

Digital Cinema Media's Historical TVRs Report

1 January 2019 – 31 December 2019

Introduction

Over the last few years, Digital Cinema Media (DCM) has invested a huge amount of time and resource into improving the planning and buying processes to revolutionise the way cinema is traded and measured, both to make our customers' lives easier and maximise the medium's commercial opportunities. Accountability is at the heart of this and we already report on actual admissions. Our cinema partners update us daily on what films they plan to show over the next week (with specific showing dates and times) and we schedule ads against these showings. Point of sale ticket information then gets sent by cinema, screen, showing and ticket type which DCM then corroborates with Comscore to ensure accuracy and transparency.

However, this was just the start – the language of cinema admissions was unique to cinema and we wanted to become fluent in Television Ratings (TVRs) – the universally recognised media industry ratings language. A TVR measures the popularity of a TV programme, daypart, commercial break or advertisement by comparing its audience to the population as a whole. One TVR is numerically equivalent to one percent of a target audience.

We partnered with RSMB, the main contractor for BARB to build an IPA accredited gold-standard research and frequency model (containing 52 weeks of Reach & Frequency data). Endorsed by the IPA, this now feeds new data into the Touchpoints Channel Planner and we now directly feed data into the planning systems of leading media agencies. Working alongside our internal planning system, the cinema advertising industry can calculate reach, frequency and TVRs for the first time based on inputs of admissions, campaign weeks and demographic audience. Our agency partners can now build complementary AV schedules using the same language for cinema as they do TV.

As part of our commitment to delivering transparent and trusted metrics, DCM engaged PricewaterhouseCoopers LLP UK (PwC), a leading global professional services provider whose purpose is to build trust in society and solve important problems, to provide assurance over the calculations of these metrics.

As young audiences are continuing to drive cinema attendance, with 16-34s accounting for nearly half of all cinema tickets sold on average each year, DCM engaged PwC to provide independent assurance that DCM's TVRs and Industry TVRs for two different youth age buckets on pages 3 and 4 of this report have been calculated and reported in line with DCM's methodology. PwC's independent assurance opinion is set out on the final page of this document.

This document further outlines the methodology used to calculate and report the historical TVRs based on DCM and industry admissions. The full dataset is set out on DCM's website and the data assured by PwC is described on pages 3 and 4 of this report ("Cinema TVRs"). The report incorporates the historical TVRs for the Top 30 films by DCM and industry admissions. The period covered by this Report and methodology is the period 1 January 2019 through 31 December 2019.


Management Statement

The Directors of Digital Cinema Media Limited (the “Company”) are responsible for the preparation and reporting of cinema equivalent historical Television Ratings “Cinema TVRs” in the UK for the Top 30 films released in 2019 (the “Cinema TVRs”) for the year ended 31 December 2019 as laid out on pages 3 and 4 including the calculation of the Cinema TVRs and applying the selected Methodology (pages 5 – 8).

The Directors are also responsible for:

- Developing and implementing an appropriate methodology against which the Company’s calculation and reporting of the Cinema TVRs is assessed;
- Ensuring the Methodology is relevant and appropriate to the Company and users of the Report;
- Selecting and applying appropriate policies for any estimates and assumptions that are required to calculate the Cinema TVRs, ensuring that they are reasonable in the circumstances;
- Designing, implementing and maintaining internal control procedures that provide adequate control over the Company’s calculation and reporting of the Cinema TVRs that are free from material misstatement, whether due to fraud or error; and
- The maintenance and integrity of the website (www.DCM.co.uk/cinema-tvrs.)

The Directors of Digital Cinema Media Limited can confirm that the **Cinema TVRs data for 2019** has been prepared in accordance with the Methodology, and believe that the Methodology is a reasonable and balanced basis on which to measure Cinema TVRs.

Signed:		
Print:	PAUL MALONEY	
Role:	COO	
Date:	17/5/21	

For and on behalf of Directors of Digital Cinema Media Limited.

