UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 15, 2023

Reading International, Inc.

(Exact Name of Registrant as Specified in its Charter)

Nevada (State or $\overline{\mbox{Other Jurisdiction}}$ of Incorporation)

1-8625 (Commission File Number)

95-3885184 (IRS Employer Identification No.)

189 Second Avenue, Suite 2S New York, New York (Address of Principal Executive Offices)

10003 (Zip Code)

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

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filit following provisions:	ng is intended to simultaneously satisfy	the filing obligation of the registrant under any of the
☐ Written communications pursuant to Rule 425 u	nder the Securities Act (17 CFR 230.425	
☐ Soliciting material pursuant to Rule 14a-12 under	er the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to	Rule 14d-2(b) under the Exchange Act	(17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to	Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Securities registered pursuant to Section 12(b) of the Act:		
Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value Class B Common Stock, \$0.01 par value	RDI RDIB	The NASDAQ Stock Market LLC The NASDAQ Stock Market LLC
Indicate by check mark whether the registrant is an emer of this chapter) or Rule 12b-2 of the Securities Exchange		fined in Rule 405 of the Securities Act of 1933 (§230.405).
Emerging growth company \Box		
If an emerging growth company, indicate by check mark or revised financial accounting standards provided pursua	_	

Item 2.02 Results of Operations and Financial Condition.

On May 15, 2023, Reading International, Inc. issued a press release announcing information regarding its results of operations and financial condition for the quarter ended March 31, 2023, a copy of which is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

- 99.1 Press release issued by Reading International, Inc. pertaining to its results of operations and financial condition for the year and quarter ended March 31, 2023.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

READING INTERNATIONAL, INC.

Date: May 15, 2023 By: Name: /s/ Gilbert Avanes

Gilbert Avanes

Executive Vice President, Chief Financial Officer and Treasurer Title:



Reading International Reports First Quarter 2023 Results

Earnings Call Webcast to Discuss First Quarter Financial Results Scheduled to Post to Corporate Website on **Wednesday**, **May 17, 2023**

New York, New York - (GlobeNewswire) May **15, 2023**: Reading International, Inc. (NASDAQ: RDI) (the "Company"), an internationally diversified cinema and real estate company with operations and assets in the United States, Australia, and New Zealand, today announced its results for the first quarter ended March 31, 2023.

President and Chief Executive Officer, Ellen Cotter said, "During the first quarter of 2023, our global revenue grew 14%, negative EBITDA improved by 60% and our operating loss reduced by 33%. The strong box office performance of movies like *Avatar: The Way of Water*, which is currently the third highest grossing film of all time, as well as *Ant Man and the Wasp: Quantumania, Creed III, Puss in Boots: The Last Wish*, and *John Wick: Chapter 4* reinforced our view that audiences in the U.S., Australia and New Zealand will continue to embrace the magic of great movies in a shared big screen environment. Our momentum continued into the early second quarter with *The Super Mario Bros. Movie*, which, broke the record for the biggest global debut for any animated film and has grossed over \$1 billion to date. We are pleased that the remainder of 2023 looks promising with movies like *Indiana Jones and the Dial of Destiny, The Flash, Mission Impossible – Dead Reckoning Part One, Barbie, The Marvels* and *Aquaman and the Lost Kingdom.*"

Ms. Cotter continued, "With over \$5.1 million in revenue and \$1 million in income, our global real estate division delivered the highest quarterly operating revenue and income since December 2019 driven primarily by the commencement of rent from Petco, which is leasing approximately 42% of our 44 Union Square property in NYC, and the strong performance of our 75 third party tenant real estate portfolio in Australia and New Zealand. And, more recently, the new show, *The Empire Strips Back*, which started public performances at our Orpheum Theatre in NYC on May 10, 2023, looks like it will be a worthy successor to the long running show, Stomp, based on advance ticket sales"

Ms. Cotter concluded, "These positive first quarter results come despite headwinds from unfavorable foreign exchange rates, inflationary cost pressure, labor shortages and material increases in interest expense. While we recognize the global cinema industry will take a few years to achieve pre-pandemic levels, our 'two business/three country' diversified business structure and high-quality real estate assets, together with our dedicated global team, continue to drive improvement across our portfolio."

