

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

FORM 10-Q

☒

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 26, 2024

or

☐

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

For the transition period from to
Commission file number: 001-33296



NATIONAL CINEMEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

20-5665602

(I.R.S. Employer
Identification No.)

6300 S. Syracuse Way, Suite 300

Centennial

Colorado

80111

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (303) 792-3600

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

Title of each class

Trading symbol(s)

Name of each exchange on which registered

Common Stock, par value \$0.01 per share

NCMI

The Nasdaq Stock Market LLC

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 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 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 the 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 ☒

As of October 31, 2024,

94,915,077

shares of the registrant's common stock (including unvested restricted shares), par value of \$0.01 per share, were outstanding.

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PART I

Item 1. Financial Statements

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)
(UNAUDITED)

	September 26, 2024	As of December 28, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 49.4	\$ 34.6
Restricted cash	3.0	3.0
Short-term marketable securities	0.1	—
Receivables, net of allowance of \$ 1.1 and \$ 1.4 , respectively	62.8	96.6
Amounts due from ESA Parties	6.7	5.4
Prepaid expenses and other current assets	3.6	4.2
Total current assets	125.6	143.8
NON-CURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$ 4.7 and \$ 1.6 , respectively	15.3	15.8
Intangible assets, net of accumulated amortization of \$ 43.4 and \$ 15.0 , respectively	364.4	394.3
Other investments	1.3	0.7
Debt issuance costs, net	1.5	2.2
Other assets	18.0	10.9
Total non-current assets	400.5	423.9
TOTAL ASSETS	\$ 526.1	\$ 567.7

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Amounts due to ESA Parties, net		
	\$ 3.1	\$ 6.6
Accrued expenses		
	1.9	1.6
Accrued payroll and related expenses		
	12.3	17.7
Accounts payable		
	16.2	21.7
Deferred revenue		
	14.5	9.8
Other current liabilities		
	3.1	1.0
Total current liabilities		
	51.1	58.4
NON-CURRENT LIABILITIES:		
Long-term debt		
	10.0	10.0
Payable under the TRA		
	67.2	59.8
Long-term lease liability		
	12.3	5.0
Total non-current liabilities		
	89.5	74.8
Total liabilities		
	140.6	133.2

COMMITMENTS AND CONTINGENCIES (NOTE 9)

EQUITY:

NCM, Inc. Stockholders' Equity:		
Preferred stock, \$		
0.01		
par value;		
10,000,000		
shares authorized,		
50		
issued		
and outstanding	—	—

Common stock, \$		
0.01		
par value;		
260,000,000		
shares authorized,		
95,084,232		
and		
96,837,039		
issued and outstanding, respectively	2.5	2.6
Additional paid in capital	124.7	115.3
Retained earnings	258.3	316.6
Total NCM, Inc. stockholders' equity	385.5	434.5
Noncontrolling interests	—	—
Total equity	385.5	434.5
TOTAL LIABILITIES AND EQUITY	\$ 526.1	\$ 567.7

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)
(UNAUDITED)

	Three Months Ended September 26, 2024	September 28, 2023	Nine Months Ended September 26, 2024	September 28, 2023
REVENUE (including revenue from related parties of \$ 0.0 , \$ 0.0 , \$ 0.0 and \$ 11.8 , respectively)	\$ 62.4	\$ 24.7	\$ 154.5	\$ 74.4
OPERATING EXPENSES:				
Network operating costs	3.3	2.6	10.6	6.9
ESA Parties and network affiliate fees (including fees to related parties of \$ 0.0 , \$ 0.0 , \$ 0.0 and \$ 16.5 , respectively)	32.9	14.5	82.1	42.8
Selling and marketing costs	10.1	6.3	29.6	16.9
Administrative and other costs	12.9	7.3	39.8	40.6
Depreciation expense	1.2	0.6	3.4	2.1
Amortization expense	9.5	5.7	28.4	12.8
Total	69.9	37.0	193.9	122.1
OPERATING LOSS	(7.5)	(12.3)	(39.4)	(47.7)
NON-OPERATING (INCOME) EXPENSE:				
Interest on borrowings	0.4	0.3	1.3	27.5
Interest income	(0.7)	—	(1.7)	—
(Gain) loss on re-measurement of the payable under the tax receivable agreement	(3.0)	9.3	9.3	12.7

Gain on deconsolidation of NCM LLC	(
	—	—	—	557.7)
Gain on re-measurement of investment in NCM LLC	((
	—	35.3	—	35.5)
Gain on reconsolidation of NCM LLC	((
	—	168.0	—	168.0)
Other non-operating (income) expense, net	(((
	0.6	0.4	1.3	0.3)
Total	(((((
	3.9	194.1	7.6	720.7)
(LOSS) INCOME BEFORE INCOME TAXES	((
	3.6	181.8	47.0	673.0)
Income tax expense	—	—	—	—	
CONSOLIDATED NET (LOSS) INCOME	((
	3.6	181.8	47.0	673.0)
Less: Net loss attributable to noncontrolling interests	((
	—	—	—	8.5)
NET (LOSS) INCOME ATTRIBUTABLE TO NCM, INC.	((
	3.6	181.8	47.0	681.5)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO NCM, INC.	((
	<u>\$ 3.6</u>	<u>\$ 181.8</u>	<u>\$ 47.0</u>	<u>\$ 681.5</u>	
NET (LOSS) INCOME PER NCM, INC. COMMON SHARE:					
Basic	((
	0.04	2.89	0.49	21.58)
	\$	\$	\$	\$	
Diluted	((
	0.04	2.89	0.49	20.72)
	\$	\$	\$	\$	
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic					
	95,221,502	62,765,418	96,183,328	31,574,026	
Diluted					
	95,221,502	62,804,688	96,183,328	32,487,898	

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions) (UNAUDITED)

	Nine Months Ended	
	September 26, 2024	September 28, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net (loss) income	((
	47.0	673.0
	\$)	\$)
Adjustments to reconcile consolidated net (loss) income to net cash provided by (used in) operating activities:		
Depreciation expense	3.4	2.1
Amortization expense	28.4	12.8
Non-cash share-based compensation	9.2	3.0
Gain on deconsolidation of affiliate	—	(
		557.7
)
Gain on re-measurement of NCM LLC	—	(
		35.5
)
Gain on reconsolidation of NCM LLC	—	(
		168.0
)
Amortization of debt issuance costs	0.6	3.2
Non-cash loss on re-measurement of the payable under the tax receivable agreement	9.3	12.7
Other	((
	0.6	0.3
))
ESA integration and other encumbered theater payments	0.9	4.7
Other cash flows from operating activities	—	(
		0.6
)
Changes in operating assets and liabilities:		
Receivables, net	33.2	63.7
Accounts payable and accrued expenses	((
	9.8	11.4
))
ESA amounts due to/from, net	((
	2.1	9.2
))
Prepaid expenses	((
	0.7	12.0
))
Deferred revenue		(
	4.7	5.9
)

Other, net	0.3	3.1
Net cash provided by (used in) operating activities	(29.8)	(22.3)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3.4)	(1.7)
Purchases of marketable securities	(0.1)	—
Cash contributed in reconsolidation	—	(15.5)
Cash, cash equivalents and restricted cash reconsolidated	—	49.5
Proceeds received from equity method investment	0.6	—
Proceeds from the sale of assets	—	0.3
Proceeds from sale and maturities of marketable securities	—	1.0
Net cash (used in) provided by investing activities	(2.9)	33.6
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(0.3)	(0.5)
Purchases of NCM, Inc.'s common stock	(11.1)	—
Cash redemption of NCM LLC common membership units	(0.7)	—
Removal of cash, cash equivalents and restricted cash of unconsolidated affiliate	—	(49.6)
Repayment of term loan facility	—	(0.8)
Payment of debt issuance costs	—	(1.2)
Net cash used in financing activities	(12.1)	(52.1)
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	14.8	(40.8)
Cash, cash equivalents and restricted cash at beginning of period	37.6	63.8
Cash, cash equivalents and restricted cash at end of period	52.4	23.0

\$ 52.4 \$ 23.0

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In millions)
(UNAUDITED)

	Nine Months Ended	
	September 26, 2024	September 28, 2023
Supplemental disclosure of non-cash financing and investing activity:		
Purchase of an intangible asset with NCM LLC equity	0.7	—
	\$	\$
Issuance of shares upon the reconsolidation of NCM LLC	—	245.3
	\$	\$
Fair value of NCM LLC net assets reconsolidated, net of cash	—	434.0
	\$	\$
Purchase of subsidiary equity with NCM, Inc. equity	—	2.6
	\$	\$
Dividends declared not requiring cash in the period	—	0.1
	\$	\$
Right of use assets obtained in exchange for lease liabilities	8.5	—
	\$	\$
Supplemental disclosure of cash flow information:		
Cash paid for interest	(0.7)	(12.2)
	\$	\$
Cash paid for income taxes	(0.1)	(0.1)
	\$	\$

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

[illegible]

	Consolidate d	Shares	Amount	Shares	Amount	(Deficit)	Deficit)	Interest
Balance—December 29, 2022	(((
	464.0	12,840,264	1.2	—	—	146.2	370.4	51.4
	\$)		\$		\$	\$)	\$)	\$
Deconsolidation of affiliate	(((
	33.3	—	—	—	—	15.2	18.1	—
)))	
Income tax and other impacts of NCM LLC ownership changes	((
	9.6	—	—	—	—	33.4	—	43.0
))
Issuance of shares								
	242.6	83,722,159	1.2	50	—	241.4	—	—
NCM LLC common membership redemption	((
	2.6	—	—	—	—	2.6	—	—
))		
Comprehensive income (loss), net of tax								(
	673.0	—	—	—	—	—	681.5	8.5
)
Share-based compensation issued, net of tax								
	0.1	221,813	0.1	—	—	—	—	—
Share-based compensation expensed/capitalized								
	3.1	—	—	—	—	3.0	—	0.1
Balance— September 28, 2023								
	409.3	96,784,236	2.5	50	—	113.8	293.0	—
	\$		\$		\$	\$	\$	\$
Balance—December 28, 2023								
	434.5	96,837,039	2.6	50	—	115.3	316.6	—
	\$		\$		\$	\$	\$	\$
Income tax and other impacts of NCM LLC ownership changes	0.1	—	—	—	—	0.1	—	—
NCM LLC equity issued for purchase of intangible asset	0.7	—	—	—	—	0.7	—	—
Cash redemption of NCM LLC common membership units	((
	0.7	—	—	—	—	0.7	—	—
))		
Purchases of NCM, Inc.'s common stock	((((
	11.4	2,224,488	0.1	—	—	—	11.3	—
)))	
Comprehensive loss, net of tax	((
	47.0	—	—	—	—	—	47.0	—
))	
Share-based compensation issued, net of tax								
	0.1	471,681	—	—	—	0.1	—	—
Share-based compensation expensed/capitalized								
	9.2	—	—	—	—	9.2	—	—
Balance—September 26, 2024								
	385.5	95,084,232	2.5	50	—	124.7	258.3	—
	\$		\$		\$	\$	\$	\$

See accompanying notes to the unaudited Condensed Consolidated Financial Statements.

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. THE COMPANY

Description of Business

National CineMedia, Inc., a Delaware corporation ("NCM, Inc."), is a holding company with the sole purpose of becoming a member and sole manager of National CineMedia, LLC ("NCM LLC"), a Delaware limited liability company. NCM, Inc. currently owns approximately

100.0

% of NCM LLC. The terms "NCM", "the Company" or "we" shall, unless the context otherwise requires, be deemed to include the consolidated entity.

The Company operates the largest cinema advertising network reaching movie audiences in the U.S. and sells advertising under long-term exhibitor service agreements ("ESAs") with Cinemark USA, Inc., a wholly owned subsidiary of Cinemark Holdings, Inc. ("Cinemark"), and American Multi-Cinema, Inc., a wholly owned subsidiary of AMC Entertainment, Inc. ("AMC") and with certain network affiliates under long-term network affiliates agreements, including Regal Cinemas, Inc., a wholly owned subsidiary of Cineworld Group plc and Regal Entertainment Group ("Regal"). As of September 26, 2024, the weighted average remaining term of the ESAs with Cinemark and AMC was approximately 14.4 years. The network affiliate agreements expire at various dates between January 2025 and July 2033. The weighted average remaining term of the ESAs and the network affiliate agreements together is 11.5 years as of September 26, 2024.

Bankruptcy Filing, Deconsolidation and Reconsolidation of NCM LLC

On April 11, 2023, NCM LLC filed a voluntary petition for reorganization (the "Chapter 11 Case") with a prearranged Chapter 11 plan under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court"). During the Chapter 11 Case, the Company was deemed to no longer control NCM LLC for accounting purposes and NCM LLC was deconsolidated from the Company's financial statements prospectively as of April 11, 2023 and the Company recorded a gain on deconsolidation of \$

557.7

million within the second quarter of 2023. NCM, Inc. continued to operate as the manager of the debtor-in-possession pursuant to the authority granted under Chapter 11 of the Bankruptcy Code throughout the Chapter 11 Case.

On June 27, 2023, the Bankruptcy Court entered an order (the "Confirmation Order") confirming NCM LLC's Modified First Amended Plan of Reorganization of National CineMedia, LLC Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 428] (as may be amended, modified, or supplemented from time to time, the "Plan") and approving the Amended Disclosure Statement for First Amended Chapter 11 Plan of Reorganization of National CineMedia, LLC [Docket No. 250] (the "Disclosure Statement") on a final basis. Following confirmation of the Plan on August 7, 2023 (the "Effective Date"), all the conditions to effectiveness of the Plan were satisfied or waived, the Restructuring Transactions (as defined in the "Plan") were substantially consummated and NCM LLC emerged from bankruptcy. Among other things, on the Effective Date, in accordance with the Plan, all common units under the NCM LLC's Third Amended and Restated Limited Liability Company Operating Agreement (the "NCM LLC Operating Agreement") were canceled and extinguished, NCM, Inc. received NCM LLC common units and transferred the NCM Capital Contribution (as defined in the Plan) of approximately \$

15.5

million to NCM LLC, NCM LLC assumed certain unexpired Executory Contracts and Unexpired Leases (each, as defined in the Plan), including AMC's and Cinemark's ESAs, NCM LLC transferred \$

8.8

million of cash to a professional fees escrow account and \$

15.0

million to an unsecured creditor settlements escrow account for the General Unsecured Claim Pool (as defined in the Plan). NCM LLC commenced distributions to creditors, including the issuance of shares of NCM, Inc. common stock to holders of Secured Debt Claims (as defined in the Plan) and NCM LLC entered into an Exit Facility (as defined in the Plan) to support operations upon emergence. As a result of the Plan, all historical debt of NCM LLC was discharged and NCM LLC recorded a gain on bankruptcy of \$

916.4

million for the three and nine months ended September 28, 2023.

Additionally, upon emergence from bankruptcy, NCM, Inc., regained control and retained

100.0

% ownership of NCM LLC, after taking into account elections by the holders of Secured Debt Claims to receive NCM, Inc. common stock in lieu of NCM LLC common units and NCM LLC was therefore reconsolidated into the Company's financial statements prospectively as of August 7, 2023 akin to an acquisition under *Accounting Standards Codification ("ASC") 805 – Business Combinations*. In accordance with ASC 805 – *Business Combinations*, the assets and liabilities of NCM LLC were adjusted to their estimated fair value as of the Effective Date. All activity during the Chapter 11 Case from April 11, 2023 to August 7, 2023 when NCM LLC was deconsolidated from NCM, Inc. represents activity and balances for NCM, Inc. standalone. All activity and balances prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023 represent NCM, Inc. consolidated, inclusive of NCM LLC.

As of September 26, 2024, the Company had not completed all agreed upon payments to the General Unsecured Claim Pool and held a total of \$

3.0

million within the escrow accounts and accruals, presented within 'Restricted cash' and 'Accounts payable' on the unaudited Consolidated Balance Sheet as of September 26, 2024, respectively.

Other Developments

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In December 2022, AMC and Regal each redeemed all of their outstanding membership units,

595,465
and

4,068,380

, respectively, in exchange for shares of NCM, Inc. common stock, reducing AMC's and Regal's ownership to

0.0

% in NCM LLC as of December 28, 2023. On February 23, 2023 and March 23, 2023, Cinemark redeemed

4,196,987
and

172,094

, respectively, of its outstanding common membership units in exchange for shares of NCM, Inc. common stock. On April 1, 2024, in accordance with the Common Unit Adjustment Agreement, NCM LLC issued

132,096
and

3,377

common membership units to Cinemark and AMC, respectively. On April 16, 2024, the Company elected to satisfy a redemption request from Cinemark for all of their outstanding common membership units through a cash settlement as provided in NCM LLC's Operating Agreement. This redemption reduced Cinemark's ownership interest in NCM LLC to

0.0

% as of April 16, 2024. As of September 26, 2024, AMC's ownership interest remains de minimis. AMC and Cinemark and their affiliates are referred to in this document as "ESA Parties".

On June 3, 2023, NCM LLC, entered into a Network Affiliate Transaction Agreement (the "Regal Advertising Agreement") with Regal. The Regal Advertising Agreement became effective on July 14, 2023. Pursuant to a separate termination agreement (the "Regal Termination Agreement"), effective on July 14, 2023, Regal rejected and terminated its ESA. Additionally Regal and Regal's affiliates' waived all rights and interests as to the Tax Receivable Agreement ("TRA"), the Common Unit Adjustment Agreement, the Software License Agreement, the Director Designation Agreement, the Registration Rights Agreement and all the other joint venture agreements described in the NCM LLC Operating Agreement. The Company and NCM LLC and Regal and Regal's affiliates waived and released claims against the other party. Regal also agreed to support NCM LLC's Plan and surrendered all shares of NCM, Inc. common stock upon the Effective Date. In connection with the Regal Advertising Agreement, NCM LLC and Regal also agreed to dismiss with prejudice the ongoing litigation between the parties related to NCM LLC's request to enforce certain provisions of the ESA, including the exclusivity provision. Beginning on July 14, 2023, Regal is no longer an ESA Party of NCM, Inc. or NCM LLC.

Basis of Presentation

The Company has prepared the unaudited Condensed Consolidated Financial Statements and related notes of NCM, Inc. in accordance with GAAP for interim financial information and the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures typically included in an annual report have been condensed or omitted for this quarterly report. The balance sheet as of December 28, 2023 is derived from the audited financial statements of NCM, Inc. Therefore, the unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Company's annual report on Form 10-K filed for the fiscal year ended December 28, 2023.

In the opinion of management, all adjustments necessary to present fairly in all material respects the financial position, results of operations and cash flows for all periods presented have been made and all intercompany accounts have been eliminated in consolidation. The Company has reclassified certain historical amounts on the unaudited Condensed Consolidated Balance Sheets, Statements of Operations and Statements of Cash Flows to conform to current period presentation. In the three months and nine months ended September 26, 2024, the Company reclassified certain historical expenses on the unaudited Condensed Consolidated Statements of Operations from 'Advertising operating costs' and 'Network costs' to 'Network operating costs' and certain historical expenses from 'Advertising operating costs' and 'ESA theater access fees and revenue shares' to 'ESA Parties and network affiliate fees' to conform to current period presentation. Historically, the Company's business has been seasonal and for this and other reasons operating results for interim periods have not been indicative of the Company's full year results or future performance. As a result of the various related party agreements discussed in Note 6—*Related Party Transactions*, the operating results as presented are not necessarily indicative of the results that might have occurred if all agreements were with non-related third parties. The Company manages its business under

one

operating and reportable segment of advertising.

Estimates—The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those related to the reserve for uncollectible accounts receivable, share-based compensation and income taxes. Actual results could differ from estimates.

Reverse Stock Split—On August 3, 2023, the Company effected a one-for-ten (1:10) reverse stock split of its common stock, par value \$

0.01

per share. The reverse stock split, which was authorized by its Board of Directors, was approved by the Company's stockholders on August 2, 2023. The reverse stock split reduced the number of outstanding shares of the Company's common stock from

174,112,385
shares as of August 3, 2023, to

17,411,323

shares outstanding post-reverse stock split. The primary purpose of the reverse stock split was to comply with the Company's obligations under a settlement reached between the Company, NCM LLC and certain lender parties thereto in connection with the Chapter 11 Case (the "NCMI 9019

Settlement”), and so that the Plan may become effective as well as to increase the per share market price of the Company’s common stock in an effort to maintain compliance with applicable Nasdaq continued listing standards with respect to the closing price of the Company’s common stock.

Significant Accounting Policies

NATIONAL CINEMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Company's annual financial statements included in its Form 10-K filed for the fiscal year ended December 28, 2023 contain a complete discussion of the Company's significant accounting policies. The following is additional information related to the Company's accounting policies.

Revenue Recognition—The Company derives revenue principally from the advertising business, which includes advertising through its on-screen cinema network, lobby network ("LEN") and lobby promotions in theaters, and on websites, mobile applications and out-of-home locations owned by NCM LLC and other companies. Revenue is recognized over time as the customer receives the benefits provided by NCM LLC's advertising services and the Company has the right to payment for performance to date. The Company considers the terms of each arrangement to determine the appropriate accounting treatment.