Top 30 Films 2019 by Audience

	16-24 Adults (National TVR)						16-34 Adults (National TVR)					
	DCM			Industry			DCM			Industry		
EDI Film Title Master	7 days	28 days	60 days	7 days	28 days	60 days	7 days	28 days	60 days	7 days	28 days	60 days
ADDAMS FAMILY, THE	0.64	1.21	1.27	0.78	1.48	1.55	0.80	1.53	1.60	0.99	1.88	1.97
ALADDIN	3.95	10.56	12.05	4.81	12.84	14.64	3.49	9.31	10.62	4.24	11.32	12.92
AVENGERS: ENDGAME	23.55	38.32	39.84	28.46	46.31	48.16	16.78	27.30	28.39	20.28	33.00	34.32
CAPTAIN MARVEL	7.86	15.23	17.98	9.44	18.41	21.77	6.23	12.09	14.27	7.49	14.61	17.27
CATS	1.28	2.71	2.81	1.56	3.30	3.41	1.06	2.24	2.32	1.29	2.72	2.82
DOWNTON ABBEY	0.68	1.65	1.85	0.84	2.04	2.28	0.59	1.43	1.60	0.73	1.76	1.97
DUMBO	1.63	4.41	4.88	1.97	5.36	5.93	1.70	4.59	5.08	2.06	5.59	6.18
FAST & FURIOUS: HOBBS & SHAW	4.10	8.06	9.01	5.03	9.86	11.03	3.13	6.14	6.87	3.84	7.51	8.41
FAVOURITE, THE	0.58	1.88	2.24	0.71	2.31	2.75	0.64	2.09	2.49	0.79	2.56	3.05
FROZEN 2	3.54	7.62	10.00	4.29	9.25	12.15	3.89	8.37	10.99	4.72	10.16	13.35
GLASS	2.68	5.37	5.91	3.27	6.58	7.24	2.25	4.50	4.96	2.75	5.51	6.07
HOW TO TRAIN YOUR DRAGON: THE HIDDEN WORLD	1.43	3.75	4.45	1.75	4.60	5.45	1.42	3.73	4.43	1.74	4.57	5.42
INSTANT FAMILY	1.61	3.49	3.93	1.98	4.27	4.81	1.18	2.55	2.87	1.45	3.12	3.52
IT: CHAPTER TWO	7.73	13.69	14.28	9.45	16.82	17.53	4.89	8.67	9.04	5.98	10.65	11.10
JOKER	11.34	27.02	31.60	13.70	32.86	38.46	8.60	20.49	23.96	10.38	24.91	29.16

JUMANJI: THE NEXT LEVEL	2.71	9.08	11.10	3.30	11.04	13.52	2.25	7.52	9.19	2.73	9.14	11.20
KNIVES OUT	1.09	2.81	3.46	1.32	3.42	4.20	0.91	2.34	2.87	1.10	2.84	3.49
LAST CHRISTMAS	1.25	3.72	4.80	1.52	4.52	5.84	1.11	3.30	4.27	1.35	4.01	5.19
LEGO MOVIE 2, THE	0.94	3.09	3.52	1.15	3.79	4.31	0.85	2.77	3.16	1.04	3.41	3.88
LION KING, THE	7.37	18.58	21.80	9.01	22.75	26.68	6.28	15.83	18.58	7.68	19.38	22.74
MALEFICENT: MISTRESS OF EVIL	1.68	4.10	4.48	2.04	5.01	5.48	1.60	3.90	4.27	1.94	4.77	5.22
ONCE UPON A TIME IN HOLLYWOOD	3.83	7.74	8.58	4.67	9.46	10.49	2.94	5.95	6.59	3.59	7.27	8.06
POKEMON DETECTIVE PIKACHU	2.32	4.80	5.04	2.81	5.81	6.11	2.26	4.67	4.91	2.73	5.65	5.94
ROCKETMAN	2.17	5.42	6.16	2.64	6.59	7.49	1.65	4.11	4.67	2.00	5.00	5.68
SECRET LIFE OF PETS 2, THE	1.86	3.33	3.58	2.27	4.05	4.36	2.16	3.86	4.15	2.63	4.69	5.05
SHAZAM!	2.98	5.66	5.80	3.62	6.89	7.06	2.31	4.39	4.50	2.81	5.35	5.48
SPIDER-MAN: FAR FROM HOME	6.97	14.08	16.78	8.46	17.15	20.45	5.10	10.30	12.28	6.19	12.55	14.97
STAR WARS: THE RISE OF SKYWALKER	7.07	14.28	15.00	8.59	17.36	18.25	6.32	12.76	13.40	7.67	15.51	16.31
TOY STORY 4	5.11	12.07	16.92	6.20	14.68	20.61	5.08	12.02	16.84	6.18	14.62	20.52
YESTERDAY	0.95	2.35	2.93	1.16	2.85	3.56	0.66	1.64	2.04	0.81	1.99	2.49

Methodology

Definition of TVR

A TVR measures the popularity of a TV programme, daypart, commercial break or advertisement by comparing its audience to the population as a whole.