Key Financial Results – First Three Months of 2023

- · Global revenue of \$45.8 million increased by 14% from \$40.2 million in Q1 2022.
- · Operating loss was reduced by approximately 33% to a loss of \$7.9 million, compared to an operating loss of \$11.8 million for Q1 2022.
- · Adjusted EBITDA improved by 60% with negative Adjusted EBITDA reducing to negative \$2.8 million.
- Basic loss per share of \$0.50 improved by approximately 29% compared to a basic loss per share of \$0.70 for Q1 2022.
- Net loss attributable to Reading International, Inc. was \$11.1 million, compared to a net loss of \$15.4 million for Q1 2022.
- The Australian dollar and New Zealand dollar average exchange rates weakened against the U.S. dollar by 5.5% and 6.9%, respectively, compared to the same period in the prior year, which contributed to our loss for the period, and negatively impacted our overall international financial results.

Key Cinema Business Highlights

At \$42.0 million, our Q1 2023 cinema segment revenue improved by 12% compared to Q1 2022. Our Q1 2023 cinema segment operating loss of \$4.6 million improved by 36% compared to Q1 2022. Specifically, compared to the Q1 2022, our Q1 2023, (i) U.S. Cinemas revenues grew by 25%, (ii) in local currency, our Australian Cinemas revenues grew by 7% and (iii) in local currency, our New Zealand Cinema revenues grew by 11%. And, compared to Q1 2022, our Q1 2023 (i) U.S. Cinemas operating loss improved by 32%, (ii) in local currency, our Australian Cinemas' operating income improved by 77% and (iii) in local currency, our New Zealand Cinemas' operating income improved by 110%. The Q1 2023 U.S. industry box office performed proportionately better quarter over quarter vs. the Australian industry box office. Movies such as *Creed III, Scream VI, Cocaine Bear and Jesus Revolution* supported the U.S. box office to a greater degree than in Australia.

The operating performance improvement in the first quarter of 2023 compared to 2022 was due to a higher quantity and quality of film slate which drove audiences back to the big screens. Our variable operating costs increased in line with the changes in the operational landscape. Although attendance is still below pre-pandemic levels, the improving Q1 2023 box office demonstrates our continuing recovery and supports our confidence in audiences returning to the movie-going experience.

Over the last few years we have continued to focus on the implementation of our cinema business plan: the enhancement of our food and beverage offerings, procuring additional cinema liquor licenses, and refurbishing our older cinemas with luxury seating (and/or larger screen formats). During Q1 2023, we began operating an existing six screen cinema in Armadale, a suburb of Perth in Western Australia. In the second half of 2023, we anticipate adding an eight-screen boutique cinema at South City Square, Brisbane QLD that will operate under the Angelika Film Center brand, as well as adding a five-screen Reading Cinemas with TITAN LUXE in Busselton, Western Australia. Both new cinemas will be state-of-the-art facilities with recliner seating and elevated food and beverage offerings (including alcoholic beverages). In the U.S., we recently achieved liquor licenses for 100% of the U.S. cinemas that we intend to operate for the foreseeable future.

Key Real Estate Business Highlights

Real estate segment revenue for Q1 2023, increased by 22% to \$5.1 million, compared to the same period in 2022. Real estate segment operating income for Q1 2023 increased by over 100%, to \$1.0 million compared to the same period in 2022.

The changes between the first quarter of 2023 and the first quarter of 2022 were primarily attributable to the rent recognized in Q1 2023 from our Petco tenancy at our 44 Union Square property that did not occur in the same period of the prior year. Petco is now on a full rent paying basis and we expect an opening in mid-2023 following a marketing push over the next few months.

