AMC Entertainment Holdings Annual Report 2021

Form 10-K (NYSE:AMC)

Published: March 12th, 2021

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

FORM 10-K

(Mark One)

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

For the fiscal year ended **December 31, 2020**

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 001-33892

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**26-0303916**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One AMC Way **11500 Ash Street, Leawood, KS**	**66211**
(Address of principal executive offices)	(Zip Code)

(913) 213-2000

Registrant's telephone number, including area code:

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 common stock	AMC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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. (Check one):

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2020, computed by reference to the price at which the registrant's Class A common stock was last sold on the New York Stock Exchange on such date was $225,437,754 (52,549,593 shares at a closing price per share of $4.29).

Shares of Class A common stock outstanding—450,156,186 shares at March 11, 2021
Shares of Class B common stock outstanding— 0 shares at March 11, 2021

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement, in connection with its 2020 annual meeting of stockholders, to be filed within 120 days of December 31, 2020, are incorporated by reference into Part III of this Annual Report on Form 10-K.

AMC ENTERTAINMENT HOLDINGS, INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2020
INDEX

Forward-Looking Statements

In addition to historical information, this Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “will,” “forecast,” “estimate,” “project,” “intend,” “plan,” “expect,” “should,” “believe” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements 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 and speak only as of the date on which it is made. Examples of forward-looking statements include statements we make regarding the impact of COVID-19, future attendance levels and our liquidity. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including those discussed in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- If attendance levels increase consistent with our assumptions described below, we currently estimate that our existing cash and cash equivalents, net proceeds from the completed issuances of debt and common stock in January 2021 and borrowings under the Odeon Term Loan Facility will be sufficient to comply with minimum liquidity requirements under our debt covenants, fund operations, and satisfy obligations including cash outflows for increased rent and planned capital expenditures currently and through at least March 31, 2022. This requires that we achieve significant increases in attendance levels beginning in the third quarter of 2021 and ultimately reaching approximately 90% of pre COVID-19 attendance levels by the fourth quarter of 2021 and through first quarter of 2022 as the vaccine rollout continues and more Hollywood product is released in our theatres. If we are unable to achieve more normalized levels of attendance and operating revenues as described above, we may be required to obtain additional liquidity. If such additional liquidity were not realized or insufficient we likely would seek an in-court or out-of-court restructuring of our liabilities, and in the event of such future liquidation or bankruptcy proceeding, holders of our common stock and other securities would likely suffer a total loss of their investment;

- the impact of the COVID-19 virus on us, the motion picture exhibition industry, and the economy in general, including our response to the COVID-19 virus related to suspension of operations at our theatres, personnel reductions and other cost-cutting measures and measures to maintain necessary liquidity and increases in expenses relating to precautionary measures at our facilities to protect the health and well-being of our customers and employees;

- risks and uncertainties relating to our significant indebtedness, including our borrowings and our ability to meet our financial maintenance and other covenants;

- shrinking exclusive theatrical release windows;

- certain covenants in the agreements that govern our indebtedness may limit our ability to take advantage of certain business opportunities and limit or restrict our ability to pay dividends;

- risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges;

- risks relating to motion picture production and performance;

- our lack of control over distributors of films;

- intense competition in the geographic areas in which we operate;

- increased use of alternative film delivery methods including premium video on demand or other forms of entertainment, including the effects of the exit of the United Kingdom from the European Union;