Concentration of Credit Risk and Significant Customers—The risk of credit loss related to the Company's trade receivables and unbilled receivables balances is accounted for through the allowance for doubtful accounts, a contra asset account which reduces the net receivables balance. The allowance for doubtful accounts balance is determined by pooling the Company's receivables with similar risk characteristics, specifically by type of customer (national or local/regional) and then age of receivable and applying historical write off percentages to these pools in order to determine the amount of expected credit losses as of the balance sheet date. National receivables are with large advertising agencies with strong reputations in the advertising industry and clients with stable financial positions and good credit ratings, represent larger receivables balances per customer and have significantly lower historical and expected credit loss patterns. Local and regional receivables are with smaller companies, sometimes with less credit history, represent smaller receivable balances per customer and have higher historical and expected credit loss patterns. The Company has smaller contracts with many local clients that are not individually significant. The Company also considers current economic conditions and trends to determine whether adjustments to historical loss rates are necessary. The Company also reserves for specific receivable balances that it expects to write off based on known concerns regarding the financial health of the customer. Receivables are written off when management determines amounts are uncollectible.

The Company had

two
agencies through which it sourced advertising revenue that accounted for

12.1
% and

17.3
% of the Company's gross outstanding receivable balance as of September 26, 2024 and had

no
customers through which it sourced advertising revenue that accounted for more than

10.0
% of the Company's gross outstanding receivable balance as of December 28, 2023. During the three and nine months ended September 26, 2024, the Company had

no
customers that accounted for more than

10.0
% of the Company's revenue. During the three and nine months ended September 28, 2023, the Company had two customers that accounted for

30.5
% and

26.5
% of the Company's revenue, respectively.

Long-lived Assets—The Company assesses impairment of long-lived assets pursuant to ASC 360—*Property, Plant and Equipment*. This includes determining whether certain triggering events have occurred that could affect the value of an asset. The Company did

no

t record any losses related to long-lived assets during the three months ended September 26, 2024 and September 28, 2023, and the nine months ended September 26, 2024 and September 28, 2023, respectively.

Share-Based Compensation—The Company has issued stock options and restricted stock units to certain employees and its independent directors. The restricted stock unit grants for Company management vest upon the achievement of Company performance measures, market conditions and/or service conditions, while non-management grants vest only upon the achievement of service conditions. Compensation expense of restricted stock units that vest upon the achievement of Company performance measures is based on management's financial projections and the probability of achieving the projections, which require considerable judgment. A cumulative adjustment is recorded to share-based compensation expense in periods that management changes its estimate of the number of shares of restricted stock units expected to vest. Ultimately, the Company adjusts the expense recognized to reflect the actual vested shares following the resolution of the performance conditions. Compensation expense of restricted stock units that vest upon achievement of certain market conditions is based on an estimate of the fair value of the granted restricted stock units on the grant date, which requires considerable judgment. The fair value of the granted restricted stock units is expensed over an estimated derived service period, which also requires considerable judgment. In accordance with ASC 718—*Stock Compensation*, the Company does not adjust the expense recognized to reflect the actual vested shares following the resolution of the market condition. Dividends are accrued when declared on unvested restricted stock units that are expected to vest and are only paid with respect to shares that actually vest. During the three and nine months ended September 26, 2024,

0
and

6,447,791
shares, respectively, of restricted stock units were granted. During the three and nine months ended September 28, 2023,

522,390
and

522,390
shares, respectively, of restricted stock units were granted. During the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023,

150,354
,

29,954
,

471,835
, and

234,870
shares of restricted stock units vested, respectively. Additionally, the Company recorded \$

3.1
million, \$

1.0
million, \$

9.2
million and \$

3.0
million in share-based compensation expense during the three months ended September 26, 2024 and September 28, 2023, and nine months ended September 26, 2024 and September 28, 2023, respectively, within 'Network operating costs', 'Selling and marketing costs' and 'Administrative and other costs' within the unaudited Condensed Consolidated Statements of Operations or have been capitalized within 'Property and equipment, net' within the unaudited Condensed Balance Sheets.

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Share Repurchase Program—On March 18, 2024, the Board of Directors of the Company approved a stock repurchase program under which the Company is authorized to use assets of the Company to repurchase up to \$

100.0

million of shares of the Company's Common Stock, exclusive of any fees, commissions or other expenses related to such repurchases, from time to time over a period of three years. Shares may be repurchased under the program through open market purchases, block trades, or accelerated or other structured share repurchase programs. During the three and nine months ended September 26, 2024,

304,901

and

2,224,488

shares, respectively, were repurchased on the open market. In accordance with ASC 505—*Equity*, the Company elected to retire the shares. Upon the retirement of these shares, any excess over par value paid, inclusive of direct costs, was recorded as a reduction to retained earnings of \$

1.9

million and \$

11.3

million for the three and nine months ended September 26, 2024, respectively.

Consolidation—NCM, Inc. consolidates the accounts of NCM LLC, a variable interest entity wherein NCM, Inc. is the primary beneficiary, under the provisions of ASC 810—*Consolidation*. Upon NCM LLC's emergence from bankruptcy, it was determined that NCM, Inc. holds the current rights that give it power to direct activities of NCM LLC that most significantly impact NCM LLC's economic performance and that NCM, Inc. has the rights to receive the significant benefits or the obligations to absorb potentially significant losses, resulting in NCM, Inc. having a controlling financial interest in NCM LLC. As a result, NCM, Inc. was deemed to be the primary beneficiary of NCM LLC and the Company has consolidated NCM LLC under the variable interest entity provisions of ASC 810—*Consolidation*. The following table presents the changes in NCM, Inc.'s equity resulting from net income attributable to NCM, Inc. and transfers to or from noncontrolling interests (in millions):

	Three Months Ended		Nine Months Ended	
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
Net (loss) income attributable to NCM, Inc.	((((
	3.6	181.8	47.0	681.5
	\$)	\$	\$)	\$
NCM LLC equity issued for purchase of intangible asset	—	—	0.7	—
Income tax and other impacts of subsidiary ownership changes	—	5.9	0.1	33.4
Cash redemption of NCM LLC common membership units	—	—	0.7	—
	—	—)	—
NCM LLC common membership unit redemption for NCM, Inc. common stock	—	7.7	—	(
	—	—	—	2.6
	—	—	—)
Issuance of shares to founding members	—	231.5	—	241.4
Change from net (loss) income attributable to NCM, Inc. and transfers from noncontrolling interests	((((
	3.6	426.9	46.9	953.7
	\$)	\$	\$)	\$

Recently Adopted Accounting Pronouncements

The Company did not adopt any accounting pronouncements during the nine months ended September 26, 2024.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2023-07, Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which establishes segment disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must disclose incremental segment information on an annual and interim basis to enable investors to develop more decision-useful financial analyses. This guidance is effective for issuances on and after December 15, 2024. The Company does not believe this will have a material impact on the Company's Consolidated Financial Statements.

In January 2024, the FASB issued Accounting Standards Update No. 2023-09, Income Tax Disclosures ("ASU 2023-09"), which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. This guidance is effective for issuances on and after December 15, 2024. The Company does not believe this will have a material impact on the Company's Consolidated Financial Statements.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its Consolidated Financial Statements or notes thereto.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS AND ACCOUNTS RECEIVABLE

Revenue Recognition

The Company derives revenue principally from the sale of advertising to national, regional and local businesses in the *Noovie®* show, the Company's cinema advertising and entertainment pre-show. The Company also sells advertising through the LEN, a series of strategically placed screens located in movie theater lobbies, as well as other forms of advertising and promotions in theater lobbies. In addition, the Company sells online and mobile advertising, including through *Noovie* Audience Accelerator, and through the Company's digital gaming products. Further the Company sells advertising in a variety of complementary out of home venues,

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including restaurants, convenience stores and college campuses. The Company also has a long-term agreement to exhibit the advertising of the ESA Parties' beverage suppliers.

The Company makes contractual guarantees to deliver a specified number of impressions to view the customers' advertising. If the contracted number of impressions are not delivered, the Company will run additional advertising to deliver the contracted impressions at a later date. The deferred portion of the revenue associated with undelivered impressions is referred to as a make-good provision. The Company defers the revenue associated with the make-good provision until the advertising airs to the audience specified in the advertising contract or the make-good period expires.

The Company does not have any significant contracts with customers with terms in excess of one year that are noncancellable as of September 26, 2024. Agreements with a duration of less than one year or are longer than one year that are cancellable are not considered within unsatisfied performance obligations as the Company elected to use the practical expedient in ASC 606-10-50-14 for those contracts.

Disaggregation of Revenue

The Company disaggregates revenue based upon the type of customer: national; local and regional; beverage concessionaire; and management fee reimbursement revenue related to NCM LLC, in periods where NCM LLC was deconsolidated. This method of disaggregation is in alignment with how revenue is reviewed by management and discussed with and historically disclosed to investors.

The following table summarizes revenue from contracts with customers for the three and nine months ended September 26, 2024 and September 28, 2023 (in millions):

	Three Months Ended		Nine Months Ended	
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
National advertising revenue				
	\$ 46.8	\$ 15.5	\$ 117.9	\$ 43.0
Local and regional advertising revenue				
	11.4	5.1	26.5	14.2
ESA advertising revenue from beverage concessionaire agreements				
	4.2	1.7	10.1	7.1
Management fee reimbursement				
	—	2.4	—	10.1
Total revenue	\$ 62.4	\$ 24.7	\$ 154.5	\$ 74.4

Deferred Revenue and Unbilled Accounts Receivable

Revenue recognized in the nine months ended September 26, 2024 that was included within the 'Deferred revenue' balance as of December 28, 2023 was \$

9.7 million. As of September 26, 2024 and December 28, 2023, the Company had \$

0.9 million and \$

0.8 million in unbilled accounts receivable, respectively.

Allowance for Doubtful Accounts

The allowance for doubtful accounts balance is determined separately for each pool of the Company's receivables with similar risk characteristics. The Company has determined that two pools, national customers and local/regional customers, is appropriate. The changes within the allowance for doubtful accounts balances for the nine months ended September 26, 2024 and September 28, 2023, respectively, were as follows (in millions):

	Nine Months Ended			
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
	Allowance for National Customer Receivables	Allowance for Local/ Regional Customer Receivables	Allowance for National Customer Receivables	Allowance for Local/ Regional Customer Receivables
Balance at beginning of period				
	\$ 0.1	\$ 1.3	\$ 0.3	\$ 1.4
Provision for bad debt	0.4	0.1	(0.2)	0.1
Write-offs, net	(0.4)	(0.4)	—	(0.2)

Balance at end of period				
	0.1	1.0	0.1	1.3
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

3. LOSS PER SHARE

Basic loss per share is computed on the basis of the weighted average number of shares of common stock outstanding. Diluted loss per share is computed on the basis of the weighted average number of shares of common stock outstanding plus the effect of potentially dilutive common stock options, restricted stock and restricted stock units using the treasury stock method. The components of basic and diluted loss per NCM, Inc. share are as follows:

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	Three Months Ended		Nine Months Ended	
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
Net (loss) income attributable to NCM, Inc. (in millions)	((((
	3.6	181.8	47.0	681.5
	\$)	\$)	\$)	\$)
Net income attributable to NCM, Inc. following conversion of dilutive membership units (in millions)	—	181.8	—	673.0
	\$	\$	\$	\$
Weighted average shares outstanding:				
Basic				
	95,221,502	62,765,418	96,183,328	31,574,026
Add: Dilutive effect of stock options, restricted stock and exchangeable membership units	—	39,270	—	913,872
Diluted				
	95,221,502	62,804,688	96,183,328	32,487,898
(Loss) income per NCM, Inc. share:				
Basic	((((
	0.04	2.89	0.49	21.58
	\$)	\$)	\$)	\$)
Diluted	((((
	0.04	2.89	0.49	20.72
	\$)	\$)	\$)	\$)

The effect of the

19,566
and

6,522

weighted average exchangeable NCM LLC common units held by AMC and Cinemark for the three and nine months ended September 26, 2024, respectively, have been excluded from the calculation of diluted weighted average shares and loss per NCM, Inc. share as they were anti-dilutive. The weighted average exchangeable NCM LLC common units held by NCM LLC's other members for the three and nine months ended September 28, 2023 was

0
and

913,872

, respectively. NCM LLC common units do not participate in dividends paid on NCM, Inc.'s common stock. In addition, there were

6,553,890

,

983,825

,

6,553,890

, and

983,825

stock options and non-vested (restricted) shares for the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023, respectively, excluded from the calculation as they were anti-dilutive. The Company's non-vested (restricted) shares do not meet the definition of a participating security as the dividends will not be paid if the shares do not vest.

On August 3, 2023, the Company effected a one-for-ten (1:10) reverse stock split of its common stock, par value \$

0.01

per share. The reverse stock split, which was authorized by its Board of Directors, was approved by the Company's stockholders on August 2, 2023. The reverse stock split reduced the number of outstanding shares of the Company's common stock from

174,112,385

shares as of August 3, 2023 to

17,411,323

shares outstanding post-reverse stock split. In accordance with ASC 260—*Earnings Per Share*, income per share for the three and nine months ended September 28, 2023 were retrospectively adjusted for the reverse stock split.

4. RECONSOLIDATION OF NCM LLC

On April 11, 2023, NCM LLC filed the Chapter 11 Case. Upon filing the Chapter 11 Case and in accordance with applicable GAAP, the Company concluded that NCM, Inc. no longer controlled NCM LLC for accounting purposes as of April 11, 2023 (the "Petition Date"), the date on which NCM LLC filed its Chapter 11 petition, as NCM LLC was under the control of the Bankruptcy Court, and therefore, NCM LLC was deconsolidated from the Company's consolidated financial statements prospectively, resulting in a \$

557.7

million gain recorded in 'Gain on deconsolidation of affiliate' in the Consolidated Statements of Operations for the three and nine months ended September 28, 2023. The recorded gain was measured as the excess of the estimated fair value of the investment in NCM LLC retained over the net liabilities of NCM LLC as of April 11, 2023. The investment of NCM LLC was measured at cost minus any impairment in accordance with the measurement alternative outlined in ASC 321—*Investments—Equity Securities*. While NCM LLC remained in bankruptcy, NCM, Inc. accounted for the retained equity interest in NCM LLC at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly market transactions. Upon the deconsolidation of NCM LLC, the original cost of the investment was valued based upon NCM, Inc.'s ownership of the secured debt of NCM LLC and an estimation of the enterprise value of NCM LLC developed utilizing discounted cash flows and comparable company analysis as of the Petition Date. Significant assumptions utilized within these analyses included the weighted average cost of capital and NCM LLC's forecasted cash flows.

On August 7, 2023, NCM LLC emerged from bankruptcy and NCM, Inc. contributed \$

15.0

million in cash to NCM LLC in exchange for

2.8

% of additional ownership of NCM LLC in accordance with the NCM Capital Contribution and \$

0.5

million to assist with payments to unsecured creditors in accordance with the settlement with the unsecured creditors. NCM, Inc. also issued

83,421,135

shares to the secured creditors in accordance with the NCM 9019 Settlement and terms of the Plan with a fair value of \$

245.3

million based on the closing stock price of \$

2.94

. Upon NCM LLC's emergence from bankruptcy, NCM, Inc. retained

100.0

% of, regained control of and reconsolidated NCM LLC.

The Company accounted for the NCM LLC reconsolidation as a business combination under ASC 805—*Business Combinations* and accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values as of the date of reconsolidation, the Effective Date. The determination of fair values required management to make significant estimates and assumptions.

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The following table summarizes the fair value of NCM LLC and fair values of the assets acquired and liabilities assumed as of the reconsolidation date (in millions):

Fair value of assets acquired:	
Cash, cash equivalents and restricted cash	49.6
	\$
Receivables, net	74.8
Prepaid expenses and other current assets	7.2
Property and equipment, net	14.8
Other investments	0.9
Debt issuance costs, net	2.4
Fair value of intangible assets	415.0
Other assets	10.0
Total assets acquired	574.7
Fair value of liabilities assumed:	
Amounts due to members, net	(15.3)
Accrued expenses	(0.7)
Accrued payroll and related expenses	(9.9)
Accounts payable	(37.3)
Deferred revenue	(11.1)
Other current liabilities	(1.5)
Long-term debt	(10.0)
Other liabilities	(5.5)
Total liabilities assumed	(91.3)

Fair value of NCM LLC	483.4
	\$

There have been no adjustments to the purchase price and fair value estimates presented in Note 5 of the Company's Form 10-K for the nine months ended September 26, 2024, and these amounts are now final.

The identifiable intangible assets of \$

415.0

million are subject to amortization. The following table summarizes the major classes of intangible assets acquired and their respective weighted-average estimated useful lives.

	Estimated Fair Value (in millions)	Useful Life (years)
Exhibitor service agreements	250.0	13.0
	\$	
Network affiliates agreements	75.0	16.0
Customer relationships	75.0	6.0
Trademarks	15.0	8.0
Total intangible assets	415.0	
	\$	

The estimated fair values of the ESAs, network affiliate agreements and trademarks were estimated using the income approach. The multi-period excess earnings method starts with a forecast of all of the expected future net cash flows associated with the asset. The forecasts are then adjusted to present value by applying an appropriate discount rate that reflects the risks associated with the company specific cash flow streams. Significant assumptions utilized within the income approach include the weighted average cost of capital and forecasted cash flows. The estimated fair values of the customer relationships were estimated using the cost approach. The cost approach included estimating the investment required to replace the contracts with customers, with significant assumptions including the replacement cost. The Company elected the practical expedients allowed in ASC 805-20-30-29a in estimating the fair value of the contract liabilities assumed.

Upon NCM LLC's emergence from the Chapter 11 Case, NCM, Inc. remeasured the value of the investment in NCM LLC to the estimated fair value calculated as NCM, Inc.'s percentage ownership of NCM LLC, due to NCM, Inc.'s ownership of the secured debt of NCM LLC and the NCMI Capital Contribution, multiplied by the fair value of NCM LLC as of the Effective Date of \$

483.4

million. The value of the cost investment of NCM LLC immediately prior to the Effective Date was \$

11.9

million based upon NCM, Inc.'s ownership of the secured debt of NCM LLC and an estimation of the enterprise value of NCM LLC developed utilizing discounted cash flows and comparable company analysis as of the Petition Date. The increase in the fair value resulted in a 'Gain on re-measurement of the investment in NCM LLC' of \$

35.5

million in the Consolidated Statements of Operations for the year ended December 28, 2023.

Upon reconsolidation, NCM, Inc. recorded the fair values of the assets acquired and liabilities assumed as of the reconsolidation date and the investment in NCM LLC was further adjusted to the full purchase price value of \$

483.4

million. The

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difference between the purchase price of NCM LLC and the fair value of NCM, Inc.'s investment in NCM LLC as calculated above, the \$

15.5

million of cash contributed by NCM, Inc. (consisting of \$

0.5

million related to the General Unsecured Claim Pool and \$

15.0

million under the NCMI Capital Contribution) and the shares issued to NCM LLC's secured lenders of \$

245.3

million resulted in a gain of \$

167.8

million upon the reconsolidation of NCM LLC. The Company recognized a gain due to the variance between the fair value of NCM LLC's assets and liabilities and NCM, Inc.'s depressed stock price on the Effective Date and the NCM, Inc. shares retained by the existing shareholders as part of the NCMI 9019 Settlement. NCM, Inc.'s stock price had been negatively impacted beginning with the COVID-19 pandemic followed by Cineworld's bankruptcy proceeding and NCM LLC's Chapter 11 Case, as well as by other socioeconomic factors.

Pro Forma Financial Information (Unaudited)

The following table presents unaudited pro forma financial information as if the NCM LLC reconsolidation had occurred on December 31, 2021. The unaudited pro forma results reflect adjustments for depreciation of acquired property and equipment, amortization of acquired intangible assets and amortization of acquired debt issuance costs. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of future operations or results had the NCM LLC reconsolidation been completed as of December 31, 2021.

	Three Months Ended September 26, 2023	Nine Months Ended September 28, 2023
Revenue	69.6	168.9
	\$	\$
Net Loss	((
	146.9	210.3
	\$	\$

5. INTANGIBLE ASSETS

The Company's intangible assets consist of contractual rights to provide its services within the theaters under the ESAs and the network affiliate agreements, as well as for customer relationships developed and maintained by the Company's sales force and trademarks held and used by the Company. The intangible assets are stated at their estimated fair values upon the reconsolidation of NCM LLC on August 7, 2023, net of accumulated amortization. The Company records amortization using the straight-line method over the estimated useful life of each intangible. For the contractual rights to provide its service within the theaters under the ESA and network affiliate agreements, the estimated useful life corresponds to the term of the ESAs and the average renewable term of the contracts with the network affiliates. For the customer relationships developed and maintained by the Company's sales force and trademarks held and used by the Company, the estimated useful life corresponds to industry standard lives for customer relationships and trademarks. In accordance with ASC 360—Property, Plant and Equipment, the Company continuously monitors the performance of the underlying assets for potential triggering events suggesting an impairment review should be performed. No such triggering events were identified in the three and nine months ended September 26, 2024 and September 28, 2023.