Key Balance Sheet, Cash, and Liquidity Highlights

As of March 31, 2023, our cash and cash equivalents were \$14.6 million. As of March 31, 2023, we had total gross debt of \$213.4 million against total book value assets of \$560.2 million, compared to \$215.6 million and \$587.1 million, as of December 31, 2022.

On March 30, 2023, we modified our Bank of America facility which, among other things, extended the maturity date to September 4, 2024 and set monthly repayments of \$725,000 commencing in May 2023, with a balloon payment upon maturity.

For more information about our borrowings, please refer to $Part\ I-Financial\ Information$, $Item\ 1-Notes\ to\ Consolidated\ Financial\ Statements--Note\ 12-Borrowings$.

Conference Call and Webcast

We plan to post our pre-recorded conference call and audio webcast on our corporate website on Wednesday, May 17, 2023, which will feature prepared remarks from Ellen Cotter, President and Chief Executive Officer; Gilbert Avanes, Executive Vice President, Chief Financial Officer and Treasurer; and Andrzej Matyczynski, Executive Vice President - Global Operations.

A pre-recorded question and answer session will follow our formal remarks. Questions and topics for consideration should be submitted to linvestorRelations@readingrdi.com by 5:00 p.m. Eastern Time on May 16, 2023. The audio webcast can be accessed by visiting https://investor.readingrdi.com/financials on May 17, 2023.

About Reading International, Inc.

Reading International, Inc. (NASDAQ: RDI), an internationally diversified cinema and real estate company operating through various domestic and international subsidiaries, is a leading entertainment and real estate company, engaging in the development, ownership, and operation of cinemas and retail and commercial real estate in the United States, Australia, and New Zealand.

Reading's cinema subsidiaries operate under multiple cinema brands: Reading Cinemas, Angelika Film Centers, Consolidated Theatres, and the State Cinema by Angelika. Its live theatres are owned and operated by its Liberty Theaters subsidiary, under the Orpheum and Minetta Lane names. Its signature property developments are maintained in special purpose entities and operated under the names Newmarket Village, Cannon Park, and The Belmont Common in Australia, Courtenay Central in New Zealand, and 44 Union Square in New York City.

Additional information about Reading can be obtained from our Company's website: http://www.readingrdi.com.

Cautionary Note Regarding Forward-Looking Statements

This earnings release 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 our expected operating results; our expectations regarding the success of movies released in the second quarter and for the remainder of 2023; our expectations regarding the future of the cinema exhibition industry; our confidence about the new production at our Orpheum Theater; our belief regarding our diversified business/country diversification strategy; and our expectations regarding the leasing and performance of our various real estate assets, including 44 Union Square. For more detailed information on our Forward-looking statements, see the factors discussed under the caption CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS in our Annual Report on Form 10-K for the year ended December 31, 2022, and of our quarterly report on Form 10-Q for the quarter ended March 31, 2023.

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 adverse impact of the COVID-19 pandemic and any variant thereof on short-term and/or long-term entertainment, leisure and discretionary spending habits and practices of our patrons and on our results from operations, liquidity, cash flows, financial condition, any factors adversely impacting cinema patrons attending our cinemas, factors adversely impacting our ability to lease and drive revenues from our real estate assets, macroeconomic conditions in the United States, Australia, New Zealand and internationally, access to credit markets, and those factors discussed throughout 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, 2022, 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.