- general and international economic, political, regulatory, social and financial market conditions and other risks;
- limitations on the availability of capital or poor financial results may prevent us from deploying strategic initiatives;
- our ability to achieve expected synergies, benefits and performance from our strategic theatre acquisitions and strategic initiatives;
- our ability to refinance our indebtedness on terms favorable to us or at all;
- our ability to optimize our theatre circuit through new construction, the transformation of our existing theatres, and strategically closing underperforming theatres may be subject to delay and unanticipated costs;
- AMC Stubs® A-List may not meet anticipated revenue projections which could result in a negative impact upon operating results;
- failures, unavailability or security breaches of our information systems;
- our ability to utilize interest expense deductions may be limited annually due to Section 163(j) of the Tax Cuts and Jobs Act of 2017;
- our ability to recognize interest deduction carryforwards, net operating loss carryforwards, cancellation of debt income and other tax attributes to reduce our future tax liability;
- our ability to recognize certain international deferred tax assets which currently do not have a valuation allowance recorded;
- impact of the elimination of the calculation of USD LIBOR rates on our contracts indexed to USD LIBOR;
- review by antitrust authorities in connection with acquisition opportunities;
- risks relating to the incurrence of legal liability, including costs associated with the ongoing securities class action lawsuits;
- dependence on key personnel for current and future performance and our ability to attract and retain senior executives and other key personnel, including in connection with any future acquisitions;
- increased costs in order to comply or resulting from a failure to comply with governmental regulation, including the General Data Protection Regulation ("GDPR"), the California Consumer Privacy Act ("CCPA") and pending future domestic privacy laws and regulations;
- the dilution caused by recent and future sales of our Class A common stock could adversely affect the market price of the Class A common stock;
- the market price and trading volume of our shares of Class A common stock has been and may continue to be volatile, and purchasers of our securities could incur substantial losses;
- future offerings of debt, which would be senior to our Class A common stock for purposes of distributions or upon liquidation, could adversely affect the market price of our Class A common stock;
- geopolitical events, including the threat of terrorism or cyber-attacks, or widespread health emergencies, such as the novel coronavirus or other pandemics or epidemics, causing people to avoid our theatres or other public places where large crowds are in attendance;

- anti-takeover protections in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage or prevent a takeover of our Company, even if an acquisition would be beneficial to our stockholders;

- an issuance of preferred stock could dilute the voting power of the common stockholders and adversely affect the market value of our Class A common stock; and

- other risks referenced from time to time in filings with the SEC.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative but not exhaustive. In addition, new risks and uncertainties may arise from time to time. Accordingly, all forward-looking statements should be evaluated with an understanding of their inherent uncertainty and we caution accordingly against relying on forward-looking statements.

Except as required by law, we assume no obligation to publicly update or revise these forward-looking statements for any reason. Actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Readers are urged to consider these factors carefully in evaluating the forward-looking statements. For further information about these and other risks and uncertainties as well as strategic initiatives, see Item 1A. “Risk Factors” and Item 1. “Business” in this Annual Report on Form 10-K.

PART I

Item 1. Business

General Development of Business

AMC Entertainment Holdings, Inc. (“Holdings”), through its direct and indirect subsidiaries, including American Multi-Cinema, Inc. and its subsidiaries, (collectively with Holdings, unless the context otherwise requires, the “Company” or “AMC”), is principally involved in the theatrical exhibition business and owns, operates or has interests in theatres primarily located in the United States and Europe.

As of December 31, 2020, Dalian Wanda Group Co., Ltd. (“Wanda”), a Chinese private conglomerate, owned approximately 23.08% of Holdings’ outstanding common stock and 47.37% of the combined voting power of Holdings’ outstanding common stock and had significant influence over Holdings’ affairs and policies, including with respect to the election of directors (and, through the election of directors, the appointment of management), entering into of mergers, sales of substantially all of our assets and other extraordinary transactions. On February 1, 2021, Wanda exercised their right to convert all outstanding Class B common stock to Class A common stock resulting in ownership in Holdings’ outstanding common stock and voting power of Holdings’ outstanding common stock of approximately 9.8% as of March 3, 2021.

Our business was founded in Kansas City, Missouri in 1920. Holdings was incorporated under the laws of the state of Delaware on June 6, 2007. We maintain our principal executive offices at One AMC Way, 11500 Ash Street, Leawood, Kansas 66211.

COVID-19 Impact, Company Response and Change in Business Strategy

In March 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) to be a pandemic. The COVID-19 pandemic has disrupted and is expected to continue to disrupt our business, which has and could continue to materially affect our operating results, cash flows and/or financial condition for an extended period of time.

On March 17, 2020, we temporarily suspended all theatre operations in our U.S. markets and International markets in compliance with local, state, and federal governmental restrictions and recommendations on social gatherings to prevent the spread of COVID-19 and as a precaution to help ensure the health and safety of our guests and theatre staff. We resumed limited operations in the International markets in early June 2020 and limited operations in the U.S. markets in late August 2020. A COVID-19 resurgence during the fourth quarter of 2020 resulted in additional local, state, and federal governmental restrictions and many previously reopened theatres in International markets temporarily suspended operations again.

The North American and International industry box offices have also been significantly impacted by the COVID-19 pandemic, and in response to the suspension of theatre operations by AMC and other theatre exhibitors and the COVID-19 related suspension of new movie production, studios have postponed new film releases beyond 2020 or moved them to the home video market, streaming, or premium video on demand (“PVOD”) platforms.

