption	**September 30, 2021**	**December 31, 2020**
Debt - current portion	$ 2,586	$ 41,459
Debt - long-term portion	212,667	213,779
Subordinated debt - current portion	702	840
Subordinated debt - long-term portion	26,672	26,505
Total borrowings	**$ 242,627**	**$ 282,583**

Impact of COVID-19

To address the impact of COVID-19 on our business, we sought and obtained certain modifications to our loan agreements with the Bank of America, National Australia Bank, and Westpac. These loan modifications included changes to some of the covenant compliance terms and waivers of certain covenant testing periods. We are currently in compliance with our loan covenants as so modified. To date it has not been necessary for us to seek modifications or waivers with respect to our other loan agreements, as we continue to be in compliance with the terms of such loan agreements without the need for any such modifications or waivers.

Bank of America Credit Facility

On March 6, 2020, we amended our $55.0 million credit facility with Bank of America extending the maturity date to March 6, 2023. The refinanced facility carries an interest rate of 2.5% - 3.0%, depending on certain financial ratios plus a variable rate based on the loan defined "Eurodollar" interest rate.

On August 7, 2020, we modified certain financial covenants within this credit facility and temporarily suspended the testing of certain other covenant tests through the measurement period ending September 30, 2021. The testing of the financial covenant resumes for the measurement period ending December 31, 2021. In addition to the covenant modifications, the interest rate on borrowings under this facility was fixed at 3.0% above the "Eurodollar" rate, which itself now has a floor of 1.0%. Such a modification was not considered to be substantial under U.S. GAAP.

On November 8, 2021, and effective in Q4 of 2021, Bank of America replaced all of our covenants with a single liquidity test and converted the line of credit into a term loan with scheduled repayments, maturing on March 6, 2023. We also repaid $2.8 million of the facility on this date.

Bank of America Line of Credit

On March 6, 2020, the term of our $5.0 million line of credit was extended to March 6, 2023. On August 7, 2020, we modified the interest rate on this line of credit, wherein the LIBOR portion of the rate now has a floor of 1.0%.

On November 8, 2021, we repaid in full and retired this line of credit.

Minetta and Orpheum Theatres Loan

On October 12, 2018, we refinanced our $7.5 million loan with Santander Bank, which is secured by our Minetta and Orpheum Theatres, with a loan for a five year term of $8.0 million. Such modification was not considered to be substantial under U.S. GAAP.

U.S. Corporate Office Term Loan

On December 13, 2016, we obtained a ten year $8.4 million mortgage loan on our Culver City building at a fixed annual interest rate of 4.64%. This loan provided for a second loan upon completion of certain improvements. On June 26, 2017, we obtained a further $1.5 million under this provision at a fixed annual interest rate of 4.44%.

Cinemas 1,2,3 Term Loan

On March 13, 2020, Sutton Hill Properties LLC ("SHP"), a 75% subsidiary of RDI, refinanced its $20.0 million term loan with Valley National Bank with a new term loan of $25.0 million, an interest rate of 4.25%, and maturity date of April 1, 2022, with two six month options to extend. With the availability of these loan extensions, we continue to keep the loan long-term.

Union Square Financing

On December 29, 2016, we closed construction finance facilities totaling $57.5 million to fund the non-equity portion of the anticipated construction costs of the redevelopment of our property at 44 Union Square in New York City. The facilities consisted of a first mortgage component of $50.0 million and a mezzanine component of $7.5 million. On August 8, 2019, we repaid the $7.5 million mezzanine loan. On January 24, 2020, we exercised the first of our two one year extension options on the first mortgage loan, taking the maturity to December 29, 2020. On December 29, 2020, we further extended the maturity of this loan to March 31, 2021, at an interest rate of 17.5%. On March 26, 2021, we acquired this first mortgage loan through a subsidiary using internally generated funds. 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. The facility bears a variable interest rate of one month LIBOR plus 6.9% with a floor of 7.0% and includes provisions for a prepaid interest and property tax reserve fund. The loan contains a reserve for existing mechanic's liens. The loan has two 12-month options to extend, but may be repaid at any time, subject to notice and a minimum interest payment equal to the positive difference between interest paid on the loan through the pre-payment date and one year's interest. In effect, the loan may be repaid after May 7, 2022 without the payment of any premium.

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.

Westpac Bank Corporate Credit Facility (NZ)

On December 20, 2018, we restructured our Westpac Corporate Credit Facilities. The maturity of the 1st tranche (general/non-construction credit line) was extended to December 31, 2023, with the available facility being reduced from NZ$35.0 million to NZ$32.0 million. The facility bears an interest rate of 1.75% above the Bank Bill Bid Rate on the drawn down balance and a 1.1% line of credit charge on the entire facility. The 2nd tranche (construction line) with a facility of NZ$18.0 million was removed.

On June 29, 2020, Westpac pushed out the June 30, 2020, covenant testing date to July 31, 2020. On July 27, 2020, Westpac waived the requirement to test certain covenants as of July 31, 2020. This agreement also increased the interest rate and line of credit charge to 2.40% above the Bank Bill Bid Rate and 1.65% respectively. The maturity date was extended to January 1, 2024. Such modifications of this facility were not considered to be substantial under U.S. GAAP. On September 15, 2020, Westpac waived the requirement to test certain covenants as of September 30, 2020. On December 8, 2020, Westpac waived the requirement to test certain covenants as of December 31, 2020. On April 29, 2021, Westpac waived the requirement to test certain covenants as of March 31, 2021. On May 7, 2021, we repaid NZ$16.0 million of this debt, in a permanent reduction of this facility to NZ$16.0 million. On June 8, 2021, Westpac waived the requirement to test certain covenants as of June 30, 2021. On August 30, 2021, we repaid a further NZ$2.2 million of this debt, in a permanent reduction of this facility to NZ$13.8 million. On this same date, Westpac waived the requirement to test certain covenants as of September 30, 2021.

Australian NAB Corporate Term Loan (AU)

On March 15, 2019, we amended our Revolving Corporate Markets Loan Facility with National Australia Bank ("NAB") converting it from a facility comprised of (i) an AU$66.5 million loan facility with an interest rate of 0.95% above the Bank Bill Swap Bid Rate ("BBSY") and a maturity date of June 30, 2019 and (ii) a bank guarantee of AU$5.0 million at a rate of 1.90% per annum into a (i) AU$120.0 million Corporate Loan facility at rates of 0.85%-1.30% above BBSY depending on certain ratios with a due date of December 31, 2023, of which AU$80.0 million is revolving and AU$40.0 million is core and (ii) a Bank Guarantee Facility of AU$5.0 million at a rate of 1.85% per annum. Such modifications of this particular term loan were not considered to be substantial under U.S. GAAP.

On August 6, 2020, we modified certain covenants within this Revolving Corporate Markets Loan Facility. These modifications applied until the quarter ended June 30, 2021. In addition, for the period in which these covenant modifications applied, the interest rate on amounts borrowed under the facility was 1.75%. Such a modification was not considered to be substantial under U.S. GAAP.

On December 29, 2020, we modified the core portion of our Revolving Corporate Markets Loan Facility, increasing it to AU$43.0 million. The AU$3.0 million increase was provided to fund the completion of our recently opened cinema at Jindalee, Queensland, and is repayable in semi-annual installments of AU$500,000, the first installment being April 30, 2021, until fully repaid on October 31, 2023. This amendment increases the Facility Limit to AU$123.0 million, which will be reduced back to AU$120.0 million as the Jindalee funding is repaid. We further modified certain covenants within this Revolving Corporate Markets Loan Facility with NAB. The Fixed Charge Cover Ratio testing periods were further modified through the quarter ended September 30, 2021. The Leverage Ratio was also modified through the quarter ended June 30, 2022.

On June 9, 2021, incident to our sale of our Auburn ETC, we repaid AU$20.0 million of the revolving portion of this debt, in a permanent reduction of this facility.

On November 2, 2021, NAB modified our Fixed Charge Cover Ratio and Leverage Ratio covenants, reducing the measurement requirements and in some instances removing the requirement to test.

Note 12 – Other Liabilities

Other liabilities are summarized as follows:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Current liabilities		
Liability for demolition costs	2,808	2,928
Accrued pension	684	684
Security deposit payable	72	132
Finance lease liabilities	45	49
Other	41	33
Other current liabilities	**$ 3,650**	**$ 3,826**
Other liabilities		
Lease make-good provision	7,611	7,408
Accrued pension	3,718	4,048
Deferred rent liability	2,180	2,897
Environmental reserve	1,656	1,656
Lease liability	5,900	5,900
Acquired leases	23	31
Finance lease liabilities	36	69
Other	—	8
Other non-current liabilities	**$ 21,124**	**$ 22,017**

Pension Liability – Supplemental Executive Retirement Plan

On August 29, 2014, the Supplemental Executive Retirement Plan (“SERP”) that has been effective since March 1, 2007, was ended and replaced in accordance with the terms of a pension annuity. As a result of the termination of the SERP program, the accrued pension liability of $7.6 million was reversed and replaced with this pension annuity liability of $7.5 million. The valuation of the liability is based on the present value of $10.2 million discounted at a rate of 4.25% over a 15-year term, resulting in a monthly payment of $57,000. The discounted value of $2.7 million (which is the difference between the estimated payout of $10.2 million and the present value of $7.5 million) as of August 29, 2014 will be amortized and expensed based on the 15-year term. In addition, the accumulated actuarial loss of $3.1 million recorded, as part of other comprehensive income will also be amortized based on the 15-year term.

In February 2018, we made a payment of $2.4 million relating to the annuity representing payments for the 42 months outstanding at the time. Monthly ongoing payments of $57,000 are now being made.

As a result of the above, included in our current and non-current liabilities are accrued pension costs of $4.4 million at September 30, 2021. The benefits of our pension plan are fully vested and therefore no service costs were recognized for the nine months ended September 30, 2021 and 2020. Our pension plan is unfunded.

During the quarter and nine months ended September 30, 2021, the interest cost was $59,000 and $182,000, respectively, and the actuarial loss was $52,000 and $156,000, respectively. During the quarter and nine months ended September 30, 2020, the interest cost was $65,000 and $199,000, respectively, and the actuarial loss was $52,000 and $155,000, respectively.

Note 13 – Accumulated Other Comprehensive Income

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

(Dollars in thousands)	Foreign Currency Items	Unrealized Gain (Losses) on Available-for-Sale Investments	Accrued Pension Service Costs	Hedge Accounting Reserve	Total
Balance at January 1, 2021	$ 14,966	$ (12)	$ (2,135)	$ (317)	$ 12,502
<u>Change related to derivatives</u>					
Total change in hedge fair value recorded in Other Comprehensive Income	—	—	—	(8)	(8)
Amounts reclassified from accumulated other comprehensive income	—	—	—	181	181
Net change related to derivatives	—	—	—	173	173
Net current-period other comprehensive income (loss)	(8,494)	(1)	156	173	(8,166)
Balance at September 30, 2021	**$ 6,472**	**$ (13)**	**$ (1,979)**	**$ (144)**	**$ 4,336**

Note 14 – Commitments and Contingencies

<u>Litigation General</u>

Insofar as our Company is aware, there are no claims, arbitration proceedings, or litigation proceedings that constitute material contingent liabilities of our Company. Such matters require significant judgments based on the facts known to us. These judgments are inherently uncertain and can change significantly when additional facts become known. We provide accruals for matters that have probable likelihood of occurrence and can be properly estimated as to their expected negative outcome. We do not record expected gains until the proceeds are received by us. However, we typically make no accruals for potential costs of defense, as such amounts are inherently uncertain and dependent upon the scope, extent and aggressiveness of the activities of the applicable plaintiff.

Discussed below are certain litigation matters which, however, have been or may be significant to our Company.

Litigation Matters

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, including legal costs.

- Where we are the ***<u>plaintiffs</u>***, 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 ***<u>defendants</u>***, 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 quarterly 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.

<u>Environmental and Asbestos Claims on Reading Legacy Operations</u>

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.

Cotter Jr. Derivative Litigation

This action was originally brought by James J. Cotter, Jr. ("Cotter Jr.") in June 2015 in the Nevada District Court against all of the Directors of our Company and against our Company as a nominal defendant: James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No: A-15-719860-V. On October 1, 2020, the Nevada Supreme Court determined that the District Court had erred when it denied the defendants' motions to dismiss the case for lack of standing on the part of Cotter, Jr., to bring such an action, vacated the District Court's orders denying the motions to dismiss and remanded for entry of judgment. The Supreme Court sustained the District Court's award to our Company of costs in the amount of $809,000. Final judgment was entered on October 1, 2020 and the costs award has been paid. This matter is now at an end.

California Employment Litigation

Our Company is currently a defendant in certain California employment matters which include substantially overlapping wage and hour claims relating to our California cinema operations as described below. Taylor Brown, individually, and on behalf of other members of the general public similarly situated vs. Reading Cinemas et al. Superior Court of the State of California for the County of Kern, Case No. BCV-19-1000390 ("Brown v. RC," and the "Brown Class Action Complaint") was initially filed in December 2018, as an individual action and refiled as a putative class action in February 2019, but not served until June 24, 2019. Peter M. Wagner, Jr., an individual, vs. Consolidated Entertainment, Inc. et al., Superior Court of the State of California for the County of San Diego, Case NO. 37-2019-00030695-CU-WT-CTL ("Wagner v. CEI," and the "Wagner Individual Complaint") was filed as a discrimination and retaliation lawsuit in June 2019. The following month, in July 2019, a notice was served on us by separate counsel for Mr. Wagner under the California Private Attorney General Act of 2004 (Cal. Labor Code Section 2698, et seq) (the "Wagner PAGA Claim") purportedly asserting in a representational capacity claims under the PAGA statute, overlapping, in substantial part, the allegations set forth in the Brown Class Action Complaint. On March 6, 2020, Wagner filed a purported class action in the Superior Court of California, County of San Diego, again covering basically the same allegations as set forth in the Brown Class Action Complaint, and titled Peter M. Wagner, an individual, on behalf of himself and all others similarly situated vs. Reading International, Inc., Consolidated Entertainment, Inc. and Does 1 through 25, Case No. 37-2020-000127-CU-OE-CTL (the "Wagner Class Action" and the "Wagner Class Action Complaint"). Following mediation, the Wagner Individual Complaint was settled, and final judgment entered on February 10, 2021, at what we believe to have been its nuisance value. The remaining lawsuits seek damages, and attorneys' fees, relating to alleged violations of California labor laws relating to meal periods, rest periods, reporting time pay, unpaid wages, timely pay upon termination and wage statements violations.

On July 13, 2021, following a mediation, the parties agreed to settle the claims set forth in the remaining lawsuits (specifically, the Brown Class Action Complaint, the Wagner PAGA Claim and the Wagner Class Action Complaint) for the Company's payment of $4.0 million (the "Settlement Amount"). The settlement is contingent upon the execution and delivery of a final settlement agreement (which is currently being negotiated) and final court approval. The Settlement Amount is to be paid in two installments, one-half within 30 days of final court approval and the balance nine-months thereafter. A court hearing on the settlement is not expected until the first quarter of 2022. We have accrued the Settlement Amount as a second quarter cinema segment administrative expense.

General Diversified Limited v. Reading Wellington Properties Arbitration

On June 18, 2021, General Diversified Limited ("GDL"), an owner and operator of supermarkets in New Zealand, filed an arbitration statement of claim (the "Statement of Claim") in Auckland, New Zealand, against our wholly owned subsidiary, Reading Wellington Properties, Limited ("RWPL"), relating to the enforceability of an Agreement to Lease (the "ATL") entered into between the parties in February 2013, contemplating the construction by RWPL and the lease by GDL of a supermarket in Wellington, New Zealand on property owned by RWPL. The ATL contemplated that GDL would also obtain certain rights to use parking spaces in an adjacent 9 story parking structure owned by another of our wholly owned subsidiaries, Courtenay Carpark Limited (the "Parking Garage"). However, as a result of the Kaikōura earthquake on November 14, 2016, it was necessary to demolish the Parking Garage. It has not been rebuilt and there is currently no plan to rebuild it and neither RWPL nor Courtenay Carpark Limited have any legal right to rebuild it under presently existing laws controlling land use in Wellington. Accordingly, we believe that it became impossible to deliver the specific parking rights contemplated by the ATL and, given the materiality of these parking rights to the transaction contemplated by the ATL, that the ATL has been frustrated and is of no ongoing force and effect. GDL asserts a different view and is seeking a declaration that the ATL remains binding upon the parties and for specific performance by RWPL of the ATL.

RWPL has filed a response contesting GDL's claims, and raising various affirmative defenses, including frustration and a failure of the parties to reach any specifically enforceable agreement as to certain fundament construction and construction cost issues. No damages are being sought by GDL, other than costs, and no reserves for this matter have been established. RWPL is a limited liability company, its only asset being the parcel of unimproved land on which the supermarket was to be built.