Any forward-looking statement made by us in this Earnings Release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Reading International, Inc. and Subsidiaries Unaudited Consolidated Statements of Operations (Unaudited; U.S. dollars in thousands, except per share data)

Three Months Ended March 31,

	March 31,			
		2023		2022
Revenue				
Cinema	\$	41,987	\$	37,347
Real estate		3,820		2,853
Total revenue		45,807		40,200
Costs and expenses				
Cinema		(41,654)		(38,503)
Real estate		(2,215)		(2,157)
Depreciation and amortization		(4,639)		(5,524)
General and administrative		(5,179)		(5,796)
Total costs and expenses		(53,687)		(51,980)
Operating income (loss)		(7,880)		(11,780)
Interest expense, net		(4,117)		(3,205)
Other income (expense)		174		(781)
Income (loss) before income tax expense and equity earnings of unconsolidated				
joint ventures		(11,823)		(15,766)
Equity earnings of unconsolidated joint ventures		19		(65)
Income (loss) before income taxes		(11,804)	'	(15,831)
Income tax benefit (expense)		480		378
Net income (loss)	\$	(11,324)	\$	(15,453)
Less: net income (loss) attributable to noncontrolling interests		(213)		(99)
Net income (loss) attributable to Reading International, Inc.	\$	(11,111)	\$	(15,354)
Basic earnings (loss) per share	\$	(0.50)	\$	(0.70)
Diluted earnings (loss) per share	\$	(0.50)	\$	(0.70)
Weighted average number of shares outstanding-basic		22,114,927		21,955,985
Weighted average number of shares outstanding-diluted		22,897,990		22,500,658