Common Unit Adjustments—In accordance with NCM LLC's Common Unit Adjustment Agreement, on an annual basis NCM LLC determines the amount of common membership units to be issued to or returned by AMC and Cinemark based on theater additions, new builds or dispositions during the previous year. In the event that either AMC or Cinemark does not have sufficient common membership units to return, the adjustment is satisfied in cash in an amount calculated pursuant to NCM LLC's Common Unit Adjustment Agreement. In addition, NCM LLC's Common Unit Adjustment Agreement requires that a Common Unit Adjustment occur for either AMC or Cinemark if its acquisition or disposition of theaters, in a single transaction or cumulatively since the most recent Common Unit Adjustment, results in an attendance increase or decrease in excess of

two

percent of the annual total attendance at the prior adjustment date. Upon the issuance of common membership units, the Company records an addition to the intangible asset related to AMC and Cinemark's respective ESAs equal to the fair market value of NCM, Inc.'s publicly traded stock as of the date on which the common membership units were issued. The NCM LLC common membership units are fully convertible into NCM, Inc.'s common stock.

During the quarter ended June 27, 2024, in accordance with the Common Unit Adjustment Agreement, NCM LLC issued

135,473

common membership units to AMC and Cinemark, with a net impact of \$

0.7

million to the intangible asset. On April 16, 2024, the Company elected to satisfy a redemption request from Cinemark for all of their outstanding common membership units through a cash settlement as provided in NCM LLC's Operating Agreement. This redemption reduced Cinemark's ownership interest in NCM LLC to

0.0

% as of April 16, 2024 while AMC's ownership interest is de minimis.

Pursuant to and in connection with the Chapter 11 Case during the year ended December 28, 2023, NCM LLC did not issue common membership units to Cinemark for the rights to exclusive access to the theater screens and attendees added, net of dispositions, to NCM LLC's network for the 2022 fiscal year and the

16,581,829

units issued to AMC were issued and cancelled on the Effective Date.

Integration Payments and Other Encumbered Theater Payments—If an existing on-screen advertising agreement with an alternative provider is in place with respect to any acquired theaters (“Encumbered Theaters”), the applicable ESA Party may elect to receive common membership units related to those Encumbered Theaters in connection with the Common Unit Adjustment. If the

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ESA Party makes this election, then they are required to make payments on a quarterly basis in arrears in accordance with certain run-out provisions pursuant to the ESAs ("integration payments"). Because the Carmike Cinemas, Inc. ("Carmike") theaters acquired by AMC are subject to an existing on-screen advertising agreement with an alternative provider, AMC makes integration payments to NCM LLC. The integration payments will continue until the earlier of (i) the date the theaters are transferred to NCM LLC's network or (ii) the expiration of the ESA. Integration payments are calculated based upon the advertising cash flow that the Company would have generated if it had exclusive access to sell advertising in the theaters with pre-existing advertising agreements. The ESAs additionally entitle NCM LLC to payments related to the ESA Parties' on-screen advertising commitments under their beverage concessionaire agreements for Encumbered Theaters. These payments are also accounted for as a reduction to the intangible asset related to the ESAs. During the three and nine months ended September 26, 2024 and September 28, 2023, the Company recorded a reduction to net intangible assets of \$

1.2
million, \$

0.9
million, \$

2.2
million and \$

2.1
million, respectively, related to integration and other Encumbered Theater payments. During the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023, AMC and Cinemark paid a total of \$

0.5
million, \$

1.1
million, \$

0.9
million and \$

5.2
million, respectively, in integration and Encumbered Theater payments. If common membership units are issued to an ESA Party for newly acquired theaters that are subject to an existing on-screen advertising agreement with an alternative provider, the amortization of the intangible asset commences after the existing agreement expires and NCM LLC can utilize the theaters for all of its services.

As of September 26, 2024 and December 28, 2023, the Company's intangible assets related to the ESA Party agreements were \$

221.2
million, net of accumulated amortization of \$

21.6
million, and \$

236.7
million, net of accumulated amortization of \$

7.6
million, respectively, with weighted average remaining lives of 11.9 years and 12.6 years, respectively.

As of September 26, 2024 and December 28, 2023, the Company's intangible assets related to the network affiliate agreements were \$

69.6
million, net of accumulated amortization of \$

5.4
million, and \$

73.2
million, net of accumulated amortization of \$

1.8
million, respectively, with weighted average remaining lives of 14.9 years and 15.6 years, respectively.

As of September 26, 2024 and December 28, 2023, the Company's intangible assets related to customer relationships, were \$

60.7
million, net of accumulated amortization of \$

14.3
million, and \$

70.1
million, net of accumulated amortization of \$

4.9
million, respectively, with weighted average remaining lives of 4.9 years and 5.6 years, respectively.

As of September 26, 2024 and December 28, 2023, the Company's intangible asset related to the trademark, was \$

12.9
million, net of accumulated amortization of \$

2.1
million, and \$

14.3
million, net of accumulated amortization of \$

0.7
million, respectively, with weighted average remaining lives of 6.9 years and 7.6 years, respectively.

The estimated aggregate amortization expense for the remainder of fiscal 2024 is \$

9.4
million and \$

37.8

million each for fiscal years 2025 and 2028.

6. RELATED PARTY TRANSACTIONS

ESA Party and Managing Member Transactions—In connection with NCM, Inc.'s initial public offering ("IPO"), the Company entered into several agreements to define and regulate the relationships among NCM LLC, NCM, Inc. and AMC, Cinemark, and Regal which are outlined below.

AMC has owned less than

5

% of NCM LLC, on an as converted basis, since July 2018 and is no longer a related party. AMC remains a party to the ESA, Common Unit Adjustment Agreement, Tax Receivable Agreement ("TRA") and certain other original agreements and is a member under the terms of the NCM LLC Operating Agreement, subject to fulfilling the requirements of Section 3.1 of the NCM LLC Operating Agreement. AMC will continue to participate in the annual Common Unit Adjustment and receive available cash distributions or allocation of earnings and losses in NCM LLC (as long as its ownership in NCM LLC is greater than zero), TRA payments and theater access fees. Further, AMC will continue to pay beverage revenue, among other things, to NCM LLC. AMC's ownership percentage does not impact future integration payments and other encumbered theater payments owed to NCM LLC by AMC. On April 1, 2024, in accordance with the Common Unit Adjustment Agreement, NCM LLC issued

3,377

common membership units to AMC. As of September 26, 2024, AMC's ownership was approximately

0.0

% of NCM LLC and

0.0

% of NCM, Inc.

Cinemark has owned less than

5

% of NCM LLC, on an as converted basis, since NCM LLC emerged from bankruptcy on August 7, 2023 and is no longer a related party. Cinemark remains a party to the ESA, Common Unit Adjustment Agreement, TRA and certain other original agreements and is a member under the terms of the NCM LLC Operating Agreement, subject to fulfilling the requirements of Section 3.1 of the NCM LLC Operating Agreement. Cinemark will continue to participate in the annual Common Unit Adjustment and receive available cash distributions or allocation of earnings and losses in NCM LLC (as long as its ownership in NCM LLC is greater than zero), TRA payments and theater access fees. Further, Cinemark will continue to pay beverage revenue, among other things, to NCM LLC. Cinemark's ownership percentage does not impact future integration payments and other encumbered theater payments owed to NCM LLC by Cinemark. On April 1, 2024, in accordance with the Common Unit Adjustment Agreement, NCM LLC issued

132,096

common membership units to Cinemark. On April 16, 2024, the Company elected to satisfy a

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redemption request from Cinemark for all of their outstanding common membership units through a cash settlement as provided in NCM LLC's Operating Agreement. This redemption reduced Cinemark's ownership interest in NCM LLC to

0.0
% as of April 16, 2024. As of September 26, 2024, Cinemark's ownership was

0.0
% of NCM LLC and

4.6
% of NCM, Inc.

On June 3, 2023, NCM LLC entered into the Regal Advertising Agreement and Regal Termination Agreement which became effective on July 14, 2023. Pursuant to the Regal Termination Agreement, Regal rejected and terminated its ESA with NCM LLC. Additionally Regal and Regal's affiliates' waived all rights and interests as to the TRA, the Common Unit Adjustment Agreement, the Software License Agreement, the Director Designation Agreement, the Registration Rights Agreement and all the other joint venture agreements described in the NCM LLC Operating Agreement and the Company and NCM LLC, and Regal and Regal's affiliates waived and released claims against the other party. Regal also agreed to support NCM LLC's Plan and surrendered all

4,068,350
shares in the Company, totaling \$

13.0
million, upon the Effective Date of the Plan. In connection with the Regal Advertising Agreement, NCM LLC and Regal also agreed to dismiss with prejudice the ongoing litigation between the parties related to NCM LLC's request to enforce certain provisions of the ESA, including the exclusivity provision. From and after July 14, 2023, Regal is no longer an ESA Party or related party to NCM, Inc. or NCM LLC.

The material agreements with the ESA Parties are as follows:

- **ESAs.** Under the ESAs, NCM LLC is the exclusive provider within the United States of advertising services in the ESA Parties' theaters (subject to pre-existing contractual obligations and other limited exceptions for the benefit of the ESA Parties). The advertising services include the use of the digital content network ("DCN") equipment required to deliver the on-screen advertising and other content included in the *Noovie*® show, use of the LEN and rights to sell and display certain lobby promotions. Further, 30 to 60 seconds of advertising included in the *Noovie* show is sold to the ESA Parties to satisfy the ESA Parties' on-screen advertising commitments under their beverage concessionaire agreements. In consideration for access to the ESA Parties' theaters, theater patrons, the network equipment required to display on-screen and LEN video advertising and the use of theaters for lobby promotions, the ESA Parties receive a monthly theater access fee. In conjunction with the 2019 ESA Amendments, NCM LLC also pays Cinemark and paid Regal (through July 14, 2023) incremental monthly theater access fees and, subject to NCM LLC's use of specified inventory, a revenue share in consideration for NCM LLC's access to certain on-screen advertising inventory after the advertised showtime of a feature film beginning November 1, 2019 and the underlying term of the Cinemark ESA was extended until 2041. The ESAs and 2019 ESA Amendments were considered leases with related parties under ASC 842. As described above, the Regal ESA was rejected by Regal in connection with Regal's Chapter 11 case and terminated by the Regal Termination Agreement.
- **Common Unit Adjustment Agreement.** The common unit adjustment agreement provides a mechanism for increasing or decreasing the membership units held by the ESA Parties based on the acquisition or construction of new theaters or sale of theaters that are operated by each ESA Party and included in NCM LLC's network.
- **Tax Receivable Agreement.** The TRA provides for the effective payment by NCM, Inc. to AMC and Cinemark of

90

% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that is actually realized as a result of certain increases in NCM, Inc.'s proportionate share of tax basis in NCM LLC's tangible and intangible assets resulting from the IPO and related transactions that is related to AMC and Cinemark's share in the effect at the time the TRA was signed.

- **Software License Agreement.** At the date of the Company's IPO, NCM LLC was granted a perpetual, royalty-free license from AMC, Cinemark and Regal to use certain proprietary software that existed at the time for the delivery of digital advertising and other content through the DCN to screens in the U.S. NCM LLC has made improvements to this software since the IPO date and NCM LLC owns those improvements, except for improvements that were developed jointly by NCM LLC and AMC, Cinemark and Regal, if any.

The following tables provide summaries of the transactions between NCM, Inc. and AMC, Cinemark and Regal when designated related parties (in millions):

	Three Months Ended		Nine Months Ended	
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
Included in the unaudited Condensed Consolidated Statements of Operations:				
<u>Revenue:</u>	(1)	(1)	(1)	
ESA advertising revenue from beverage concessionaire agreements (included in revenue) (2)				4.1
	\$ —	\$ —	\$ —	\$
Management fee reimbursement (3)		2.4	—	10.1
	\$ —	\$	\$	\$
<u>Operating expenses:</u>				

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(2) For the three and nine months ended September 28, 2023, Cinemark and Regal (through July 14, 2023) purchased 60 seconds of on-screen advertising time from NCM LLC to satisfy their obligations under their beverage concessionaire agreements at a 30 seconds equivalent cost per thousand impressions ("CPM") rate specified by the ESA. Beverage revenue above is only reflective of periods where Cinemark and Regal were related parties.

(3) Comprised of fees owed by NCM LLC to NCM, Inc. for managing NCM LLC during the period where NCM LLC was deconsolidated of April 11, 2023 through August 7, 2023.

(4) Comprised of payments per theater attendee, payments per digital screen with respect to Cinemark and Regal theaters included in the Company's network and payments for access to higher quality digital cinema equipment. Following the 2019 ESA Amendments this also includes payments to Cinemark and Regal (through July 14, 2023) for their share of the revenue from the sale of an additional single unit that is either 30 or 60 seconds of the Noovie pre-show in the trailer position directly prior to the "attached" trailers preceding the feature film (the "Platinum Spot"). Theater access fees and revenue share expenses above are only reflective of periods where Cinemark and Regal were related parties.

AC JV, LLC Transactions—In December 2013, NCM LLC sold its Fathom Events business to a newly formed limited liability company, AC JV, LLC, owned

32
% by each of the founding members and

4
% by NCM LLC. The Company accounts for its investment in AC JV, LLC under the equity method of accounting in accordance with ASC 323-30, *Investments—Equity Method and Joint Ventures* ("ASC 323-30") because AC JV, LLC is a limited liability company with the characteristics of a limited partnership and ASC 323-30 requires the use of equity method accounting unless the Company's interest is so minor that it would have virtually no influence over partnership operating and financial policies. Although NCM LLC does not have a representative on AC JV, LLC's Board of Directors or any voting, consent or blocking rights with respect to the governance or operations of AC JV, LLC, the Company concluded that its interest was more than minor under the accounting guidance. The Company's investment in AC JV, LLC was \$

1.3
million and \$

0.7
million as of September 26, 2024 and December 28, 2023, respectively. During the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023, NCM LLC received cash distributions from AC JV, LLC of \$

0.3
million, \$

0.1
million, \$

0.6
million, and \$

0.3
million, respectively. Equity in earnings from AC JV, LLC of \$

0.5
million, \$

0.1
million, \$

1.2
million and \$

0.3
million, for the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023, respectively, are included in "Other non-operating (income) expense, net" in the unaudited Condensed Consolidated Statements of Operations.

7. BORROWINGS

The following table summarizes total outstanding debt as of September 26, 2024 and December 28, 2023 and the significant terms of its borrowing arrangements (in millions):

Borrowings	Outstanding Balance as of		Maturity Date	Interest Rate
	September 26, 2024	December 28, 2023		
Revolving Credit Facility 2023			August 7, 2026	
	\$ 10.0	\$ 10.0		(1)
Total borrowings	10.0	10.0		
Less: debt issuance costs and debt discounts related to term loans and senior notes	—	—		
Total borrowings, net	10.0	10.0		

Less: current portion of debt

—

—

Carrying value of long-term debt

10.0

10.0

\$

\$

(1) The interest rates on the Revolving Credit Facility 2023 is described below.

Loan, Security and Guarantee Agreement—On August 7, 2023, NCM LLC entered into a Loan, Security and Guarantee Agreement (the “Revolving Credit Facility 2023”) with CIT Northbridge Credit LLC as agent. The Revolving Credit Facility 2023 is an asset backed line facility where the capacity depends upon NCM LLC’s trade accounts receivable balance, as adjusted for aged balances and other considerations. The maximum availability NCM LLC has access to under the Revolving Credit Facility 2023 is \$

55,000,000

. The proceeds of the Revolving Credit Facility 2023 may be used for, inter alia, working capital and capital expenditures. The Revolving Credit Facility 2023 will mature on August 7, 2026. The interest rate under the Revolving Credit Facility 2023 is a base rate of SOFR benchmark plus (i)

3.75

% if less than

50

% of revolving commitments are utilized or (ii)

4.50

% if

50

% or more of revolving commitments are utilized (utilizing the average revolver usage for the prior calendar month as a benchmark for this determination). The Revolving Credit Facility 2023 also contains a financial maintenance covenant requiring that the fixed charge coverage ratio ending on the last day of each fiscal month is at least

1.1

to

1.0

during a “Trigger Period.” A Trigger Period begins upon (i) an event of default or (ii) if availability is less than the greater of (a) \$

5,000,000

and (b)

10

% of aggregate revolving commitments. A Trigger Period ends only if (i) no event of default existed for the preceding thirty (30) consecutive days and (ii) availability is greater than both (a) \$

5,000,000

and (b)

10

% of aggregate revolving commitments. Upon the effectiveness of the Revolving Credit Facility 2023, NCM LLC immediately drew \$

10.0

million from the facility, which represents the only amount

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currently outstanding under the Revolving Credit Facility 2023, as of September 26, 2024. The Revolving Credit Facility 2023 also contains customary representations, warranties, covenants, events of default, terms and conditions, including limitations on liens, incurrence of debt, mergers and significant asset dispositions. As of September 26, 2024, NCM LLC's maximum availability under the \$

55.0
million Revolving Credit Facility 2023 was \$

44.4
million, net of \$

10.0
million outstanding and net of letters of credit of \$

0.6
million. The weighted-average interest rate on the Revolving Credit Facility 2023 as of September 26, 2024 was

9.06
%. Upon execution of the Revolving Credit Facility 2023, NCM LLC recorded \$

2.4
million as debt issuance costs and received \$

9.1
million in proceeds.

The Revolving Credit Facility 2023 contains a number of covenants and financial ratio requirements, with which NCM LLC was in compliance at September 26, 2024, including maintaining a fixed charge coverage ratio in excess of

1.1
to

1.0
on a monthly basis while maintaining availability in excess of either (i) \$

8.25
million or (ii)

15.0
% of the aggregate revolver commitments (the "availability thresholds"). NCM LLC is permitted to make quarterly dividend payments and other payments based on the fixed charge coverage ratio and availability thresholds so long as no default or event of default has occurred and continues to occur. Dividend payments and other distributions are made if the fixed charge coverage ratio is in excess of

1.1
to

1.0
and availability, after the distribution, is in compliance with the availability thresholds.

There are no borrower distribution restrictions as long as NCM LLC's fixed coverage ratio is

1.1
to

1.0
, NCM LLC maintains availability under the availability thresholds and NCM LLC is in compliance with its debt covenants. If there are borrower distribution restrictions on the payments, NCM LLC may not declare or pay any dividends, or make any payments on account of NCM LLC or make any other distribution for obligations of NCM LLC. When these restrictions are effective, NCM LLC may still pay the services fee and reimbursable costs pursuant to terms of a management services agreement, between NCM, Inc. and NCM LLC, in exchange for NCM, Inc. providing specified management services to NCM LLC. NCM LLC can also make payments pursuant to the Common Unit Adjustment Agreement and Tax Receivable Agreement in the amount, and at the time necessary to satisfy the contractual obligations with respect to the actual cash tax benefits payable to NCM LLC's ESA Parties.

As of September 26, 2024, the NCM LLC's fixed charge coverage ratio was

3.5
to

1.0
(versus the required ratio of

1.1
to

1.0
) and had maximum availability under the Revolving Credit Facility 2023 of \$

44.4
million (versus the applicable availability threshold of \$

8.25
million).

8. INCOME TAXES

Changes in the Company's Effective Tax Rate—The Company recorded income tax expense of \$

0.0

million for the three and nine months ended September 26, 2024 and for the three and nine months ended September 28, 2023 resulting in an effective tax rate of

0.0

% for these periods. The Company held a full valuation allowance on its net deferred tax assets as of December 28, 2023 following the determination it was more-likely-than-not that the Company will not be able to realize the benefit of those assets. The Company maintained a full valuation allowance as of September 26, 2024, resulting in deferred tax expense of \$

0.0

million for the three and nine months ended September 26, 2024 and the Company's effective tax rate of

0.0

%.

9. COMMITMENTS AND CONTINGENCIES

Legal Actions—The Company is subject to claims and legal actions in the ordinary course of business. The Company believes such claims will not have a material adverse effect individually or in the aggregate on its financial position, results of operations or cash flows.

Operating Commitments - Facilities—The Company has entered into operating lease agreements for its corporate headquarters and other regional offices. The Company has right-of-use ("ROU") assets of \$

11.9

million and short-term and long-term lease liabilities of \$

1.4

million and \$

12.3

million, respectively, on the balance sheet as of September 26, 2024 for all material leases with terms longer than twelve months. These balances are included within 'Other assets', 'Other current liabilities' and 'Other liabilities', respectively, on the unaudited Condensed Consolidated Balance Sheets. As of September 26, 2024, the Company had a weighted average remaining lease term of 7.6 years on these leases. When measuring the ROU assets and lease liabilities recorded, the Company utilized its incremental borrowing rate in order to determine the present value of the lease payments as the leases do not provide an implicit rate. The Company used the rate of interest that it would have paid to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. As of September 26, 2024, the Company's weighted average annual discount rate used to establish the ROU assets and lease liabilities was

6.9

%.

During the three and nine months ended September 26, 2024 and September 28, 2023, the Company recognized the following components of total lease cost (in millions). These costs are presented within 'Selling and marketing costs' and 'Administrative and other costs' within the unaudited Condensed Consolidated Statements of Operations depending upon the nature of the use of the facility.

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	Three Months Ended		Nine Months Ended	
	September 26, 2024	September 28, 2023	September 26, 2024	September 28, 2023
Operating lease cost				
	\$ 0.5	\$ 1.4	\$ 1.8	\$ 2.4
Variable lease cost				
	—	0.2	0.2	0.4
Total lease cost				
	\$ 0.5	\$ 1.6	\$ 2.0	\$ 2.8

The Company made total lease payments of \$

0.4
million, \$

0.8
million, \$

1.6
million and \$

2.9

million during the three months ended September 26, 2024 and September 28, 2023 and nine months ended September 26, 2024 and September 28, 2023, respectively. These payments are included within cash flows from operating activities within the unaudited Condensed Consolidated Statement of Cash Flows.