In the interim, the parties have been having, and are continuing to have, "without prejudice" discussions as to possible alternatives pursuant to which a grocery store of the type contemplated by the parties could be developed and leased to GDL.

Note 15 – 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:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Australian Country Cinemas, Pty Ltd	$ (3)	$ (51)
Shadow View Land and Farming, LLC	(3)	2,131
Sutton Hill Properties, LLC	999	1,324
Noncontrolling interests in consolidated subsidiaries	**$ 993**	**$ 3,404**

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Australian Country Cinemas, Pty Ltd	$ 6	$ (35)	$ 48	$ (80)
Shadow View Land and Farming, LLC	—	(5)	3,166	(48)
Sutton Hill Properties, LLC	(111)	(84)	(325)	(261)
Net income (loss) attributable to noncontrolling interests	**$ (105)**	**$ (124)**	**$ 2,889**	**$ (389)**

On March 5, 2021, Shadow View Land and Farming, LLC, sold its only asset, being certain land holdings in Coachella, California, for $11.0 million and is currently in the process of winding up and liquidating. See *Note 6*

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 Class A Non-Voting Shares	Common Stock Class A Par Value	Common Stock Class B Voting Shares	Common Stock Class B Par Value	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
At January 1, 2021	20,069	$ 231	1,680	$ 17	$ 149,979	$ (44,553)	$ (40,407)	$ 12,502	$ 77,769	$ 3,404	$ 81,173
Net income (loss)	—	—	—	—	—	18,965	—	—	18,965	3,102	22,067
Other comprehensive income, net	—	—	—	—	—	—	—	(2,545)	(2,545)	—	(2,545)
Share-based compensation expense	—	—	—	—	464	—	—	—	464	—	464
Restricted Stock Units	52	1	—	—	(111)	—	—	—	(110)	—	(110)
Distributions to noncontrolling stockholders	—	—	—	—	—	—	—	—	—	(5,300)	(5,300)
At March 31, 2021	20,121	$ 232	1,680	$ 17	$ 150,332	$ (25,588)	$ (40,407)	$ 9,957	$ 94,543	$ 1,206	$ 95,749
Net income	—	—	—	—	—	22,702	—	—	22,702	(108)	22,594
Other comprehensive income, net	—	—	—	—	—	—	—	(1,592)	(1,592)	—	(1,592)
Share-based compensation expense	—	—	—	—	450	—	—	—	450	—	450
Restricted Stock Units	4	—	—	—	(2)	—	—	—	(2)	—	(2)
At June 30, 2021	20,125	$ 232	1,680	$ 17	$ 150,780	$ (2,886)	$ (40,407)	$ 8,365	$ 116,101	$ 1,098	$ 117,199
Net income	—	—	—	—	—	(10,095)	—	—	(10,095)	(105)	(10,200)
Other comprehensive income, net	—	—	—	—	—	—	—	(4,029)	(4,029)	--	(4,029)
Share-based compensation expense	—	—	—	—	606	—	—	—	606	--	606
Restricted Stock Units	2	—	—	—	(3)	—	—	—	(3)	--	(3)
At September 30, 2021	20,127	$ 232	1,680	$ 17	$ 151,383	$ (12,981)	$ (40,407)	$ 4,336	$ 102,580	$ 993	$ 103,573

(Dollars in thousands, except shares)	Common Stock Class A Non-Voting Shares	Common Stock Class A Par Value	Common Stock Class B Voting Shares	Common Stock Class B Par Value	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
At January 1, 2020	20,103	$ 231	1,680	$ 17	$ 148,602	$ 20,647	$ (39,737)	$ 5,589	$ 135,349	$ 4,267	$ 139,616
Net income (loss)	—	—	—	—	—	(5,875)	—	—	(5,875)	(81)	(5,956)
Other comprehensive income, net	—	—	—	—	—	—	—	(15,879)	(15,879)	(18)	(15,897)
Share-based compensation expense	—	—	—	—	336	—	—	—	336	—	336
Share repurchase plan	(75)	—	—	—	—	—	(670)	—	(670)	—	(671)
Restricted Stock Units	19		—	—	(30)	—	—	—	(30)	—	(30)
At March 31, 2020	20,047	$ 231	1,680	$ 17	$ 148,908	$ 14,772	$ (40,407)	$ (10,290)	$ 113,231	$ 4,168	$ 117,399
Net income	—	—	—	—	—	(22,703)	—	—	(22,703)	(185)	(22,888)
Other comprehensive income, net	—	—	—	—	—	—	—	10,707	10,707	9	10,716
Share-based compensation expense	—	—	—	—	369	—	—	—	369	—	369
Restricted Stock Units	21		—	—	(11)	—	—	—	(11)	—	(11)
At June 30, 2020	20,068	231	1,680	17	149,266	(7,931)	(40,407)	417	101,593	3,992	105,585
Net income	—	—	—	—	—	(19,228)	—	—	(19,228)	(124)	(19,352)
Other comprehensive income, net	—	—	—	—	—	—	—	3,587	3,587	3	3,590
Share-based compensation expense	—	—	—	—	358	—	—	—	358	—	358
Restricted Stock Units	1		—	—	(4)	—	—	—	(4)	—	(4)
Contributions from noncontrolling stockholders	—	—	—	—	—	—	—	—	—	30	30
At September 30, 2020	20,069	$ 231	1,680	$ 17	$ 149,620	$ (27,159)	$ (40,407)	$ 4,004	$ 86,306	$ 3,901	$ 90,207

Note 16 – Stock-Based Compensation and Stock Repurchases

Employee and Director Stock Incentive Plan

2010 Stock Incentive Plan
Our 2010 Stock Incentive Plan (as amended, the "2010 Plan") under which our Company has granted stock options and other share-based payment awards of our Common Stock to eligible employees, directors, and consultants has expired. In total, 1,505,598 shares of Class A Common Stock were issued or reserved for issuance pursuant to the previously granted options or restricted stock units under that 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 (the "2020 Plan"). 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. The aggregate total number of shares of Class A Common Stock authorized for issuance under the 2020 Plan at September 30, 2021 was 1,250,000, of which 784,296 remain available for future issuance. In addition, if any awards that were outstanding under the 2010 Plan are subsequently forfeited or if the related shares are repurchased, a corresponding number of shares will automatically become available for issuance under the 2020 Plan, thus resulting in a potential increase in the number of shares available for issuance under the 2020 Plan. At September 30, 2021, this potential increase in the number of shares eligible for issuance under the 2020 Plan was 176,086 Class A Common Stock.

Stock options are granted at exercise prices equal to the grant-date market prices and typically expire no later than five years from 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. Beginning in 2020, a performance component has been added to certain of the RSUs granted to management, which vests on the third anniversary of their grant date based on the achievement of certain performance metrics. 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.

No stock options were issued in the nine months ended September 30, 2021.

For the quarters ended September 30, 2021 and 2020, we recorded compensation expense of $101,000 and $103,000, respectively, with respect to our prior stock option grants. For the nine months ended September 30, 2021 and September 30, 2020, we recorded compensation expense of $302,000 and $343,000, respectively. At September 30, 2021, the total unrecognized estimated compensation expense related to non-vested stock options was $0.3 million, which we expect to recognize over a weighted average vesting period of 1.06 years. The intrinsic, unrealized value of all options outstanding vested and expected to vest, at September 30, 2021 was $nil, as the closing price of our Common Stock on that date was $5.06.

The following table summarizes the number of options outstanding and exercisable as of September 30, 2021 and December 31, 2020:

	Outstanding Stock Options - Class A Shares			
	Number of Options Class A	Weighted Average Exercise Price Class A	Weighted Average Remaining Years of Contractual Life Class A	Aggregate Intrinsic Value Class A
Balance - December 31, 2019	711,377	$ 14.74	2.79	$ 136,350
Granted	38,803	4.66	—	—
Exercised	—	—	—	—
Forfeited	(36,701)	14.74	—	—
Balance - December 31, 2020	713,479	$ 14.64	2.18	$ 13,969
Granted	—	—	—	—
Exercised	(38,803)	—	—	—
Forfeited	(157,332)	11.87	—	—
Balance - September 30, 2021	517,344	$ 15.35	1.77	$ —

Restricted Stock Units

We estimate the grant-date fair values of our RSUs using our Company's stock price at grant-date and record such fair values as compensation expense over the vesting period on a straight-line basis. The following table summarizes the status of the RSUs granted to date as of September 30, 2021:

	Outstanding Restricted Stock Units					
	RSU Grants (in units)					
Grant Date	**Directors**	**Management**	**Total Grants**	**Vested, September 30, 2021**	**Unvested, September 30, 2021**	**Forfeited, September 30, 2021**
March 10, 2016	35,147	27,381	62,528	62,264	—	264
April 11, 2016	—	5,625	5,625	5,108	—	517
March 23, 2017	30,681	32,463	63,144	62,612	—	532
August 29, 2017	—	7,394	7,394	7,394	—	—
January 2, 2018	29,393	—	29,393	29,393	—	—
April 12, 2018	—	29,596	29,596	21,085	6,540	1,971
April 13, 2018	—	14,669	14,669	11,003	3,666	—
July 6, 2018	—	932	932	—	—	932
November 7, 2018	23,010	—	23,010	23,010	—	—
March 13, 2019	—	24,366	24,366	10,632	10,630	3,104
March 14, 2019	—	23,327	23,327	11,664	11,663	—
May 7, 2019	11,565	—	11,565	11,565	—	—
March 10, 2020	—	287,163	287,163	48,416	237,929	818
December 14, 2020	—	43,260	43,260	—	42,716	544
December 16, 2020	60,084	11,459	71,543	—	71,543	—
April 5, 2021	—	262,830	262,830	—	262,830	—
April 19, 2021	—	22,888	22,888	—	22,888	—
August 11, 2021	26,924	—	26,924	—	26,924	—
Total	**216,804**	**793,353**	**1,010,157**	**304,146**	**697,329**	**8,682**

RSU awards to management vest 25% on the anniversary of the grant date over a period of four years. Beginning in 2020, a performance component has been added to certain of the RSUs granted to management, which vest on the third anniversary of their grant date based on the achievement of certain performance metrics. On March 10, 2020, RSUs covering 287,163 shares were issued to members of executive management and other employees of our Company. Between December 14, 2020 and December 16, 2020, RSUs covering 114,803 shares were issued to members of executive management and other employees of our Company, all of which vest 100% on the anniversary of the grant date over a period of one year. Of these, we granted non-employee directors 60,084 RSUs (as well as 38,803 options) on December 16, 2020. In April 2021, RSUs covering 262,830 shares were issued to members of executive management. 50% of these RSUs vest evenly over a period of four years. The remaining 50% vest in full on the third anniversary of the grant date contingent upon the achievement of certain performance metrics. RSUs covering 22,888 shares were also issued to other employees of our Company. These awards vest 25% on the anniversary of the grant date over a period of four years. On August 11, 2021, RSUs covering 26,924 shares were issued to non-employee directors.

We estimate the grant-date fair values of our RSUs using the Company's stock price at grant-date and record such fair values as compensation expense over the vesting period on a straight-line basis. Prior to November 7, 2018, RSU awards to non-employee directors vested 100% in January of the following year in which such RSUs were granted. At the November 7, 2018 Board meeting, it was determined that it would be more appropriate for the vesting of RSUs to align with the director's term of office. Accordingly, the RSUs granted on November 7, 2018, vested on the first to occur of (i) 5:00 pm, Los Angeles, CA time on the last business day prior to the one year anniversary of the grant date, or (ii) the date on which the recipient's term as a director ended and the recipient or, as the case may be, the recipient's successor was elected to the board of directors. Accordingly, the RSUs granted to directors on November 7, 2018, vested on May 7, 2019, annual meeting of stockholders. Due to the fact that our Company held our annual meeting of stockholders in May 2019, the vesting period for the RSUs issued on November 7, 2018 was shorter than anticipated. In order to adjust for this factor, the award of RSUs to directors made immediately following the 2019 Annual Meeting of Stockholders was determined using a value of $35,000 or one half of the dollar amount of the prior year's annual grant. The RSUs issued to non-employee directors on May 7, 2019, vested on May 6, 2020. The RSUs issued to non-employee directors on August 11, 2021 will vest on the first to occur of (i) 5:00 pm, Los Angeles, CA time on the last business day prior to the one-year anniversary of the Grant Date or (ii) the date on which the Recipient has served such Recipient's full term as a Director (December 8, 2021).

For the quarters ended September 30, 2021, and 2020, we recorded compensation expense of $505,000 and $237,000, respectively. For the nine months ended September 30, 2021, and 2020, we recorded compensation expense of $1.29 million and $708,000 respectively. The total unrecognized compensation expense related to the non-vested RSUs was $3.3 million as of September 30, 2021, which we expect to recognize over a weighted average vesting period of 1.81 years.

Stock Repurchase Program

On March 2, 2017, our Company's Board of Directors authorized management, at its discretion, to spend up to an aggregate of $25.0 million to acquire shares of Reading's Class A Common Stock. On March 14, 2019, the Board of Directors extended this stock buy-back program for two years, through March 2, 2021. On March 10, 2020, the Board increased the authorized amount by $25.0 million and extended it to March 2, 2022. At the present time, the amount available under the repurchase program authorization is $26.0 million.

The repurchase program allows Reading to repurchase its shares in accordance with the requirements of the SEC on the open market, in block trades and in privately negotiated transactions, depending on market conditions and other factors. All purchases are subject to the availability of shares at prices that are acceptable to Reading, and accordingly, no assurances can be given as to the timing or number of shares that may ultimately be acquired pursuant to this authorization.

Under the stock repurchase program, as of September 30, 2021, our Company had reacquired a total of 1,792,819 shares of Class A Common Stock for $24.0 million at an average price of $13.39 per share (excluding transaction costs). No shares of Class A Common Stock were purchased in the nine months ended September 30, 2021. The last share repurchase made by our Company was made on March 5, 2020, at which time 25,000 shares were purchased at an average cost per share of $7.30. This leaves $26.0 million available under the March 2, 2017 program, as extended, to March 2, 2022.

Note 17 - 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 20 years, with certain leases having options to extend to up to a further 20 years.

Contracts are analyzed in accordance with the criteria set out in ASC 842 to determine if there is a lease present. For contracts that contain an operating lease, we account for the lease component and the non-lease component together as a single component. For contracts that contain a finance lease we account for the lease component and the non-lease component separately in accordance with ASC 842.

In leases where we are the lessee, we recognize a right of use asset and lease liability at lease commencement, which is measured by discounting lease payments using an incremental borrowing rate applicable to the relevant country and lease term of the lease as the discount rate. Subsequent amortization of the right of use asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the term of the lease. A finance lease right-of-use asset is depreciated on a straight-line basis over the lesser of the useful life of the leased asset or the lease term. Interest on each finance lease liability is determined as the amount that results in a constant periodic discount rate on the remaining balance of the liability. Property taxes and other non-lease costs are accounted for on an accrual basis.

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.

As a result of the impacts of COVID-19, we have obtained certain concessions from our landlords. We have elected to account for these concessions as if there have been no changes to the underlying contracts, thereby recognizing abatements secured as variable lease expenses, and increasing payables for lease payment deferrals.

The components of lease expense were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020	2021	2020
Lease cost				
Finance lease cost:				
Amortization of right-of-use assets	$ 12	15	$ 37	$ 79
Interest on lease liabilities	1	2	4	6
Operating lease cost	8,591	8,136	25,151	24,447
Variable lease cost	(2,064)	(1,747)	(4,751)	(2,427)
Total lease cost	**$ 6,540**	**$ 6,406**	**$ 20,441**	**$ 22,105**

Supplemental cash flow information related to leases is as follows:

	Nine Months Ended September 30,	
(Dollars in thousands)	2021	2020
Cash flows relating to lease cost		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for finance leases	$ 40	$ 86
Operating cash flows for operating leases	16,666	10,190
Right-of-use assets obtained in exchange for new operating lease liabilities	32,956	179

Supplemental balance sheet information related to leases is as follows:

(Dollars in thousands)	September 30, 2021	December 31, 2020
Operating leases		
Operating lease right-of-use assets	**$ 226,855**	**$ 220,503**
Operating lease liabilities - current portion	22,976	22,699
Operating lease liabilities - non-current portion	222,918	212,806
Total operating lease liabilities	**$ 245,894**	**$ 235,505**
Finance leases		
Property plant and equipment, gross	374	383
Accumulated depreciation	(299)	(271)
Property plant and equipment, net	**$ 75**	**$ 112**
Other current liabilities	45	49
Other long-term liabilities	36	69
Total finance lease liabilities	**$ 81**	**$ 118**
Other information		
Weighted-average remaining lease term - finance leases	2	3
Weighted-average remaining lease term - operating leases	11	11
Weighted-average discount rate - finance leases	5.25%	5.27%
Weighted-average discount rate - operating leases	4.48%	4.71%

The maturities of our leases were as follows:

(Dollars in thousands)	Operating leases	Finance leases
2021	$ 8,015	$ 13
2022	34,005	43
2023	33,830	28
2024	32,054	—
2025	29,891	—
Thereafter	181,475	—
Total lease payments	**$ 319,270**	**$ 84**
Less imputed interest	(73,376)	(3)
Total	**$ 245,894**	**$ 81**

As of September 30, 2021, we have additional operating leases, primarily for cinemas, that have not yet commenced operations of approximately $12.0 million. It is anticipated that these operating leases will commence in 2022 with lease terms of 15 to 20 years.