Current Asserts Sud,628 \$ 1,939 Cash and cash quivalents 5,468 \$ 1,032 Recricted cash 5,488 \$ 5,032 Recricted cash 4,488 \$ 5,036 Derivations 1,243 \$ 1,616 Derivative financial instruments - current portion 2,233 \$ 3,000 Prepaid and other current assets 5,005 3,000 Operating porting reserved 2,818 2,818 Operating pose right-of-use assets 3,000 3,252 Operating lease right-of-use assets 4,700 3,252 Investment and development property, set 8,000 3,252 Investment and development property, set 8,000 3,252 Investment and development property, set 4,700 3,252 Investment in unconsolidated joint ventures		. <u>-</u>	March 31, 2023		December 31, 2022
Rastinced cash 5,146,28 5,093 Restricted cash 1,405 5,002 Receivables 4,4858 6,066 Inventories 1,417 1,616 Derivative financial instruments - current portion 2,905 3,806 Prepaid and other current assets 3,505 3,804 Operating property, net 281,866 286,952 Operating prose right-of-use assets 19,365 200,417 Investment and development property, net 8,694 8,792 Investment in unconsolidated joint ventures 2,222 2,504 Goodwill 2,222 2,504 Intangible assets, net 2,222 2,804 Interpred tax asset, net 4,229 2,804 Total states 5,804 8,804 Total states 5,804 8,804 Total states 4,042 4,242 Total trial states 4,041 5,608 Total trial states 4,041 5,609 Total trial states 4,041 5,609 Total trial state	ASSETS		(unaudited)		
Rescriedcaches 5,794 5,020 Receivables 4,848 6,202 Inventories 1,417 1,616 Derivative financial instruments - current portion 233 307 Total current assets 3,285 47,512 Operating portey, use 31,865 20,417 Operating lease right-of-use assets 193,655 20,417 Investment and development property, net 8,864 8,782 Investment and development property, net 8,762 2,503 Investment and development property, net 4,762 2,503 Intare payable and server property 4,742 2,502 Interpretation and server property 2,742 3,502 Interpretation and server property 2,752 <td>Current Assets:</td> <td></td> <td></td> <td></td> <td></td>	Current Assets:				
Receivables 4,858 6,206 Inventories 1,417 1,616 Derivative financial instruments - current portion 2,303 307 Pregual and other current assets 3,505 3,505 Operating property, net 28,166 28,004 Investment and development property, net 8,604 8,792 Investment in unconsolidated joint ventures 4,707 4,756 Goodvill 2,222 2,504 Intensity 1,042 1,042 Optimizing bases, net 2,023 1,042 Other assets 5,004 1,042 Total States 5,004 1,042 Total States 5,004 1,042 Total States 5,004 1,042 Operating lesses, net 2,023 1,042 Total States 5,004 1,042 Total States 5,004 1,042 Total States 5,004 1,042 Total States 1,042 1,042 Total States 1,042 1,042 <tr< td=""><td>Cash and cash equivalents</td><td>\$</td><td>14,628</td><td>\$</td><td>29,947</td></tr<>	Cash and cash equivalents	\$	14,628	\$	29,947
Inventiories 1,417 5,605 Derivative inancial instruments - current portion 5,905 3,006 Total Current assets 3,285 4,7512 Operating peace right-of-use assets 19,305 20,014 Operating lease right-of-use assets 19,305 20,014 Investment and development property, net 8,694 4,702 4,762 Investment in unconsolidated joint ventures 4,007 4,702 4,506 Goodwill 2,222 2,504 Intagible assets, net 40 4,702 4,606 Other asset 1,042 1,002	Restricted cash		5,749		*
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Prograting domber current assets 5,905 3,805 Total current assets 32,850 47,512 Operating property, net 193,655 200,417 Investment and development property, net 8,694 4,707 4,756 Investment in unconsolidated joint ventures 4,707 4,756 5,501 Goodwill 25,272 2,530 Intangible assets, net 420 447 420 447 Other assets 10,422 10,281 5,501,30 5 5,501,30 10,281 Total assets 5,001,30 5,501,30 5,501,30 5,501,30 5 5,501,30 <td>Inventories</td> <td></td> <td>1,417</td> <td></td> <td>1,616</td>	Inventories		1,417		1,616
Transproperty net	Derivative financial instruments - current portion				907
Operating property, net 281,865 200,477 Investment and development property, net 8,694 8,792 Investment in unconsolidated joint ventures 4,765 26,527 25,504 Goodwill 52,527 25,504 16,227 25,504 Interplace stages, net 2,299 1,231 4 5 6 4 4 5 6 4 4 5 6 4 4 4	Prepaid and other current assets		5,905		3,804
Operating lease right-of-use assets 193.655 20.417 Investment and development property, net 8.694 7.872 Lowestment in unconsolidated joint ventures 4,707 4,756 Godwill 2,292 2,391 Intangible assets, net 4,02 1,282 Other assets 5,600 8,500,20 Total assets 5,600 8,500,20 Total assets 5,600,30 5,800,30 Total assets 4,041 5,800,30 Crounts Liabilities 3,944 5,500 Eccounts payable and accrued liabilities 3,944 5,678 Film ren payable 3,944 5,678 Debt - current portion 47,434 3,727 Subordinated debt - current portion 7,67 7 Taxes payable - current portion 4,041 2,000 Operating lease liabilities - current portion 4,041 2,301 Other current liabilities 1,000 2,505 Operating lease liabilities - non-current portion 1,000 2,505 Obto accruent liabilities	Total current assets		32,850		47,512
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Investment in unconsolidated joint ventures 4,705 4,756 Goodwill 2,222 2,5204 Intangible assets, net 2,292 2,331 Defend tax asset, net 10,422 1,424 Other assets 10,422 5,800 Total assets 5,601,83 5,870,50 ILABILITIES AND STOCKHOLDERS' EQUITY 5 40,418 5,800 Crounts payable and accrued liabilities 47,436 3,272 Debt - current portion 47,345 3,272 Debt - current portion 47,345 3,727 Deferred revenue 9,09 10,20 Operating lease liabilities - current portion 3,84 8,13 Total current liabilities 2,10 2,00 Ober I congetterm portion 3,84 8,00 Subordinated debt, net 2,00 2,00 Operating lease liabilities - non-current portion	Operating lease right-of-use assets		193,655		200,417
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Intangible assets, net 2,92 2,391 Deferred tax asset, net 40 47 Other assets 10,02 10,284 Total assets \$ 560,198 \$ 587,055 LARJILITIES AND STOCKHOLDERS' EQUITY Use of the Lishilities \$ 40,418 \$ 42,590 Accounts payable and accrued liabilities \$ 40,418 \$ 42,590 Pillm rent payable 47,345 37,279 Subordinated debt - current portion 47,345 37,279 Subordinated debt - current portion 6,49 30 Deferred revenue 9,993 10,286 Operating lease liabilities - current portion 24,016 23,91 Other current liabilities 127,045 21,166 Operating lease liabilities - current portion 136,473 148,688 Subordinated debt, net 27,005 26,950 Noncurrent tax liabilities 6,79 7,117 Operating lease liabilities - non-current portion 192,78 20,037 Other liabilities 25,000 50,000 Total Raili	Investment in unconsolidated joint ventures		4,707		4,756
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Total Reading International, Inc. stockholders' equity50,76362,856Noncontrolling interests209423					
Noncontrolling interests 209 423	*		(3,250)		<u> </u>
					62,856
Total stackholdows' aguity.	Noncontrolling interests		209	_	423
Total stockholders equity 50,972 65,279	Total stockholders' equity		50,972		63,279
Total liabilities and stockholders' equity \$ 560,198 \$ 587,055	Total liabilities and stockholders' equity	\$	560,198	\$	587,055

