

Q4 '20 Earnings Supplemental Presentation

Liquidity and COVID-19 Update



Forward-Looking Statements

This presentation contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events. Investors are cautioned that reliance on these forward-looking statements involves risks and uncertainties. Although the Company believes that the assumptions used in the forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements are, among others, 1) level of theater attendance or viewership of the *Noovie* pre-show; 2) the impact of pandemics, epidemics or disease outbreaks, such as the novel coronavirus (COVID-19); 3) increased competition for advertising expenditures; 4) changes to relationships with NCM LLC's founding members; 5) inability to implement or achieve new revenue opportunities; 6) failure to realize anticipated benefits of the 2019 amendments to the Company's exhibitor service agreement with Regal and Cinemark; 7) technological changes and innovations; 8) economic conditions, including the level of expenditures on cinema advertising; 9) our ability to renew or replace expiring advertising and content contracts; 10) our need for additional funding, risks and uncertainties relating to our significant indebtedness; 11) reinvestment in our network and product offerings may require significant funding and resulting reallocation of resources; 12) fluctuations in operating costs; and 13) changes in interest rates. In addition, the outlook provided does not include the impact of any future unusual or infrequent transactions; sales and acquisitions of operating assets and investments; any future non-cash impairments of intangible and fixed assets; amounts related to litigation or the related impact of taxes that may occur from time to time due to management decisions and changing business circumstances. The Company is currently unable to forecast precisely the timing and/or magnitude of any such amounts or events. Please refer to the Company's Securities and Exchange Commission filings, including the "Risk Factor" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 26, 2020, June 25, 2020 and September 24, 2020 for further information about these and other risks. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result, of new information, future events or otherwise, except as required by law.

This presentation contains references to Non-GAAP financial measures including Adjusted OIBDA (Operating Income Before Depreciation and Amortization, Amortization of intangibles recorded for network theater screen leases, excluding share based payment costs, impairment of long-lived assets, and CEO transition costs). A reconciliation of these measures is available in this presentation and on the investor page of the Company's website at www.ncm.com.

National CineMedia Business Update – Covid-19 Impact

- As of the end of December, 60% of theaters in our national cinema advertising network remained closed due to the COVID-19 pandemic. As of March 8, 2021, 48% of the theaters in our national cinema advertising network remain closed.
- NCM LLC's theater access fees, network affiliate payments and Platinum Spot revenue share payments are driven by attendance, active screens and revenue, and therefore, were not incurred for the duration that the theaters were closed and will be reduced for the period of time that attendance is lower than historical levels.
- NCM entered the global COVID-19 crisis in a strong financial position and maintained that strong position during the fourth quarter.
 - NCM LLC began the fourth quarter of 2020 with a cash balance of \$157.4 million and ended the fourth quarter with a cash balance of \$123.9 million.
 - The accounts receivable balance, net of allowance for doubtful accounts, at the beginning of the fourth quarter was \$9.0 million and was \$16.2 million at the end of the fourth quarter.
 - NCM LLC has a liquidity runway of 12-13 months before the consideration of the bank debt liquidity minimum financial covenant and if we do not generate any further revenue.

Credit Agreement Amendment

- On March 8, 2021, NCM LLC entered into an additional amendment to its Credit Agreement, dated as of June 20, 2018.
- Among other things, the Credit Agreement Second Amendment provides for:
 - (i) certain modifications to the negative covenants;
 - (ii) a waiver of non-compliance with the consolidated net total leverage and consolidated net senior secured leverage financial covenants through the quarter ended June 30, 2022;
 - (iii) the consolidated net total leverage ratio and consolidated net senior secured leverage ratio financial covenants to be set to 6.75 to 1.00 and 5.50 to 1.00, respectively, for the quarter ending on or about September 29, 2022, and
 - (iv) with respect to NCM LLC's audited financial statements for the fiscal year ended December 31, 2020, a waiver of the requirement to deliver such financial statements without a "going concern" or like qualification or exception.
- The Credit Agreement Second Amendment also:
 - (i) grants security interests in certain assets of NCM LLC and other potential loan parties that are not currently pledged to the lenders, and
 - (ii) increases the applicable margin of the existing term loans and revolving loans issued under the Credit Agreement in an amount equal to 1.00%.
- Additionally, pursuant to the terms of the Credit Agreement Second Amendment, NCM LLC is restricted from making available cash distributions until after NCM LLC delivers a compliance certificate for the quarter ending on or about September 29, 2022, and, thereafter, NCM LLC may only make available cash distributions if:
 - (i) no default or event of default under the Credit Agreement has occurred and is continuing;
 - (ii) the senior secured financial covenant leverage ratio is equal to or less than 4.00 to 1.00; and
 - (iii) the aggregate principal amount of all outstanding revolving loans under the Credit Agreement is \$39.0 million or less.

