

# 2019 ESA Amendments

## (Cinemark and Regal)

- 4 year extension of the agreement term to 2041
- national ads (up to 6 minutes worth) to be shown *after* the scheduled showtime (i.e the time between when the movie is scheduled and when it actually begins)
- effects 385M people or 55% of the NCM network (projected to increase to 60% in 2020)
- local & regional ad inventory becomes more valuable as it will be closer to the scheduled showtime
- creates 3 national advertising segments with 3 price points (just prior to showtime, just after showtime with dim trailer lighting, and the “Platinum Spot” just prior to the trailers that are attached to the movie)

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- expected to mitigate the negative impact of operators' shift to reserved theater seating (expanding dine-in options are also expected to mitigate the negative impact of reserved seating for NCM)
- increase advertising pricing with average national price up 4%-6% and Platinum Spot up 50% compared to historical pre-showtime pricing
- scarcity of post-showtime advertising inventory will drive growth in utilization of ad space
- beverage advertising pricing up 2% annually