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.

We recognize lease payments for operating leases as property revenue on a straight-line basis over the lease term. Lease incentive payments we make to lessees are amortized as a reduction in property revenue over the lease term.

As a result of the impacts of COVID-19, we have provided certain concessions to specific tenants. We have elected to account for these concessions as if there have been no changes to the underlying contracts, thereby recognizing abatements granted as variable lease payments through revenue and increasing receivables for lease payment deferrals.

Lease income relating to operating lease payments was as follows:

(Dollars in thousands)	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Components of lease income				
Lease payments	$ 2,230	2,400	$ 7,601	$ 6,972
Variable lease payments	273	97	642	(114)
Total lease income	**$ 2,503**	**$ 2,497**	**$ 8,243**	**$ 6,858**

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

(Dollars in thousands)	September 30, 2021	December 31, 2020
Building and improvements		
Gross balance	$ 139,493	$ 153,643
Accumulated depreciation	(22,815)	(26,107)
Net Book Value	**$ 116,678**	**$ 127,536**

The Maturity of our leases were as follows:

(Dollars in thousands)	Operating leases
2021	$ 1,863
2022	7,088
2023	6,527
2024	5,779
2025	4,774
Thereafter	5,093
Total	**$ 31,124**

Note 18 – Hedge Accounting

As of September 30, 2021, and December 31, 2020, our Company held interest rate derivatives in the total notional amount of $8.0 million and $8.0 million, respectively.

The derivatives are recorded on the balance sheet at fair value and are included in the following line items:

	Liability Derivatives			
	September 30, 2021		December 31, 2020	
(Dollars in thousands)	Balance sheet location	Fair value	Balance sheet location	Fair value
Interest rate contracts	Derivative financial instruments - current portion	$ 220	Derivative financial instruments - current portion	$ 218
	Derivative financial instruments - non-current portion	38	Derivative financial instruments - non-current portion	212
Total derivatives designated as hedging instruments		**$ 258**		**$ 430**
Total derivatives		**$ 258**		**$ 430**

We have no derivatives designated as hedging instruments which are in asset positions.

The changes in fair value are recorded in Other Comprehensive Income and released into interest expense in the same period(s) in which the hedged transactions affect earnings. In the quarter and nine months ended September 30, 2021 and September 30, 2020, respectively, the derivative instruments affected Comprehensive Income as follows:

(Dollars in thousands)	**Location of Loss Recognized in Income on Derivatives**	**Amount of Loss Recognized in Income on Derivatives**			
		Quarter Ended September 30, 2021		**Nine Months Ended September 30**	
		2021	**2020**	**2021**	**2020**
Interest rate contracts	Interest expense	$ 61	60	$ 181	$ 140
Total		**$ 61**	**$ 60**	**$ 181**	**$ 140**

(Dollars in thousands)	**Loss Recognized in OCI on Derivatives (Effective Portion)**			
	Amount		**Amount**	
	Quarter Ended September 30		**Nine Months Ended September 30**	
	2021	**2020**	**2021**	**2020**
Interest rate contracts	$ 4	$ 60	$ 9	$ 282
Total	**$ 4**	**$ 60**	**$ 9**	**$ 282**

Line Item	**Loss Reclassified from OCI into Income (Effective Portion)**			
	Amount		**Amount**	
	Quarter Ended September 30		**Nine Months Ended September 30**	
	2021	**2020**	**2021**	**2020**
Interest expense	$ 61	$ 60	$ 181	$ 141
Total	**$ 61**	**$ 60**	**$ 181**	**$ 141**

The derivative has no ineffective portion, and consequently no losses have been recognized directly in income.

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.

As of September 30, 2021, and December 31, 2020 we had derivative financial liabilities carried and measured at fair value on a recurring basis of $258,000 and $430,000 respectively.

The following tables summarize our financial liabilities that are carried at cost and measured at fair value on a non-recurring basis as of September 30, 2021 and December 31, 2020, by level within the fair value hierarchy.

		Fair Value Measurement at September 30, 2021			
(Dollars in thousands)	Carrying Value[(1)]	Level 1	Level 2	Level 3	Total
Notes payable	$ 215,624	$ —	$ —	$ 220,168	$ 220,168
Subordinated debt	30,129	—	—	20,440	20,440
	$ 245,753	**$ —**	**$ —**	**$ 240,608**	**$ 240,608**

		Fair Value Measurement at December 31, 2020			
(Dollars in thousands)	Carrying Value[(1)]	Level 1	Level 2	Level 3	Total
Notes payable	$ 254,163	$ —	$ —	$ 258,525	$ 258,525
Subordinated debt	30,796	—	—	20,423	20,423
	$ 284,959	**$ —**	**$ —**	**$ 278,948**	**$ 278,948**

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

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 September 30, 2021 and December 31, 2020.

- **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 September 30, 2021, and December 31, 2020, 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 nine months ended September 30, 2021 and September 30, 2020.

Note 20 – Subsequent Events

On November 2, 2021, we amended our credit agreement with NAB. On November 8, 2021, we amended our credit agreement with the Bank of America. On November 8, 2021, we repaid in full and retired our Bank of America Line of credit.

See *Note 11 – Borrowings*.

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

General COVID-19 Pandemic Updated & Overview

COVID-19 Impact on our Cinema Business

In March 2020, as a result of the COVID-19 pandemic, all of our cinemas in the United States, Australia, and New Zealand were forced to temporarily close by government mandate, ultimately causing an immediate halt to our cinema income. Since the onset of the pandemic, a majority of our cinemas have reopened (most with occupancy restrictions in place). As of the date of this Report, 57 of our 62 global cinema circuit are open: 22 of our 24 cinemas in the United States, all of our 26 cinemas in Australia, and 9 of our 12 cinemas in New Zealand. Of the cinemas that remained closed, two cinemas have been closed since before the onset of the pandemic: one (in Honolulu at the Kahala Mall) for a major renovation and the other (in Courtenay Central, Wellington) to address seismic issues. Pleasingly, all of our Australian cinemas were able to reopen again after the government mandated response to the presence of the COVID-19 Delta variant.

These closures have had a material negative impact on our box office results, cinema attendances and the wider cinema industry in general. Cinemas have, in large part, reopened as the pandemic has abated, but attendances are still below pre-pandemic levels due to a variety of factors, including social distancing requirements, public reticence to participate in group activities, competition from streaming services and until relatively recently, the lack of strong film product. Patrons who have returned are responding well to our expanded food and beverage offerings, as spend per caps continue to strengthen. The industry has, in recent months, experienced a positive shift in box office results with the releases of more traditional blockbuster movies to cinemas, such as *Shang-Chi and the Legend of the Ten Rings*, *Venom: Let there be Carnage* and *No Time to Die*. The performance of these films has provided optimism for the cinema industry.

COVID-19 Impact on our Real Estate Business

Our real estate business has been less impacted, and virtually all of our tenants are currently paying full rents. As of the date of this Report, 96% of our tenants in our Australian and New Zealand real estate businesses are currently open for trading (some with trading restrictions in place). STOMP reopened at our Orpheum Theater in New York on July 20, 2021, and Audible, an Amazon company, continues to license our Minetta Lane Theater in New York, and resumed public performances on October 8, 2021. We began receiving rental income from our Culver City tenant in October 2020, income which did not exist prior to October 2020.

With regard to our 44 Union Square property, COVID-19 has severely constrained leasing activity in Manhattan, and no assurance can be given that we will be able to lease the space on acceptable terms in the near term. Our progress regarding this property is discussed in our Real Estate overview.

As for our other real estate holdings, subject to capital availability and assuming a return to normalcy, we will once again put emphasis on developing and enhancing our Courtenay Central, Cannon Park, and Newmarket ETCs, our Cinemas 1,2,3, property, and our Philadelphia Viaduct properties.

As discussed in Note 6 to the financial statements and below, we monetized certain real estate assets that had maintained their value despite the effects of the COVID-19 pandemic, and which would have required material capital investment to have achieved increases in value.

Management's Response to the Challenges of COVID-19

In response to lower cash inflows from our cinema businesses, our Company reviewed our real estate portfolio to identify assets that had not been adversely impacted by the pandemic and which would require material capital investment to generate any material increase in value. These asset monetizations are detailed at Note 6 to the financial statements. We have used the proceeds from the sale of these properties to pay down debt, to cover operating expenses, to fund limited capital improvements, and to strengthen our liquidity. At September 30, 2021, we had cash and cash equivalents totaling $90.9 million, compared to $26.8 million at December 31, 2020.

We have been able to maintain most of our assets and keep our key personnel in place as we reopen our cinemas. Generally speaking, our lenders and landlords continue to work with us, and we continue in occupancy in all of our cinemas and have not lost any cinema assets as a result of the COVID-19 pandemic. We continue to be in discussions with our landlords about rent abatements and/or deferrals. We have a variety of landlords, and these discussions are being progressed on a location-by-location basis. Further, our relationships with our film suppliers continue to be strong.

We have taken a number of significant steps to preserve our liquidity, and we will continue to evaluate our operations as the pandemic continues. We modified our business strategy in order to ensure our long-term viability in a way that would not have a dilutive impact on our stockholders, overleverage our Company, or require that we fire sale assets. In arriving at the determination to rely upon the monetization of certain real estate assets to bridge this gap in cinema cashflow (which has in 2021 produced net proceeds to our Company of $139.4 million) and to reduce our need to make capital expenditures, we considered a variety of alternatives, including the issuance of additional common stock and the issuance of high interest rate "junk" debt. We determined that it would be in the best interests of our Company and our stockholders to not dilute equity by issuing stock in the middle of an unprecedented pandemic and to not mortgage our future with high interest rate debt.

In Conclusion

With the development and distribution of a variety of vaccines, and a government focus on reopening the social aspects of our lives, we anticipate that the impact of the COVID-19 pandemic on our results of operation will be a passing event in the long-term, and we believe that we will ultimately return to results that resemble those of the pre-pandemic era in the future. However, no assurance can be given that we will achieve these results and, unfortunately, there is still a risk of future global outbreaks of COVID-19 and its associated variants, such as the Delta variant, which we are currently witnessing. Where vaccine roll outs have been limited in distribution, such as in Australia and New Zealand, these variant outbreaks could impact those countries, and our business in those countries, to a higher degree.

BUSINESS 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 62 cinemas.
- Real estate, including real estate development and the rental of retail, commercial, and live theatre assets.

We have consistently stated our belief that these two business segments complement one another, as we have used the comparatively consistent pre-COVID-19 cash flows generated by our cinema operations to fund the front-end cash demands of our real estate development business. Currently, we are relying more upon income from our real estate assets, and the imbedded value in those assets, to support our Company through the COVID-19 crisis. As we continue to navigate the uncertainty and challenges posed by the global COVID-19 pandemic, including the emergence of new variants, we are steadfast in our belief that this two-pronged, diversified international business strategy has supported the strength and long-term viability of our Company.

Key Performance Indicators

A key performance indicator utilized by management is F&B Spend Per Patron ("SPP"). Upgrading our F&B menus at a number of our global cinemas is one of our strategic priorities. We use SPP as a measure of our performance as compared to the performance of our competitors, as well as a measure of the performance of our F&B operations. While ultimately, the profitability of our F&B operations depends on a variety of factors, including cost of goods sold and labor cost, we think that this calculation is important to show how well we are doing on a top line basis. Due to the COVID-19 pandemic and the temporary closure of our cinema and live theatre operations in the U.S., Australia, and New Zealand for a substantial portion of the year ended December 31, 2020, and partially through the nine months ended September 30, 2021, and due to the lower attendances resulting from social distancing requirements, the lack of new and compelling film product, and the reticence of customers to participate in social gatherings with third parties, management does not currently believe that a discussion of Reading's key performance indicators will serve as a useful metric for stockholders. Management intends to resume providing a discussion of our key performance indicators in the future.

Cinema Exhibition Overview

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

- in the U.S., under the Reading Cinemas, Angelika Film Centers, and Consolidated Theatres brands.
- in Australia, under the Reading Cinemas, the State Cinema, and the unconsolidated joint venture, Event Cinemas brands.
- in New Zealand, under the Reading Cinemas and the unconsolidated joint ventures, 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 September 30, 2021.

Country	State / Territory / Region	Location Count	Screen Count	Interest in Asset Underlying the Cinema		Operating Brands
				Leased	Owned	
United States	Hawaii	9	98	9		Consolidated Theatres
	California	7	88	7		Reading Cinemas, Angelika Film Center
	New York	3	16	2	1	Angelika Film Center
	Texas	2	13	2		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	**24**	**238**	**23**	**1**	
Australia	Victoria	8	57	8		Reading Cinemas
	New South Wales	6	44	5	1	Reading Cinemas
	Queensland	6	56	3	3	Reading Cinemas, Event Cinemas(1)
	Western Australia	2	16	1	1	Reading Cinemas
	South Australia	2	15	2		Reading Cinemas
	Tasmania	2	14	2		Reading Cinemas, State Cinema
	Australia Total	**26**	**202**	**21**	**5**	
New Zealand	Wellington	3	18	2	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	**12**	**70**	**8**	**4**	
GRAND TOTAL		**62**	**510**	**52**	**10**	

(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 admissions, F&B, advertising, gift card purchases, 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 film rent expense, operating costs, and occupancy costs. Cinema revenues and expenses fluctuate with the availability of quality first run films and the numbers 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 see Part I, Item 1 – Our Business of our 2020 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 September 30, 2021, are as follows:

- *Millers Junction, Victoria, Australia:* On June 16, 2021, we opened a new state-of-the-art six screen Reading Cinemas at the expanded Millers Junction Village featuring two TITAN LUXE auditoriums with DOLBY ATMOS immersive sound, luxury recliner seating in all auditoriums, and an enhanced F&B offering.
- *Jindalee, Queensland, Australia:* On December 22, 2020, we opened a new state-of-the-art six screen Reading Cinemas at Jindalee featuring a TITAN LUXE auditorium with DOLBY ATMOS immersive sound, luxury recliner seating in all auditoriums, and an enhanced F&B offering.

Pursuant to an existing agreement, during 2022, we anticipate receiving hand-over from the landlord at South City Square in Brisbane, QLD for the completion of our new eight-screen cinema at South City Square. We anticipate an opening of this QLD cinema by mid-year 2022.

With respect to our agreement to lease for a five-screen cinema in Traralgon (VIC), the landlord, who is a local landowner in Traralgon (VIC), was delayed in his delivery of the base building construction. Following these landlord delays, circumstances related to the COVID-19 pandemic caused further delays in completing the cinema development. We are having ongoing discussions with the landlord about the enforcement of his obligations under agreement to lease and our desire to open the Reading Cinema in Traralgon before the end of 2021.

Cinema Upgrades

As of September 30, 2021, all of 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)	62	510
IMAX	1	1
TITAN XC and LUXE	26	32
Dine-in Service		
Gold Lounge (AU/NZ)(1)	9	24
Premium (AU/NZ)(2)	16	42
Spotlight (U.S.)(3)	1	6
Upgraded Food & Beverage menu (U.S.)(4)	16	n/a
Premium Seating (features recliner seating)	28	173
Liquor Licenses (5)	36	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 September 30, 2021, we have pending applications for additional liquor licenses for eleven cinemas in the U.S.

Our current enhancement projects are:

- *Kahala Mall renovation:* In late 2019, we commenced the renovation of our Consolidated Theatre at the Kahala Mall in Honolulu. The renovation work was suspended at the end of the first quarter in 2020 as a result of the initial COVID-19 shutdown. When reopened, the theatre will feature recliner seating throughout along with a state-of-the-art kitchen and an elevated F&B menu. This cinema reopened on November 5, 2021, with the opening of the Hawaii International Film Festival. The festival is anticipated to attract thousands of film enthusiasts over its ten-day run.
- *Kapolei renovation:* During the second quarter of 2021, we commenced the renovation of our Consolidated Theatre in Kapolei, which will feature recliner seating and an elevated F&B menu. We expect to reopen this theatre by the end of the fourth quarter of 2021.
- *Luxury seating conversions:* We have converted 102 of our 238 U.S. auditoriums to luxury recliner seating. We anticipate that the completion of our Kapolei theatre renovation will account for at least an additional 8 auditoriums converted to luxury recliner seating.