Operating Commitments—ESAs and Affiliate Agreements—The Company has entered into long-term ESAs and multi-year agreements with third-party theater circuits. The ESAs and network affiliate agreements grant NCM LLC exclusive rights in their theaters to sell advertising, subject to limited exceptions. The Company recognized the intangibles upon the reconsolidation of NCM LLC on August 7, 2023. Additions to the intangible assets may be recognized upon issuance of membership units to the ESA Parties in accordance with NCM LLC's Common Unit Adjustment Agreement and upfront cash payments to the affiliates for the contractual rights to provide the Company's services within their theaters as further discussed within Note 5 —*Intangible Assets*. These ESAs and network affiliate agreements are considered leases under ASC 842—*Leases* ("ASC 842") once the asset is identified and the period of control is determined upon the scheduling of the showtimes by the exhibitors, typically one week prior to the showtime. As such, the leases are considered short-term in nature, specifically less than one month. Within ASC 842, leases with terms of less than one month are exempt from the majority of the accounting and disclosure requirements, including disclosure of short-term lease expense. No ROU assets or lease liabilities were recognized for these agreements and no change to the balance sheet presentation of the intangible assets was necessary. However, the amortization of these intangible assets is considered lease expense and is presented within 'Amortization expense' within the unaudited Condensed Consolidated Statement of Operations. The company recorded \$

5.9
million, \$

3.6
million, \$

17.6
million and \$

10.7

million in amortization of these intangible assets in the three and nine months ended September 26, 2024 and September 28, 2023, respectively.

In consideration for NCM LLC's access to the ESA Parties' theater attendees for on-screen advertising and use of lobbies and other space within the ESA Parties' theaters for the LEN and lobby promotions, the ESA Parties receive a monthly theater access fee under the ESAs. The theater access fee is composed of a fixed payment per patron, a fixed payment per digital screen (connected to the DCN) and a fee for access to higher quality digital cinema equipment. The payment per theater patron increases by

8
% every five years. The payment per theater patron increased in 2022 and will again in fiscal year 2027, and the payment per digital screen and for digital cinema equipment increases annually by

5
%. The theater access fee paid in the aggregate cannot be less than

12
% of NCM LLC's aggregate advertising revenue (as defined in the ESA), or it will be adjusted upward to reach this minimum payment. As of September 26, 2024 and December 28, 2023, the Company had

no

liabilities recorded for the minimum payment, as the theater access fee was in excess of the minimum.

Following the 2019 ESA Amendments, Cinemark receives an additional monthly theater access fee that began on November 1, 2019 in consideration for NCM LLC's access to certain on-screen advertising inventory after the advertised showtime of a feature film. These fees are also based upon a fixed payment per patron: \$

0.052

per patron beginning on November 1, 2022 and increasing

8

% every five years beginning November 1, 2027. Additionally, following the 2019 ESA Amendments, beginning on November 1, 2019, NCM LLC is entitled to display the Platinum Spot, an additional single unit that is either 30 or 60 seconds of the *Noovie*® pre-show in the trailer position directly prior to the "attached" trailers preceding the feature film. The "attached" trailers are those provided by studios to Cinemark that are with the feature film, which is at least one trailer, but sometimes two or more trailers. In consideration for the utilization of the theaters for the Platinum Spots, Cinemark is entitled to receive a percentage of all revenue generated for the actual display of Platinum Spots in their applicable theaters, subject to a specified minimum. If NCM LLC runs advertising in more than one concurrent advertisers' Platinum Spot for any portion of the network over a period of time, then NCM LLC will be required to satisfy a minimum average CPM for that period of time. The Company does not owe any theater access fees or any Platinum Spot revenue share when the theaters are not displaying the Company's pre-show or when the Company does not have access to the theaters. The digital screen fee is calculated based upon average screens in use during each month.

The network affiliates compensation is considered variable lease expense and varies by circuit depending upon the agreed upon terms of the network affiliate agreement. The majority of agreements are centered around a revenue share where an agreed upon percentage of the advertising revenue received from a theater's attendance is paid to the circuit. As part of the network affiliate agreements entered into in the ordinary course of business under which the Company sells advertising for display in various network affiliate theater chains, the Company has agreed to certain minimum revenue guarantees on a per attendee basis. If a network affiliate achieves the attendance set forth in their respective agreement, the Company has guaranteed minimum revenue for the network affiliate per attendee if such amount paid under the revenue share arrangement is less than its guaranteed amount. As of September 26, 2024, the maximum potential amount of future payments the Company could be required to make pursuant to the minimum revenue

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guarantees is \$

234.5

million over the remaining terms of the network affiliate agreements. These minimum guarantees relate to various affiliate agreements ranging in term from two years to nine years, prior to any renewal periods of which some are at the option of the Company. The Company accrued \$

0.6

million and \$

0.0

million related to affiliate agreements with guaranteed minimums in excess of the revenue share agreement as of September 26, 2024 and December 28, 2023, respectively, within 'Accounts payable' in the Unaudited Condensed Consolidated Balance Sheet. As the guaranteed minimums are based upon agreed upon minimum attendance or affiliate revenue levels, the Company will not incur minimum revenue share fees during a period of time the minimum theater attendance or revenue levels are not met by the affiliate.

10. FAIR VALUE MEASUREMENTS

All current assets and liabilities are estimated to approximate their fair value due to the short-term nature of these balances. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Non-Recurring Measurements—Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. These assets include long-lived assets, intangible assets, other investments, notes receivable and borrowings.

Long-Lived Assets, Intangible Assets and Other Investments—The Company regularly reviews long-lived assets (primarily property, plant and equipment), intangible assets and investments accounted for under the cost or equity method for impairment whenever certain qualitative factors, events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. When the estimated fair value is determined to be lower than the carrying value of the asset, an impairment charge is recorded to write the asset down to its estimated fair value.

Other investments consisted of the following (in millions):

	September 26, 2024	As of December 28, 2023
Investment in AC JV, LLC	1.3	0.7
	\$	\$
Total	1.3	0.7
	\$	\$

As of September 26, 2024, no observable price changes or impairments have been recorded as a result of the Company's qualitative assessment of identified events or changes in the circumstances of the remaining investments. The investment in AC JV, LLC was initially valued using comparative market multiples. The other investments were recorded based upon the fair value of the services provided in exchange for the investment. As the inputs to the determination of fair value are based upon non-identical assets and use significant unobservable inputs, they have been classified as Level 3 in the fair value hierarchy.

Borrowings—The carrying amount of the Revolving Credit Facility 2023 is considered a reasonable estimate of fair value due to its floating-rate terms.

Recurring Measurements—All current assets and liabilities are estimated to approximate their fair value due to the short-term nature of these balances. The fair values of the Company's assets and liabilities measured on a recurring basis pursuant to ASC 820-10 *Fair Value Measurements and Disclosures* are as follows (in millions):

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	Fair Value As of September 26, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements at Reporting Date Using		Significant Unobservable Inputs (Level 3)
			Significant Other Observable Inputs (Level 2)		
ASSETS:					
Cash equivalents (1)					
	\$ 40.7	\$ 40.7	\$ —	\$ —	
Short-term marketable securities (2)					
	0.1	—	0.1	—	
Total assets					
	\$ 40.8	\$ 40.7	\$ 0.1	\$ —	

(1) *Cash equivalents*—The Company's cash equivalents are carried at estimated fair value. Cash equivalents consist of money market accounts which the Company has classified as Level 1 given the active market for these accounts.

(2) *Short-term marketable securities*—The carrying amount and fair value of the marketable securities are equivalent since the Company accounts for these instruments at fair value. The Company's certificates of deposit are valued at cost plus interest. The inputs in the valuation are classified as Level 1 if there is an active market for these securities; however, if an active market does not exist, the inputs are recorded at a lower level in the fair value hierarchy. The value of the certificates of deposit is derived from contractual terms. The inputs to the valuation pricing models are observable, and as such are generally classified as Level 2 in the fair value hierarchy.

The amortized cost basis, aggregate fair value and maturity of the marketable securities the Company held as of September 26, 2024 are as follows:

	Amortized Cost Basis (in millions)	As of September 26, 2024 Aggregate Fair Value (in millions)	Maturities (in years)
MARKETABLE SECURITIES:			
Short-term certificates of deposit			
	0.1	0.1	0.4
Total short-term marketable securities			
	0.1	0.1	
Total marketable securities			
	\$ 0.1	\$ 0.1	

11. SUBSEQUENT EVENTS

Share Repurchase Program—Subsequent to the three and nine months ended September 26, 2024, in accordance with the stock repurchase plan approved on March 18, 2024 by the Company's Board of Directors,

169,895
shares were repurchased on the open market for \$

1.1
million. In accordance with ASC 505 —*Equity*, these shares were retired and any excess over par value paid was recorded as a reduction to retained earnings.

Other Investments—On October 1, 2024, the Company invested \$

1.0
million in cash to acquire equity interests in an advertising-related company. Additionally, on October 8, 2024, the Company entered into an agreement with an entertainment company to exchange \$

2.0
million of on-screen advertising to be provided over a three-year term in exchange for equity interests.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Some of the information in this Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. All statements other than statements of historical facts included in this Form 10-Q, including, without limitation, certain statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" may constitute forward-looking statements. In some cases, you can identify these "forward-looking statements" by the specific words, including but not limited to "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of those words and other comparable words. These forward-looking statements involve risks and uncertainties. Our actual results could differ materially from those indicated in these statements as a result of certain factors as more fully discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the Company's fiscal year ended December 28, 2023. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. The following discussion and analysis is a supplement to and should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto included herein and the audited financial statements and other disclosure included in our Annual Report on Form 10-K for the Company's fiscal year ended December 28, 2023. In the following discussion and analysis, the term net income refers to net income attributable to the Company.

Overview

National CineMedia is the largest cinema advertising platform in the US. With unparalleled reach and scale, NCM connects brands to sought-after young, diverse audiences through the power of movies and pop culture. A premium video, full-funnel marketing solution for advertisers, NCM enhances marketers' ability to measure and drive results. We currently derive revenue principally from the sale of advertising to national, regional and local businesses in The Noovie® Show, our cinema advertising and entertainment show seen on movie screens across the U.S.

We present multiple formats of The Noovie Show depending on the theater circuit in which it runs, which may include Post-Showtime advertising inventory after the advertised showtime. As of September 26, 2024, theaters presenting The Noovie Show format with Post-Showtime Inventory made up approximately 65.2% of our network. All other NCM network theater circuits, which make up the remaining 34.8% of our network, present The Noovie Show, without Post-Showtime advertising inventory. The movie trailers presented by the theater circuits that run before the feature film are not part of The Noovie Show.

We also sell advertising on our lobby network ("LEN"), a series of strategically placed screens located in movie theater lobbies, as well as other forms of advertising and promotions in theater lobbies. In addition, we sell online and mobile advertising through our Noovie Audience Accelerator service, across our suite of Noovie digital properties, as well as a variety of complementary out of home venues in order to reach entertainment audiences beyond the theater. As of September 26, 2024, 7.4 million moviegoers have downloaded our mobile apps. These downloads and the acquisition of second- and third-party data have resulted in approximately 815.0 million data sets as of September 26, 2024. We have long-term exhibitor service agreements ("ESAs") (approximately 14.4 weighted average years remaining) and multi-year agreements with our network affiliates, which expire at various dates between January 2025 and July 2033. The weighted average remaining term of the ESAs and the network affiliate agreements is 11.5 years as of September 26, 2024. The ESAs and network affiliate agreements grant NCM LLC exclusive rights in their theaters to sell advertising, subject to limited exceptions. Our Noovie Show and LEN programming are distributed predominantly via satellite through our proprietary digital content network ("DCN").

Management focuses on several measurements that we believe provide us with the necessary ratios and key performance indicators to manage our business, determine how we are performing versus our internal goals and targets, and against the performance of our competitors and other benchmarks in the marketplace in which we operate. We focus on many operating metrics including changes in revenue, Adjusted OIBDA and Adjusted OIBDA margin, as some of our primary measurement metrics. In addition, we monitor our monthly advertising performance measurements, including advertising inventory utilization, advertising pricing ("CPM"), local advertising rate per theater per week, advertising revenue per attendee, as well as significant operating expenses and related trends. We also monitor free cash flow, cash balances, the fixed charge coverage ratio and revolving credit facility availability to ensure financial debt covenant compliance and that there is adequate cash availability to fund our working capital needs, debt obligations and any future dividends declared by our Board of Directors.

Our operating results may be affected by a variety of internal and external factors and trends described more fully in the section entitled "Risk Factors" below and in our Annual Report on Form 10-K filed with the SEC on March 18, 2024 for our fiscal year ended December 28, 2023.

Recent Developments

Share Repurchase Program—On March 18, 2024, the Board of Directors of the Company approved a stock repurchase program under which the Company is authorized to use assets of the Company to repurchase up to \$100.0 million of shares of the

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Company's Common Stock, exclusive of any fees, commissions or other expenses related to such repurchases, from time to time over a period of three years. Shares may be repurchased under the program through open market purchases, block trades, or accelerated or other structured share repurchase programs. During the three and nine months ended September 26, 2024, 304,901 and 2,224,488 shares, respectively, were repurchased on the open market. In accordance with *Accounting Standards Codification* ("ASC") 505—*Equity*, these shares were retired and any excess over par value paid was recorded as a reduction to retained earnings of \$1.9 million and \$11.3 million for the three and nine months ended September 26, 2024, respectively.

Bankruptcy Filing, Deconsolidation and Reconsolidation of NCM LLC

On April 11, 2023 NCM LLC filed a voluntary petition for reorganization (the "Chapter 11 Case") with a prearranged Chapter 11 plan under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court"). During the Chapter 11 Case, the Company was deemed to no longer control NCM LLC for accounting purposes and NCM LLC was deconsolidated from the Company's financial statements prospectively as of April 11, 2023 and recorded a gain on deconsolidation of \$557.7 million within the second quarter of 2023. NCM, Inc. continued to operate as the manager of the debtor-in-possession pursuant to the authority granted under Chapter 11 of the Bankruptcy Code throughout the Chapter 11 Case.

On June 27, 2023, the Bankruptcy Court entered an order (the "Confirmation Order") confirming NCM LLC's Modified First Amended Plan of Reorganization of National CineMedia, LLC Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 428] (as may be amended, modified, or supplemented from time to time, the "Plan") and approving the Amended Disclosure Statement for First Amended Chapter 11 Plan of Reorganization of National CineMedia, LLC [Docket No. 250] (the "Disclosure Statement") on a final basis. Following confirmation of the Plan on August 7, 2023 (the "Effective Date"), all the conditions to effectiveness of the Plan were satisfied or waived, the Restructuring Transactions (as defined in the "Plan") were substantially consummated and NCM LLC emerged from bankruptcy. Among other things, on the Effective Date, in accordance with the Plan, all common units under the NCM LLC's Third Amended and Restated Limited Liability Company Operating Agreement (the "NCM LLC Operating Agreement") were canceled and extinguished, NCM, Inc. received NCM LLC common units and transferred the NCM Capital Contribution (as defined in the Plan) of approximately \$15.5 million to NCM LLC, NCM LLC assumed certain unexpired Executory Contracts and Unexpired Leases (each, as defined in the Plan), including AMC's and Cinemark's ESAs, NCM LLC transferred \$8.8 million of cash to a professional fees escrow account and \$15.0 million to an unsecured creditor settlements escrow account for the General Unsecured Claim Pool (as defined in the Plan). NCM LLC commenced distributions to creditors, including the issuance of shares of NCM, Inc. common stock to holders of Secured Debt Claims (as defined in the Plan) and NCM LLC entered into an Exit Facility (as defined in the Plan) to support operations upon emergence. As a result of the Plan, all historical debt of NCM LLC was discharged and NCM LLC recorded a gain on bankruptcy of \$916.4 million for the nine months and year ended December 28, 2023.

Additionally, upon emergence from bankruptcy, NCM, Inc., regained control and retained 100.0% ownership of NCM LLC, after taking into account elections by the holders of Secured Debt Claims to receive NCM, Inc. common stock in lieu of NCM LLC common units and was therefore reconsolidated into the Company's financial statements prospectively as of August 7, 2023 akin to an acquisition under ASC 805 – *Business Combinations*. In accordance with ASC 805 – *Business Combinations*, the assets and liabilities of NCM LLC were adjusted to their estimated fair value as of the Effective Date. All activity during the Chapter 11 Case from April 11, 2023 to August 7, 2023 when NCM LLC was deconsolidated from NCM, Inc. represents activity and balances for NCM, Inc. standalone. All activity and balances prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023 represent NCM, Inc. consolidated, inclusive of NCM LLC.

As of September 26, 2024, the Company had not completed all agreed upon payments to the General Unsecured Claim Pool and held a total of \$3.0 million within the escrow accounts and accruals, presented within 'Restricted cash' and 'Accounts payable' on the unaudited Condensed Consolidated Balance Sheet as of September 26, 2024, respectively.

Summary Historical and Operating Data

You should read this information with the other information contained in this document, and our unaudited historical financial statements and the notes thereto included elsewhere in this document.

NCM, Inc.'s Operating Data—Within the financial results outlined below, all activity during the Chapter 11 Case from April 11, 2023 to August 7, 2023 when NCM LLC was deconsolidated from NCM, Inc. represents activity and balances for NCM, Inc. standalone. All activity and balances prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023 represent NCM, Inc. consolidated, inclusive of NCM LLC. The operating results for NCM LLC, which management believes better represent the Company's historical consolidated performance, are presented separately subsequent to the operating data for NCM, Inc., which is presented below (dollars in millions, except share and margin data):

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	Q3 2024	Q3 2023	YTD 2024	YTD 2023	% Change	
					Q3 2023 to Q3 2024	YTD 2023 to YTD 2024
Revenue	\$ 62.4	\$ 24.7	\$ 154.5	\$ 74.4	152.6%	107.7%
Operating expenses:						
Network operating costs	3.3	2.6	10.6	6.9	26.9%	53.6%
ESA Parties and network affiliate fees	32.9	14.5	82.1	42.8	126.9%	91.8%
Selling and marketing costs	10.1	6.3	29.6	16.9	60.3%	75.1%
Administrative and other costs	12.9	7.3	39.8	40.6	76.7%	(2.0)%
Depreciation expense	1.2	0.6	3.4	2.1	100.0%	61.9%
Amortization expense	9.5	5.7	28.4	12.8	66.7%	121.9%
Total operating expenses	69.9	37.0	193.9	122.1	88.9%	58.8%
Operating loss	(7.5)	(12.3)	(39.4)	(47.7)	(39.0)%	(17.4)%
Non-operating (income) expense	(3.9)	(194.1)	7.6	(720.7)	(98.0)%	(101.1)%
Income tax expense	—	—	—	—	0.0%	0.0%
Net loss attributable to noncontrolling interests	—	—	—	(8.5)	0.0%	(100.0)%
Net (loss) income attributable to NCM, Inc.	<u>\$ (3.6)</u>	<u>\$ 181.8</u>	<u>\$ (47.0)</u>	<u>\$ 681.5</u>	(102.0)%	(106.9)%
Net (loss) income per NCM, Inc. basic share	\$ (0.04)	\$ 2.89	\$ (0.49)	\$ 21.58	(101.4)%	(102.3)%
Net (loss) income per NCM, Inc. diluted share	\$ (0.04)	\$ 2.89	\$ (0.49)	\$ 20.72	(101.4)%	(102.4)%

Basis of Presentation

The results of operations data for the three months ended September 26, 2024 (third quarter of 2024) and September 28, 2023 (third quarter of 2023) and the nine months ended September 26, 2024 and September 28, 2023 were derived from the unaudited Condensed Consolidated Financial Statements and accounting records of NCM, Inc. and should be read in conjunction with the accompanying notes.

Our Network—The change in the number of screens in our network by the ESA Parties and network affiliates during the nine months ended September 26, 2024 was as follows.

	ESA Parties	Number of screens Network Affiliates	Total
Balance as of December 28, 2023	9,573	8,830	18,403
Lost affiliates (1)	—	(167)	(167)
Closures, net of openings (2)	(81)	(14)	(95)
Balance as of September 26, 2024	<u>9,492</u>	<u>8,649</u>	<u>18,141</u>

(1) Represents the loss of three of our affiliates following the end of their affiliate agreements resulting in a reduction of 167 affiliate screens to our network as of September 26, 2024.

(2) Represents the closure of 95 screens, net of new screens added, across our ESA Parties and network affiliates.

Our ESA Party and network affiliate agreements allow us to sell cinema advertising across the largest network of digitally equipped theaters in the U.S. We believe that our market coverage strengthens our selling proposition and competitive positioning against other national, regional and local video advertising platforms, including television, online and mobile video platforms and other out of home video advertising platforms by allowing advertisers the broad reach and national scale that they need to effectively reach their target audiences.

Results of Operations

Third Quarter of 2024 and Third Quarter of 2023 for NCM, Inc.