One TVR is numerically equivalent to one percent of a target audience.

For example, if Coronation Street achieved a Housepersons TVR of 20 in Yorkshire it means that on average during the programme, 20% of all Housepersons in the Yorkshire region watched Coronation Street.

Cinema TVRs are equivalent to traditional TVRs based on consolidated data rather than the overnight data.

Universe is the total population of a particular audience category e.g. 16-24 is the total number of individuals of 16-24 year olds within the United Kingdom (UK).

The Cinema TVR population is national (UK).

The methodology outlines the calculation upon which the Cinema TVRs were prepared. The methodology is divided into the following sections:

- DCM TVRs
- Industry TVRs. There are only two cinema sales houses in the UK: DCM and Pearl & Dean. Therefore to calculate the Industry admissions for a film DCM uses its own internal sales data by week and grosses up by Pearl & Dean's corresponding market share.
- Audience Profiles
- Period of time (7, 28, 60 days)

DCM TVR Ratings Project

In 2019, Digital Cinema Media set out to produce a credible measure of film audience ratings for content across its estate using the following industry accepted sources to ensure credibility in the marketplace:

- Cinema exhibitor EPOS ticket data (97x% of admissions)
- Cinema exhibitor portal ticket data (3% of admissions)
- Comscore cinema sales house market share information – based on admission delivery for each contractor
- Kantar film audience profile data ('Film Monitor')

The TVR model has been developed by Digital Cinema Media's Insight Team, working with internal stakeholders from around the business and aims to express:

Digital Cinema's best estimate of ratings delivery for demographics against film titles within a given time frame, both for its business and that of the industry.

Methodology Overview

DCM TVRs

- To calculate DCM 16-34 TVRs for the first 7 days the following approach is used:

Film title: Fast & Furious Hobbs and Shaw

Release period: July 2019

DCM Admissions for first 7 days (ticket sales): 981,128

Kantar Film Monitor audience profile (16-34 adults) = 48.76%

Admissions (ticket sales) 981,128 * Kantar Film Monitor Audience profile for 16-34s (48.76%) = 478,398
16-34 Admissions

Kantar Film Monitor 16-34 Universe = 15,296,622

16-34 Admissions / 16-34 Universe *100 = 3.13 16-34 DCM TVRs

EDI Film Title Master	Total DCM Film admissions (ticket sales)	Target Audience	Target Audience Percentage (Film Monitor)	DCM Target Audience Admissions	Selected Target Universe	DCM TVR
		16-34 Adults				
ADDAMS FAMILY, THE	570,551	16-34 Adults	21.58%	123,125	15,296,622	0.80
ALADDIN	1,341,451	16-34 Adults	39.74%	533,093	15,296,622	3.49
AVENGERS: ENDGAME	4,901,241	16-34 Adults	52.38%	2,567,270	15,296,622	16.78
CAPTAIN MARVEL	1,793,315	16-34 Adults	53.18%	953,685	15,296,622	6.23
CATS	618,196	16-34 Adults	26.25%	162,276	15,296,622	1.06
DOWNTON ABBEY	976,743	16-34 Adults	9.22%	90,056	15,296,622	0.59
DUMBO	916,823	16-34 Adults	28.32%	259,644	15,296,622	1.70
FAST & FURIOUS: HOBBS & SHAW	981,128	16-34 Adults	48.76%	478,398	15,296,622	3.13
FAVOURITE, THE	380,594	16-34 Adults	25.88%	98,498	15,296,622	0.64