As a result of the suspended operations and limited new film content, our revenues and expenses for the year ended December 31, 2020 were significantly lower than the revenues and expenses for the year ended December 31, 2019.

Effective vaccines against COVID-19, which are expected to become widely available during 2021, together with the currently scheduled release later this year of major movie titles that have so far been delayed, are expected to have a material positive impact on our industry and have generated optimism that movie theatre attendance levels ultimately will rebound from current levels. In the meantime, however, a continued high level of COVID-19 cases, together with continuing delays of major movie releases and the direct or simultaneous release of movie titles to the home video or streaming markets in lieu of theatre exhibition, have led to theatre closures, prevented the opening of theatres in major markets and have had, and are expected to continue to have in the future, a material adverse impact on theatre attendance levels and our business.

- As of March 5, 2021, we were operating at 527 of our 589 U.S. theatres, with limited seating capacities and during limited opening hours. Some of our major markets in the U.S., such as New York City and California, remain partially closed for theatrical exhibition. During the fourth quarter of 2020, we experienced an overall attendance decline in the U.S. of approximately 92.3% compared to the same period a year ago.

- As of March 5, 2021, we were operating at 78 of our 356 leased and partnership International theatres, with limited seating capacities and during limited opening hours. During the fourth quarter of 2020, we experienced an overall attendance decline in our International theatres of approximately 89.2% compared to the same period a year ago.

In response to the COVID-19 pandemic, we have adjusted certain elements of our business strategy and have taken and continue to take significant steps to preserve cash by eliminating non-essential costs, including reductions to our variable costs and elements of our fixed cost structure, including, but not limited to:

- Suspended non-essential operating expenditures, including marketing & promotional and travel and entertainment expenses; and where possible, utilities and reduced essential operating expenditures to minimum levels necessary while theatres are operating for limited hours or are closed;
- Terminated or deferred all non-essential capital expenditures to minimum levels necessary while theatres are operating for limited hours or closed;
- Implemented measures to reduce corporate-level employment costs while closed, including full or partial furloughs of all corporate-level Company employees for a period of time, including senior executives, with individual work load and salary reductions ranging from 20% to 100%; cancellation of pending annual merit pay increases; and elimination or reduction of non-healthcare benefits. With the resumption of operations, we eliminated the full and partial furloughs;
- All domestic theatre-level crew members were fully furloughed and theatre-level managements' hours were reduced to the minimum levels necessary to begin resumption of operations when permitted. Similar efforts to reduce theatre-level and corporate employment costs were undertaken internationally consistent with applicable laws across the jurisdictions in which we operate. As we resumed limited operations, employment costs increased;
- Working with our landlords, vendors, and other business partners to manage, defer, and/or abate the related rent expenses and operating expenses;
- Introduced an active cash management process, which, among other things, requires senior management approval of all outgoing payments;
- Since April 24, 2020, we have been prohibited from making dividend payments in accordance with the covenant suspension conditions in our Senior Secured Credit Facility Agreement. We had also previously elected to decrease the dividend paid in the first quarter of 2020 by $0.17 per share when compared to the first quarter of 2019. The cash savings as a result of the prior decrease and current prohibition on making dividend payments was $77.6 million during the year ended December 31, 2020 in comparison to the year ended December 31, 2019; and
- We are prohibited from making purchases under our stock repurchase program in accordance with the covenant suspension conditions in our Senior Secured Credit Facility agreement.

We intend to seek any available potential benefits, including loans, investments or guarantees, under future government programs for which we qualify domestically and internationally. We have taken advantage of many forms of governmental assistance in the U.S. and internationally including but not limited to revenue and fixed cost reimbursements, payroll subsidies, rent support programs, direct grants, and property tax holidays. We cannot predict the manner in which such benefits will be allocated or administered, and we cannot assure that we will be able to access such benefits in a timely manner or at all.

In addition to preserving cash, we enhanced liquidity through debt issuances, debt exchanges and equity sales as follows. See Note 8**—**Corporate Borrowings and Finance Lease Obligations, Note 9**—**Stockholders' Equity, and Note 17—Subsequent Events in the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof, for further information.