Revenue. Total revenue increased \$37.7 million, or 152.6%, from \$24.7 million for the third quarter of 2023 to \$62.4 million for the third quarter of 2024. The following is a summary of revenue by category (in millions):

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	Three Months Ended		\$ Change Q3 2023 to Q3 2024	% Change Q3 2023 to Q3 2024
	Q3 2024	Q3 2023		
National advertising revenue	\$ 46.8	\$ 15.5	\$ 31.3	201.9%
Local and regional advertising revenue	11.4	5.1	6.3	123.5%
ESA Party advertising revenue from beverage concessionaire agreements	4.2	1.7	2.5	147.1%
Management fee reimbursement	—	2.4	(2.4)	(100.0)%
Total revenue	<u>\$ 62.4</u>	<u>\$ 24.7</u>	<u>\$ 37.7</u>	<u>152.6%</u>

National advertising revenue. National advertising revenue increased by \$31.3 million, or 201.9%, from \$15.5 million for the third quarter of 2023 to \$46.8 million for the third quarter of 2024. The increase in national advertising revenue was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$15.5 million of revenue within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$46.8 million of revenue in the third quarter of 2024 representing a full quarter of consolidated activity.

Local and regional advertising revenue. Local and regional advertising revenue increased by \$6.3 million, or 123.5%, from \$5.1 million for the third quarter of 2023 to \$11.4 million for the third quarter of 2024. The increase in local and regional advertising revenue was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$5.1 million of revenue within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$11.4 million of revenue in the third quarter of 2024 representing a full quarter of consolidated activity.

ESA Party beverage revenue. ESA Party beverage revenue increased \$2.5 million, or 147.1%, from \$1.7 million for the third quarter of 2023 to \$4.2 million for the third quarter of 2024. The increase in ESA Party beverage revenue was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$1.7 million of revenue within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$4.2 million of revenue in the third quarter of 2024 representing a full quarter of consolidated activity.

Management fee reimbursement. Management fee reimbursement decreased \$2.4 million, or 100.0%, from \$2.4 million for the third quarter of 2023 to \$0.0 million for the third quarter of 2024. The \$2.4 million represents the revenue recognized by NCM, Inc. for managing unconsolidated NCM LLC during a portion of the third quarter of 2023. This amount is equal to the expenses incurred by NCM, Inc. that were paid by NCM LLC. In the third quarter of 2024, NCM LLC is reconsolidated by NCM, Inc. following the completion of NCM LLC's Chapter 11 Case and these amounts have been eliminated upon consolidation.

Operating expenses. Total operating expenses increased \$32.9 million, or 88.9%, from \$37.0 million for the third quarter of 2023 to \$69.9 million for the third quarter of 2024. The following table shows the changes in operating expense for the third quarter of 2024 (in millions):

	Three Months Ended		\$ Change Q3 2023 to Q3 2024	% Change Q3 2023 to Q3 2024
	Q3 2024	Q3 2023		
Network operating costs	\$ 3.3	\$ 2.6	\$ 0.7	26.9%
ESA Parties and network affiliate fees	32.9	14.5	18.4	126.9%
Selling and marketing costs	10.1	6.3	3.8	60.3%
Administrative and other costs	12.9	7.3	5.6	76.7%
Depreciation expense	1.2	0.6	0.6	100.0%
Amortization expense	9.5	5.7	3.8	66.7%
Total operating expenses	<u>\$ 69.9</u>	<u>\$ 37.0</u>	<u>\$ 32.9</u>	<u>88.9%</u>

Network operating costs. Network operating costs increased \$0.7 million, or 26.9%, from \$2.6 million for the third quarter of 2023 to \$3.3 million for the third quarter of 2024. The increase in network operating costs was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$2.6 million of expense within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$3.3 million of expense in the third quarter of 2024 representing a full quarter of consolidated activity.

ESA Parties and network affiliate fees. ESA Parties and network affiliate fees increased by \$18.4 million, or 126.9%, from \$14.5 million for the third quarter of 2023 to \$32.9 million for the third quarter of 2024. The increase in ESA Parties and network affiliate fees was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$14.5 million of expense within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC

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on August 7, 2023, compared to the \$32.9 million of expense in the third quarter of 2024 representing a full quarter of consolidated activity.

Selling and marketing costs. Selling and marketing costs increased \$3.8 million, or 60.3%, from \$6.3 million for the third quarter of 2023 to \$10.1 million for the third quarter of 2024. The increase in selling and marketing costs was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$6.3 million of expense within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$10.1 million of expense in the third quarter of 2024 representing a full quarter of consolidated activity.

Administrative and other costs. Administrative and other costs increased \$5.6 million, or 76.7%, from \$7.3 million for the third quarter of 2023 to \$12.9 million for the third quarter of 2024. The increase was primarily due to a \$3.8 million increase in advisor and legal fees related to the Chapter 11 Case and Cineworld Proceeding for the third quarter of 2024, compared to the third quarter of 2023, due to the deconsolidation of NCM LLC during a portion of the third quarter of 2023 while NCM LLC's Chapter 11 Case was ongoing, as well as additional costs incurred in the third quarter of 2024 related to ongoing litigation regarding unsettled claims. The increase is also due to a \$1.7 million increase in stock based compensation following the grant of a management equity incentive plan in the first quarter of 2024 compared to limited grant activity in 2023 and a \$0.4 million increase in other corporate expenses due to the deconsolidation of NCM LLC during a portion of the third quarter of 2023 while NCM LLC's Chapter 11 Case was ongoing. These increases were partially offset by a \$0.5 million decrease in personnel costs due to the workforce reorganization in the first quarter of 2024.

Depreciation expense. Depreciation expense increased \$0.6 million, or 100.0%, from \$0.6 million for the third quarter of 2023 to \$1.2 million in the third quarter of 2024. The increase in depreciation expense was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$0.6 million of expense within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$1.2 million of expense in the third quarter of 2024 representing a full quarter of consolidated activity.

Amortization expense. Amortization expense increased \$3.8 million, or 66.7%, from \$5.7 million for the third quarter of 2023 to \$9.5 million for the third quarter of 2024. The increase in amortization expense was primarily due to the reconsolidation of NCM LLC during the third quarter of 2023. The \$5.7 million of expense within the third quarter of 2023 represents the activity of NCM LLC after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$9.5 million of expense in the third quarter of 2024 representing a full quarter of consolidated activity.

Non-operating (income) expense. Total non-operating (income) expense decreased \$190.2 million, or 98.0%, from \$194.1 million in non-operating income for the third quarter of 2023 to \$3.9 million in non-operating income for the third quarter of 2024. The following table shows the changes in non-operating (income) expense for the third quarter of 2024 and the third quarter of 2023 (in millions):

	Three Months Ended		\$ Change Q3 2023 to Q3 2024	% Change Q3 2023 to Q3 2024
	Q3 2024	Q3 2023		
Interest on borrowings	\$ 0.4	\$ 0.3	\$ 0.1	33.3%
Interest income	(0.7)	—	(0.7)	100.0%
(Gain) loss on the re-measurement of the payable under the tax receivable agreement	(3.0)	9.3	(12.3)	(132.3)%
Gain on re-measurement of investment in NCM LLC	—	(35.3)	35.3	(100.0)%
Gain on reconsolidation of NCM LLC	—	(168.0)	168.0	(100.0)%
Other non-operating income, net	(0.6)	(0.4)	(0.2)	50.0%
Total non-operating (income) expense	<u>\$ (3.9)</u>	<u>\$ (194.1)</u>	<u>\$ 190.2</u>	<u>(98.0)%</u>

The decrease in non-operating income was primarily due to a \$168.0 million decrease in the gain on reconsolidation of NCM LLC and a \$35.3 million decrease in gain on re-measurement of investment in NCM LLC in the third quarter of 2024, as compared to the third quarter of 2023. This was partially offset by a \$12.3 million increase in the gain on the re-measurement of the payable under the tax receivable agreement due to adjustments in management's forecast for future years following increased insight into the respective movie slates and market demand and a \$0.7 million increase in interest income in the third quarter of 2024, as compared to the third quarter of 2023.

Results of Operations for NCM LLC for the Third Quarter of 2024 and Third Quarter of 2023

The following table presents operating data and Adjusted OIBDA (dollars in millions, except share and margin data) for the three months ended September 26, 2024 (third quarter of 2024) and September 28, 2023 (third quarter of 2023) for NCM LLC:

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	Q3 2024	Q3 2023	\$ Change Q3 2023 to Q3 2024	% Change Q3 2023 to Q3 2024
Revenue	\$ 62.4	\$ 69.6	\$ (7.2)	(10.3)%
Operating expenses:				
Network operating costs	3.3	3.7	(0.4)	(10.8)%
ESA Parties and network affiliate fees	32.9	34.8	(1.9)	(5.5)%
Selling and marketing costs	10.1	11.8	(1.7)	(14.4)%
Administrative and other costs	12.9	26.0	(13.1)	(50.4)%
Loss on termination of Regal ESA	—	125.6	(125.6)	(100.0)%
Impairment of long-lived assets	—	9.6	(9.6)	(100.0)%
Depreciation expense	1.2	1.0	0.2	20.0%
Amortization expense	9.5	7.8	1.7	21.8%
Total operating expenses	69.9	220.3	(150.4)	(68.3)%
Operating loss	\$ (7.5)	\$ (150.7)	\$ 143.2	(95.0)%
Adjusted OIBDA	\$ 8.8	\$ 11.3	\$ (2.5)	(22.1)%
Adjusted OIBDA margin	14.1%	16.2%	(2.1)%	(12.9)%
Total theater attendance (in millions) (1)	121.6	131.7	(10.1)	(7.7)%

Revenue. Revenue decreased \$7.2 million, or 10.3%, from \$69.6 million for the third quarter of 2023 to \$62.4 million for the third quarter of 2024.

National advertising revenue decreased by \$5.2 million, or 10.0%, from \$52.0 million for the third quarter of 2023 to \$46.8 million for the third quarter of 2024. The decrease in national advertising revenue was primarily due to a 7.7% decrease in attendance due to a decreased movie slate in the third quarter of 2024 compared to the third quarter of 2023, caused by the writer and actor strikes in 2023 and a 4.5% decrease in CPMs in the third quarter of 2024, as compared to the third quarter of 2023.

Local and regional advertising revenue decreased by \$1.5 million, or 11.6%, from \$12.9 million for the third quarter of 2023 to \$11.4 million for the third quarter of 2024. The decrease in local and regional advertising revenue was primarily due to a decrease in contract activity and size within the government, consumer packaged goods, entertainment, and education categories partially driven by a decreased movie slate in the third quarter of 2024 compared to the third quarter of 2023 due to the writer and actor strikes in 2023. The decrease was partially offset by an increase in contract activity and size within the automotive, healthcare, wireless and insurance categories, in the third quarter of 2024, as compared to the third quarter of 2023, as well as by the launch of the new programmatic offering in early 2024.

ESA Party beverage revenue decreased \$0.5 million, or 10.6% from \$4.7 million for the third quarter of 2023 to \$4.2 million for the third quarter of 2024. The decrease was primarily due to a 4.4% decrease in ESA Party attendance for the third quarter of 2024, as compared to the third quarter of 2023.

Network operating costs. Network operating costs decreased \$0.4 million, or 10.8%, from \$3.7 million for the third quarter of 2023 to \$3.3 million for the third quarter of 2024. The decrease was primarily due to a \$0.2 million decrease in costs associated with our digital out of home offering due to a decrease in associated revenue and a \$0.2 million decrease in personnel related expenses in the third quarter of 2024, as compared to the third quarter of 2023. These decreases were partially offset by a \$0.1 million increase in satellite costs related to the one-time transition of providers in the third quarter of 2024, as compared to the third quarter of 2023.

ESA Parties and network affiliate fees. ESA Parties and network affiliate fees decreased by \$1.9 million, or 5.5%, from \$34.8 million for the third quarter of 2023 to \$32.9 million for the third quarter of 2024. The decrease was primarily due to a 7.7% decrease in network attendance, as well as the rejection of certain affiliate agreements through the bankruptcy proceedings in 2023. These decreases were partially offset by contractual rate increases with the ESA parties for the third quarter of 2024, as compared to the third quarter of 2023.

Selling and marketing costs. Selling and marketing costs decreased \$1.7 million, or 14.4%, from \$11.8 million for the third quarter of 2023 to \$10.1 million for the third quarter of 2024. The decrease was primarily due to a \$1.9 million decrease in personnel related expenses primarily related to performance-based compensation due in part to the decrease in revenue, as well as, changes in the Company's incentive compensation plan following the workforce reorganization in the first quarter of 2024 and a \$0.8 million decrease in costs associated with our digital offerings due to a decrease in digital revenue in the third quarter of 2024, as compared to the third quarter of 2023. These decreases were partially offset by a \$0.6 million increase in selling

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related expenses and a \$0.4 million increase in bad debt expense in the third quarter of 2024, as compared to the third quarter of 2023.

Administrative and other costs. Administrative and other costs decreased \$13.1 million, or 50.4%, from \$26.0 million for the third quarter of 2023 to \$12.9 million for the third quarter of 2024. The decrease was primarily related to a \$12.9 million decrease in legal and professional fees related to the Chapter 11 Case and Cineworld Proceeding incurred in the third quarter of 2023 compared the third quarter of 2024. Additionally, the decrease was due to a \$1.9 million decrease in personnel related costs due to the workforce reorganization in the first quarter of 2024 and a retention program implemented to ensure continuity of the management team during the Chapter 11 Case in place during the third quarter of 2023. These decreases were partially offset by a \$1.5 million increase in stock based compensation following the grant of a management equity incentive plan in the first quarter of 2024 compared to limited grant activity in 2023.

Loss on termination of Regal ESA. Loss on termination of Regal ESA decreased \$125.6 million, or 100.0%, from \$125.6 million for the third quarter of 2023 to \$0.0 million for the third quarter of 2024. This was primarily due to a \$141.5 million disposal of the intangible asset related to the Regal ESA in the third quarter of 2023, offset by the \$13.0 million gain on Regal's surrender of ownership in the Company, and \$2.9 million in payables forgiven in conjunction with emergence from bankruptcy in the third quarter of 2023.

Impairment of long-lived assets. Impairment of long-lived assets decreased \$9.6 million, or 100.0%, from \$9.6 million for the third quarter of 2023 to \$0.0 million for the third quarter of 2024. This was primarily due to the write-off of certain long-lived intangible assets in the third quarter of 2023.

Depreciation expense. Depreciation expense increased \$0.2 million, or 20.0%, from \$1.0 million for the third quarter of 2023 to \$1.2 million in the third quarter of 2024. This decrease was primarily due to the fair value adjustments to NCM LLC's property and equipment upon reconsolidation by NCM, Inc. on August 7, 2023, as well as, accelerated depreciation recognized on leasehold improvements in conjunction with the relocation of one office location.

Amortization expense. Amortization expense increased \$1.7 million, or 21.8%, from \$7.8 million for the third quarter of 2023 to \$9.5 million for the third quarter of 2024. The increase was primarily due to the fair value adjustments to NCM LLC's intangible assets upon reconsolidation by NCM, Inc. on August 7, 2023.

Nine months ended September 26, 2024 and September 28, 2023 for NCM, Inc.

Revenue. Total revenue increased \$80.1 million, or 107.7%, from \$74.4 million for the nine months ended September 28, 2023 to \$154.5 million for the nine months ended September 26, 2024. The following is a summary of revenue by category (in millions):

	Nine Months Ended		\$ Change	% Change
	September 26, 2024	September 28, 2023	YTD 2023 to YTD 2024	YTD 2023 to YTD 2024
National advertising revenue	\$ 117.9	\$ 43.0	\$ 74.9	174.2%
Local and regional advertising revenue	26.5	14.2	12.3	86.6%
ESA Party advertising revenue from beverage concessionaire agreements	10.1	7.1	3.0	42.3%
Management fee reimbursement	—	10.1	(10.1)	(100.0)%
Total revenue	\$ 154.5	\$ 74.4	\$ 80.1	107.7%

National advertising revenue. National advertising revenue increased by \$74.9 million, or 174.2%, from \$43.0 million for the nine months ended September 28, 2023 to \$117.9 million for the nine months ended September 26, 2024. The increase in national advertising revenue was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$43.0 million of revenue within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$117.9 million of revenue in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

Local and regional advertising revenue. Local and regional advertising revenue increased by \$12.3 million, or 86.6%, from \$14.2 million for the nine months ended September 28, 2023 to \$26.5 million for the nine months ended September 26, 2024. The increase in local and regional advertising revenue was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$14.2 million of revenue within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$26.5 million of revenue in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

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ESA Party beverage revenue. ESA Party beverage revenue increased \$3.0 million, or 42.3%, from \$7.1 million for the nine months ended September 28, 2023 to \$10.1 million for the nine months ended September 26, 2024. The increase in ESA Party beverage revenue was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$7.1 million of revenue within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$10.1 million of revenue in the nine months ended September 26, 2024 representing three full quarters of consolidated activity. This increase was partially offset by the discontinuation of Regal's beverage revenue following Regal's termination of their ESA in 2023, as well as the impact of a 13.7% decrease in ESA Party attendance for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

Management fee reimbursement. Management fee reimbursement decreased \$10.1 million, or 100%, from \$10.1 million for the nine months ended September 28, 2023 to \$0.0 million for the nine months ended September 26, 2024. The \$10.1 million represents the revenue recognized by NCM, Inc. for managing unconsolidated NCM LLC during the nine months ended September 28, 2023. This amount is equal to the expenses incurred by NCM, Inc. that were paid by NCM LLC. In the nine months ended September 26, 2024, NCM LLC is consolidated by NCM, Inc., following the completion of NCM LLC's Chapter 11 Case and these amounts have been eliminated upon consolidation.

Operating expenses. Total operating expenses increased \$71.8 million, or 58.8%, from \$122.1 million for the nine months ended September 28, 2023 to \$193.9 million for the nine months ended September 26, 2024. The following table shows the changes in operating expense for the nine months ended September 26, 2024 and September 28, 2023 (in millions):

	Nine Months Ended		\$ Change		% Change	
	September 26, 2024	September 28, 2023	YTD 2023 to YTD 2024		YTD 2023 to YTD 2024	
Network operating costs	\$ 10.6	\$ 6.9	\$ 3.7		53.6%	
ESA Parties and network affiliate fees	82.1	42.8	39.3		91.8%	
Selling and marketing costs	29.6	16.9	12.7		75.1%	
Administrative and other costs	39.8	40.6	(0.8)		(2.0)%	
Depreciation expense	3.4	2.1	1.3		61.9%	
Amortization expense	28.4	12.8	15.6		121.9%	
Total operating expenses	<u>\$ 193.9</u>	<u>\$ 122.1</u>	<u>\$ 71.8</u>		<u>58.8%</u>	

Network operating costs. Network operating costs increased \$3.7 million, or 53.6%, from \$6.9 million for the nine months ended September 28, 2023, to \$10.6 million for the nine months ended September 26, 2024. The increase in network operating costs was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$6.9 million of expense within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$10.6 million of expense in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

ESA Parties and network affiliate fees. ESA Parties and network affiliate fees increased \$39.3 million, or 91.8%, from \$42.8 million for the nine months ended September 28, 2023 to \$82.1 million for the nine months ended September 26, 2024. The increase in ESA Parties and network affiliate fees was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$42.8 million of expense within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$82.1 million of expense in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

Selling and marketing costs. Selling and marketing costs increased \$12.7 million, or 75.1%, from \$16.9 million for the nine months ended September 28, 2023 to \$29.6 million for the nine months ended September 26, 2024. The increase in selling and marketing costs was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$16.9 million of expense within the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$29.6 million of expense in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

Administrative and other costs. Administrative and other costs decreased \$0.8 million, or 2.0%, from \$40.6 million for the nine months ended September 28, 2023 to \$39.8 million for the nine months ended September 26, 2024. The decrease is primarily due to an \$8.2 million decrease in advisor and legal fees related to the Chapter 11 Case and Cineworld Proceeding for the nine months ended September 26, 2024, compared to the nine months ended September 28, 2023. The decrease was partially offset by a \$4.6 million increase in stock based compensation following the grant of a management equity incentive plan in the first

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quarter of 2024 compared to limited grant activity in 2023, a \$1.5 million increase in other corporate expenses due to the deconsolidation of NCM LLC during a portion of the nine months ended September 28, 2023 while NCM LLC's Chapter 11 Case was ongoing and a \$1.2 million increase in severance expense due to the non-renewal of the former President - Sales, Marketing and Partnerships' contract for the nine months ended September 26, 2024, compared to the nine months ended September 28, 2023.

Depreciation expense. Depreciation expense increased \$1.3 million, or 61.9%, from \$2.1 million for the nine months ended September 28, 2023 to \$3.4 million for the nine months ended September 26, 2024. The increase in depreciation expense was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$2.1 million of expense for the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$3.4 million of expense in the nine months ended September 26, 2024 representing three full quarters of consolidated activity.

Amortization expense. Amortization expense increased \$15.6 million, or 121.9%, from \$12.8 million for the nine months ended September 28, 2023 to \$28.4 million for the nine months ended September 26, 2024. The increase in amortization expense was primarily due to the deconsolidation and reconsolidation of NCM LLC within the nine months ended September 28, 2023. The \$12.8 million of expense for the nine months ended September 28, 2023 represents the activity of NCM LLC prior to the deconsolidation of NCM LLC on April 11, 2023 and after the reconsolidation of NCM LLC on August 7, 2023, compared to the \$28.4 million of expense in the nine months ended September 26, 2024 representing three full quarters of consolidated activity. The increase was also due to the fair value adjustments to NCM LLC's intangible assets upon reconsolidation by NCM, Inc. on August 7, 2023.