We continue to enhance our proprietary online ticketing and F&B capabilities, improve our contactless experiences, and develop our social media platforms. Our goal is to enhance the convenience and safety of our offerings while promoting guest affinity with our brands.

Cinema Closures

Temporary cinema closures as a result of COVID-19 are discussed below. We have not permanently closed a cinema in the periods presented in this Report.

In January 2019, we temporarily closed our Courtenay Central cinema in Wellington, New Zealand. This temporary closure is related to seismic concerns and is currently ongoing. Our plans for this cinema and our related properties are discussed further in our Real Estate Overview.

Real Estate Overview

Through our various subsidiaries, we engage in the real estate business through the development and ownership and rental or licensing to third parties of retail, commercial, and live theatre assets. Our real estate business creates long-term value for our stockholders through the continuous improvement and development of our investment and operating properties, including our ETCs. As of September 30, 2021, we own the fee interests in both of our live theatres and in 10 of our cinemas (as presented in the preceding table). In addition, we:

- owned our 44 Union Square property with approximately 73,000 square feet of net leasable area comprised of retail and office space. 44 Union Square is currently in the leasing phase, and we received a temporary certificate of occupancy with respect to the core and shell work on August 31, 2020;
- owned and operated four ETCs known as Newmarket Village (in a suburb of Brisbane), The Belmont Common (in a suburb of Perth), and Cannon Park (in Townsville) in Australia, and Courtenay Central (in Wellington) in New Zealand;
- owned and operated our administrative operations center building in Culver City and, during the second quarter 2020, entered a multi-year lease with a corporate tenant for the entire second floor;
- owned and operated our headquarters office building in South Melbourne, Australia;
- owned and operated the fee interests in two developed commercial properties in Manhattan improved with live theatres comprising of two stages;
- owned a 75% managing member interest in a limited liability company which in turn owns the fee interest in and improvements constituting Cinemas 1,2,3;
- owned 197-acres principally in Pennsylvania from our legacy railroad business, including the Reading Viaduct in downtown Philadelphia; and
- have exercised our option to purchase the improvements and ground lease comprising our cinema, Village East by Angelika, and headquarters building at 189 Second Avenue in Manhattan.

For a breakdown of our real estate assets, made current by our discussion below, please see Part I, Item 1 – *Our Business* of our 2020 Form 10-K. We now present a discussion of recent material developments.

Strategic Monetizations

<u>United States:</u>

- On March 5, 2021, we monetized our approximately 202-acre raw land holdings in Coachella, California for $11.0 million (recognizing a gain on sale after costs to sell of $6.3 million over our $4.4 million net book value). As a 50% member of Shadow View Land and Farming LLC, the entity that owned the property, our Company received 50% of the sale, being $5.3 million. As raw land, this asset produced no operating income while continuing to generate carrying costs, such as taxes, insurance and maintenance.
- On June 30, 2021, we monetized our Royal George Theatre property in Chicago for $7.1 million. We realized a gain on sale after costs to sell of $5.0 million over our $1.8 million net book value.

<u>Australia:</u>

- On June 9, 2021, we monetized our Auburn/Redyard Center (including the 114,000 square feet of undeveloped land) located in Auburn, New South Wales for $69.6 million (AU$90.0 million). We recognized a gain on sale after costs to sell of $38.7 million (AU$50.1 million) over our $30.2 million (AU$39.1 million) net book value. As part of the transaction, we entered into a lease with the purchaser to continue to operate the cinema at that location.

New Zealand:

- On March 4, 2021, we monetized our two industrial properties adjacent to the Auckland Airport in Manukau/Wiri in New Zealand, representing 70.4 acres, for $56.1 million (NZ $77.2 million). We recognized a gain on sale after costs to sell of $41.0 million (NZ$56.3 million) over our $13.6 million (NZ$18.7 million) net book value. As raw land, this asset produced no operating income while continuing to generate carrying costs, such as taxes, insurance, and maintenance.

- On August 30, 2021, we sold our cinema building and land in Invercargill for $3.8 million (NZ$5.4 million) to the owner of the adjacent property, which is currently undergoing a major redevelopment. This property, not then classified as held for sale, was monetized in a transaction whereby the purchaser leased back the Reading Cinema to our company.

For a more detailed discussion regarding our strategic monetizations, please see Note 6 to the financial statements.

Value-creating Opportunities

The implementation of most of our Company's real estate development plans have been delayed due to COVID-19 and the need to conserve capital. However, we intend to continue to emphasize the prudent development of our real estate assets as we emerge from the Pandemic.

United States:

- *44 Union Square Redevelopment (New York City)* – Historically known as Tammany Hall, this building with approximately 73,000 square feet of net rentable area overlooks Manhattan's Union Square. During the COVID-19 pandemic, New York City shut down non-essential construction and businesses, including construction work at our site. On August 31, 2020, we received a temporary certificate of occupancy for the core and shell of the building, which has been continuously renewed pending construction of tenant improvements.

  Our leasing team continues to pursue potential tenants, although no assurances can be given that we will be able to lease the space on acceptable terms in the near term. This building, hailed as a dramatic pièce de résistance with its first in the city, over 800-piece glass dome, brings the future to New York's fabled past and was awarded in 2020 the ENR New York's Best Projects awards for Renovation/Restoration and for Safety. In July 2021, 44 Union Square/Tammany Hall was a jury and popular choice winner in the Architecture and Collaboration concept category of the Architizer A+ Awards, the world's largest awards program for architecture and building products. We believe 44 Union Square is attractive to potential tenants interested in both (i) operating in New York City and (ii) seeking to have greater control over the size and design of their spaces in a post-COVID-19 environment. It is one of a very limited number of "brandable" sites available for lease in New York City and can be delivered immediately upon the execution of leases.

- *Sepulveda Office Building (Culver City, U.S.)* **–** On May 27, 2020, we leased on a multi-year basis the entire second floor of our administrative operations building in Culver City, California (approximately 12,000 usable square feet) to WWP Beauty (wwpinc.com), a global company with over 35 years of experience providing the cosmetics and personal care industries with a range of packaging needs. On the date of the lease, possession of the space was turned over to WWP Beauty, which was responsible for building out its space. Straight line rent commenced in May 2020 and cash rent payment began in October 2020.

- *Minetta Lane Theatre (New York City, U.S.)* – Prior to COVID-19, our theatre was used by Audible, to present plays featuring a limited cast of one or two characters and special live performance engagements on the Audible streaming service. Due to COVID-19, no shows were presented between March 2020 and October 8, 2021, the date on which public performances resumed. In late 2019, we completed an initial feasibility study for the potential redevelopment of this asset. We will refocus our efforts on this project at a later date as New York City continues to show signs of recovery from the impacts of the COVID-19 pandemic. In the interim, we renewed our license arrangement with Audible which extends through March 15, 2023, with a one-year option to extend held by Audible.

- *Cinemas 1,2,3 Redevelopment (New York City)* – Given the expiration of two of our Upper East Side (New York City) cinema leases in 2019, we have determined to continue to operate this location as a cinema for at least the near term. We intend to seek a rezoning of this property to allow us to continue our cinema use as a part of any such redevelopment. However, all other redevelopment activity related to this location has been suspended until we are able to develop a better understanding of the ongoing effects of COVID-19 on our assets and the market.

New Zealand:

- *Courtenay Central Redevelopment (Wellington)* – Located in the heart of Wellington – New Zealand's capital city – our Courtenay Central property covers, on a consolidated basis through various subsidiaries, 161,000 square feet of land situated proximate to (i) the Te Papa Tongarewa Museum (attracting over 1.5 million visitors annually, pre-COVID), and (ii) across the street from Takina, the site of the future Wellington Convention and Exhibition Centre (wcec.co.nz), the capital's first premium conference and exhibition space, which is due to be completed in 2023. Despite the COVID-19 pandemic, construction for this major public project has resumed and plans include the creation of a public concourse linking through to Wakefield Street, which is across the street from our Courtenay Central project.

  As previously reported, damage from the 2016 Kaikoura earthquake necessitated demolition of our nine-story parking garage at the site, and unrelated seismic issues caused us to close major portions of the existing cinema and retail structure in early 2019. Prior to the COVID-19 pandemic, the real estate team had developed a comprehensive plan featuring a variety of uses to complement and build upon the "destination quality" of the Courtenay Central location. Notwithstanding the COVID-19 pandemic, our real estate team is continuing to work with our consultants, tenants, potential tenants, and city representatives to advance our redevelopment plans for this property. Given the uncertainty surrounding the COVID-19 Pandemic, we have no fixed time frame for the commencement of the redevelopment of this property.

Corporate Matters

Refer to *Note 16 - Stock-Based Compensation and Stock Repurchases* for details regarding our stock repurchase program and Board, Executive and Employee stock-based remuneration programs.

Due to the COVID-19 pandemic and its impact on our overall liquidity, our stock repurchase program has and will likely continue to take a lower capital allocation priority for the foreseeable future.

Please refer to our 2020 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 nine months ended September 30, 2021, and September 30, 2020, respectively:

	Quarter Ended		% Change	Nine Months Ended		% Change
(Dollars in thousands)	**September 30, 2021**	**September 30, 2020**	**Fav/ (Unfav)**	**September 30, 2021**	**September 30, 2020**	**Fav/ (Unfav)**
SEGMENT RESULTS						
Revenue						
Cinema exhibition	$ 28,751	7,339	>100 %	$ 79,580	$ 54,866	45 %
Real estate	3,177	3,023	5 %	9,948	9,928	- %
Inter-segment elimination	(125)	(171)	27 %	(386)	(1,953)	80 %
Total revenue	31,803	10,191	>100 %	89,142	62,841	42 %
Operating expense						
Cinema exhibition	(29,362)	(15,988)	(84) %	(82,871)	(73,722)	(12) %
Real estate	(2,683)	(1,909)	(41) %	(7,902)	(6,258)	(26) %
Inter-segment elimination	125	171	(27) %	386	1,953	(80) %
Total operating expense	(31,920)	(17,726)	(80) %	(90,387)	(78,027)	(16) %
Depreciation and amortization						
Cinema exhibition	(3,555)	(3,845)	8 %	(10,801)	(11,388)	5 %
Real estate	(1,705)	(1,552)	(10) %	(5,293)	(4,127)	(28) %
Total depreciation and amortization	(5,260)	(5,397)	3 %	(16,094)	(15,515)	(4) %
General and administrative expense						
Cinema exhibition	(891)	(916)	3 %	(6,588)	(3,074)	(>100) %
Real estate	(274)	(406)	33 %	(660)	(1,007)	34 %
Total general and administrative expense	(1,165)	(1,322)	12 %	(7,248)	(4,081)	(78) %
Segment operating income						
Cinema exhibition	(5,057)	(13,410)	62 %	(20,680)	(33,318)	38 %
Real estate	(1,485)	(844)	(76) %	(3,907)	(1,464)	(>100) %
Total segment operating income (loss)	$ (6,542)	$ (14,254)	54 %	$ (24,587)	$ (34,782)	29 %
NON-SEGMENT RESULTS						
Depreciation and amortization expense	(300)	(215)	(40) %	(917)	(634)	(45) %
General and administrative expense	(4,109)	(2,906)	(41) %	(11,957)	(11,194)	(7) %
Interest expense, net	(3,068)	(2,379)	(29) %	(10,437)	(6,176)	(69) %
Equity earnings of unconsolidated joint ventures	(75)	(97)	23 %	158	(292)	>100 %
Gain (loss) on sale of assets	2,559	(1)	>100 %	92,345	(1)	>100 %
Other income (expense)	440	10	>100 %	2,236	(186)	>100 %
Income before income taxes	(11,095)	(19,842)	44 %	46,841	(53,265)	>100 %
Income tax benefit (expense)	895	490	83 %	(12,380)	5,070	(>100) %
Net income (loss)	(10,200)	(19,352)	47 %	34,461	(48,195)	>100 %
Less: net income (loss) attributable to noncontrolling interests	(105)	(124)	15 %	2,889	(389)	>100 %
Net income (loss) attributable to Reading International, Inc.	**$ (10,095)**	**$ (19,228)**	**47 %**	**$ 31,572**	**$ (47,806)**	**>100 %**
Basic earnings (loss) per share	**$ (0.46)**	**$ (0.88)**	**48 %**	**$ 1.45**	**$ (2.20)**	**>100 %**

Consolidated and Non-Segment Results:

Third Quarter and Nine Months Net Results

Net loss attributable to RDI for the quarter ended September 30, 2021, decreased by $9.1 million, to a loss of $10.1 million, when compared to the same period in the prior year, and basic LPS decreased by $0.42, to a loss of $0.46 for the quarter ended September 30, 2021, compared to the quarter ended September 30, 2020. These improved results are due to the continued roll outs of the COVID-19 vaccine in the U.S., the reopening of a majority of our cinema portfolio, easing of occupancy restrictions since the initial COVID-19 shutdowns, and the successful release of certain tentpole movies from the Hollywood studios during the third quarter of 2021 the gain on the sale of our Invercargill property in August of 2021.

For the nine months ended September 30, 2021, net income attributable to RDI increased by $79.4 million, to $31.6 million, compared to the same period in the prior year. Basic EPS for the nine months ended September 30, 2021, increased by $3.65, to $1.45 compared to the nine months ended September 30, 2020. These increases are largely due to the gain on our strategic monetization of certain assets, as discussed above.

Revenue for the quarter ended September 30, 2021, increased by $21.6 million, to $31.8 million, when compared to the same period in the prior year. This increase was attributable to the majority of our cinemas operating during the third quarter of 2021 compared to the third quarter of 2020. These positive results were further impacted by the release of several tentpole movies from the Hollywood studios in the third quarter of 2021, which collectively led to an increase in attendance compared to the third quarter of 2020.

Revenue for the nine months ended September 30, 2021, increased by $26.3 million, to $89.1 million, when compared to the same period in the prior year. This increase was attributable to the majority of our cinemas operating during the first nine months of 2021, compared to the same period in 2020.

Non-Segment General & Administrative Expenses

Non-segment general and administrative expense for the quarter ended September 30, 2021, increased by 41%, or $1.2 million, to $4.1 million compared to the quarter ended September 30, 2020. This increase is primarily due to the non-recurring legal settlement of $0.8 million entered in favor of our Company in the James Jr. Cotter derivative litigation by the Nevada Supreme Court during the third quarter of 2020. This increase is also attributable to wage subsidies received in Australia and New Zealand in the third quarter of 2020 that did not occur in the same period for the current year.

Non-segment general and administrative expense for the nine months ended September 30, 2021, increased 7%, or $0.8 million, to $12.0 million compared to the nine months ended September 30, 2020. This increase is primarily due to the non-recurring legal settlement of $0.8 million entered in favor of our Company in the James Jr. Cotter derivative litigation by the Nevada Supreme Court during the third quarter of 2020. This increase is also attributable to wage subsidies received in Australia and New Zealand in the third quarter of 2020 that did not occur in the same period for the current year.

Income Tax Expense

Income tax benefit for the quarter ended September 30, 2021, increased by $0.4 million compared to the equivalent prior-year period. The change between 2021 and 2020 is primarily related to a decrease in valuation allowance in 2021.

Income tax expense for the nine months ended September 30, 2021, increased by $17.5 million compared to the equivalent prior-year period. The change between 2021 and 2020 is primarily related to the increase in pretax income in 2021, partially offset by a decrease in valuation allowance in 2021.