- The April 2020 issuance of $500 million of 10.5% first lien notes due 2025 (the "First Lien Notes due 2025").
- The July 2020 completion of a debt exchange offer in which we issued approximately $1.46 billion aggregate principal amount of 10%/12% Cash/PIK Toggle Second Lien Subordinated Secured Notes due 2026 (the

"Second Lien Notes due 2026") in exchange for approximately $2.02 billion principal amount of our senior subordinated notes, reducing the principal amounts of our debt by approximately $555 million and extending maturities on approximately $1.7 billion of debt to 2026, most of which was maturing in 2024 and 2025 previously. Interest on the Second Lien Notes due 2026 for the first three six-month interest periods after the issue date is expected to be paid all or in part on an in-kind basis pursuant to the terms of the Second Lien Notes due 2026.

- The July 2020 issuance of the 10.5% first lien secured notes due 2026 (the "First Lien Notes due 2026") in which we received proceeds of $270.0 million, net of discounts and deferred charges.
- The launch of several "at-the-market" equity offerings to raise capital through the sale of AMC Class A common stock. During the year ended December 31, 2020, we sold 91.0 million shares, generating $272.8 million in gross proceeds and paid fees to sales agents of $6.8 million. In January 2021, we sold approximately 187.0 million shares, generating $596.9 million in gross proceeds and paid fees to sales agents of $14.9 million.
- The December 2020 issuance of 21,978,022 shares of Class A common stock to Mudrick Capital Management, LP ("Mudrick") in exchange for $104.5 million aggregate principal amount of the Second Lien Notes due 2026 and a commitment from Mudrick to purchase $100 million aggregate principal amount of 15%/17%/Cash/PIK Toggle First Lien Secured Notes due 2026 ("First Lien Toggle Notes due 2026") which we issued to Mudrick in January 2021 for cash.
- The January 2021 conversion by holders of all $600 million of our 2.95% Convertible Senior Secured Notes due 2026 into shares of our Class A common stock at a conversion price of $13.51, which resulted in the issuance of 44,422,860 shares of our Class A common stock and reduced annual cash interest expense by $17.7 million.
- The February 2021 entry into a new £140.0 million and €296.0 million term loan facility agreement (the "Odeon Term Loan Facility") by Odeon Cinemas Group Limited ("Odeon"). Approximately £89.7 million and €12.8 million of the net proceeds from the Odeon Term Loan Facility were used to repay in full Odeon's obligations (including principal, interest, fees and cash collateralized letters of credit) under its existing revolving credit facility and the remaining net proceeds will be used for general corporate purposes.

The temporary theatre closures and the reduced operating hours and reduced attendance at the reopened theatres have caused a substantial decline in our sales in the most recently completed fiscal year. In light of the challenges posed by the COVID-19 pandemic, we are focused on maximizing our attendance capacity as permitted by the jurisdictions where we operate, continuing to provide a safe environment for our guests and employees, maintaining our operational efficiencies as much as possible and preserving our liquidity. As a result of the COVID-19 pandemic, we have reduced capital expenditures significantly to maintenance levels and with the exception of prior commitments, have eliminated growth capital expenditures at this time. The future attendance and sales levels of our theatres and our ability to implement our growth strategy remain highly uncertain, as the full impact and duration of the COVID-19 pandemic continues to evolve as of the date of this Annual Report on Form 10-K. The ongoing impact of the COVID-19 pandemic on our long-term operational and financial performance will depend on future developments, many of which are outside of our control, and all of which are highly uncertain and cannot be predicted. Please see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations of Part II thereof for additional information.

If attendance levels increase consistent with our assumptions described below, we currently estimate that our existing cash and cash equivalents, net proceeds from the completed issuances of debt and common stock in January 2021 and borrowings under the Odeon Term Loan Facility in February 2021 will be sufficient to comply with minimum liquidity requirements under our debt covenants to fund operations, and satisfy obligations including cash outflows for increased rent and planned capital expenditures currently and through at least March 31, 2022. This requires that we achieve significant increases in attendance levels beginning in the third quarter of 2021 and ultimately reaching 90% of pre COVID-19 attendance levels by the fourth quarter of 2021 and through the first quarter of 2022 as the vaccine rollout continues and more Hollywood product is released in our theatres. We entered into the Ninth Amendment (as defined below) to the Credit Agreement (as defined below), pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Revolving Credit Facility (as defined below) from March 31, 2021 to March 31, 2022, as described, and on the terms and conditions specified, therein. As a result, we will be subject to the financial covenant beginning with the quarter ending June 30, 2022. We are subject to minimum liquidity requirements of approximately $145 million, of which $100 million is required under the conditions for the Extended Covenant Suspension Period under the Senior Secured Revolving Credit Facility during the Extended Covenant Suspension Period, as amended, and £32.5 million (approximately $45 million) required under the

Odeon Term Loan Facility. Our liquidity needs thereafter will depend, among other things, on the timing of a full resumption of operations, the timing of movie releases and our ability to generate cash from operations.