Credit Agreement Amendment

- In addition, pursuant to the Credit Agreement Second Amendment, NCM LLC will incur new incremental term loans in an aggregate principal amount of \$50.0 million, the proceeds of which will be used for general corporate purposes. The New Incremental Loans will have substantially similar terms to the existing term loans (after giving effect to the Credit Agreement Second Amendment), except that the New Incremental Loans will:
 - (i) have a cash interest rate of LIBOR plus 8.00%,
 - (ii) have a maturity of December 20, 2024, and
 - (iii) be subject to prepayment premiums if the Borrower prepays the New Incremental Loans before maturity.
- In connection with the grant of the Additional Collateral to the lenders under the Credit Agreement, NCM LLC concurrently entered into an amendment to the Security Agreement, dated as of October 8, 2019 made by NCM LLC, as issuer, in favor of JPMorgan Chase Bank, N.A., as collateral agent, relating to that certain Indenture, dated as of October 8, 2019, between NCM LLC, as issuer and Wells Fargo Bank, National Association, as trustee, relating to NCM LLC's Notes due 2028. This amendment grants a security interest in the Additional Collateral for the benefit of the holders of the Secured Notes.

Other 2020 Highlights and Subsequent Events

Despite a challenging cinema advertising marketplace in 2020, the Company made significant progress on key initiatives.

Upgraded our planning, proposal and inventory tracking system to achieve a more seamless digital buying experience required by today's media buyers

- Implemented a new planning, proposal and inventory tracking system in January of 2021. The new system is expected to improve the quality of our in-theater advertising product and increase the efficiency of inventory placement by reducing lead times and making it easier for advertisers to buy our product. The system also replaced many of our internally developed systems and is expected to reduce our operating overhead by approximately \$1.2 million per year from 2019 levels, which had already incorporated changes made since 2018 in anticipation of the implementation amounting to annual overhead savings of approximately \$6.8 million.

Continued investment in creating digital entertainment products and digital ad inventory

- Launched Noovie Trivia, a new app, that now unites all of our popular movie trivia games into one place, and improved Noovie.com by adding industry leading web page and content loading times, content distribution and syndication capabilities and a performance and viewability enhancing redesign.

Accelerated the growth of our 1st and 2nd party consumer databases

- Total first- and second-party data sets for our digital platform are over 170 million as of December 31, 2020, up from 106 million a year ago.

Other 2020 Highlights and Subsequent Events (continued)

Expanded our affiliate network by primarily focusing on adding key affiliates and screen counts in select markets.

- NCM and Harkins Theatres, the fifth-largest exhibitor in America, have signed a long-term cinema advertising affiliate agreement in the first quarter of 2021, increasing our network by approximately 500 screens and 33 theaters beginning in May 2021 through December 2037.
- Increased the number of our affiliates displaying our post-showtime inventory

Created Digital Out-of-Home Group

- NCM's new Digital Out-of-Home (DOOH) group was created in 2020 to further unite brands with the power of movies by extending movie-centric Noovie entertainment content, trivia, and advertising beyond movie theaters to a variety of complementary venues, including restaurants, retail locations, and office and residential buildings. The Company recently entered into agreements with Coinstar, Captivate and Ziosk to sell DOOH media inventory on a national, regional, local, and programmatic level on their respective properties