Non-operating expense (income). Total non-operating expense (income) increased \$728.3 million, or 101.1%, from \$720.7 million of non-operating income for the nine months ended September 28, 2023 to \$7.6 of non-operating expense for the nine months ended September 26, 2024. The following table shows the changes in non-operating expense (income) for the nine months ended September 28, 2023 and September 26, 2024 (in millions):

	Nine Months Ended September 26, 2024	September 28, 2023	\$ Change YTD 2023 to YTD 2024	% Change YTD 2023 to YTD 2024
Interest on borrowings	\$ 1.3	\$ 27.5	\$ (26.2)	(95.3)%
Interest income	(1.7)	—	(1.7)	(100.0)%
Loss on the re-measurement of the payable under the tax receivable agreement	9.3	12.7	(3.4)	(26.8)%
Gain on deconsolidation of NCM LLC	—	(557.7)	557.7	(100.0)%
Gain on re-measurement of investment in NCM LLC	—	(35.5)	35.5	(100.0)%
Gain on reconsolidation of NCM LLC	—	(168.0)	168.0	(100.0)%
Other non-operating (income) expense, net	(1.3)	0.3	(1.6)	(533.3)%
Total non-operating expense (income)	<u>\$ 7.6</u>	<u>\$ (720.7)</u>	<u>\$ 728.3</u>	<u>(101.1)%</u>

The increase in non-operating expense (income) was primarily due to the \$557.7 million decrease in gain on deconsolidation of NCM LLC, the \$168.0 million decrease in the gain on reconsolidation of NCM LLC and the \$35.5 million decrease in gain on re-measurement of investment in NCM LLC. This increase was partially offset by a \$26.2 million decrease in interest on borrowings primarily due to the discharge of historical debt that occurred upon NCM LLC's emergence from bankruptcy and reconsolidation by NCM, Inc. on August 7, 2023, a \$3.4 million decrease in the loss on re-measurement of the payable under the tax receivable agreement due to the inclusion of three years of projected taxable book income/(loss) within the calculation of the TRA payable in the third quarter of 2024, as compared to only one year in the third quarter of 2023, due to management's ability to more accurately forecast following the conclusion of the COVID-19 pandemic, \$1.7 million increase in interest income and a \$1.6 million increase in other non-operating income.

Results of Operations for NCM LLC for the nine months ended September 26, 2024 and September 28, 2023

The following table presents operating data and Adjusted OIBDA (dollars in millions, except share and margin data) for the nine months ended September 28, 2023 and September 26, 2024 for NCM LLC:

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	Nine Months Ended		\$ Change	% Change
	September 26, 2024	September 28, 2023	YTD 2023 to YTD 2024	YTD 2023 to YTD 2024
Revenue	\$ 154.5	\$ 168.9	\$ (14.4)	(8.5)%
Operating expenses:				
Network operating costs	10.6	11.2	(0.6)	(5.4)%
ESA Parties and network affiliate fees	82.1	88.5	(6.4)	(7.2)%
Selling and marketing costs	29.6	31.4	(1.8)	(5.7)%
Administrative and other costs	39.8	80.9	(41.1)	(50.8)%
Loss on termination of Regal ESA	—	125.6	(125.6)	(100.0)%
Impairment of long-lived assets	—	9.6	(9.6)	(100.0)%
Depreciation expense	3.4	3.6	(0.2)	(5.6)%
Amortization expense	28.4	20.3	8.1	39.9%
Total operating expenses	193.9	371.1	(177.2)	(47.7)%
Operating loss	<u>\$ (39.4)</u>	<u>\$ (202.2)</u>	<u>\$ 162.8</u>	(80.5)%
Adjusted OIBDA	\$ 10.7	\$ 12.9	\$ (2.2)	(17.1)%
Adjusted OIBDA margin	6.9%	7.6%	(0.7)%	(9.3)%
Total theater attendance (in millions) (1)	290.2	356.6	(66.4)	(18.6)%

Revenue. Revenue decreased \$14.4 million, or 8.5%, from \$168.9 million for the nine months ended September 28, 2023 to \$154.5 million for the nine months ended September 26, 2024.

National advertising revenue decreased by \$0.3 million, or 0.3% from \$118.2 million for the nine months ended September 28, 2023 to \$117.9 million for the nine months ended September 26, 2024. The decrease in national advertising revenue was primarily due to a 18.6% decrease in attendance due to a decreased movie slate in the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023, caused by the writer and actor strikes in 2023. This decrease was almost completely offset by a 22.1% increase in national advertising utilization in the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

Local and regional advertising revenue decreased by \$8.4 million, or 24.1% from \$34.9 million for the nine months ended September 28, 2023 to \$26.5 million for the nine months ended September 26, 2024. The decrease in local and regional advertising revenue was primarily due to a decrease in contract activity and size within the government, consumer packaged goods, entertainment and education categories due in part to a 18.6% decrease in attendance as well as a decreased movie slate in the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023, caused by the writer and actor strikes in 2023. The decrease was partially offset by an increase in contract activity and size within the automotive, healthcare, wireless and insurance categories, as well as the launch of the new programmatic offering in the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

ESA Party beverage revenue decreased \$5.7 million, or 36.1% from \$15.8 million for the nine months ended September 28, 2023 to \$10.1 million for the nine months ended September 26, 2024. The decrease was due to Regal's termination of their ESA in 2023 and the resulting discontinuation of their beverage revenue as well as a 13.7% decrease in ESA Party attendance for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

Network operating costs. Network operating costs decreased \$0.6 million, or 5.4%, from \$11.2 million for the for the nine months ended September 28, 2023 to \$10.6 million for the nine months ended September 26, 2024. The decrease was primarily due to a \$0.9 million decrease in personnel related expenses due to the workforce reorganization in the first quarter of 2024. This decrease was partially offset by a \$0.3 million increase in satellite costs related to the one-time transition of providers for the nine months ended September 28, 2023, as compared to the nine months ended September 26, 2024.

ESA Parties and network affiliate fees. ESA Parties and network affiliate fees decreased by \$6.4 million, or 7.2%, from \$88.5 million for the nine months ended September 28, 2023 to \$82.1 million for the nine months ended September 26, 2024. The decrease was primarily due to the 18.6% decrease in network attendance, as well as the rejection of certain affiliate agreements through the bankruptcy proceedings in 2023. These decreases were partially offset by the increase in fees owed under the Regal Advertising Agreement, which commenced on July 14, 2023, as well as due to contractual rate increases with the ESAs for the nine months ended September 28, 2023, as compared to the nine months ended September 26, 2024.

Selling and marketing costs. Selling and marketing costs decreased \$1.8 million, or 5.7% , from \$31.4 million for the nine months ended September 28, 2023 to \$29.6 million for the nine months ended September 26, 2024. The decrease was due to a \$2.1 million decrease in personnel related costs primarily related to performance-based compensation due in part to the

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decrease in revenue, as well as changes in the Company's incentive compensation plan following the workforce reorganization in the first quarter of 2024, a \$1.6 million decrease in costs associated with our digital offerings due to a decrease in digital revenue and a \$0.2 million decrease in lease related expenses, net of associated moving costs, for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023. These decreases were partially offset by a \$1.4 million increase in selling related expenses and a \$0.5 million increase in bad debt expense for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

Administrative and other costs. Administrative and other costs decreased \$41.1 million, or 50.8%, from \$80.9 million for the nine months ended September 28, 2023 to \$39.8 million for the nine months ended September 26, 2024. The decrease was primarily related to a \$42.9 million decrease in legal and professional fees related to the Chapter 11 Case and Cineworld Proceeding incurred in the nine months ended September 28, 2023 compared to the nine months ended September 26, 2024. Additionally, the decrease was due to a \$2.4 million decrease in personnel related costs due to the workforce reorganization in the first quarter of 2024 and a retention program implemented to ensure continuity of the management team during the Chapter 11 Case in place during the third quarter of 2023 and a \$0.4 million decrease in lease related expenses for the nine months ended September 26, 2024 compared to the nine months ended September 28, 2023. These decreases were partially offset by a \$4.1 million increase in share-based compensation following the grant of a management equity incentive plan in the first quarter of 2024 compared to limited grant activity in 2023 as well as a \$0.4 million increase in cloud computing costs in the third quarter of 2024, compared to the third quarter of 2023.

Loss on termination of Regal ESA. Loss on termination of Regal ESA decreased \$125.6 million, or 100.0%, from \$125.6 million for the third quarter of 2023 to \$0.0 million for the third quarter of 2024. This was primarily due to a \$141.5 million disposal of the intangible asset related to the Regal ESA in the third quarter of 2023, offset by \$13.0 million gain on Regal's surrender of ownership in the Company and \$2.9 million in payables forgiven in conjunction with emergence from bankruptcy in the third quarter of 2023.

Impairment of long-lived assets. Impairment of long-lived assets decreased \$9.6 million, or 100.0%, from \$9.6 million for the third quarter of 2023 to \$0.0 million for the third quarter of 2024. This was primarily due to the write-off of certain long-lived intangible assets in the third quarter of 2023.

Depreciation expense. Depreciation expense decreased \$0.2 million, or 5.6%, from \$3.6 million for the nine months ended September 28, 2023 to \$3.4 million for the nine months ended September 26, 2024. This decrease was primarily due to the fair value adjustments to NCM LLC's property and equipment upon reconsolidation with NCM, Inc. on August 7, 2023.

Amortization expense. Amortization expense increased \$8.1 million, or 39.9%, from \$20.3 million for the nine months ended September 28, 2023 to \$28.4 million for the nine months ended September 26, 2024. The increase was primarily due to the fair value adjustments to NCM LLC's intangible assets upon reconsolidation with NCM, Inc. on August 7, 2023.

Non-GAAP Financial Measures for NCM LLC

Adjusted OIBDA and Adjusted OIBDA margin are not financial measures calculated in accordance with GAAP in the United States. Adjusted OIBDA represents operating income before depreciation and amortization expense adjusted to also exclude non-cash share-based compensation costs, impairment of long-lived assets, workforce reorganization costs, loss on termination of Regal ESA, satellite transition costs, system optimization costs and fees and expenses related to involvement in the Cineworld Proceeding and Chapter 11 Case. Adjusted OIBDA margin is calculated by dividing Adjusted OIBDA by total revenue. Our management uses these non-GAAP financial measures to evaluate operating performance, to forecast future results and as a basis for compensation. The Company believes these are important supplemental measures of operating performance because they eliminate items that have less bearing on its operating performance and highlight trends in its core business that may not otherwise be apparent when relying solely on GAAP financial measures. The Company believes the presentation of these measures is relevant and useful for investors because it enables them to view performance in a manner similar to the method used by the Company's management, helps improve their ability to understand the Company's operating performance and makes it easier to compare the Company's results with other companies that may have different depreciation and amortization policies, non-cash share-based compensation programs, impairment of long-lived assets, workforce reorganization costs, loss on termination of Regal ESA, satellite transition costs, system optimization costs and fees and expenses related to involvement in the Cineworld Proceeding and Chapter 11 Case, interest rates, debt levels or income tax rates. A limitation of these measures, however, is that they exclude depreciation and amortization, which represent a proxy for the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in NCM LLC's business. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of the Company's depreciation, amortization, share-based compensation costs, impairment of long-lived assets, workforce reorganization costs, loss on termination of Regal ESA, satellite transition costs, system optimization costs and fees and expenses related to involvement in the Cineworld Proceeding or Chapter 11 Case. Adjusted OIBDA should not be regarded as an alternative to operating income, net income or as indicators of operating performance, nor should it be considered in isolation of, or as substitutes for financial measures prepared in accordance with GAAP. The Company believes that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA. Because not all companies use

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identical calculations, these non-GAAP presentations may not be comparable to other similarly titled measures of other companies, or calculations in NCM LLC's debt agreement.

The following table reconciles operating income to Adjusted OIBDA for NCM LLC for the periods presented (dollars in millions):

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Operating loss	\$ (7.5)	\$ (150.7)	\$ (39.4)	\$ (202.2)
Depreciation expense	1.2	1.0	3.4	3.6
Amortization expense	9.5	7.8	28.4	20.3
Share-based compensation costs (1)	3.1	1.2	9.2	3.9
Impairment of long-lived assets (2)	—	9.6	—	9.6
Workforce reorganization costs (3)	0.2	—	3.1	—
Loss on termination of Regal ESA, net (4)	—	125.6	—	125.6
Satellite transition costs (5)	0.2	—	0.5	—
System optimization costs (6)	0.1	—	0.1	—
Fees and expenses related to the Cineworld Proceeding and Chapter 11 Case (7)	2.0	16.8	5.4	52.1
Adjusted OIBDA	\$ 8.8	\$ 11.3	\$ 10.7	\$ 12.9
Total revenue	\$ 62.4	\$ 69.6	\$ 154.5	\$ 168.9
Adjusted OIBDA margin	14.1%	16.2%	6.9%	7.6%

(1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in NCM LLC's unaudited Condensed Consolidated Financial Statements

(2) The impairment of long-lived assets primarily relates to the write down of certain intangible assets related to a purchased affiliate and leasehold improvements no longer in use.

(3) Workforce reorganization costs represents redundancy costs associated with changes to the Company's workforce primarily implemented during the first quarter of 2024, as well as related office relocations.

(4) The net impact of Regal's termination of the ESA resulting from the disposal of the intangible asset partially offset by the surrender of Regal's ownership in the Company and the forgiveness of prepetition claims.

(5) One-time costs of transitioning satellite providers in the second and third quarter of 2024.

(6) System optimization costs represents costs incurred related to a one-time assessment of the technology surrounding the Company's programmatic offerings incurred in the third quarter of 2024.

(7) Advisor and legal fees and expenses incurred in connection with the Company's involvement in the Cineworld Proceeding and Chapter 11 Case and related litigation during the first, second and third quarter of 2024, as well as retention related expenses and retainers to the members of the special and restructuring committees of the Company's Board of Directors during the first, second and third quarter of 2023.

Known Trends and Uncertainties

Beverage Revenue—Under the ESAs, up to 90 seconds of The *Noovie*® Show program can be sold to the ESA Parties to satisfy their on-screen advertising commitments under their beverage concessionaire agreements. In 2023, Cinemark and Regal, prior to the termination of Regal's ESA, purchased 60 seconds of on-screen advertising time and AMC purchased 30 seconds to satisfy their obligations under their beverage concessionaire agreements. In the first nine months of 2024, Cinemark purchased 60 seconds of on-screen advertising time and AMC purchased 30 seconds to satisfy their obligations under their beverage concessionaire agreements. The ESA Parties' current long-term contracts with their beverage suppliers require the 30 or 60 seconds of beverage advertising, although such commitments could change in the future. Per the ESA with AMC, the time sold to the beverage supplier is priced equal to the greater of (1) the advertising CPM charged by NCM LLC in the previous year for the time sold to the beverage supplier and (2) the advertising CPM for the previous year charged by NCM LLC to unaffiliated third parties during segment one (closest to showtime) of The *Noovie* Show in the ESA Parties' theaters, limited to the highest advertising CPM being then-charged by NCM LLC. Beginning in 2020 and in accordance with the 2019 ESA Amendment, the price for the time sold to Cinemark's beverage supplier and Regal's beverage suppliers, prior to the termination of Regal's ESA, now increases at a fixed rate of 2.0% each year. From and after July 14, 2023, the effective date of the Regal Advertising Agreement, the Company no longer receives ESA beverage revenue from Regal.

ESA Parties and network affiliate fees—In consideration for NCM LLC's access to the ESA Parties' and network affiliate theaters for on-screen and LEN advertising and lobby promotions, the ESA Parties and network affiliates receive access fees based either upon number of attendees, a revenue share or a combination, including a minimum revenue guarantee per attendee. Many of these agreements contain annual increases to the respective fee structures or guaranteed minimums, either per patron, per theater and/or per digital screen. The payments under the ESA Parties' agreements and network affiliate agreements are recorded within 'ESA

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Parties and network affiliate fees' in the unaudited Condensed Consolidated Statement of Operations.

Financial Condition and Liquidity

Liquidity and Capital Resources

Our cash balances can fluctuate due to the seasonality of our business and related timing of collections of accounts receivable balances and operating expenditure payments, as well as interest or principal payments on our Revolving Credit Facility 2023 (as defined below), income tax payments, TRA payments, available cash payments (as defined in the NCM LLC Operating Agreement) to Cinemark and AMC in the event the ESA Parties hold NCM LLC membership units and amount of dividends to NCM, Inc.'s common stockholders.

On August 7, 2023, NCM LLC entered into a Loan, Security and Guarantee Agreement (the "Revolving Credit Facility 2023") with CIT Northbridge Credit LLC as agent. The Revolving Credit Facility 2023 is an asset backed line facility where the capacity depends upon NCM LLC's trade accounts receivable balance, as adjusted for aged balances and other considerations. The maximum availability NCM LLC has access to under the revolver is \$55.0 million. The proceeds of the Revolving Credit Facility 2023 may be used for, inter alia, working capital and capital expenditures. The Revolving Credit Facility 2023 will mature on August 7, 2026. The interest rate under the Revolving Credit Facility 2023 is a base rate or SOFR benchmark plus (i) 3.75% if less than 50% of revolving commitments are utilized or (ii) 4.50% if 50% or more of revolving commitments are utilized (utilizing the average revolver usage for the prior calendar month as a benchmark for this determination). The Revolving Credit Facility 2023 also contains a financial maintenance covenant requiring that the fixed charge coverage ratio ending on the last day of each fiscal month is at least 1.1 to 1.0 during a "Trigger Period." A Trigger Period begins upon (i) an event of default or (ii) if availability is less than the greater of (a) \$5.0 million and (b) 10% of aggregate revolving commitments. A Trigger Period ends only if (i) no event of default existed for the preceding 30 consecutive days and (ii) availability is greater than both (a) \$5.0 million and (b) 10% of aggregate revolving commitments. Upon the effectiveness of the Revolving Credit Facility 2023, NCM LLC immediately drew \$10.0 million from the facility, which represents the only amounts currently outstanding under the Revolving Credit Facility 2023 as of September 26, 2024.

A summary of our financial liquidity is as follows (in millions):

	September 26, 2024	As of December 28, 2023	September 28, 2023	\$ Change YE 2023 to Q2 2024	\$ Change Q2 2023 to Q2 2024
Cash, cash equivalents and marketable securities (1)	\$ 49.5	\$ 34.6	\$ 23.0	\$ 14.9	\$ 26.5
Revolving Credit Facility 2023 availability (2)	44.4	44.4	44.4	—	—
Total liquidity	<u>\$ 93.9</u>	<u>\$ 79.0</u>	<u>\$ 67.4</u>	<u>\$ 14.9</u>	<u>\$ 26.5</u>

(1) Included in cash, cash equivalents and marketable securities as of September 26, 2024, December 28, 2023 and September 28, 2023, was \$45.5 million, \$31.9 million and \$21.1 million, respectively, of cash held by NCM LLC that is not available to satisfy dividends declared by NCM, Inc., income tax, TRA payments and other obligations.

(2) The Revolving Credit Facility 2023 portion of NCM LLC's total borrowings that is available, subject to certain conditions, for general corporate purposes of NCM LLC in the ordinary course of business and for other transactions permitted under the senior secured credit facility, and a portion is available for letters of credit. NCM LLC's total capacity under the Revolving Credit Facility 2023, which subject to fluctuations in the underlying assets, is \$55.0 million as of September 26, 2024. As of September 26, 2024, the amount available under the NCM LLC Revolving Credit Facility 2023 in the table above is net of the amount outstanding under the Revolving Credit Facility 2023 of \$10.0 million, and net letters of credit of \$0.6 million.

As of September 26, 2024, the weighted average remaining maturity of our debt was 1.9 years. As of September 26, 2024, 100.0% of our borrowings bear interest at variable rates and our net income and earnings per share could fluctuate with market interest rate fluctuations that could increase or decrease the interest paid on our borrowings.

We have used and generated cash as follows (in millions):

	Nine Months Ended	
	September 26, 2024	September 28, 2023
Operating cash flow	\$ 29.8	\$ (22.3)
Investing cash flow	\$ (2.9)	\$ 33.6
Financing cash flow	\$ (12.1)	\$ (52.1)

• **Operating Activities.** The \$52.1 million increase in cash provided by operating activities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023, was due to 1) a \$58.0 million decrease in net loss adjusted for non-cash items, 2) an \$11.3 million decrease in the change in prepaid expenses, 3) a \$10.6 million increase in deferred revenue, 5) a \$7.1 million decrease in the change in amounts due from to ESA Parties, net, 6) a \$1.6 million decrease in payments of accounts payable and accrued expenses and 7) a \$0.6 million decrease in cash used by

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other operating activities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023. These increases in cash provided by operating activities were partially offset by 1) a \$30.5 million decrease in account receivable collections, 2) a \$3.8 million decrease in integration and other encumbered theaters payments received and 3) a \$2.8 million change in other operating assets and liabilities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

• **Investing Activities.** The \$36.5 million increase in cash used in investing activities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023, was primarily due to the \$49.5 million addition of cash and cash equivalents due to the reconsolidation of NCM LLC in the third quarter of 2023 with no similar activity in 2024. Additionally, there was a \$1.7 million increase in purchases of property and equipment in connection with the commencement of new leases and a \$1.0 million decrease in proceeds from sale and maturities of marketable securities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023. These increases in cash used by investing activities were partially offset by a \$15.5 million cash contribution made in conjunction with the reconsolidation of NCM LLC during the third quarter of 2023 and a \$0.6 million increase in proceeds received from an equity method investment for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

• **Financing Activities.** The \$40.0 million decrease in cash used in financing activities for the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023, was primarily due to the removal of \$49.6 million of cash caused by the deconsolidation of NCM LLC in the second quarter of 2023. Additionally, there was a \$1.2 million decrease in payments of debt issuance costs and a \$0.8 million decrease in repayments of the term loan facility due to an amendment to the Credit Agreement 2018 and Revolving Credit Agreement 2022 in the nine months ended September 28, 2023, as compared to the nine months ended September 26, 2024. These decreases were partially offset by a \$11.1 million increase in payments made to repurchase shares of NCM, Inc.'s common stock and \$0.7 million increase in cash redemptions of NCM LLC common membership units during the nine months ended September 26, 2024, as compared to the nine months ended September 28, 2023.