Business Segment Results

Cinema Exhibition

The following table details our cinema exhibition segment operating results for the quarter and nine months ended September 30, 2021, and September 30, 2020, respectively:

		Quarter Ended				Nine Months Ended				% Change Fav/(Unfav)	
(Dollars in thousands)		September 30, 2021	*% of Revenue*	September 30, 2020	*% of Revenue*	September 30, 2021	*% of Revenue*	September 30, 2020	*% of Revenue*	Quarter Ended	Nine Months Ended
REVENUE											
United States	Admissions revenue	$ 9,278	*32%*	$ 329	*4%*	$ 18,327	*23%*	$ 14,244	*26%*	>100%	29%
	Food & beverage revenue	6,011	*21%*	264	*4%*	11,883	*15%*	7,322	*13%*	>100%	62%
	Advertising and other revenue	1,674	*6%*	214	*3%*	3,648	*5%*	3,016	*6%*	>100%	21%
		$ 16,963	***59%***	**$ 807**	***11%***	**$ 33,858**	***43%***	**$ 24,582**	***45%***	**>100%**	**38%**
Australia	Admissions revenue	$ 5,520	*19%*	$ 2,877	*39%*	$ 22,880	*29%*	$ 15,625	*28%*	92%	46%
	Food & beverage revenue	3,178	*11%*	1,530	*21%*	12,063	*15%*	7,286	*13%*	>100%	66%
	Advertising and other revenue	658	*2%*	447	*6%*	2,677	*3%*	2,031	*4%*	47%	32%
		$ 9,356	***32%***	**$ 4,854**	***66%***	**$ 37,620**	***47%***	**$ 24,942**	***45%***	**93%**	**51%**
New Zealand	Admissions revenue	$ 1,489	*5%*	$ 1,053	*14%*	$ 5,108	*6%*	$ 3,455	*6%*	41%	48%
	Food & beverage revenue	793	*3%*	512	*7%*	2,539	*3%*	1,563	*3%*	55%	62%
	Advertising and other revenue	149	*1%*	113	*2%*	455	*1%*	324	*1%*	32%	40%
		$ 2,431	***9%***	**$ 1,678**	***23%***	**$ 8,102**	***10%***	**$ 5,342**	***10%***	**45%**	**52%**
Total revenue		**$ 28,750**	***100%***	**$ 7,339**	***100%***	**$ 79,580**	***100%***	**$ 54,866**	***100%***	**>100%**	**45%**
OPERATING EXPENSE											
United States	Film rent and advertising cost	$ (4,953)	*17%*	$ (189)	*3%*	$ (9,181)	*12%*	$ (7,456)	*14%*	(>100)%	(23)%
	Food & beverage cost	(1,433)	*5%*	(173)	*2%*	(2,844)	*3%*	(2,180)	*3%*	(>100)%	(30)%
	Occupancy expense	(4,225)	*15%*	(6,834)	*93%*	(16,375)	*21%*	(20,211)	*37%*	38%	19%
	Other operating expense	(7,278)	*25%*	(3,068)	*42%*	(15,915)	*20%*	(15,197)	*28%*	(>100)%	(5)%
		$ (17,889)	***62%***	**$ (10,264)**	***140%***	**$ (44,315)**	***56%***	**$ (45,044)**	***82%***	**(74)%**	**2%**
Australia	Film rent and advertising cost	$ (2,267)	*8%*	$ (1,121)	*15%*	$ (9,448)	*12%*	$ (6,728)	*12%*	(>100)%	(40)%
	Food & beverage cost	(728)	*3%*	(413)	*6%*	(2,673)	*3%*	(1,675)	*3%*	(76)%	(60)%
	Occupancy expense	(2,665)	*9%*	(932)	*12%*	(7,504)	*9%*	(6,619)	*12%*	(>100)%	(13)%
	Other operating expense	(3,557)	*12%*	(1,742)	*24%*	(12,085)	*15%*	(8,269)	*15%*	(>100)%	(46)%
		$ (9,217)	***32%***	**$ (4,208)**	***57%***	**$ (31,710)**	***39%***	**$ (23,291)**	***42%***	**(>100)%**	**(36)%**
New Zealand	Film rent and advertising cost	$ (646)	*2%*	$ (427)	*6%*	$ (2,187)	*3%*	$ (1,528)	*3%*	(51)%	(43)%
	Food & beverage cost	(162)	*1%*	(108)	*2%*	(511)	*1%*	(328)	*1%*	(50)%	(56)%
	Occupancy expense	(601)	*2%*	(362)	*5%*	(1,376)	*2%*	(1,436)	*2%*	(66)%	4%
	Other operating expense	(845)	*3%*	(619)	*8%*	(2,772)	*3%*	(2,094)	*4%*	(37)%	(32)%
		$ (2,254)	***8%***	**$ (1,516)**	***21%***	**$ (6,846)**	***9%***	**$ (5,386)**	***10%***	**(49)%**	**(27)%**
Total operating expense		**$ (29,360)**	***102%***	**$ (15,988)**	***218%***	**$ (82,871)**	***104%***	**$ (73,721)**	***134%***	**(84)%**	**(12)%**
DEPRECIATION, AMORTIZATION, GENERAL AND ADMINISTRATIVE EXPENSE											
United States	Depreciation and amortization	$ (1,790)	*6%*	$ (1,941)	*26%*	$ (5,438)	*7%*	$ (5,949)	*11%*	8%	9%
	General and administrative expense	(558)	*2%*	(661)	*9%*	(5,687)	*7%*	(2,228)	*4%*	16%	(>100)%
		$ (2,348)	***8%***	**$ (2,602)**	***35%***	**$ (11,125)**	***14%***	**$ (8,177)**	***15%***	**10%**	**(36)%**
Australia	Depreciation and amortization	$ (1,488)	*5%*	$ (1,535)	*21%*	$ (4,443)	*6%*	$ (4,349)	*8%*	3%	(2)%
	General and administrative expense	(333)	*1%*	(254)	*4%*	(901)	*1%*	(854)	*1%*	(31)%	(6)%
		$ (1,821)	***6%***	**$ (1,789)**	***25%***	**$ (5,344)**	***7%***	**$ (5,203)**	***9%***	**(2)%**	**(3)%**
New Zealand	Depreciation and amortization	$ (277)	*1%*	$ (369)	*5%*	$ (919)	*1%*	$ (1,090)	*2%*	25%	16%
	General and administrative expense	—	*0%*	(1)	*0%*	—	*0%*	8	*(0)%*	100%	100%
		$ (277)	***1%***	**$ (370)**	***5%***	**$ (919)**	***1%***	**$ (1,082)**	***2%***	**25%**	**15%**
Total depreciation, amortization, general and administrative expense		**$ (4,446)**	***15%***	**$ (4,761)**	***65%***	**$ (17,388)**	***22%***	**$ (14,462)**	***26%***	**7%**	**(20)%**
OPERATING INCOME (LOSS) – CINEMA											
United States		$ (3,274)	*(11)%*	$ (12,059)	*(164)%*	$ (21,582)	*(27)%*	$ (28,640)	*(52)%*	73%	25%
Australia		(1,682)	*(6)%*	(1,143)	*(16)%*	566	*1%*	(3,552)	*(6)%*	(47)%	>100%
New Zealand		(100)	*(0)%*	(208)	*(3)%*	337	*0%*	(1,126)	*(1)%*	52%	>100%
Total Cinema operating income (loss)		**$ (5,056)**	***(17)%***	**$ (13,410)**	***(183)%***	**$ (20,679)**	***(26)%***	**$ (33,318)**	***(60)%***	**62%**	**38%**

Third Quarter and Nine Months Results

Cinema Segment Operating Income/(Loss)

Cinema segment operating loss for the quarter ended September 30, 2021, decreased by $8.4 million, to a loss of $5.1 million when compared to the same period in 2020. This decrease was primarily driven by increased admissions revenue from major films, such as *Shang-Chi and the Legend of the Ten Rings*, *Black Widow*, and *Jungle Cruise* during the quarter ended September 30, 2021. Furthermore, the mass vaccination campaigns in the U.S. eased some of the occupancy restrictions that were in place during the third quarter of 2020.

Cinema segment operating loss for the nine months ended September 30, 2021, decreased by $12.6 million, to a loss of $20.7 million when compared to the same period in 2020. This decrease is primarily driven by the reopening and operating of the majority of our cinemas worldwide during the first nine months of 2021 as a result of vaccination roll outs in the U.S. along with the release of major blockbuster films.

Revenue

Cinema revenue increased by $21.4 million, to $28.8 million for the quarter ended September 30, 2021, compared to the same period in 2020. This increase was due to increased admissions revenue from major tentpole films during the current year period as well as (i) the vaccination roll outs in the U.S., and (ii) the easing of local government restrictions in 2021.

For the nine months ended September 30, 2021, cinema revenue increased by $24.7 million, to $79.6 million compared to the same period in 2020. This increase was due to (i) the majority of our global cinemas reopening and operating in 2021 compared to first and second quarter of 2020, when most of our global cinemas were closed due to the COVID-19 pandemic, (ii) the releases of several tentpole films by major studios, and (iii) the easing of local government restrictions during the first nine months of 2021.

Operating expense

Operating expense for the quarter ended September 30, 2021, increased by $13.4 million, to $29.4 million, due to increased film rent and other operating expenses primarily in the U.S. and Australia, as a result of strong tentpoles. This operating expense increase is also attributable to large savings in external rent abatements received in the third quarter of 2020 as a result of the pandemic, offset by a decrease in occupancy expenses in the U.S. related to abatements received in the third quarter of 2021.

Operating expense for the nine months ended September 30, 2021, increased by $9.2 million, to $82.9 million due to increased film rent and other operating expenses, again, due to the majority of our cinemas now having been reopened and operating.

Depreciation, amortization, general and administrative expense

Depreciation, amortization, general and administrative expense for the quarter ended September 30, 2021, decreased slightly by $0.3 million, to $4.4 million, compared to the same period in 2020.

Depreciation, amortization, general and administrative expense for the nine months ended September 30, 2021, increased by $2.9 million, to $17.4 million, compared to the same period in 2020. This increase is attributable to the reserve established to cover the costs of the settlement of certain California employment wage and hour claims. See Note 14.

Real Estate

The following table details our real estate segment operating results for the quarter and nine months ended September 30, 2021 and September 30, 2020, respectively:

		Quarter Ended				Nine Months Ended				% Change Fav/(Unfav)	
(Dollars in thousands)		September 30, 2021	*% of Revenue*	September 30, 2020	*% of Revenue*	September 30, 2021	*% of Revenue*	September 30, 2020	*% of Revenue*	Quarter Ended	Nine Months Ended
REVENUE											
United States	Live theatre rental and ancillary income	$ 379	*12%*	$ 106	*4%*	$ 782	*7%*	$ 888	*9%*	>100%	(12)%
	Property rental income	177	*6%*	125	*4%*	447	*5%*	277	*3%*	42%	61%
		556	***18%***	**231**	***8%***	**1,229**	***12%***	**1,165**	***12%***	**>100%**	**5%**
Australia	Property rental income	**2,391**	***75%***	**2,562**	***85%***	**8,000**	***81%***	**8,050**	***81%***	(7)%	(1)%
New Zealand	Property rental income	**230**	***7%***	**230**	***7%***	**718**	***7%***	**713**	***7%***	-%	1%
Total revenue		**$ 3,177**	***100%***	**$ 3,023**	***100%***	**$ 9,947**	***100%***	**$ 9,928**	***100%***	**5%**	**-%**
OPERATING EXPENSE											
United States	Live theatre cost	$ (197)	*6%*	$ (140)	*5%*	$ (374)	*4%*	$ (612)	*6%*	(41)%	39%
	Property cost	(361)	*11%*	(127)	*3%*	(1,007)	*10%*	(944)	*10%*	(>100)%	(7)%
	Occupancy expense	(506)	*16%*	(240)	*8%*	(1,376)	*13%*	(561)	*5%*	(>100)%	(>100)%
		(1,064)	***33%***	**(507)**	***16%***	**(2,757)**	***27%***	**(2,117)**	***21%***	**(>100)%**	**(30)%**
Australia	Property cost	(594)	*19%*	(653)	*22%*	(2,041)	*21%*	(1,733)	*17%*	9%	(18)%
	Occupancy expense	(527)	*16%*	(400)	*13%*	(1,703)	*17%*	(1,353)	*14%*	(32)%	(26)%
		(1,121)	***35%***	**(1,053)**	***35%***	**(3,744)**	***38%***	**(3,086)**	***31%***	**(6)%**	**(21)%**
New Zealand	Property cost	(387)	*12%*	(239)	*8%*	(1,068)	*11%*	(738)	*7%*	(62)%	(45)%
	Occupancy expense	(110)	*4%*	(111)	*4%*	(333)	*3%*	(317)	*4%*	1%	(5)%
		(497)	***16%***	**(350)**	***12%***	**(1,401)**	***14%***	**(1,055)**	***11%***	**(42)%**	**(33)%**
Total operating expense		**$ (2,682)**	***84%***	**$ (1,910)**	***63%***	**$ (7,902)**	***79%***	**$ (6,258)**	***63%***	**(40)%**	**(26)%**
DEPRECIATION, AMORTIZATION, GENERAL AND ADMINISTRATIVE EXPENSE											
United States	Depreciation and amortization	$ (739)	*23%*	$ (385)	*13%*	$ (2,237)	*22%*	$ (791)	*8%*	(92)%	(>100)%
	General and administrative expense	(192)	*6%*	(211)	*7%*	(495)	*5%*	(601)	*6%*	9%	18%
		(931)	***29%***	**(596)**	***20%***	**(2,732)**	***27%***	**(1,392)**	***14%***	**(56)%**	**(96)%**
Australia	Depreciation and amortization	$ (724)	*23%*	$ (925)	*31%*	$ (2,310)	*23%*	$ (2,633)	*27%*	22%	12%
	General and administrative expense	(82)	*2%*	(187)	*6%*	(164)	*2%*	(429)	*4%*	56%	62%
		(806)	***25%***	**(1,112)**	***37%***	**(2,474)**	***25%***	**(3,062)**	***31%***	**28%**	**19%**
New Zealand	Depreciation and amortization	(242)	*8%*	(242)	*8%*	(747)	*8%*	(703)	*7%*	-%	(6)%
	General and administrative expense	—	*0%*	(7)	*0%*	—	*0%*	23	*(0)%*	100%	100%
		(242)	***8%***	**(249)**	***8%***	**(747)**	***8%***	**(680)**	***7%***	**3%**	**(10)%**
Total depreciation, amortization, general and administrative expense		**$ (1,979)**	***62%***	**$ (1,957)**	***65%***	**$ (5,953)**	***60%***	**$ (5,134)**	***52%***	**(1)%**	**(16)%**
OPERATING INCOME (LOSS) - REAL ESTATE											
United States		$ (1,439)	*(45)%*	$ (872)	*(29)%*	$ (4,260)	*(43)%*	$ (2,344)	*(24)%*	(65)%	(82)%
Australia		464	*15%*	397	*13%*	1,782	*18%*	1,902	*19%*	17%	(6)%
New Zealand		(509)	*(16)%*	(369)	*(12)%*	(1,430)	*(14)%*	(1,022)	*(10)%*	(38)%	(40)%
Total real estate operating income (loss)		**$ (1,484)**	***(46)%***	**$ (844)**	***(28)%***	**$ (3,908)**	***(39)%***	**$ (1,464)**	***(15)%***	**(76)%**	**(>100)%**

Third Quarter and Nine Months Results

Real Estate Segment Income/(Loss)

Real estate segment operating loss for the quarter ended September 30, 2021, increased by $0.6 million, to a loss of $1.5 million, compared to the same period in 2020. This increase is attributable to (i) increased property costs and occupancy expenses related to our 44 Union Square property, as well as the commencement of depreciation for this property, and (ii) a decrease in property rental income in Australia as a result of the sale of our Auburn/Redyard shopping center during the second quarter of 2021.

Real estate segment operating loss for the nine months ended September 30, 2021, increased by $2.4 million, to a loss of $3.9 million, compared to the same period in 2020. This increase is attributable to (i) the increased operating expenses and the commencement of depreciation for our 44 Union Square property, and (ii) the decision to abate internal rent revenue from some of our fee-interest cinemas. These results were partially offset by rental income received from our Culver City tenant which did not exist until straight line rent commenced in 2020.

Revenue

Real estate revenue for the quarter ended September 30, 2021, increased slightly by $0.2 million, to $3.2 million, compared to the same period in 2020. This increase is attributable to percentage rent earned from various third-party tenants in Australia.

Real estate revenue for the nine months ended September 30, 2021, remained relatively flat at $9.9 million, compared to the same period in 2020.

Operating Expense

Operating expense for the quarter ended September 30, 2021, increased by $0.8 million, to $2.7 million, due to the increased operating costs related to our 44 Union Square property.

Operating expense for the nine months ended September 30, 2021, increased by $1.6 million, to $7.9 million, due to the increased operating costs related to our 44 Union Square property.

Depreciation, Amortization, General and Administrative Expense

Depreciation, amortization, general and administrative expense for the quarter ended September 30, 2021, increased slightly by $0.02 million to $2.0 million, which is attributable to the commencement of depreciation of our 44 Union Square property, offset by savings in depreciation related to the sale of our Auburn/Redyard shopping center, Royal George, and Invercargill properties.

Depreciation, amortization, general and administrative expense for the nine months ended September 30, 2021, increased by $0.8 million, to $6.0 million, which is attributable to the commencement of depreciation of our 44 Union Square property, offset by savings in depreciation related to the sale of our Auburn/Redyard shopping center, Royal George, and Invercargill properties.