We continue to explore potential sources of additional liquidity, which is essential to our long-term viability, including:

- **Additional equity financing.** We may continue to pursue equity issuances that include our remaining authorized shares. The amount of liquidity we might generate will primarily depend on the market price of our Class A common stock, trading volumes, which impact the number of shares we are able to sell, and the available periods during which sales may be made. Because our market price and trading volumes are volatile, there is no guarantee as to the amounts of liquidity we might generate or that our prior experience accurately predicts the results we will achieve.
- **Landlord Negotiations**. Commencing in 2021, our cash expenditures for rent are scheduled to increase significantly as a result of rent obligations that had been deferred to 2021 and future years that total approximately $450.0 million as of December 31, 2020. In light of our liquidity challenges, and in order to establish our long-term viability, we believe we must continue to reach accommodations with our landlords to abate or defer a substantial portion of our rent obligations, in addition to generating sufficient amounts of liquidity through equity issuances and the other potential financing arrangements discussed below. Accordingly, we have entered into additional landlord negotiations to seek material reductions, abatements and deferrals in our rent obligations. In connection with these negotiations, we have ceased to make rent payments under a portion of our leases and have received notices of default, the result of which may permit landlords to threaten or seek a variety of remedies. We continue to renegotiate leases with landlords to attain additional concessions and address any instances of default. To the extent we achieve substantial deferrals but not abatements, our cash requirements will increase substantially in the future.
- **Other Creditor Discussions**. While the liquidity we have raised has substantially extended our liquidity runway, the new debt we have issued, together with the higher interest rate payments that will be required in the future but have largely been deferred, will substantially increase our leverage and future cash requirements. These future cash requirements, like our deferred rent obligations, will present a challenge to our long-term viability if our operating income does not return to pre-COVID-19 pandemic levels. Even then, we believe we will need to engage in discussions with our creditors to substantially reduce our leverage. We expect to continue to explore alternatives that include new-money financing, potentially in connection with converting debt to equity, which would help manage our leverage but would be dilutive to holders of our common stock. We expect we will continue to receive from and discuss proposals with all classes of creditors. These discussions may not result in any agreement on commercially acceptable terms.
- **Covenant Suspension.** We entered into the Ninth Amendment to the Credit Agreement, pursuant to which the requisite revolving lenders party thereto agreed to extend the suspension period for the financial covenant applicable to the Revolving Credit Facility from March 31, 2021 to March 31, 2022, as described, and on the terms and conditions specified, therein. See Note 17—Subsequent Events of the Notes to the Consolidated Financial Statements under Part II, Item 8 thereof for further information.
- **Joint-venture or other arrangements with existing business partners and minority investments in our capital stock.** We continue to explore other potential arrangements, including equity investments, to generate additional liquidity.

It is very difficult to estimate our liquidity requirements, future cash burn rates and future attendance levels. Depending on the Company's assumptions regarding the timing and ability to achieve more normalized levels of operating revenue, the estimates of amounts of required liquidity vary significantly. Similarly, it is very difficult to predict when theatre attendance levels will normalize, which we expect will depend on the widespread availability and use of effective vaccines for the coronavirus. However, our current cash burn rates are not sustainable. Further, we cannot predict what future changes may occur to the supply or release date of movie titles available for theatrical exhibition once moviegoers are prepared to return in large numbers. Nor can we know with certainty the impact of Warner Bros.'s announcement that it is releasing its entire 2021 slate of movies on HBO Max at the same time as the movies debut in theatres or any similar announcements regarding the release of movie titles concurrently to the home video or streaming markets, as those arrangements will be subject to negotiations that have not yet taken place. We estimate future attendance levels and other assumptions to predict our liquidity requirements and future cash burn but our ability to accurately predict our liquidity and cash burn is uncertain due to the unknown magnitude and duration of the COVID-19 pandemic. Further, there can be no assurances that the Company will be successful in generating the