Industry TVRs

- Comscore independently collects ticket sales information from cinemas represented by DCM and Pearl & Dean on a weekly basis to ascertain market share. However, this data is only reported at a total ticket level and is not broken down by film. In order to report 'Industry' admissions for a film DCM uses its own internal sales data by week and grosses up by Pearl & Dean's corresponding market share (obtained from Comscore). The calculation model is the same but using industry rather than DCM admissions.
- To calculate 'Industry' 16-34 TVRs for first 7 days the following approach is used:

Film title: Fast & Furious Hobbs and Shaw

Release period: July 2019

DCM Admissions for first 7 days (ticket sales): 981,128

Kantar Film Monitor audience profile (1634 adults) = 48.76%

DCM Admissions (ticket sales) 981,128 / DCM Market Share 81.56% = Industry admissions 1,203,123

Industry admissions 1,203,123 * Kantar Film Monitor audience profile 16-34s (48.76%) = 586,643 Industry 16-34 Admissions

Kantar Film Monitor 16-34 Universe = 15,296,622

Industry 16-34 admissions / 16-34 Universe *100 = 3.84 16-34 Industry TVRs

EDI Film Title Master	Total industry admissions	Target Audience	Target Audience Percentage (Film)	Target Audience admissions	Selected Target Universe	Industry TVRs
		Audience	Monito	admissions		
ADDAMS FAMILY, THE	700,234	16-34 Adults	21.58%	151,111	15,296,622	0.99
ALADDIN	1,631,480	16-34 Adults	39.74%	648,350	15,296,622	4.24
AVENGERS: ENDGAME	5,922,363	16-34 Adults	52.38%	3,102,134	15,296,622	20.28
CAPTAIN MARVEL	2,154,132	16-34 Adults	53.18%	1,145,567	15,296,622	7.49
CATS	750,967	16-34 Adults	26.25%	197,129	15,296,622	1.29
DOWNTON ABBEY	1,207,645	16-34 Adults	9.22%	111,345	15,296,622	0.73
DUMBO	1,111,301	16-34 Adults	28.32%	314,720	15,296,622	2.06
FAST & FURIOUS: HOBBS & SHAW	1,203,123	16-34 Adults	48.76%	586,643	15,296,622	3.84

DCM Admissions collection process

- DCM receives ticket data by showing for every film across its network, either via an online portal tool (3% admissions) or via Cinema EPOS system (97% admissions).
- EPOS ticketing data is received from Vista, Veezi, AdmitOne, Savoy, Jackro or direct from the cinemas themselves in the case of major chains (Odeon, Cineworld and VUE) and imported via DCM FTP between 06:00-07:00 each day.
- Web portal submissions are entered manually at cinema site level and submitted by 12:10 daily.
- Each import contains ticket data from the previous 3-7 days, dependent on exhibitor, this is to ensure that any missing information is backfilled and monetised.
- 07:00-08:29 – Data is imported to DCM’s data warehouse and made available via web services.
- 08:30 – Quality Check email is sent to IT highlighting how many admissions each major exhibitor (Cineworld, Odeon, Picturehouse, VUE and Curzon) has delivered the previous day. This allows DCM to highlight any missing files and react quickly if a technical fix is required.
- 08:45 – Data is imported into DCM’s scheduling system Accord.
- Regardless of feed type, the minimum information DCM receives per showing is as follows: Date and time of showing, cinema name, EDI Site ID (this is a universal number given to each site so that all people within the film industry have a single point of reference), Screen number, film name, Film EDI number (same as site ID but for film title) and number of admissions.
- Ticketing data is matched to movie line up information provided by cinemas the previous week. If DCM has a movie line up, but no admissions data for that showing, an automated email is sent on Tuesday each week at 3pm to the relevant exhibitor/EPOS provider to chase.
- Any admissions data not received ‘Thursday after the week is complete’ will be discarded. For example - exhibition week 31 Jan-6 Feb 2020. Any data received by Thursday 1 Feb will be included – anything after that will not.
- In some cases, films have been shown, but no tickets were sold – it is during this period DCM firms up the status of all showings to get a full picture of admissions and film delivery.