Q4 2020 Highlights versus Q4 2019

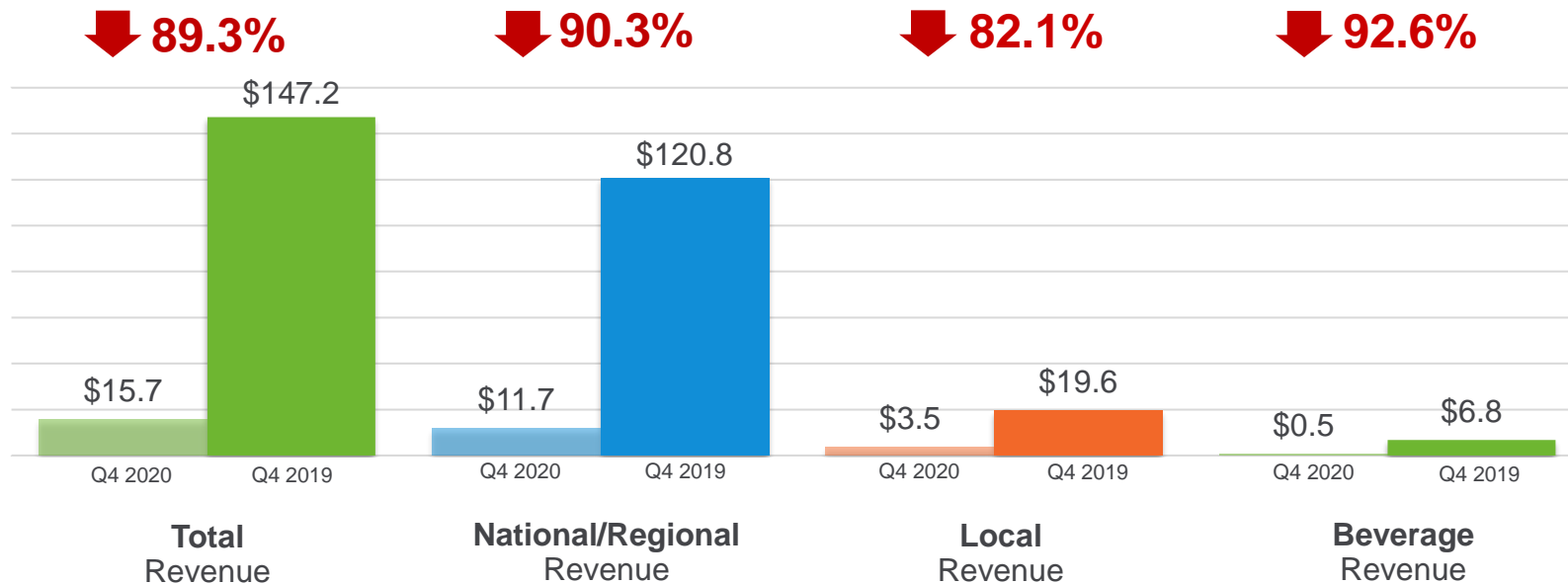
Financial:

- Total revenue decreased 89.3% to \$15.7 million.
- Adjusted OIBDA⁽¹⁾ decreased 111.9% to -\$9.9 million.
- National and Regional Sales revenue decreased 90.3% to \$11.7 million.
- Local revenue decreased 82.1% to \$3.5 million.
- Beverage revenue decreased 92.6% to \$0.5 million.