Sources of Capital and Capital Requirements

NCM, Inc.'s primary source of liquidity and capital resources is the quarterly available cash distributions from NCM LLC as well as its existing cash balances and marketable securities, which as of September 26, 2024 were \$49.5 million (including \$45.5 million of cash and restricted cash held by NCM LLC). NCM LLC's primary sources of liquidity and capital resources are its cash provided by operating activities, availability under its Revolving Credit Facility 2023 and cash on hand. NCM LLC drew down \$10.0 million of its Revolving Credit Facility 2023 immediately upon emergence from bankruptcy on August 7, 2023. The \$45.5 million of cash at NCM LLC will be used to fund operations. Cash at NCM, Inc. is used to fund income taxes, payments associated with the TRA, stock repurchases and for future payment of dividends to NCM, Inc. stockholders if and when declared by the Board of Directors.

Cash flows generated by NCM LLC's distributions to NCM, Inc. and NCM LLC's other members were deferred during the Chapter 11 Case. NCM LLC is required, pursuant to the terms of the NCM LLC Operating Agreement, to distribute its available cash, as defined in the NCM LLC Operating Agreement, quarterly to its members. The other members are only able to receive available cash when they hold units. The available cash amount to the members of NCM LLC for the three months ended September 26, 2024 was calculated as approximately \$4.7 million, due almost entirely to NCM, Inc., as the primary holder of NCM LLC units as of September 26, 2024. NCM, Inc. has the option to defer payment of any available cash distributions payable to NCM, Inc. at its discretion. As of September 26, 2024, NCM LLC owed NCM, Inc. \$4.7 million in deferred available cash distribution.

NCM, Inc. expects to use its cash balances and cash received from future available cash distributions (as allowed for under the Revolving Credit Facility 2023) to fund payments associated with the TRA, stock repurchases and future dividends if and when declared by the Board of Directors. The Company does not expect to make a TRA payment in 2024 for the 2023 tax year and did not make a TRA payment in 2023 for the 2022 tax year. The Company expects to make a TRA payment in 2025 for the 2024 tax year. Deferred distributions from NCM LLC and NCM, Inc. cash balances should be sufficient to fund payments associated with the TRA, income taxes and any stock repurchases or declared dividends for the foreseeable future at the discretion of the Board of Directors. At the discretion of the Board of Directors, the Company will consider returning a portion of its free cash flow to stockholders. The declaration, payment, timing and amount of any future stock repurchases or dividends payable will be at the sole discretion of the Board of Directors who will take into account general economic and advertising market business conditions, the Company's financial condition, available cash, current and anticipated cash needs and any other factors that the Board of Directors considers relevant.

Critical Accounting Policies

For further discussion of accounting policies that we consider critical to our business operations and understanding of our results of operations, and that affect the more significant judgments and estimates used in the preparation of our unaudited Condensed

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Consolidated Financial Statements, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" contained in our Annual Report on Form 10-K filed for the fiscal year ended December 28, 2023 and incorporated by reference herein. As of September 26, 2024, there were no other significant changes in those critical accounting policies.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see the information provided under Note 1—*The Company* to the unaudited Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its unaudited Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial and accounting officer), as appropriate, to allow timely decisions regarding required disclosure.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of September 26, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company's management concluded that the Company's disclosure controls and procedures as of September 26, 2024 were effective.

In designing and evaluating our disclosure controls and procedures, management recognizes that any control, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended September 26, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

On June 26, 2023, the Bankruptcy Court entered an order authorizing NCM LLC's entry into the Regal Advertising Agreement and the Regal Termination Agreement (the "Regal Order"). On June 27, 2023, the Bankruptcy Court entered the Confirmation Order approving the Disclosure Statement on a final basis and confirming the Company's Plan. On August 7, 2023, the conditions precedent to the Plan were satisfied and NCM LLC emerged from bankruptcy. On June 29, 2023, AMC and Cinemark filed a notice of appeal of the Confirmation Order, and a week later appealed the Regal Order. Subsequently, AMC and Cinemark sought a stay of the Confirmation Order and Regal Order in the Bankruptcy Court, the District Court for the Southern District of Texas, and the Fifth Circuit Court of Appeals, all of which denied the request. Following AMC and Cinemark's consolidated appeal on the merits, the District Court for the Southern District of Texas confirmed the Confirmation Order and the Regal Order on August 13, 2024. The consolidated appeals of the District Court's decision on the merits are pending in the Fifth Circuit Court of Appeals.

We are sometimes involved in legal proceedings arising in the ordinary course of business. We are not aware of any other litigation currently pending that would have a material adverse effect on our operating results or financial condition.

Item 1A. Risk Factors

There have been no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K filed with the SEC on March 18, 2024 for the fiscal year ended December 28, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below provides information about shares purchased in connection with the Company's share repurchase program during the three months ended September 26, 2024.

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Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (\$ in millions)
June 28, 2024 through July 25, 2024	291	\$ 4.45	291 (1)	\$ 90.8 (1)
July 26, 2024 through August 29, 2024	250,000	\$ 6.02	250,000 (1)	\$ 89.3 (1)
August 30, 2024 through September 26, 2024	54,610	\$ 6.98	54,610 (1)	\$ 88.9 (1)
Total for the quarter ended September 26, 2024	<u>304,901</u>	<u>\$ 6.19</u>	<u>304,901 (1)</u>	<u>\$ 88.9 (1)</u>

(1) On March 18, 2024, the Board of Directors of the Company approved a stock repurchase program under which the Company is authorized to use assets of the Company to repurchase up to \$100.0 million of shares of the Company's Common Stock, exclusive of any fees, commissions or other expenses related to such repurchases, from time to time over a period of three years. Shares may be repurchased under the program through open market purchases, block trades, or accelerated or other structured share repurchase programs.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

No ne.

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Item 6. Exhibits

<u>Exhibit</u>	<u>Reference</u>	<u>Description</u>
10.1	*†	Employment Agreement, dated September 5, 2024 between National CineMedia, Inc. and Ronnie Ng.
31.1	*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	*	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2	**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
101.SCH	*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

† Indicates a management contract or compensatory plan.

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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.

<p>Date: November 5, 2024</p> <hr/>	<p>NATIONAL CINEMEDIA, INC. (Registrant)</p> <p><u>/s/ Thomas F. Lesinski</u> Thomas F. Lesinski <i>Chief Executive Officer and Director</i> (Principal Executive Officer)</p>
<p>Date: November 5, 2024</p> <hr/>	<p><u>/s/ Ronnie Y. Ng</u> Ronnie Y. Ng <i>Chief Financial Officer</i> (Principal Financial and Accounting Officer)</p>

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") by and between National CineMedia, Inc. (the "Company" or "Employer"), and Ronnie Ng ("Executive", and together with the Company or Employer, the "Parties"), is entered into as of September 5, 2024 (the "Execution Date") and shall take effect as of September 27, 2024 (the "Effective Date"). Until the Effective Date, Executive's Employment Agreement with the Company, dated September 27, 2021, (the "Initial Agreement"), will remain in force and effect and continue to govern Executive's employment with the Company. In consideration of the covenants and agreements contained herein, the Parties agree as follows:

1. Employment. The Employer agrees to employ Executive and Executive agrees to be employed by the Employer pursuant to the terms set forth in this Agreement, effective as of the Effective Date, and Executive's employment under this Agreement shall terminate on the earlier of (i) September 26, 2027 (the "Term End Date"), and (ii) the termination of Executive's employment. The period from the Effective Date until the termination of Executive's employment under this Agreement is referred to as the "Employment Period." To the extent Executive remains employed by the Company after the Term End Date, such employment will be subject to the terms and conditions to which the Company and Executive at that time will agree.

2. Positions and Authority. Executive shall serve in the position of Chief Financial Officer of the Employer, reporting directly to the Chief Executive Officer. Executive's primary place of business shall be a location as mutually agreed by the Parties. Executive agrees to serve in the position referred to in this Section 2 and to perform diligently and to the best of his abilities the duties and services appertaining to such position, as well as such additional duties and services as may be assigned to him from time to time as long as such additional duties are consistent with Executive's role as Chief Financial Officer. During the Employment Period, Executive shall devote his full business time and efforts to the business and affairs of the Company and its subsidiaries, provided that Executive shall be entitled to serve as a member of the board of directors of a reasonable number of other companies, to serve on civic, charitable, educational, religious, public interest or public service boards, and to manage Executive's personal and family investments, in each case and in the aggregate to the extent such activities do not materially interfere with the performance of Executive's duties and responsibilities hereunder and do not conflict with Executive's obligations under Section 6. Executive shall not become a director of any entity without first receiving the approval of the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"), which shall not be unreasonably withheld.

3. Compensation and Benefits.

(a) Base Salary. As compensation for Executive's performance of Executive's duties hereunder, Company shall, as of the Effective Date, pay to Executive a base salary at the annualized rate of \$600,000, payable in accordance with the normal payroll practices of the Company (but not less frequently than monthly), less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions. The term "Base Salary" shall refer to the Base Salary as may be in effect from time to time.

(b) Annual Incentive Compensation. During the Employment Period, Executive shall be eligible to participate in an annual cash bonus program maintained for senior executive officers of the Company (the "Annual Incentive Program"), with a target annual bonus equal to 80% of Base Salary (the "Target Bonus"); provided, however, that any bonus related to fiscal year 2024 shall be prorated and paid pursuant to the Initial Agreement until the Effective Date and paid pursuant to this Agreement upon the Effective Date for the remainder of fiscal year 2024. The actual amount of the annual bonus to be paid to Executive for any year or portion of a year, as applicable, shall be determined upon the satisfaction of goals and objectives established by the Compensation Committee of the Board pursuant to the Annual Incentive Program, and shall be subject to such other terms and conditions of the Annual Incentive Program as in effect from time to time. Each annual bonus paid under the Annual Incentive Program shall be paid no later than March 15th of the calendar year following the year to which the bonus relates, provided that the Executive became eligible to receive an annual bonus by remaining employed by the Company through the last day of

such fiscal year (in other words, consistent with Section 4(a), Executive shall receive a bonus as long as he is employed on the last day of the applicable calendar year).

(c) Long-Term Incentive Grants. The Company shall provide to Executive, on an annual basis during the Employment Period, the opportunity to receive a long-term incentive award, in such amount and pursuant to such terms as may be determined in the sole discretion of the Compensation Committee, and which are generally consistent with those awarded to the Company's other senior executive officers in each year.

(d) Other Benefits.

i. Savings and Retirement Plans. Except as otherwise limited by applicable law, Executive shall be entitled to participate in all qualified and non-qualified savings and retirement plans applicable generally to other senior executive officers of the Company, in accordance with the terms of the plans, as may be amended from time to time.

ii. Welfare Benefit Plans. Except as otherwise limited by applicable law, Executive and/or his eligible dependents shall be eligible to participate in and shall receive all benefits under the Company's welfare benefit plans and programs applicable generally to other senior executive officers of the Company in accordance with the terms of the plans, as may be amended from time to time.

iii. Business Expenses. Subject to Section 15, Executive shall be reimbursed for reasonable travel and other expenses incurred in the performance of Executive's duties on behalf of the Company in a manner consistent with the Company's policies regarding such reimbursements, as may be in effect from time to time.

iv. Other Benefits. Executive shall receive such other benefits as are then customarily provided generally to the other senior officers of the Company and of its subsidiaries, as determined from time to time by Compensation Committee or the Chief Executive Officer, including, without limitation, paid vacation in accordance with the Company's policy to which the Executive is subject as in effect from time to time.

4. Termination of Employment. Executive's employment and this Agreement may be terminated prior to the Term End Date as set forth in this Section 4. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from the Board if a member at such time and all other positions with the Employer or any of its Affiliates (defined below) held by Executive as of the date immediately preceding his termination of employment.

(a) Accrued Benefits. Except as otherwise explicitly set forth in this Section 4, if Executive's employment ends for any reason, Executive shall cease to have any rights to any compensation (including salary, bonus, or other benefits) following his cessation of employment, other than (i) the earned but unpaid portion of Executive's Base Salary through the date Executive's employment terminates (the "Date of Termination"), (ii) any annual, long-term, or other incentive award that relates to a completed fiscal year or performance period, as applicable, and is payable (but not yet paid) on or before the Date of Termination, which shall be paid in accordance with the terms of such award, (iii) a lump-sum payment in respect of accrued but unused vacation days as of the Date of Termination at Executive's per-business-day Base Salary rate, if any, under the paid vacation policy to which the Executive is subject, (iv) any unpaid expense or other reimbursements due to Executive through the Date of Termination, and (v) any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company, provided that Executive shall not be entitled to any payment or benefit under any Company severance plan, or any replacement or successor plan (subsections 4(b)(i)-(v), the "Accrued Benefits"). The Accrued Benefits shall be paid as soon as administratively practicable following the Date of Termination, in accordance with Employer's policy and applicable law, subject to all required payroll deductions and withholdings.

(b) Termination by Death. In the event that Executive's employment is terminated by death, then in addition to the Accrued Benefits and subject to Section 15, Executive's beneficiaries shall be entitled to: (i) Executive's Base Salary through the Date of Termination, payable in the first payroll period that occurs after the date of Executive's death, and (ii) other benefits (other than the payment of severance) to which Executive would be entitled, that are made available to employees of the Company in general upon termination of employment under similar circumstances in accordance with applicable plans and programs of the Company. If Executive's spouse and eligible dependents, as applicable, were covered under the Employer's medical plan or plans immediately prior to the termination of Executive's employment, and timely elect continued coverage under such medical plan or plans pursuant to COBRA, Employer will pay the applicable premium required for COBRA continuation coverage for Executive's spouse and eligible dependents, as applicable, until the first anniversary of the date of Executive's death.

Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or of a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed to refer to his beneficiary, and if Executive shall not have designated a beneficiary, his estate or legal representative (as the case may be).

(c) Termination due to Disability. In the event that Executive's employment is terminated by the Employer or Executive due to Executive's Disability (as defined below), such termination to be effective 30 days after delivery of written notice thereof, then in addition to the Accrued Benefits and subject to Section 15 and Section 4(i) and Executive's continuing compliance with Section 6 of this Agreement:

i. the Company shall pay Executive an amount equal to 50% of Base Salary, offset by any payments that Executive may receive under the Company's long-term disability plan and any supplement thereto, whether funded or unfunded, that is adopted or provided by the Company for Executive's benefit, payable in a lump sum on the first payroll date that occurs after the 55th day following the effective date of his termination; and

ii. If Executive is eligible for and timely elects to continue receiving group medical and/or dental insurance under the continuation coverage rules known as COBRA, the Company will pay 100% of the premium for such coverage until the earlier of (x) the end of the 12th month following the Date of Termination, and (y) the date Executive becomes eligible for coverage under a new employer's group health plan, unless, as a result of a change in legal requirements, the Company's provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, in which case this benefit will not apply;

(d) Termination by the Company for Cause. In the event that Executive's employment is terminated by the Employer for Cause, Executive will be entitled to only the Accrued Benefits.

(e) Involuntary Termination. If Executive's employment hereunder shall be terminated in a manner constituting an Involuntary Termination (as defined below), then in addition to the Accrued Benefits and subject to Section 15 and Section 4(i) and Executive's continuing compliance with Section 6 of this Agreement:

i. the Company shall pay Executive the Severance Amount (defined below); and

ii. If Executive is eligible for and timely elects to continue receiving group medical and/or dental insurance under the continuation coverage rules known as COBRA, the Company will pay 100% of the premium for such coverage until the earlier of (x) the end of the 12th month following the Date of Termination, and (y) the date Executive becomes eligible for coverage under a new employer's group health plan, unless, as a result of a change in legal requirements, the Company's provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, in which case this benefit will not apply.

(f) Voluntary Resignation by Executive without Good Reason. Executive may voluntarily terminate his employment with the Company at any time with or without notice and without Good Reason (as defined below). In the event Executive voluntarily terminates his employment without Good Reason, Executive will be entitled to only the Accrued Benefits.

(g) No Excise Tax Gross-Up; Possible Reduction in Payments. Executive is not entitled to any gross-up or other payment for golden parachute excise taxes Executive may owe pursuant to Section 4999 of the Code. In the event that any amounts payable pursuant to this Agreement or other payments or benefits otherwise payable to Executive (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Section 4 would be subject to the excise tax imposed by Section 4999 of the Code, then such amounts payable under this Agreement and under such other plans, programs and agreements shall be either (i) delivered in full, or (ii) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code.

(h) No Mitigation; No Offset. In the event of any termination of employment under this Section 4, Executive shall be under no obligation to seek other employment and any compensation earned by Executive from a subsequent employer shall not be offset against any payments made to Executive under this Section 4; provided, however, that (without limiting any rights of the Company for any breach of this Agreement under law, equity or otherwise), if Executive violates any provision of Section 6, any obligation of Employer to make payments to Executive under Section 4 of this Agreement (other than the Accrued Benefits) shall immediately cease and Executive shall be required to immediately repay any payments previously received.

(i) Release. An express condition to Executive's right to receive termination payments, severance, and other benefits (other than Accrued Benefits) pursuant to Section 4 of this Agreement is Executive's execution of a severance and release of claims agreement ("Separation Agreement") in a form to be provided by the Company, which form shall be generally consistent with the form severance agreement and general release then used by the Company for senior executives (which will include, at a minimum, a complete and general release of any and all of Executive's potential claims (other than for benefits and payments described in this Agreement or any other vested benefits from the Employer and/or their Affiliates) against the Employer, any of its affiliated companies, and their respective successors and any officers, employees, agents, directors, attorneys, insurers, underwriters, and assigns of the Employer or its affiliates and/or successors, as well as confidentiality, non-disparagement, and cooperation obligations), and any legally required revocation period applicable to such Separation Agreement having expired without Executive revoking such Separation Agreement. Executive shall be required to execute within 45 days after the Date of Termination (or such shorter period as may be directed by the Company) the Separation Agreement.

5. Definitions.

(a) "Cause" shall mean the occurrence of any one of the following, as determined in good faith by the Compensation Committee of the Board:

i. Executive's gross negligence or willful misconduct in the performance of, or Executive's abuse of alcohol or drugs rendering Executive unable to perform, the material duties and services required for Executive's position with the Company, which neglect or misconduct, if remediable, remains unremedied for thirty (30) days following written notice of such by the Company to Executive;

ii. Executive's conviction or plea of nolo contendere for any crime involving moral turpitude or a felony;

iii. Executive's commission of an act of deceit or fraud intended to result in personal and unauthorized enrichment of Executive at the expense of the Company or any of its affiliates;

iv. Executive's willful and material violation of the written policies of the Company or any of its affiliates as in effect from time to time, Executive's willful breach of a material obligation of Executive to the Company pursuant to Executive's duties and obligations under the Company's Bylaws, or Executive's willful and material breach of a material obligation of Executive to the Company or any of its affiliates pursuant to this Agreement or any award or other agreement between Executive and the Company or any of its affiliates; or

v. Executive's behavior or commission of an act that materially injures or would reasonably be expected to materially injure the reputation, business or business relationships of the Company.

With respect to Section 5(a)iv, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Employer, and provided further that no act or failure to act shall constitute Cause under Section 5(a)iv and v unless, if remediable, the Employer has given written notice thereof to Executive, and Executive has failed to remedy such act or failure to act within thirty (30) days following written notice. By way of clarification, but not limitation, for purposes of this definition of the term Cause, materiality shall be determined relative to this Agreement and Executive's employment, rather than the financial status of the Company as a whole.

(b) "Change in Control" shall be deemed to have occurred upon the occurrence of:

i. The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (x) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (y) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (ii), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A) or (B) of paragraph (iv) below, or (E) any acquisition by a Founding Member (as defined in the National CineMedia, LLC Third Amended and Restated Limited Liability Operating Agreement, dated as of February 13, 2007); or

ii. The acquisition by any Person of the right to (A) elect or (B) nominate for election or (C) designate for nomination, a majority of the members of the Company's Board, other than (1) a Founding Member or (2) a stockholder or group of stockholders pursuant to the Director Designation Agreement dated August 6, 2023, among the Company, Consenting Creditor Designation Committee (as defined therein), and Blantyre Capital Limited,;

iii. The acquisition by any Person, other than the Company or a Founding Member, of beneficial ownership of more than 50% of the Units of NCM LLC; or

iv. Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or an acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination, (A) (x) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; and (y) at least a majority of the members of the board of directors of the corporation

resulting from such Business Combination were individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board"); provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board or was designated pursuant to a Director Designation Agreement dated February 13, 2007 among the Company and the Founding Members shall be considered as though such individual were a member of the Incumbent Board, at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination or (B) the Founding Members beneficially own, more than 50% of, respectively, the outstanding shares of common stock or voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination; or

v. Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company; or

vi. Approval by the members of NCM LLC of a complete liquidation or dissolution of NCM LLC.