LIQUIDITY AND CAPITAL RESOURCES

Our COVID-19 Financing Strategy

Prior to the interruption to our revenues caused by the COVID-19 pandemic, we have 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 have reviewed the maturities of our borrowing arrangements and negotiated renewals and extensions where necessary. In 2020, we completed amending and extending various financing arrangements less than two weeks prior to the COVID-19 government mandated shutdowns, which we believe has helped provide the necessary liquidity to see us through the COVID-19 crisis.

In response to the COVID-19 pandemic, the temporary closure of our cinemas, and the trading restrictions placed on many of our real estate tenants, we had fully drawn-down on all our available operating lines-of-credit by the end of the first quarter of 2020, to provide additional liquidity. In 2021, the monetization of certain real estate assets funded our ability to pay down debt thereby increasing our future availability and, in some places, permanently reducing our loan funding amounts:

- For the first nine months ended September 30, 2021, we paid down $8.4 million on the Bank of America revolving credit facility balance to $42.8 million bringing the total availability to $12.2 million, which can be redrawn under this facility.
- On March 26, 2021, we used a portion of the proceeds from the monetization of our Manukau property to retire the $40.6 million construction loan which, at the time, secured our 44 Union Square property. On May 7, 2021, we closed on a new three-year $55.0 million loan facility for 44 Union Square with Emerald Creek Capital;
- On May 7, 2021, we repaid $11.2 million (NZ$16.0 million) to Westpac, which represented a permanent reduction in this facility.
- On June 9, 2021, as part of our amended Revolving Corporate Markets Loan Facility with NAB, $15.7 million (AU$20.0 million) of the net sale proceeds of our Auburn/Redyard shopping center was used to pay down the facility and permanently reduced the availability under the line.
- On August 30, 2021, we repaid $1.5 million (NZ$2.2 million) to Westpac, which represented a permanent reduction in this facility.

Our bank loans with Bank of America, NAB, and Westpac require that our Company comply with certain covenants. Furthermore, our Company’s use of these loan funds 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 the current situation, relating to COVID-19, is not of our making, that we are doing everything that can reasonably be done, and that, generally speaking, our relationship with our lenders is good.

As of the date of this report, we negotiated the following with our lenders:

- Westpac waived the requirement to test certain covenants as of September 30, 2021.
- On November 2, 2021, NAB modified our Fixed Charge Cover Ratio and Leverage Ratio covenants, reducing the measurement requirements and in some instances removing the requirement to test.
- On November 8, 2021, and effective in the fourth quarter of 2021, Bank of America replaced all of our covenants with a single liquidity test and converted the line of credit into a term loan with scheduled repayments, maturing on March 6, 2023. We also repaid $2.8 million of the facility on this date.
- On November 8, 2021, we repaid in full and retired our Bank of America line of credit.

Our Company remains focused on the various economic factors affecting us as the markets in which we operate emerge from the worst effects of the COVID-19 pandemic, including financial, economic, competitive, regulatory, and other factors, many of which are beyond our control. If our Company is unable to generate sufficient cash flow in the upcoming months or if its cash needs exceed our Company’s borrowing capacity under its available facilities, we could be required to adopt one or more alternatives, such as reducing, delaying or eliminating planned capital expenditures, selling additional assets, or restructuring debt.

For more information about our borrowings, please refer to *Note 11 – Borrowings* in the Notes to Consolidated Financial Statements.

The changes in cash and cash equivalents for the nine months ended September 30, 2021, and September 30, 2020, respectively, are discussed as follows:

	Nine Months Ended September 30,		
(Dollars in thousands)	**2021**	**2020**	**% Change**
Net cash provided by (used in) operating activities	$ (17,760)	$ (28,008)	37 %
Net cash provided by (used in) investing activities	127,506	(16,550)	>100 %
Net cash provided by (used in) financing activities	(40,954)	57,339	(>100) %
Effect of exchange rate changes on cash and cash equivalents	(4,731)	2,859	(>100) %
Increase (decrease) in cash and cash equivalents	$ 64,061	$ 15,640	>100 %

Operating activities

Cash used in operating activities for the nine months ended September 30, 2021, decreased by $10.2 million, to $17.8 million driven by a $20.9 million increase in net changes in operating assets and liabilities primarily resulting from taxes payable, offset by a decrease in cash inflows from operating activities of $10.6 million.

Investing activities

Cash provided by investing activities during the nine months ended September 30, 2021, increased by $144.1 million, to $127.5 million when compared to the same period in 2020. This increase is primarily attributable to $145.2 million from asset monetizations.

Financing activities

The $41.0 million net cash used in financing activities during the nine months ended September 30, 2021, is primarily due to developments in our debt portfolio as discussed above.

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 third quarter ended September 30, 2021, and preceding four years:

	As of and for the 9-Months Ended	Year Ended December 31			
($ in thousands)	**September 30, 2021**	**2020(1)**	**2019(1)**	**2018(1)(3)**	**2017(1)(2)(3)**
Total Resources (cash and borrowings)					
Cash and cash equivalents (unrestricted)	$ 90,887	$ 26,826	$ 12,135	$ 13,127	$ 13,668
Unused borrowing facility	24,200	15,490	73,920	85,886	137,231
Restricted for capital projects	12,000	9,377	13,952	30,318	62,280
Unrestricted capacity	12,200	6,113	59,968	55,568	74,951
Total resources at period end	115,087	42,316	86,055	99,013	150,899
Total unrestricted resources at period end	103,087	32,939	72,103	68,695	88,619
Debt-to-Equity Ratio					
Total contractual facility	$ 269,953	$ 300,449	$ 283,138	$ 252,929	$ 271,732
Total debt (gross of deferred financing costs)	245,753	284,959	209,218	167,043	134,501
Current	3,288	42,299	37,380	30,393	8,109
Non-current	242,465	242,660	171,838	136,650	126,392
Finance lease liabilities	81	118	209	—	—
Total book equity	103,573	81,173	139,616	179,979	181,382
Debt-to-equity ratio	2.37	3.51	1.50	0.93	0.74
Changes in Working Capital					
Working capital (deficit)(4)	$ 4,815	$ (64,140)	$ (84,138)	$ (56,047)	$ (47,294)
Current ratio	1.05	0.47	0.24	0.35	0.41
Capital Expenditures (including acquisitions)	$ 11,511	$ 16,759	$ 47,722	$ 56,827	$ 76,708

(1) This includes the construction facilities specifically negotiated for: 44 Union Square redevelopment project.
(2) Certain 2017 balances included the restatement impact as a result of a prior period financial statement correction of immaterial errors (see *Note 2 – Summary of Significant Accounting Policies – Prior Period Financial Statement Correction of Immaterial Errors* of the 2020 Form 10-K).
(3) See *Note 2 – Summary of Significant Accounting Policies – Prior Period Financial Statements Correction of Immaterial Errors* of the 2020 Form 10-K for the prior period adjustments for accounting for accrued sales tax deemed not material.
(4) 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.

At September 30, 2021, our total outstanding borrowings were $245.8 million compared to $285.0 million at December 31, 2020. As of September 30, 2021, we had $90.9 million in cash and cash equivalents compared to $26.8 million at December 31, 2020. At September 30, 2021, our consolidated cash and cash equivalents totaled $90.9 million, which included approximately $8.4 million in our U.S. operations, $59.8 million in our Australian operations, and $22.7 million in our New Zealand operations.

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. As a result of the COVID-19 pandemic, we chose to fully draw down on most of our lines of credit in order to provide liquidity for our Company during a time of minimal revenues.

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 September 30, 2021:

(Dollars in thousands)	2021	2022	2023	2024	2025	Thereafter	Total
Debt[1]	$ 577	$ 25,032	$ 138,634	$ 43,296	$ 287	$ 7,798	$ 215,624
Operating leases, including imputed interest	8,015	34,005	33,830	32,054	29,891	181,475	319,270
Finance leases, including imputed interest	13	43	28	—	—	—	84
Subordinated debt[1]	172	711	747	586	—	27,913	30,129
Pension liability	171	684	684	684	684	1,495	4,402
Estimated interest on debt [2]	2,591	9,739	7,743	2,582	1,476	2,110	26,240
Village East purchase option[3]	—	—	5,900	—	—	—	5,900
Total	$ 11,539	$ 70,214	$ 187,566	$ 79,201	$ 32,338	$ 220,791	$ 601,649

(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.

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 *Item 3 – Legal Proceedings* in our 2020 Form 10-K for more information. There have been no material changes to our litigation since our 2020 Form 10-K, except as set forth in *Note 14 – Commitments and Contingencies* in the accompanying consolidated financial statements included in this 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 third quarter and nine months ended September 30, 2021.

(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 third quarter and nine months ended September 30, 2021.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements within the safe harbor provisions of the U.S. Private 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, statements we make regarding the closures and reopening of our cinemas and theatres, including our expectations regarding renovations and addition of cinemas; statements we make regarding the expected timing of landlord's delivery of our new cinemas in Traralgon, Australia and South City Square, Australia; our expected operating results, including the long-term impact of the COVID-19 pandemic and 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 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 credit facility covenant compliance and our ability to continue to obtain necessary covenant waivers; and our expectations of our liquidity and capital requirements and the allocation of funds. 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:
  - the adverse impact of the COVID-19 pandemic which resulted in the temporary shutdown of our global cinemas in March 2020, and the adverse effects on our anticipated cinema operations should there be further closings or restrictions mandated should the COVID-19 pandemic conditions become more severe, including with our live theatres in New York City;
  - the adverse effects of the COVID-19 pandemic and its variants on our Company's results from operations, liquidity, cash flows, financial condition, and access to credit markets;
  - the adverse impact of the COVID-19 pandemic and its variants 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 after they have reopened due to (i) continued health and safety concerns, (ii) a change in consumer behavior in favor of alternative forms of entertainment, or (iii) additional regulatory requirements limiting our seating capacity;
  - reduction in operating margins (or negative operating margins) due to the implementation of social distancing and other health and safety protocols;
  - potentially uninsurable liability exposure to customers and staff should they become (or allege that they have become) infected with COVID-19 while at one of our facilities;
  - unwillingness of employees to report to work due to the adverse effects of the COVID-19 pandemic or to otherwise conduct work under any revised work environment protocols;
  - the adverse impact that the COVID-19 pandemic may continue to have on the national and global macroeconomic environment;
  - 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 government responses to the COVID-19 pandemic;
  - 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 such as COVID-19, 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;
  - 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, and the spread of COVID-19;
- additional delays by our landlords in the State of Victoria in the hand-over of cinema space to us which will result in further delays of our planned opening dates; and
- 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.

- with respect to our real estate development and operation activities:
  - the impact of the COVID-19 pandemic and its variants may continue to affect many of our tenants at our real estate operations in the United States, Australia, and New Zealand, their ability to pay rent, and to stay in business;
  - the impact of the COVID-19 pandemic and its variants on our construction projects and on our ability to open construction sites and to secure needed labor and materials;
  - the impact of the COVID-19 pandemic and its variants on real estate valuations in major urban centers, such as New York;
  - uncertainty as to governmental responses to COVID-19;
  - 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;
  - 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 such as COVID-19, 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, and the spread of COVID-19, among other things.

- 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 2023 and beyond;
  - 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 are experiencing during the COVID-19 pandemic;
  - our ability to reallocate funds among jurisdictions to meet short-term liquidity needs;
  - Management and Board distraction, expenses and other effects of the litigation efforts that were mounted by James J. Cotter, Jr. against our Company, which may continue after his death, including efforts by the guardian ad litem in the trust litigation to cause a sale of voting control of our Company;
  - the relative values of the currency used in the countries in which we operate;
  - the impact that any discontinuance, modification or other reform of London Inter-Bank Offered Rate (LIBOR), or the establishment of alternative reference rates, may have on our LIBOR-based debt instruments;
  - changes in government regulation, including by way of example, the costs resulting from the requirements of Sarbanes-Oxley;
  - 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 major outbreaks of contagious diseases, such as COVID-19;
  - 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;
  - potential inflationary pressures; and
  - changes in applicable accounting policies and practices.

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, such as COVID-19, and the extent to which consumers in our markets have the economic wherewithal to spend money on beyond-the-home entertainment. Refer to Part I, Item 1A - *Risk Factors* and Part II, Item 7 – *Management's Discussion and Analysis of Financial Condition and Results of Operations* – of our Annual Report on Form 10-K for the year ended December 31, 2020, 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.

Forward-looking statements made by us in this quarterly report are based only on information currently available to us and are current only as of the date of this report. 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

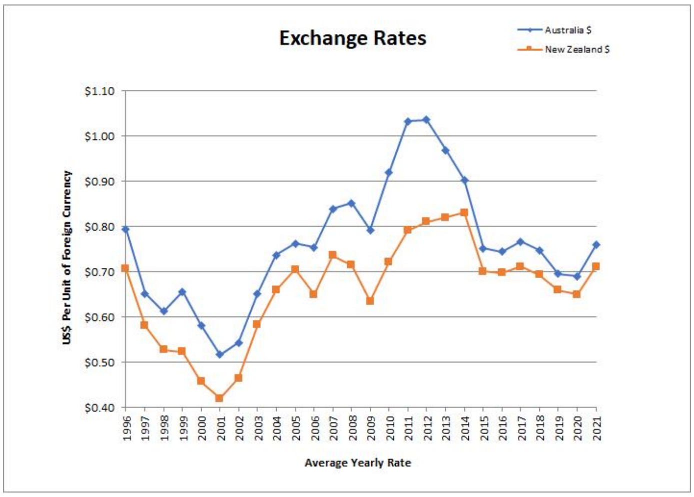
The SEC requires that registrants include information about potential effects of changes in currency exchange and interest rates in their filings. Several alternatives, all with some limitations, have been offered. We base the following discussion on a sensitivity analysis that models the effects of 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 three currencies since 1996:



In recent periods, we have repaid intercompany debt and used the 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 are subject to risks associated with fluctuating foreign currency exchange rates. During the third quarter of 2021, the average Australian dollar and New Zealand dollar strengthened against the U.S. dollar by 2.6% and 5.8%, respectively, compared to the same period prior year.

At September 30, 2021, approximately 41% and 6% of our assets were invested in assets denominated in Australian dollars (Reading Australia) and New Zealand dollars (Reading New Zealand), respectively, including approximately $82.5 million in cash and cash equivalents. At December 31, 2020, approximately 39% and 12% of our assets were invested in assets denominated in Australian dollars (Reading Australia) and New Zealand dollars (Reading New Zealand), including approximately $19.1 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 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 a decrease of $8.5 million for the nine months ended September 30, 2021. 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.

In 2007, we issued subordinated Trust Preferred Securities denominated in U.S Dollars, and substantially deployed those funds in our New Zealand subsidiaries, thus exposing approximately 59% of New Zealand assets to currency risk. Those funds were returned to the U.S. parent company permanently and in full during 2019, and the New Zealand subsidiaries were released from liability under the Securities. Presently, we have no plans to make new borrowings in currencies other than the local currency.

We record unrealized foreign currency translation gains or losses that could materially affect our financial position. As of September 30, 2021, and December 31, 2020, the balance of cumulative foreign currency translation adjustments were approximately $6.5 million loss and $15.0 million gain, 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 while our cinema operations are closed, and our tenant income curtailed.

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 approximately $379,000 increase or decrease in our quarterly interest expense.

For further discussion on market risks, please refer to *International Business Risks* included in Item 2, Part 1 of this Form 10-Q.

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 September 30, 2021, 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 third quarter ended September 30, 2021, 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 *Note 14 – Commitments and Contingencies* to the Consolidated Financial Statements included herein in Part I, 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 2020 Form 10-K.

Item 1A – Risk Factors

In addition to the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, the following risk factor was identified:

Spikes in COVID-19. Recent spikes in COVID-19 apparently driven by the Delta variant and newly enacted governmental restrictions in the jurisdictions we operate pose a material risk to our business. Such potential risks may include inflationary pressures, labor disruptions, and supply chain interruptions which will have an adverse effect on our results of operations.

We are subject to risks related to corporate social responsibility and reputation. Many factors influence our reputation and the value of our brands including the perception held by our customers, business partners, other key stakeholders, and the communities in which we do business. Any harm to our reputation could impact employee engagement and retention and the willingness of customers and our partners to do business with us, which could have a material adverse effect on our business, results of operations and cash flows.

Item 2 – Unregistered 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

Item 1.01 Entry into a Material Definitive Agreement

We incorporate by reference the information contained in *Note 11 - Borrowings* of the Notes to Consolidated Financial Statements (Unaudited) in Part I, Item 1 of this quarterly report relating to the respective amendment to our credit agreement with National Bank Limited and Bank of America. Such description is only a summary of the material provisions of the respective amendment and does not purport to be complete and is qualified in its entirety by reference to the provisions in such amendment, a copy of which is attached to this report as Exhibits 10.1 and 10.2, respectively.