Cinema Advertising Association (CAA) Film Monitor

The CAA has a long-standing contract in place with leading global insight company Kantar to collect film audience data, as well as cinema reach and frequency information, via its omnibus service. Kantar’s dedicated and experienced team uses a face-to-face methodology of 1,000 adults 16+ and 125 individuals aged 7-15 per fortnight to accurately deliver a nationally representative sample. Results are submitted to DCM in both tabular format and SPSS format for direct use in its internal systems once a quarter. CAA collected Film Monitor audience profiles across 105 titles in 2019. This accounted for 88% of UK admissions.

Questionnaire

- How often do you go to the cinema nowadays?
- How long is it since you last went to the cinema?
- Which of these films have you seen IN THE CINEMA in the last 12 months?
- (Filtering to those visiting the cinema in the last 12 months, approx. 50% of the sample). List of 27 Films asked over 3 questions, alongside film poster images.

Ensuring a robust sample

DCM uses forecasted admissions to determine which films are added to the Film Monitor survey. The rules are as follows:

- Blockbuster films with DCM admissions of 1m+ are automatically added to the survey. It's estimated these titles will collect a sample of 120+ after 5 waves. At this point films are removed if survey space (for new films) is required. However, if space is not needed it will be left on for additional weeks (Max 8 waves).
- Films with predicted DCM admissions of 700k-1m are automatically added to the survey. DCM estimates a sample of 100+ will be collected after 8 waves.
- Films with predicted DCM admissions of 300k-700k are automatically added to the survey. DCM estimates a sample of 70+ can be achieved after 8 waves.
- Films with predicted DCM admissions of 150k-300k. These titles require a minimum of 9 waves to collect a valid sample size over 50. These films will only be put on the survey if there is space. Main considerations are if the film is a national or localised release.
- Films with predicted DCM admissions under 150k will not be put on the survey. Realistically, due to the omnibus nature of Film Monitor, a valid sample is unable to be collected.

Removing films from the survey

- Films are removed from the survey before 8 waves for two reasons – a) they have collected a valid sample (ideally 100+) and survey space is required or b) it is the end of the current Film Monitor wave
- Films will remain on the survey after 8 waves for two reasons – a) they have under 100 respondents and are yet to be available on home ents. or b) they have collected less than 50 respondents.



Independent Limited Assurance Report to the Directors of Digital Cinema Media Limited

The Directors of Digital Cinema Media Limited (the “Company”) engaged us to provide limited assurance on the Selected Information described below and set out in Top 30 Films 2019 by Audience table in ‘Digital Cinema Media’s Historical TVRs Report’ (the “Report”) for the year ended 31 December 2019.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the reporting criteria (the “Methodology” from page 5 - 8 of the Report).

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the Cinema equivalent Historical Television Ratings “Cinema TVRs” in the UK for Top 30 films released in 2019 on pages 3 and 4 of the Report (the “Selected Information”). The Selected Information and the Methodology against which it was assessed are included in the Company’s Report which is published on the Company’s website. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report or disclosed online at www.DCM.co.uk/cinema-tvrs.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as applicable provisions of the IESBA Code of Ethics.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Methodology (available on the Company’s website (www.DCM.co.uk/cinema-tvrs), which the Company is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Methodology used for the reporting of the Selected Information is as at 31 December 2019.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. Our work included:

- Understanding the Methodology and assessing key assumptions and limitations;
- Based on that understanding, assessing the risks that management's preparation of the Selected Information in their Report may be materially misstated;
- Responding to assessed risks, including developing our overall responses, and determining the nature, timing and extent of further procedures;
- Obtaining an understanding of the in-house IT systems that holds the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information back to underlying data sources to check that data has been appropriately measured, record, collated and reported;
- Making enquiries of relevant management; and
- Considering the disclosure and presentation of the Selected Information.

Digital Cinema Media's responsibilities

The Directors of the Company are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing an objective Methodology for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Methodology; and
- the preparation of the Report.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Directors of the Company.

This report, including our conclusions, has been prepared solely for Digital Cinema Media Limited (the "Company") in accordance with the agreement between us dated 16 March 2020, in order to assist Directors in reporting the Company's Cinema equivalent Historical Television Ratings "Cinema TVRs" in the UK for Top 30 films released in 2019. Subject to the terms of the agreement, we permit this report to be published on the Company's website, to assist Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information in the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Directors and the Company for our work or this report except where terms are expressly agreed between us in writing.



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17/05/2021