Reading International, Inc. and Subsidiaries Segment Results

(Unaudited; U.S. dollars in thousands)

		Three Months Ended				
	_	March 31,				
(Dollars in thousands)		2023	2022		(Unfavorable)	
Segment revenue						
<u>Cinema</u>						
United States	\$	21,811	\$	17,517	25 %	
Australia		17,212		16,981	1 %	
New Zealand		2,964		2,849	4 %	
Total	\$	41,987	\$	37,347	12 %	
Real estate						
United States	\$	1,554	\$	676	>100%	
Australia		3,137		3,130	—%	
New Zealand		374		356	5 %	
Total	\$	5,065	\$	4,162	22 %	
Inter-segment elimination		(1,245)		(1,309)	5 %	
Total segment revenue	\$	45,807	\$	40,200	14 %	
Segment operating income (loss)						
<u>Cinema</u>						
United States	\$	(4,326)	\$	(6,320)	32 %	
Australia		(125)		(572)	78 %	
New Zealand	<u> </u>	(161)		(325)	50 %	
Total	<u>\$</u>	(4,612)	\$	(7,217)	36 %	
Real estate						
United States	\$	(217)	\$	(1,063)	80 %	
Australia		1,413		1,444	(2)%	
New Zealand		(190)		(277)	31 %	
Total	\$	1,006	\$	104	>100%	
Total segment operating income (loss) (1)	\$	(3,606)	\$	(7,113)	49 %	

⁽¹⁾ Total segment operating income is a non-GAAP financial measure. See the discussion of non-GAAP financial measures that follows.

Reading International, Inc. and Subsidiaries Reconciliation of EBITDA and Adjusted EBITDA to Net Income (Loss) (Unaudited; U.S. dollars in thousands)

		nths Ended ch 31,		
2023			2022	
	(11,111)	\$		(15
	4 117			3

(Dollars in thousands)	2023	 2022
Net Income (loss) attributable to Reading International, Inc.	\$ (11,111)	\$ (15,354)
Add: Interest expense, net	4,117	3,205
Add: Income tax expense (benefit)	(480)	(378)
Add: Depreciation and amortization	4,639	5,524
EBITDA	\$ (2,835)	\$ (7,003)
Adjustments for:		
Legal expenses relating to the Derivative litigation, the James J. Cotter Jr.		
employment arbitration and other Cotter litigation matters	_	_
Adjusted EBITDA	\$ (2,835)	\$ (7,003)

Reading International, Inc. and Subsidiaries Reconciliation of Total Segment Operating Income (Loss) to Income (Loss) before Income Taxes (Unaudited; U.S. dollars in thousands)