Item 6 – Exhibits

10.1*	Amendment Deed dated November 2, 2021, by and between Reading Entertainment Australia Pty Ltd, as borrower, and National Australia Bank Limited, as bank.
10.2*†	Waiver and Third Amendment to Second Amended and Restated Credit Agreement, dated August 8, 2021, between Consolidated Amusement Holdings, LLC, and Bank of America, N.A.
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 September 30, 2021, 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 herewith.
** 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.

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: November 9, 2021

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

Date: November 9, 2021

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

Exhibit 10.1

567 Collins Street, Melbourne VIC 3000, Australia GPO Box 9925, Melbourne VIC 3001, Australia
Tel +61 3 9672 3000
Fax +61 3 9672 3010
www.corrs.com.au

CORRS CHAMBERS WESTGARTH

Sydney Melbourne Brisbane
Perth Port Moresby

National Australia Bank Limited

Reading Entertainment Australia Pty Ltd

Each Guarantor

Amendment Deed

Corporate Markets Loan & Bank Guarantee Facility Agreement

Contents

Date: 3 November 2021

Parties

National Australia Bank Limited ABN 12 004 044 937 of Pier 3 Level 4, 800 Bourke Street, Docklands, Victoria 3008 (**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 (each a **Guarantor**)

Agreed terms

1 Definitions

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

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, and others originally dated, 24 June 2011 as amended from time to time.

2 Consideration

Each party has entered into this deed in consideration of the Bank agreeing to amend the Facility Agreement in accordance with this 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) executed copies of this document, executed by each party to it (other than the Bank);

(ii) a non refundable restructure fee of $25,000; and

(iii) anything which the Bank has reasonably requested that the Borrower or the Guarantors provide to it in relation to any Transaction Document;

(b) the representations and warranties set out in clause 8 of the Facility Agreement are correct and not misleading on the date that the Borrower and the Guarantors execute this deed;

(c) no Event of Default, Potential Event of Default or Review Event subsists; and

(d) the Effective Date is no later than 31 October 2021, or such later date agreed by the Bank.

3.2 Satisfaction of conditions precedent

(a) The Borrower and each 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 and each 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

On and from the Effective Date:

(a) the definition of "Relevant Date" in clause 1 of the Facility Agreement is deleted and replaced with the following:

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 2022.*

(b) clause 9.8(a)(i) and (ii) of the Facility Agreement is deleted and replaced with the following:

(i) ***Fixed Charges Cover Ratio:***

(A) at 30 September 2021, the Fixed Charges Cover Ratio for the Calculation Period ending on that date is not less than 2.0 times(provided that, for the purposes of this ***clause 9.8(a)(i)(A)*** *only, "Calculation Period" shall be the period of nine (9) months ending on that date); and*

(B) at 31 March 2022 the Fixed Charges Cover Ratio for the Calculation Period ending on the relevant date is not less than 1.25 times (provided that, for the purposes of this ***clause 9.8(a)(i)(B)*** *only, "Calculation Period" shall be the period of three (3) months ending on the relevant date)*

;

(C) at 30 June 2022, the Fixed Charges Cover Ratio for the Calculation Period ending on the relevant date is not less than 1.50 times (provided that, for the purposes of this ***clause 9.8(a)(i) (C)*** *only, "Calculation Period" shall be the period of three (3) months ending on the relevant date);*

(D) at 30 September 2022, the Fixed Charges Cover Ratio for the Calculation Period ending on the relevant date is not less than 1.50 times (provided that, for the purposes of this ***clause 9.8(a)(i) (D)*** *only, "Calculation Period" shall be the period of three (3) months ending on the relevant date);*

(E) at 31 December 2022, the Fixed Charges Cover Ratio for the Calculation Period ending on the relevant date is not less than 2.00 times (provided that, for the purposes of this ***clause 9.8(a)(i) (E)*** *only, "Calculation Period" shall be the period of three (3) months ending on the relevant date);*

(F) at 31 March 2023, the Fixed Charges Cover Ratio for Calculation Period ending on that date is not less than 2.00 times (provided that, for the purpose of this ***clause 9.8(a)(i)(F)*** *only, "Calculation Period" shall be the period of three (3) months ending on that relevant date);*

(G) at 30 June 2023, the Fixed Charges Cover Ratio for Calculation Period ending on that date is not less than 2.00 times (provided that, for the purpose of this ***clause 9.8(a)(i)(G)*** *only, "Calculation Period" shall be the period of six (6) months ending on that relevant date);*

(H) at 30 September 2023, the Fixed Charges Cover Ratio for Calculation Period ending on that date is not less than 2.00 times (provided that, for the purpose of this ***clause 9.8(a)(i)(H)*** *only, "Calculation Period" shall be the period of nine (9) months ending on that relevant date; and*

(I) at Calculation Date commencing 31 December 2023, the Fixed Charges Cover Ratio for Calculation Period ending on that date is not less than 2.00 times.

(ii) ***Leverage Ratio:***

(A) at 31 December 2022 the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 3.25 times

*(provided that, for the purposes of this **clause 9.8(a)(ii)(A)** only, the "Calculation Period" shall be the period of three (3) months ending on that date with Adjusted EBITDA to be calculated on an annualised basis);*

(B) *at 31 March 2023 the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 3.25 times (provided that, for the purposes of this **clause 9.8(a)(ii)(B)** only, the "Calculation Period" shall be the period of six (6) months ending on that date with Adjusted EBITDA to be calculated on an annualised basis);*

(C) *at 30 June 2023 the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 3.25 times (provided that, for the purposes of this **clause 9.8(a)(ii)(C)** only, the "Calculation Period" shall be the period of nine (9) months ending on that date with Adjusted EBITDA to be calculated on an annualised basis); and*

(D) *at each other Calculation Date commencing 30 September 2023, the Leverage Ratio for the Calculation Period ending on that date is less than or equal to 3.25 times;"*

5 Representations and warranties

5.1 General

The Borrower and each Guarantor 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 7.1** survive the execution of this deed and the amendment of the Facility Agreement.

6 Acknowledgments

Each party other than the Bank:

(a) agrees to the amendment of the Facility Agreement effected by this deed;

(b) agrees that this deed is a Transaction Document for the purposes of the Facility Agreement;

(c) acknowledges that the Bank has agreed to execute this deed at the request of the Borrower and the Guarantors and that this is without prejudice to any other current or future right the Bank may have against the Borrower and the Guarantors or any other Security Provider or under or in connection with any Transaction Document; and

(d) agrees that each Collateral Security to which it is a party extends to and secures its obligations to the Bank under the 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 Victoria.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria 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:

(i) the negotiation, preparation and execution of this deed; and

(ii) 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

Name	Capacity	Address
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.
Australian Equipment Supply 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

Name	Capacity	Address
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 Australia Leasing (E&R) 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.
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

Name	Capacity	Address
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 Properties Taringa 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.
A.C.N. 143 633 096 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.	Same as for Borrower.
Angelika Anywhere Pty Ltd ACN 642 993 593	In its own capacity.	Same as for Borrower.
Reading Jindalee Pty Ltd ACN 629 483 914	In its own capacity.	Same as for Borrower.
Reading 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

Name	Capacity	Address
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)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Australian Country Cinemas Pty Ltd** ACN 076 276 349)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Australian Equipment Supply Pty Ltd** ACN 122 571 420)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Burwood Developments Pty Ltd** ACN 105 384 905)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Epping Cinemas Pty Ltd**)
ACN 073 997 172)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Hotel Newmarket Pty Ltd** ACN 094 367 969)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Newmarket Properties Pty Ltd** ACN 105 386 409)
)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Newmarket Properties No. 2 Pty Ltd** ACN 109 038 806)
)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Newmarket Properties**)
#3 Pty Ltd ACN 126 697 505)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Reading Auburn Pty Ltd**)
ACN 126 697 470)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Australia Leasing (E&R) Pty Ltd**)
ACN 107 939 211)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Belmont Pty Ltd** ACN 126 697 498)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Bundaberg 2012 Pty Ltd** ACN 122 406 320)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Charlestown Pty Ltd** ACN 123 938 483)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Cinemas Pty Ltd** ACN 073 808 643)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Cinemas Management Pty Ltd**)
ACN 122 406 311)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Andrzej Matyczynski.....................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **State Cinema Hobart Pty Ltd** ACN 108 861 061)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Andrzej Matyczynski.....................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Dandenong Pty Ltd** ACN 129 018 739)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Andrzej Matyczynski.....................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Elizabeth Pty Ltd** ACN 114 582 099)
)

/s/ Ellen M. Cotter..................................	/s/ Andrzej Matyczynski.....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter.......................................	Andrzej Matyczynski..........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Reading Exhibition Pty Ltd** ACN 103 529 782)
)

/s/ Ellen M. Cotter..................................	/s/ Andrzej Matyczynski.....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter.......................................	Andrzej Matyczynski..........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Reading Licences Pty Ltd** ACN 089 544 605)
)

/s/ Ellen M. Cotter..................................	/s/ Andrzej Matyczynski.....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter.......................................	Andrzej Matyczynski..........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Reading Maitland Pty Ltd** ACN 126 697 461)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Melton Pty** Ltd ACN 109 074 517)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Properties Pty Ltd** ACN 071 195 429)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Properties Indooroopilly Pty Ltd** ACN 121 284 884)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Reading Properties Taringa Pty Ltd** ACN 128 819 483)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Reading Property Holdings Pty Ltd** ACN 126 289 772)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Reading Rouse Hill Pty Ltd** ACN 123 245 885)
)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Reading Sunbury Pty Ltd** ACN 109 074 571)
)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Rhodes Peninsula Cinema Pty Ltd** ACN 120 827 812)
)

/s/ Ellen M. Cotter.................................
~~Company Secretary~~/Director

Ellen M. Cotter......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski....................
Director

Andrzej Matyczynski.........................
Name of Director (print)

Executed by **Westlakes Cinema Pty Ltd** ACN 108 531 308)
)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **A.C.N. 143 633 096 Pty Ltd** ACN 143 633 096)
)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Reading Cannon Park Pty Ltd** ACN 609 837 569)
)

/s/ Ellen M. Cotter.................................	/s/ Andrzej Matyczynski....................
~~Company Secretary~~/Director	Director
Ellen M. Cotter......................................	Andrzej Matyczynski.........................
Name of ~~Company Secretary~~/Director (print)	Name of Director (print)

Executed by **Angelika Anywhere Pty Ltd** ACN 642 993 593)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Margaret Cotter.............................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Margaret Cotter..................................
Name of Director (print)

Executed by **Reading Jindalee Pty Ltd** ACN 629 483 914)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Andrzej Matyczynski.....................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Devonport Pty Ltd** ACN 629 484 126)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

/s/ Andrzej Matyczynski.....................
Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Altona Pty Ltd**)
ACN 634 384 311)

/s/ Ellen M. Cotter................................. ~~Company Secretary~~/Director	/s/ Margaret Cotter............................ Director
Ellen M. Cotter...................................... Name of ~~Company Secretary~~/Director (print)	Margaret Cotter................................. Name of Director (print)

Executed by **Reading South City Square Pty Ltd** ACN 616 892 936)
)

/s/ Ellen M. Cotter................................. ~~Company Secretary~~/Director	/s/ Andrzej Matyczynski.................... Director
Ellen M. Cotter...................................... Name of ~~Company Secretary~~/Director (print)	Andrzej Matyczynski......................... Name of Director (print)

Executed by **Reading Traralgon Pty Ltd** ACN 618 457 202)
)

/s/ Ellen M. Cotter................................. ~~Company Secretary~~/Director	/s/ Andrzej Matyczynski.................... Director
Ellen M. Cotter...................................... Name of ~~Company Secretary~~/Director (print)	Andrzej Matyczynski......................... Name of Director (print)

Executed by **Reading Burwood Pty Ltd** ACN 619 050 396)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Andrzej Matyczynski.....................
Director

Andrzej Matyczynski..........................
Name of Director (print)

Executed by **Reading Cinemas Auburn Pty Ltd** ACN 633 008 401)
)

/s/ Ellen M. Cotter..................................
~~Company Secretary~~/Director

Ellen M. Cotter.......................................
Name of ~~Company Secretary~~/Director (print)

/s/ Margaret Cotter.............................
Director

Margaret Cotter..................................
Name of Director (print)

Executed by **National Australia Bank Limited** ABN 12 004 044 937 by its Attorney who holds the position of Level 2 Attorney under Power of Attorney dated 1/3/2007 in the presence of:)
)
)
)
)
)

....
Witness

....
Name of Witness (print)

....
Attorney

....
Name of Attorney (print)

***** CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL.**

EXECUTION VERSION

WAIVER AND THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS WAIVER AND THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Waiver and Third Amendment"), dated as of November 8, 2021, is entered into by and among Consolidated Amusement Holdings, LLC, a Nevada limited liability company (the "Borrower"), the Affiliates of the Borrower identified on the signature pages hereto (collectively, the "Guarantors"), the financial institutions identified on the signature pages hereto (collectively, the "Lenders"), and Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, with reference to the following facts:

RECITALS

A. The Borrower, the Guarantors, the Lenders, and Bank of America as Administrative Agent, Swingline Lender and L/C Issuer are parties to a Second Amended and Restated Credit Agreement, dated as of March 6, 2020, as amended by a Waiver and First Amendment to Second Amended and Restated Credit Agreement dated as of May 15, 2020 (the "First Amendment") and by a Waiver and Second Amendment to Second Amended and Restated Credit Agreement dated as of August 7, 2020 (the "Second Amendment", and collectively with the First Amendment and the Second Amended and Restated Credit Agreement, the "Credit Agreement"), pursuant to which the Lenders provide a revolving credit facility to the Borrower in an aggregate amount of up to $55,000,000.

B. As of November 2, 2021, Borrower is indebted under the Loan Documents in the outstanding principal amount of $42,800,000, plus accrued and unpaid interest, and other costs and expenses (collectively, the "Indebtedness").

C. The parties are entering into this Waiver and Third Amendment: (i) by which each of the Administrative Agent and the Lenders waive any existing asserted default, to the extent the same has not already been cured ("Asserted Defaults"), and each of the Administrative Agent and the Lenders acknowledges and agrees that all prior defaults of which it has knowledge have been timely cured or waived; and (ii) to amend and supplement the Credit Agreement as set forth below.

NOW, THEREFORE, the parties hereby agree as follows:

1. **Recitals.** All of the foregoing recitals and statements are hereby affirmed by the Loan Parties as true statements of fact and may be used as binding admissions in a court of law or equity, or other judicial or non-judicial proceedings.

2. **Defined Terms.** To the fullest extent necessary, each of the Administrative Agent and Lenders hereby acknowledges and agrees that all prior defaults of which it has knowledge have been timely cured or waived. Such waiver by the Administrative Agent and Lenders shall constitute a waiver of only any prior defaults to which it has knowledge and shall not constitute a waiver of the Borrower's obligation to comply with all applicable covenants in the Agreement, as amended, including, without limitation, Section 9 of the Second Amendment (the "Liquidity Covenant") on a going-forward basis.

3. **Waiver of Asserted Defaults**. To the fullest extent necessary, the Lenders hereby waive any Asserted Default. Such waiver by the Lenders shall constitute a waiver of only the Asserted Defaults and shall not constitute a waiver of the Borrower's obligation to comply with the Liquidity Covenant on a going-forward basis.

4. **Amendments to Credit Agreement**.

4.1. Termination of Availability Period. The definition of "Availability Period" set forth in Section 1.01 of the Credit Agreement is amended and restated to be the same date as the effective date of this Waiver and Third Amendment. No further Borrowings shall be permitted under the terms of the Credit Agreement as of the effective date of this Waiver and Third Amendment.

4.2. Interest Rate Amendments.

(a) The definition of Base Rate set forth in Section 1.01 of the Credit Agreement is amended and restated to read as follows:

'"Base Rate' means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate,"; provided that the Base Rate shall not be less than one percent (1.00%) per annum. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change."

(b) Elimination of Eurodollar Rate. As of the date of this Waiver and Third Amendment, all Borrowings shall bear interest at the Base Rate. Each Eurodollar Rate Loan in existence as of the date of this Waiver and Third Amendment shall be automatically converted to a Base Rate Loan effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loan.

(c) Interest. Section 2.08(a) of the Credit Agreement is amended and restated to read as follows:

"2.08(a) Interest. Subject to the provisions of Section 2.08(b), each Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Base Rate plus two hundred fifty (250) basis points."