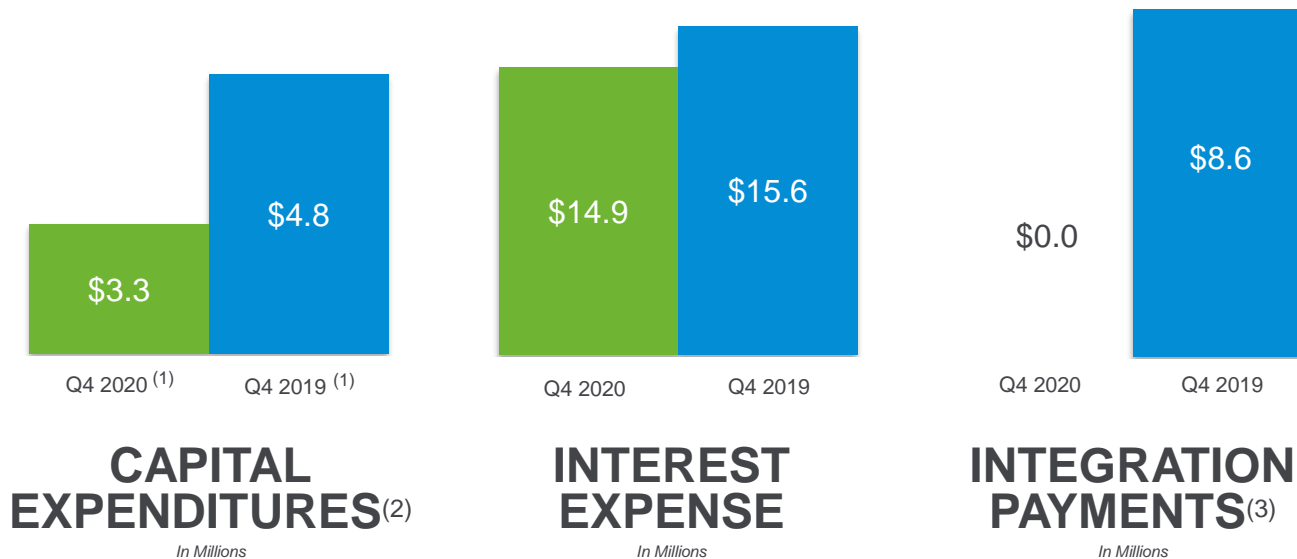
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization of intangibles recorded for network theater screen leases and excluding non-cash share based costs and impairment of long-lived assets). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (Q4)

(\$ in millions)



Other Financial Metrics (Q4)



(1) Includes capital expenditures of \$1.1 million in Q4 2020 related to our digital product investment versus \$1.4 million in Q4 2019.

(2) Includes certain other implementation costs associated with Cloud Computing Arrangements.

(3) Integration and other encumbered theater payments. These payments were recorded as a reduction of an intangible asset and are excluded from Adjusted OIBDA. There were no payments during Q4 2020 because the Company generated negative Adjusted OIBDA during this period due to the closure of the encumbered theaters in response to the COVID-19 pandemic.

YTD 2020 Highlights versus YTD 2019

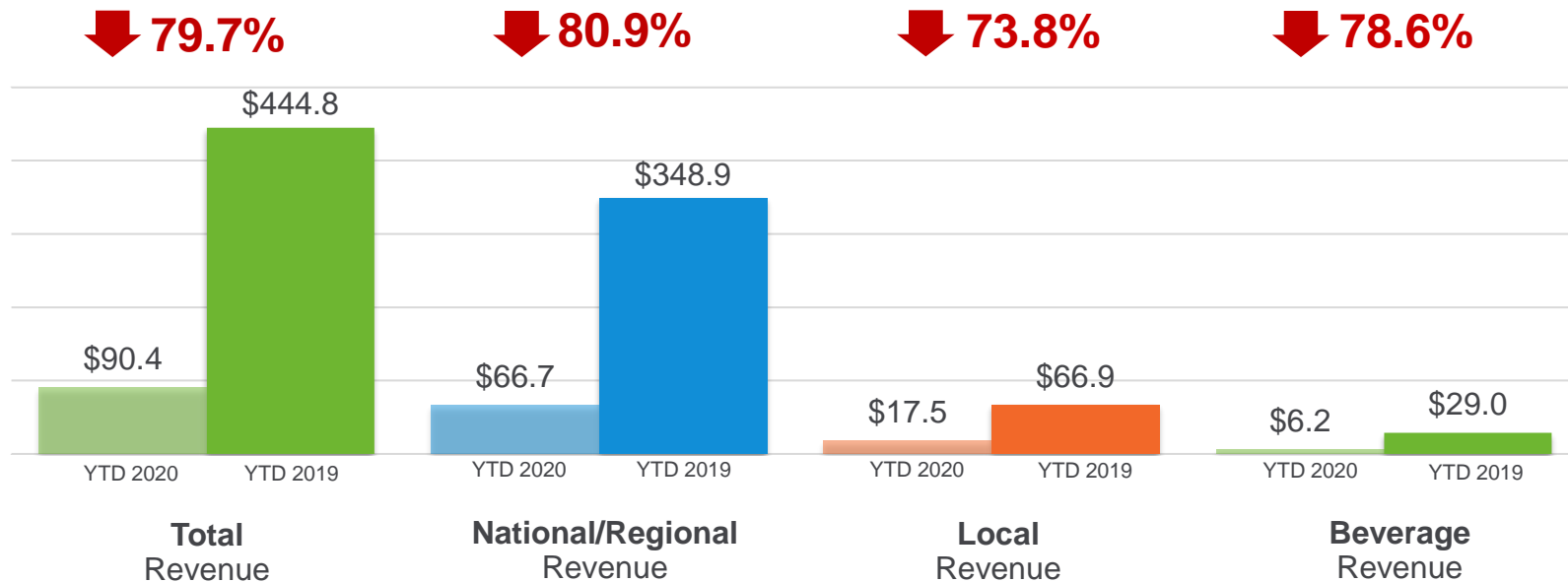
Financial:

- Total revenue decreased 79.7% to \$90.4 million.
- Adjusted OIBDA⁽¹⁾ decreased 109.3% to \$-19.4 million.
- National and Regional Sales revenue decreased 80.9% to \$66.7 million.
- Local revenue decreased 73.8% to \$17.5 million.
- Beverage revenue decreased 78.6% to \$6.2 million.

(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization of intangibles recorded for network theater screen leases and excluding non-cash share based costs, impairment of long-lived assets and CEO transition costs). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (YTD)

(\$ in millions)








Other Financial Metrics (YTD)



- (1) Includes capital expenditures of \$4.6 million in YTD 2020 related to our digital product investment versus \$6.7 million in YTD 2019.
- (2) Includes certain other implementation costs associated with Cloud Computing Arrangements.
- (3) Integration and other encumbered theater payments. These payments were recorded as a reduction of an intangible asset and are excluded from Adjusted OIBDA.

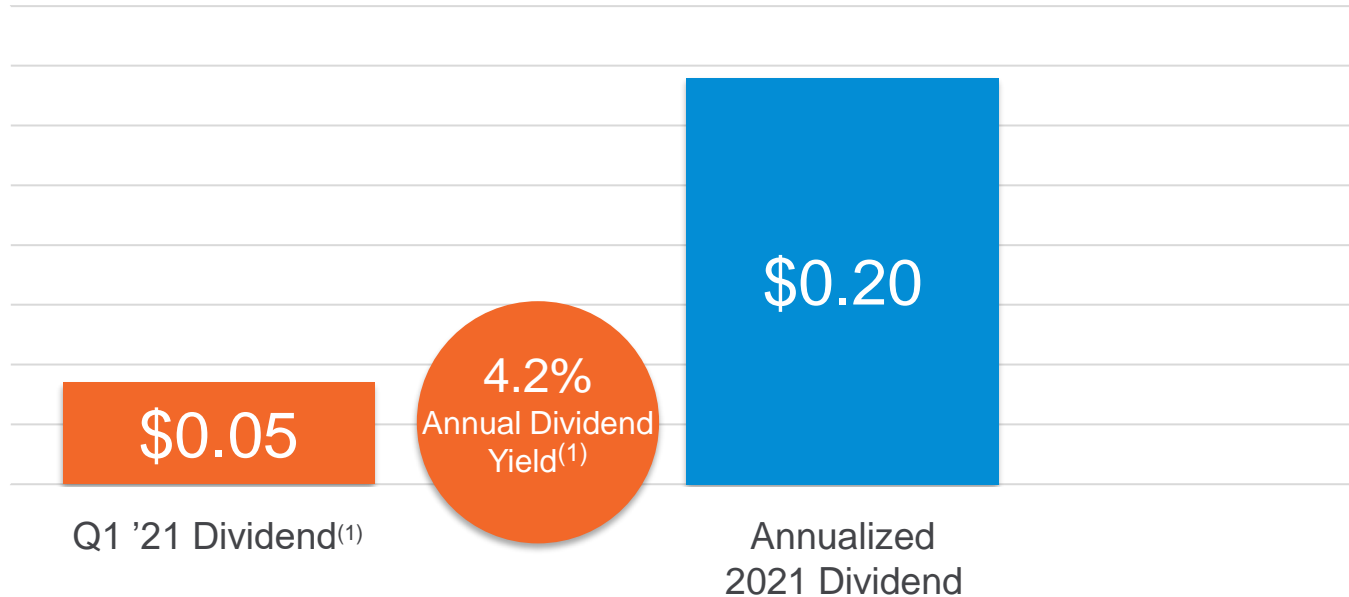
Diversified Debt Structure

	Q4 2020	Q4 2019		Q4 2020	Q4 2019		Q4 2020	Q4 2019	
	 \$1,060.3M	\$935.6M	Total Debt Outstanding	 \$167.0M	\$39.0M	Outstanding Revolver Balance	 \$181.8M	\$80.9M	Consolidated Cash and Investment Balances⁽¹⁾
							 5.0%	5.5%	Average Interest Rate on All Debt
				 N/A	4.0X				Consolidated Total Leverage Ratio⁽²⁾⁽³⁾ (Total Debt / Adjusted OIBDA + Integration Payments)

- (1) \$57.9 million of this balance is at NCM at December 31, 2020 and \$69.5 million at December 24, 2019.
- (2) On March 8, 2021, NCM obtained approval on an automatic waiver of any non-compliance with its Consolidated Net Senior Secured Leverage Ratio and Consolidated Total Leverage Ratio financial covenants through the quarter ended June 30, 2022.
- (3) The Company's leverage ratios are N/A as the company generated negative Adj. OIBDA during the fourth quarter and for the year ended December 31, 2020.

Cash Dividends in Q1'21 and Annualized FY '21 Dividend