Three Months Ended

	March 31,			
(Dollars in thousands)		2023 2022		2022
Segment operating income (loss)	\$	(3,606)	\$	(7,112)
Unallocated corporate expense				
Depreciation and amortization expense		(179)		(277)
General and administrative expense		(4,095)		(4,391)
Interest expense, net		(4,117)		(3,205)
Equity earnings of unconsolidated joint ventures		19		(65)
Gain (loss) on sale of assets		_		_
Other income (expense)		174		(781)
Income (loss) before income tax expense	\$	(11,804)	\$	(15,831)

Non-GAAP Financial Measures

This Earnings Release presents total segment operating income (loss), EBITDA, and Adjusted EBITDA, which are important financial measures for our Company, but are not financial measures defined by U.S. GAAP.

These measures should be reviewed in conjunction with the relevant U.S. GAAP financial measures and are not presented as alternative measures of earnings (loss) per share, cash flows or net income (loss) as determined in accordance with U.S. GAAP. Total segment operating income (loss) and EBITDA, as we have calculated them, may not be comparable to similarly titled measures reported by other companies.

Total segment operating income (loss) – we evaluate the performance of our business segments based on segment operating income (loss), and management uses total segment operating income (loss) as a measure of the performance of operating businesses separate from non-operating factors. We believe that information about total segment operating income (loss) assists investors by allowing them to evaluate changes in the operating results of our Company's business separate from non-operational factors that affect net income (loss), thus providing separate insight into both operations and the other factors that affect reported results.

EBITDA — We use EBITDA in the evaluation of our Company's performance since we believe that EBITDA provides a useful measure of financial performance and value. We believe this principally for the following reasons:

We believe that EBITDA is an accepted industry-wide comparative measure of financial performance. It is, in our experience, a measure commonly adopted by analysts and financial commentators who report upon the cinema exhibition and real estate industries, and it is also a measure used by financial institutions in underwriting the creditworthiness of companies in these industries. Accordingly, our management monitors this calculation as a method of judging our performance against our peers, market expectations, and our creditworthiness. It is widely accepted that analysts, financial commentators, and persons active in the cinema exhibition and real estate industries typically value enterprises engaged in these businesses at various multiples of EBITDA. Accordingly, we find EBITDA valuable as an indicator of the underlying value of our businesses. We expect that investors may use EBITDA to judge our ability to generate cash, as a basis of comparison to other companies engaged in the cinema exhibition and real estate businesses and as a basis to value our company against such other companies.

EBITDA is not a measurement of financial performance under generally accepted accounting principles in the United States of America and it should not be considered in isolation or construed as a substitute for net income (loss) or other operations data or cash flow data prepared in accordance with generally accepted accounting principles in the United States for purposes of analyzing our profitability. The exclusion of various components, such as interest, taxes, depreciation, and amortization, limits the usefulness of these measures when assessing our financial performance, as not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds may be subject to contractual restrictions and functional requirements to service debt, to fund necessary capital expenditures, and to meet other commitments from time to time.

EBITDA also fails to take into account the cost of interest and taxes. Interest is clearly a real cost that for us is paid periodically as accrued. Taxes may or may not be a current cash item but are nevertheless real costs that, in most situations, must eventually be paid. A company that realizes taxable earnings in high tax jurisdictions may, ultimately, be less valuable than a company that realizes the same amount of taxable earnings in a low tax jurisdiction. EBITDA fails to take into account the cost of depreciation and amortization and the fact that assets will eventually wear out and have to be replaced.

Adjusted EBITDA — using the principles we consistently apply to determine our EBITDA, we further adjusted the EBITDA for certain items we believe to be external to our core business and not reflective of our costs of doing business or results of operation. Specifically, we have adjusted for (i) legal expenses relating to extraordinary litigation, and (ii) any other items that can be considered non-recurring in accordance with the two-year SEC requirement for determining an item is non-recurring, infrequent or unusual in nature.