4.3. Mandatory Prepayments. Section 10A of the Second Amendment is amended and restated to read as follows:

"On the first Business Day of each month set forth below, Borrower shall make the following principal payments on the Loan:

Month	**Principal Payment Amount**
December 2021	$500,000
January 2022	$250,000
February 2022	$250,000
March 2022	$500,000
April 2022	$500,000
May 2022	$500,000
June 2022	$750,000
July 2022	$750,000
August 2022	$750,000
September 2022	$750,000
October 2022	$750,000
November 2022	$1,000,000
December 2022	$1,000,000

4.4. Prohibition on Additional Indebtedness. Notwithstanding anything to the contrary set forth in Section 7.02 of the Credit Agreement or in Section 6 of the Second Amendment, none of the Loan Parties shall incur, or enter into a contractual commitment to incur, additional Indebtedness under any of the exceptions described in subsections

(a) through (k) of Section 7.02 of the Credit Agreement until the Obligations are fully and finally paid and the Commitments are terminated; *provided* that this Section 4.4 of the Waiver and Third Amendment shall not prohibit either: (i) the Borrower from continuing to guarantee the Reading Indebtedness up to $5,000,000 principal amount and (ii) an unlimited debt basket for loans from landlords under any theater leases, the proceeds of which are solely utilized by the Loan Parties to construct tenant improvements for such theaters; *provided further* that (x) the stated maturity of such loans is at least 91 days after the Maturity Date and (y) such loans shall not be secured by any of the Collateral granted to Administrative Agent to secure the Secured Obligations.

4.5. Liquidity Covenant. Section 9 of the Second Amendment is amended and restated to read as follows:

"Liquidity Covenant. The Borrower shall maintain Liquidity as of the last day of each month, commencing with the month ended November 30, 2021, of not less than $3,000,000. For purposes of this covenant, the term "Liquidity" shall mean, as of any date of determination, the sum of Borrower's aggregate cash on such date. Borrower will deliver a certificate to Lender in support of compliance with the Liquidity Covenant no later than ten (10) business days after each month end. For avoidance of doubt, Borrower's failure to comply with this Liquidity Covenant on a going forward basis shall constitute an Event of Default under Section 8.01(b) of the Credit Agreement, which is not subject to a cure period."

4.6. Financial Covenant Testing. The financial covenants set forth in Section 7.11 of the Credit Agreement are amended so that the applicable ratios are no longer required covenants to be complied with on a quarterly basis; *provided*, *however*, Borrower shall continue to report its Consolidated Leverage Ratio and Consolidated Fixed Charge Coverage Ratio on a quarterly basis. The failure to report and certify such financial ratios with the delivery of the financial statements referred to in Sections 6.01(a) and (b) shall constitute a Default under Section 8.01(c) under the terms of the Credit Agreement.

4.7. Payments; Agency Provisions.

(a) Section 2.12(b)(ii) of the Credit Agreement is amended and restated to read as follows:

"2.12(b)(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due.

With respect to any payment that the Administrative Agent makes for the account of the Lenders or the L/C Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this clause (b) shall be conclusive, absent manifest error."

(b) Article IX of the Credit Agreement is supplemented with the following additional provision to be inserted into the Credit Agreement as Section 9.13, which shall read as follows:

"9.13 Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender, the Swingline Lender or the L/C Issuer (each a "Credit Party"), whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Credit Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Credit Party in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Credit Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Credit Party promptly upon determining that any payment made to such Credit Party comprised, in whole or in part, a Rescindable Amount."

4.8. Electronic Execution. Section 11.18 of the Credit Agreement is amended and restated to read as follows:

"11.18 Electronic Execution; Electronic Records; Counterparts. This Agreement, any Loan Document and any other document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document ("Communication"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signature (which terms shall have the meaning assigned to them respectively by 15 USC §7006, as it may be amended from time to time). Each of the Loan Parties and each of the Administrative Agent and each Credit Party agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Credit Parties may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent, L/C Issuer nor Swingline Lender is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; *provided*, further, without limiting the foregoing, (a) to the extent the Administrative Agent, L/C Issuer and/or Swingline Lender has agreed to accept such Electronic Signature, the Administrative Agent and each of the Credit Parties shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Credit Party without further verification and regardless of the appearance or form of such Electronic Signature, and (b) upon the request of the Administrative Agent or any Credit Party, any Communication executed using an Electronic Signature shall be promptly followed by a manually executed counterpart.

Neither the Administrative Agent, L/C Issuer nor Swingline Lender shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's, L/C Issuer's or Swingline Lender's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent, L/C Issuer and Swingline Lender shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Loan Parties and each Credit Party hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) any claim against the Administrative Agent, each Credit Party for any liabilities arising solely from the Administrative Agent's and/or any Credit Party's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature."

4.9. Schedules 5.21(b)-(g) are hereby amended and restated, with Schedules 5.21(b)-(g) attached to this Third Waiver and Amendment.

5. **General Release**. From and after the effective date of this Waiver and Third Amendment, the Borrower and each Guarantor hereby agrees that, without any further act, the Administrative Agent, each Lender and each other Secured Party is fully and forever released and discharged from any and all claims for damages or losses to the Borrower, any Guarantor, or to any property of the Borrower or any Guarantor (whether any such damages or losses are known or unknown, foreseen or unforeseen, or patent or latent), including, without limitation, any tort claim, demand, action or cause of action of any nature, whatsoever, arising under or relating to the Credit Agreement or the other Loan Documents or any of the transactions related thereto, in each case, prior to the date hereof, and the Borrower and each Guarantor hereby waive application of California Civil Code Section 1542. The Borrower and each Guarantor certify that they have read the following provisions of California Civil Code Section 1542:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Borrower and each Guarantor understands and acknowledges that the significance and consequence of this waiver of California Civil Code Section 1542 is that even if the Borrower or such Guarantor should eventually suffer additional damages arising out of the facts referred to above, it will not be able to make any claim for those damages. Furthermore, the Borrower and each Guarantor acknowledge that they intend these consequences even as to claims for damages that may exist as of the date of this release but which the Borrower or such Guarantor does not know exist, and which, if known, would materially affect the Borrower's or such Guarantor's decision to execute this Waiver and Third Amendment, regardless of whether the Borrower's or such Guarantor's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

6. **Conditions Precedent.** This Waiver and Third Amendment shall become effective as of the date first set forth above upon satisfaction of the following conditions:

6.1. This Waiver and Third Amendment. The Administrative Agent shall have received this Waiver and Third Amendment, duly executed by the Borrower, the Guarantors, and each of the Lenders;

6.2. Principal Pay down. Administrative Agent has received a principal payment of $2,800,000 and payment of all accrued, unpaid interest owing under the Loan;

6.3. Waiver and Third Amendment Fee. The Borrower shall have paid to the Administrative Agent, for the ratable benefit of the Lenders, a one-time, non-refundable fee of $50,000;

6.4. Officer's Certificates. Administrative Agent shall have received officer's certificates and resolutions authorizing this Waiver and Third Amendment in form and substance acceptable to Administrative Agent;

6.5. Due Diligence. Administrative Agent and Lenders have received and are reasonably satisfied with all reports, inspections, and examinations required by Administrative Agent and Lenders, including a field exam;

6.6. Legal Fees and Expenses. The Administrative Agent shall have received all fees and other amounts due and payable by the Borrower, including to the extent invoiced one or before the date hereof, reimbursement or payment of all reasonable and documented out-of-pocket expenses actually incurred in connection with this Waiver and Third Amendment (including without limitation, such reasonable and documented out-of-pocket fees, disbursements, and other charges of counsel actually incurred by the Administrative Agent) required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document; and

6.7. Organizational Chart. The Administrative Agent shall have received a current organizational chart for all Loan Parties on or before November 30, 2021.

7. **Reaffirmation and Ratification.** The Borrower and each Guarantor hereby reaffirms, ratifies and confirms its Obligations under the Credit Agreement and all other Loan Documents and acknowledges that all of the terms and conditions of the Credit Agreement and all other Loan Documents, except as otherwise provided herein or therein, remain in full force and effect. The Borrower and each Guarantor further acknowledges and agrees that the liens, security interests, pledges, and assignments created by the Credit Agreement and Loan Documents are valid, effective, properly perfected, and enforceable liens, security interests, pledges, and assignments, and hereby reaffirms the grant of all liens, security interests, pledges, and assignments which each has previously granted to the Administrative Agent and Lenders.

8. **Acknowledgements.** The Loan Parties acknowledge and agree that as of the effective date of this Waiver and Third Amendment: (i) the Indebtedness is just, due, and owing, without any right of any Loan Party to setoff, recoup, or counterclaim; (ii) the Administrative Agent and Lenders have fully performed all of their obligations under the Credit Agreement and Loan Documents and are not in default under any terms, provisions, or conditions of the Credit Agreement or the Loan Documents, and in addition, no circumstances exist under which Administrative Agent and Lenders may be deemed in default merely upon service of notice or passage of time or both; and (iii) the Loan Parties have no defenses to the Indebtedness, the Credit Agreement, or the Loan Documents.

9. **Representations and Warranties**. The Borrower hereby confirms that all representations and warranties of the Borrower contained in Article V of the Credit Agreement continue to be true and correct in all material respects after giving effect to this Waiver and Third Amendment, except: (i) for representations and warranties which are qualified by the inclusion of a materiality standard, which representations and warranties shall be true and correct in all respects; and (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date; *provided*, in each case, that any representation or warranty which is qualified by reference to Material Adverse Effect shall exclude events, circumstances, occurrences or conditions arising from the COVID-19 pandemic.

10. **Events of Default**. Subject to Section 3 hereof, except for any existing defaults waived hereunder, neither any Default nor any Event of Default has occurred and is continuing under the Credit Agreement.

11. **Integration**. This Waiver and Third Amendment constitutes the entire agreement of the parties in connection with the subject matter hereof and cannot be changed or terminated orally. All prior agreements, understandings, representations, warranties and negotiations regarding the subject matter hereof, if any, are merged into this Waiver and Third Amendment.

12. **Counterparts**. This Waiver and Third Amendment may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed an original, and all of which, taken together, shall constitute but one and the same agreement.

13. **Governing Law**. This Waiver and Third Amendment shall be governed by, and construed and enforced in accordance with, the internal laws (as opposed to the conflicts of law principles) of the State of New York.

[Rest of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Waiver and Third Amendment by their respective duly authorized officers as of the date first above written.

BORROWER:
CONSOLIDATED AMUSEMENT HOLDINGS,
LLC, a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

GUARANTORS:
CONSOLIDATED ENTERTAINMENT, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

ANGELIKA FILM CENTER MOSAIC, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

ANGELIKA FILM CENTERS LLC,
a Delaware limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

READING CINEMAS NJ, INC.,
a Delaware corporation

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

CONSOLIDATED CINEMA SERVICES, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

READING MURRIETA THEATER, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

KAHALA CINEMA COMPANY, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

KAAHUMANU CINEMAS, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

READING CONSOLIDATING HOLDINGS, INC.,
a Nevada corporation

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

KMA CINEMAS, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

CARMEL THEATRES, LLC,
a Nevada limited liability company

By: /s/ Gilbert Avanes
Gilbert Avanes
Chief Financial Officer

ADMINISTRATIVE AGENT AND LENDERS:
BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/
Name:
Title

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swingline Lender

By: /s/
Name:
Title

BANK OF HAWAII,
as a Lender

By: /s/
Name:
Title

SCHEDULE 5.21(b)

No Change from Schedule 5.21(b) attached to Second Amended and Restated Credit Agreement, dated as of March 6, 2020, which is incorporated by reference.

SCHEDULE 5.21(c)

No Change from Schedule 5.21(c) attached to Second Amended and Restated Credit Agreement, dated as of March 6, 2020, which is incorporated by reference.

SCHEDULE 5.21(d)(i)

Deposit Accounts & Securities Accounts

[***]

SCHEDULE 5.21(d)(ii)

No Change from Schedule 5.21(d)(ii) attached to Second Amended and Restated Credit Agreement, dated as of March 6, 2020, which is incorporated by reference.

SCHEDULE 5.21(e)

No Change from Schedule 5.21(e) attached to Second Amended and Restated Credit Agreement, dated as of March 6, 2020, which is incorporated by reference.

SCHEDULE 5.21(f)

Pledged Equity Interests

Issuer	Owner	Total Number of Shares Outstanding	Number of Shares Owned by Loan Party	Number of Shares Pledged	Certificate Number(s)	Percentage of Owned Shares by Loan Party	Class/Nature (Voting, Non-Voting, Preferred, Etc.)
Angelika Film Centers LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Angelika Film Center Mosaic, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Carmel Theatres, LLC	Reading Cinemas USA, LLC	0	100%	100%	N/A	100%	Voting
Consolidated Amusement Holdings, LLC	Reading Consolidated Holdings Inc.	0	100%	100%	N/A	100%	Voting
Consolidated Cinema Services, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Consolidated Entertainment, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Kahala Cinema Company, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Kaahumanu Cinemas, LLC	Consolidated Cinema Services, LLC	0	100%	100%	N/A	100%	Voting
KMA Cinemas, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting
Reading Cinemas NJ, Inc.	Consolidated Amusement Holdings, LLC	1,000	100%	100%	2	100%	Voting
Reading Consolidated Holdings, Inc.	Reading International Services Company	1,000	100%	100%	2	100%	Voting
Reading Murrieta Theater, LLC	Consolidated Amusement Holdings, LLC	0	100%	100%	N/A	100%	Voting

SCHEDULE 5.21(g)

Properties

Loan Party/Location with Material Personal Property Collateral	Number of Buildings Located on Property	Property Address	City	County	State	Zip Code	Leased or Owned (if leased, the name of Owner)
Carmel Theatres, LLC/AFC - Carmel	1	11620 Carmel Mountain Rd	San Diego	San Diego	California	92128	Leased
Consolidated Entertainment, LLC/AFC - Dallas	1	5321 E. Mockingbird Lane	Dallas	Dallas	Texas	75206	Leased
Angelika Film Center Mosaic, LLC/AFC - Mosaic	1	2911 District Ave., Ste 200	Fairfax	Fairfax	Virginia	22031	Leased
Angelika Film Centers LLC/AFC – New York	1	18 W. Houston Street	New York	New York	New York	10012	Leased
Reading Murrieta Theater, LLC/Cal Oaks	1	41090 California Oaks Road	Murrieta	Riverside	California	92562	Leased
Consolidated Entertainment, LLC/Grossmont	1	5500 Grossmont Center Drive	La Mesa	San Diego	California	91942	Leased
Kaahumanu Cinemas, LLC/Kaahumanu	1	275 Kaahumanu Ave	Kahului	Honolulu	Hawaii	96732	Leased
Consolidated Entertainment, LLC/Kapolei	1	890 Kamokila Blvd, Ste 107	Kapolei	Honolulu	Hawaii	96707	Leased
Kahala Cinema Company, LLC/Kahala	1	4211 Waialae Ave	Honolulu	Honolulu	Hawaii	96816	Leased
Consolidated Entertainment, LLC/Koko Marina	1	7192 Kalaninaole Hwy.	Honolulu	Honolulu	Hawaii	96825	Leased

Loan Party/Location with Material Personal Property Collateral	Number of Buildings Located on Property	Property Address	City	County	State	Zip Code	Leased or Owned (if leased, the name of Owner)
Consolidated Entertainment, LLC/Ko'Olau	1	47-260 Hui Iwa Street	Kaneohe	Honolulu	Hawaii	96744	Leased
Reading Cinemas NJ, Inc./Manville	1	180 N. Main Street	Manville	Somerset	NJ	08835	Leased
Consolidated Entertainment, LLC/Mililani	1	95-1249 Meheula Pkwy	Mililani	Honolulu	Hawaii	96789	Leased
KMA Cinemas, LLC/Olino	1	91-5431 Kapolei Pkwy #600	Kapolei	Honolulu	Hawaii	96707	Leased
Consolidated Entertainment, LLC/Pearlridge	1	98-1005 Moanalua Rd.	Aiea	Honolulu	Hawaii	96701	Leased
Consolidated Entertainment, LLC/Rohnert Park	1	555 Rohnert Park Expressway	Rohnert Park	Sonoma	California	94928	Leased
Consolidated Entertainment, LLC/Town Square	1	4665 Clairemont Drive	San Diego	San Diego	California	92117	Leased
Consolidated Entertainment, LLC/Valley Plaza	1	2000 Wible Road	Bakersfield	Kern	California	93304	Leased
Consolidated Entertainment, LLC/Ward	1	1044 Auahi Street	Honolulu	Honolulu	Hawaii	96814	Leased

EXHIBIT 31.1

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
November 9, 2021

EXHIBIT 31.2

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
November 9, 2021

EXHIBIT 32

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 September 30, 2021 (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: November 9, 2021

/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