The dividend was reduced from 2019 quarterly dividend amounts due to the reduced cash flows to NCM LLC from the theater closures from the COVID-19 pandemic and the corresponding limitations on available cash distributions from NCM LLC to NCM, Inc. under the Credit Agreement amendment entered into on April 30, 2020.



- (1) The dividend declared on March 8, 2021 is \$0.05 per share for payment in Q1 2021 and represents an annualized dividend of \$0.20 per share.
- (2) Dividend yield based on NCMI closing stock price on March 5, 2021 of \$4.75.

2021 Annual Guidance

Due to the current unprecedented market conditions related to the COVID-19 pandemic and the resulting uncertainty regarding the duration and ultimate impact of governmental regulations, including mandated business closures and theater capacity restrictions that affect our network theaters and clients, shifting movie slates, as well as the impact of changes in consumer behavior (such as social distancing) on attendance following the reopening of the theaters, the Company is not currently providing guidance for the fiscal year ending December 30, 2021.

Operating Income to Adjusted OIBDA and Adjusted OIBDA Margin

\$ in millions

	Quarter Ended		Year Ended	
	December 31, 2020	December 26, 2019	December 31, 2020	December 26, 2019
Operating (loss) income	\$ (20.8)	\$ 72.7	\$ (61.0)	\$ 161.3
Depreciation expense	3.6	3.6	13.1	13.6
Amortization of intangibles recorded for network theater screen leases	6.2	6.0	24.6	26.7
Share-based compensation costs (1)	1.1	1.2	2.2	5.5
Impairment of long-lived assets	—	—	1.7	—
CEO transition costs	—	—	—	0.4
Adjusted OIBDA	\$ (9.9)	\$ 83.5	\$ (19.4)	\$ 207.5
Total revenue	\$ 15.7	\$ 147.2	\$ 90.4	\$ 444.8
Adjusted OIBDA margin	(63.1)%	56.7 %	(21.5)%	46.7 %

(1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense.

(2) The impairments of long-lived assets primarily relate to the write off of certain internally developed software.

Thank You!

National CineMedia, Inc.

Investor Contact:

Ted Watson

800-844-0935

investors@ncm.com