Notwithstanding the foregoing, to the extent required by Section 409A of the Internal Revenue Code, any such event must constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i).

(c) "Covered Period" shall mean the period beginning on the date of a Change in Control and ending twelve (12) months after the Change in Control.

(d) "Disability" shall mean the illness or other mental or physical disability of Executive, resulting in his failure to perform substantially his duties under this Agreement for a period of six or more consecutive months, provided that such condition results in Executive being "disabled" within the meaning of Section 409A of the Internal Revenue Code.

(e) "Good Reason" shall mean Executive's voluntary resignation of employment for one or more of the following reasons occurring without Executive's consent:

i. a material adverse change in the nature, scope or status of Executive's position, authorities or duties including, without limitation, a change in title such that Executive is no longer the Chief Financial Officer of the Company;

ii. a material reduction in Executive's Base Salary, Target Bonus, long-term incentive award value as of the grant date for any future award (which, for the avoidance of doubt, shall exclude any consideration of the change in the value of previously granted awards), or material reduction to Executive's aggregate benefits or other compensation plans;

iii. relocation of Executive's primary place of employment by more than thirty-five (35) miles from Executive's primary place of employment immediately following the Effective Date (in a direction that increases Executive's daily commute);

iv. failure by an acquirer to assume this Agreement at the time of a Change in Control; or

v. a material breach by the Company, or its successor, of this Agreement.

Notwithstanding the foregoing, prior to Executive's voluntary resignation for Good Reason, Executive must give the Company written notice of the existence of any condition set forth in clause (i) – (v) above within 30 days of such initial existence and the Company shall have 30 days from the date of such notice in which to cure the condition giving rise to Good Reason, if curable. If, during such 30-day period, the Company cures the condition giving rise to Good Reason, no benefits shall be due under Section 4 of this Agreement with respect to such occurrence. If, during such 30-day period, the Company fails or refuses to cure the condition giving rise to Good Reason and it is determined such Good Reason does exist, Executive shall be entitled to the "Involuntary Termination" benefits under Section 4 of this

Agreement following such termination, provided that Executive voluntarily resigns for Good Reason within one hundred eighty (180) days of the initial existence of the applicable condition, and Executive provides written notice of his resignation for Good Reason.

(f) "Involuntary Termination" shall mean a termination during the Employment Period either:

- i. By the Company, its Affiliates or successors, other than a termination for Cause or due to Executive's death or Disability;
- ii. By Executive for Good Reason, effective upon Executive providing the Company with written notice of the resignation for Good Reason; or
- iii. By reason of the Company's refusal to renew this Agreement past the Term End Date on economic terms and conditions at least equal to the amounts set forth in this Agreement (which, for the avoidance of doubt, shall exclude any consideration of the change in the value of previously granted awards).

(g) "Severance Amount" shall mean: (i) for an Involuntary Termination not occurring during a Covered Period, an amount equal to 100% of Base Salary, plus 100% of the Target Bonus amount set forth in Section 3(b), payable in equal installments within a 12-month period starting on the first payroll date that occurs after the 55th day following the date of the Involuntary Termination; and (ii) for an Involuntary Termination occurring during a Covered Period even if such Covered Period extends beyond the expiration of the Employment Period, an amount equal to 100% of Base Salary, plus 100% of Target Bonus, payable in equal installments within a 12-month period starting on the date of Involuntary Termination, commencing on the first payroll date that occurs after the 55th day following the date of the Involuntary Termination.

6.Restrictive Covenants. Executive acknowledges that the Company is engaged in a highly competitive business and that the preservation of its Proprietary or Confidential Information (as defined in Section 6(a) below) to which Executive has been exposed or acquired, and will continue to be exposed to and acquire, is critical to the Company's continued business success. Executive also acknowledges that the Company's relationships with its business partners hereinafter "Business Partners" which means NCM LLC, AMC, Cinemark and Regal and all their respective Affiliates together with any chain, circuit or group (of any nature of description) of movie theaters or like venues which now or hereafter enter into business relations with the Company), are extremely valuable and that, by virtue of Executive's employment with the Company, he may have contact with such Business Partners on behalf of and for the benefit of the Company. As a result, Executive's engaging in or working for or with any business which is directly or indirectly competitive with the Company's business, given Executive's knowledge of the Company's Proprietary or Confidential Information, would cause the Company great and irreparable harm if not done in strict compliance with the provisions of this Section 6. Therefore, Executive acknowledges and agrees that in consideration of all of the above and in exchange for access to the Company's Proprietary or Confidential Information, Executive will be bound by, and comply in all respects with, the provisions of this Section 6. For purposes of this Section 6, any references to the time period of Executive's employment with the Company shall date back to Executive's original hire date with the Company.

(a) Confidentiality. Executive shall at all times hold in strict confidence any Proprietary or Confidential Information related to the Company or any of its affiliates (which shall mean any entity that, directly or indirectly, is controlled by, controls or is under common control with the Company and/or any entity in which the Company has a significant equity interest, in either case as determined by the Board, hereinafter "Affiliates") (including without limitation AMC, Cinemark, Regal and NCM, LLC), except that Executive may disclose such information as required by law, court order, regulation, or similar order provided Executive shall first have notified the Company of the pendency of such proceeding and afforded the Company an opportunity to intervene and defend against disclosure. For purposes of this Agreement, the term "Proprietary or Confidential Information" shall mean all non-public information relating to the Company or any of its Affiliates (including but not limited to all marketing, alliance, social media, advertising, and sales plans and strategies; pricing information; financial, advertising, and product development plans and strategies; compensation and incentive programs for employees; alliance agreements, plans, and processes; plans, strategies, and agreements related to the sale of assets; third party provider agreements, relationships, and strategies; business methods and processes used by the Company and its employees; all personally

identifiable information regarding Company employees, contractors, and applicants; lists of actual or potential Business Partners; and all other business plans, trade secrets, or financial information of strategic importance to the Company or its Affiliates) that is not generally known in the Company's industry, that was learned, discovered, developed, conceived, originated, or prepared during Executive's employment with the Company, and the competitive use or disclosure of which would be harmful to the business prospects, financial status, or reputation of the Company or its Affiliates at the time of any disclosure by Executive.

The relationship between Executive and the Company and its Affiliates is and shall continue to be one in which the Company and its Affiliates repose special trust and confidence in Executive, and one in which Executive has and shall have a fiduciary relationship to the Company and its Affiliates. As a result, the Company and its Affiliates shall, in the course of Executive's duties to the Company, entrust Executive with, and disclose to Executive, Proprietary or Confidential Information. Executive recognizes that Proprietary or Confidential Information has been developed or acquired, or will be developed or acquired, by the Company and its Affiliates at great expense, is proprietary to the Company and its Affiliates, and is and shall remain the property of the Company and its Affiliates. Executive acknowledges the confidentiality of Proprietary or Confidential Information and further acknowledges that Executive could not competently perform Executive's duties and responsibilities in Executive's position with the Company and/or its Affiliates without access to such information. Executive acknowledges that any use of Proprietary or Confidential Information by persons not in the employ of the Company and its Affiliates would provide such persons with an unfair competitive advantage which they would not have without the knowledge and/or use of the Proprietary or Confidential Information and that this would cause the Company and its Affiliates irreparable harm. Executive further acknowledges that because of this unfair competitive advantage, and the Company's and its Affiliates' legitimate business interests, which include their need to protect their goodwill and the Proprietary or Confidential Information, Executive has agreed to the post-employment restrictions set forth in this Section 6. Nothing in this Section 6(a) is intended, or shall be construed, (i) to limit the protection of any applicable law or policy of the Company or its Affiliates that relates to the protection of trade secrets or confidential or proprietary information or (ii) to limit Executive's ability to initiate communications directly with, or to respond to any inquiry from, or provide testimony before, the SEC, FINRA, any other self-regulatory organization or any other state or federal regulatory authority.

(b) Non-Solicitation of Employees. During Executive's employment and for the one-year period following termination of Executive's employment for any reason (the "Coverage Period"), Executive hereby agrees not to, directly or indirectly, solicit, hire, seek to hire, or assist any other person or entity (on his own behalf or on behalf of such other person or entity) in soliciting or hiring any person who is at that time an employee, consultant, independent contractor, representative, or other agent of the Company or any of its Affiliates to perform services for any entity (other than the Company or its Affiliates), or attempt to induce or encourage any such employee to leave the employ of the Company or its Affiliates

(c) Non-Competition.

i. In return for, among other things, all of the above and the Company's promise to provide the Proprietary or Confidential Information described herein, Executive agrees that during Executive's employment and the Coverage Period, Executive shall not compete with the Company by providing work, services or any other form of assistance (whether or not for compensation) in any capacity, whether as an employee, consultant, partner, or otherwise, to any Competitor that (1) is the same or similar to the services Executive provided to the Company or (2) creates the reasonable risk that Executive will (willfully, inadvertently or inevitably) use or disclose the Company's Proprietary or Confidential Information. "Competitor" includes any business that operates or does business similar in nature to that of the Company during the Employment Period in any State, territory, or protectorate of the United States in which the Company or an Affiliate does business and/or in any foreign country in which the Company or an Affiliate has or maintains any place of business, venue, facility, or otherwise conducts business, as of the date of Executive's termination of employment with the Company. Executive further acknowledges and agrees that the restrictions imposed in this subparagraph (i) will not prevent Executive from earning a livelihood and that they are reasonable.

ii. Notwithstanding the foregoing, should Executive consider working for or with any actually, arguably, or potentially competing business following the termination of Executive's employment with the Company or any of its Affiliates and during the Coverage Period, then Executive agrees

to provide the Company with two (2) weeks advance written notice of Executive's intent to do so, and also to provide the Company with accurate information concerning the nature of Executive's anticipated job responsibilities in sufficient detail to allow the Company to meaningfully exercise its rights under this Section 6. After receipt of such notice, the Company may then agree, in its sole, absolute, and unreviewable discretion, to waive, modify, or condition its rights under this Section 6. In particular, the Company may agree to modify Section 6(c) if the Company concludes that the work Executive will be performing for a Competitor is different from the work Executive was performing during Executive's employment with the Company or any of its Affiliates and/or (2) there is no reasonable risk that Executive will (willfully, inadvertently or inevitably) use or disclose the Company's Proprietary or Confidential Information.

(d) Non-Solicitation of Business Partners. Executive acknowledges that, by virtue of his employment by the Company or its Affiliates, Executive has gained or will gain knowledge of the identity, characteristics, and preferences of the Company's Business Partners, among other Proprietary or Confidential Information, and that Executive would inevitably have to draw on such information if he were to solicit or service the Company's Business Partners on behalf of a Competitor. Accordingly, during the Employment Period and the Coverage Period, Executive agrees not to, directly or indirectly, solicit the business of or perform any services of the type he performed or sell any products of the type he sold during his employment with the Company for or to actual or prospective Business Partners of the Company (i) as to which Executive performed services, sold products or as to which employees or persons under Executive's supervision or authority performed such services, or had direct contact, or (ii) as to which Executive had accessed Proprietary or Confidential Information during the course of Executive's employment by the Company, or in any manner encourage or induce any such actual or prospective Business Partner to cease doing business with or in any way interfere with the relationship between the Company and its Affiliates and such actual or prospective Business Partner. Executive further agrees that during the Employment Period and the Coverage Period, Executive will not encourage or assist any Competitor to solicit or service any actual or prospective Business Partners or otherwise seek to encourage or induce any Business Partners to cease doing business with, or reduce the extent of its business dealings with the Company.

(e) Non-Interference. During Executive's Employment Period and the Coverage Period, Executive agrees that Executive shall not, directly or indirectly, induce or encourage any Business Partner or other third party, including any provider of goods or services to the Company, to terminate or diminish its business relationship with the Company; nor will Executive take any other action that could, directly or indirectly, be detrimental to the Company's relationships with its Business Partners and providers of goods or services or other business affiliates or that could otherwise interfere with the Company's business.

(f) Non-Disparagement. Executive agrees during and following the Employment Period, not to make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that the other Party or its Affiliates, as may be applicable, engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business, management, or operations of the Company or its Affiliates, as may be applicable, or otherwise, or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the other Party or its subsidiaries or affiliates, as may be applicable. Nothing herein will be deemed to preclude either Party from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities or to prevent either Party from making any disclosure required by the Exchange Act or other applicable law (including, without limitation, a Company disclosure deemed advisable under the federal securities laws or the rules of any stock exchange).

(g) Breach. Executive acknowledges that the restrictions contained in this Section 6 are fair, reasonable, and necessary for the protection of the legitimate business interests of the Company, that the Company will suffer irreparable harm in the event of any actual or threatened breach by Executive, and that it is difficult to measure in money the damages which will accrue to the Company by reason of a failure by Executive to perform any of Executive's obligations under this Section 6. Accordingly, if the Company or any of its subsidiaries or Affiliates institutes any action or proceeding to enforce their rights under this Section 6, to the extent permitted by applicable law, Executive hereby waives the claim or defense that the Company or its Affiliates has an adequate remedy at law, Executive shall not claim that any such remedy at law exists, and Executive consents to the entry of a restraining order, preliminary injunction, or other preliminary, provisional, or permanent court order to enforce this Agreement, and expressly waives any security that might otherwise be required in connection with such relief. Executive also

agrees that any request for such relief by the Company shall be in addition and without prejudice to any claim for monetary damages and/or other relief which the Company might elect to assert. The Parties further agree that, in the event that any provision of Section 6 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The length of time for which the covenants in Section 6 shall be in force shall be extended by an amount of time equal to the period of time during which a violation of such covenant is deemed by a court of competent jurisdiction to have occurred (including any period required for litigation during which the Company seeks to enforce such covenant). If, notwithstanding such provision, a court in any judicial proceeding refuses to enforce any of the separate covenants included herein, the unenforceable covenant will be considered eliminated from these provisions for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced.

(h) Notice. Notwithstanding Executive's confidentiality and nondisclosure obligations, Executive is hereby advised as follows pursuant to the Defend Trade Secrets Act: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order." For the avoidance of doubt, nothing in this Agreement is intended to, nor shall be construed to, conflict with the Defend Trade Secrets Act 18 U.S.C. § 1833(b). Further, Executive understands that nothing in this Agreement or any other agreement that Executive may have with the Company or any of its Subsidiaries restricts or prohibits Executive from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies filing a complaint with government agencies, or participating in government agency investigations or proceedings, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation, and Executive does not need the Company's prior authorization to engage in such conduct.

(i) Attorneys' Fees. In the event of any action or proceeding arising out of, to compel compliance with, or for a breach of any of the terms and conditions of this Section 6, the prevailing Party shall be entitled to recover from the non-prevailing Party all costs of such action or proceeding, including all attorneys' fees, costs and disbursements.

7. Survival. Sections 6, 7 through 15, 18 and 19, and such other provisions hereof as may so indicate shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Employment Period.

8. Notices. Any notice provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by certified mail, postage prepaid, (iii) by UPS, Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email, provided that such telecopy or email attachment shall be followed within one (1) business day by delivery of such notice pursuant to clause (i), (ii) or (iii) above. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to the Company:
General Counsel
National CineMedia, Inc.
6300 S. Syracuse Way
Suite 300
Centennial, Colorado 80111

If to Executive:

To the most recent address on file with the Company

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the Parties, written or oral, which may have related in any manner to the subject matter hereof.

10. No Conflict. Executive represents and warrants that Executive is not bound by any employment contract, restrictive covenant, or other restriction preventing Executive from carrying out Executive's responsibilities for the Employer, or which is in any way inconsistent with the terms of this Agreement. Executive further represents and warrants that Executive shall not disclose to the Employer or induce the Employer to use any confidential or proprietary information or material belonging to any previous employer or others.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by Executive and his heirs, executors and personal representatives, and the Company and its successors and assigns. Any successor or assignee of the Company shall assume the liabilities of the Company hereunder, and for the avoidance of doubt, no such assignment shall be treated as a termination of Executive's employment with the assignor for purposes of this Agreement.

12. Governing Law; Alternative Dispute Resolution. Executive acknowledges, understands, and agrees, following consultation with and representation by counsel of his own choosing, that this Agreement shall be governed by the internal laws (as opposed to the conflicts of law provisions) of the State of Colorado. Executive acknowledges, understands, and agrees, following consultation with and representation by counsel of his own choosing, that any and all disputes, claims or controversies arising out of or relating to this Agreement or Executive's employment with the Company or termination thereof, other than with respect to disputes arising out of Section 6 herein ("Non-Arbitrable Disputes"), shall be submitted to arbitration in accordance with and under the auspices of the Employment Arbitration Rules of JAMS (Denver Colorado office) or its successor, with the arbitration to take place in Denver, Colorado, unless the Parties mutually agree to conduct the arbitration in a different location. The arbitrator shall be selected by the mutual agreement of the Parties. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement, including but not limited to any claim that all or any part of this Agreement is void or voidable. The arbitrator shall apply the applicable statute of limitations to any claim. The arbitrator shall issue a written opinion and award, which shall be signed and dated. The arbitrator shall be permitted to award those remedies that are available under applicable law. The arbitrator's decision regarding the claims shall be final and binding upon the Parties. The arbitrator's award shall be enforceable in any court having jurisdiction thereof. Executive acknowledges, understands, and agrees, following consultation with and representation by counsel of his own choosing, that Non-Arbitrable Disputes shall be commenced only in a state or federal court in Colorado, and the Company and Executive each submits to the personal jurisdiction of such courts. The Company and Executive each hereby irrevocably waives any right to a trial by jury in any action, suit or other legal proceeding arising out of or relating to this Agreement or Executive's employment with the Company or termination thereof.

13. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

14. Withholding. All payments and benefits under this Agreement are subject to withholding of all applicable taxes.

15. Code Section 409A. This Agreement is intended to be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). For purposes of Section 409A of the Code, Executive's right to receive any installment payments

under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent required to avoid the imposition of additional taxes and penalties under Section 409A of the Code, any amounts under this Agreement are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code; provided, however, that a "separation from service" means a separation from service with the Company and all other persons or entities with whom the Company would be considered a single employer under Section 414(b) or 414(c) of the Code, applying the 80% threshold used in such Code sections and the Treasury Regulations thereunder, all within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A of the Code, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that constitutes deferred compensation under Section 409A of the Code and is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by Employer under any applicable expense reimbursement policy, and shall be paid to Executive within 30 days following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. In no event will Employer be liable for any additional tax, interest or penalties that may be imposed on Executive under Section 409A of the Code or for any damages for failing to comply with Section 409A of the Code.

16. Clawbacks. The payments to Executive pursuant to this Agreement are subject to forfeiture or recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy or provision that the Company has included in any of its existing compensation programs or plans or that it may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

17. Company Policies. Executive shall be subject to additional Company policies as they may exist from time-to-time, including policies with regard to stock ownership by senior executives and policies regarding trading of securities.

18. Indemnification. The Company agrees to indemnify Executive to the fullest extent permitted by applicable law consistent with the Certificate of Incorporation and By-Laws of the Company as in effect on the effective date of this Agreement, or as the Certificate of Incorporation and By-Laws may be amended from time to time to provide greater indemnification, with respect to any acts or non-acts he may have committed while he was an officer, director and/or employee (i) of the Company or any subsidiary thereof, or (ii) of any other entity if his service with such entity was at the request of the Company.

19. Executive's Acknowledgements. Executive acknowledges that he: (i) has read this Agreement; (ii) has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice; (iii) understands the terms and consequences of this Agreement; and (iv) is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the Execution Date.

NATIONAL CINEMEDIA, INC.

By: /s/ Tom Lesinski
Name: Tom Lesinski
Title: Chief Executive Officer

RONNIE NG

/s/ Ronnie Ng

CERTIFICATIONS

I, Thomas F. Lesinski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of National CineMedia, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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.

Date: November 5, 2024

/s/ Thomas F. Lesinski

Thomas F. Lesinski

Chief Executive Officer and Director

(Principal Executive Officer)

CERTIFICATIONS

I, Ronnie Y. Ng, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of National CineMedia, 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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.

Date: November 5, 2024

/s/ Ronnie Y. Ng

Ronnie Y. Ng

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ending September 26, 2024 (the "Report") of National CineMedia, Inc. (the "Registrant") as filed with the Securities and Exchange Commission on the date hereof, I, Thomas F. Lesinski, the Chief Executive Officer and Director of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 5, 2024

/s/ Thomas F. Lesinski

Thomas F. Lesinski

Chief Executive Officer and Director

(Principal Executive Officer)

This certification is furnished with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the period ending September 26, 2024 (the "Report") of National CineMedia, Inc. (the "Registrant") as filed with the Securities and Exchange Commission on the date hereof, I, Ronnie Y. Ng, the Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 5, 2024

/s/ Ronnie Y. Ng

Ronnie Y. Ng

Chief Financial Officer

(Principal Financial and Accounting Officer)

This certification is furnished with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.
