

Sarepta Therapeutics, Inc.  
Form 4  
March 02, 2016

**FORM 4**

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

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Aphale Jayant

(Last) (First) (Middle)

215 FIRST STREET, SUITE 415

(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol

Sarepta Therapeutics, Inc. [SRPT]

3. Date of Earliest Transaction  
(Month/Day/Year)

02/29/2016

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

SVP, Technical Operations

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/29/2016		A	(A) or (D) Amount 2,352 (1)	\$ 0 12,255 (2)	D	
Common Stock					500 (3)	I	Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 13.71	02/29/2016		A	4,375	(4) 02/28/2026	Common Stock	4,375
Non-Qualified Stock Option (right to buy)	\$ 13.71	02/29/2016		A	10,625	(4) 02/28/2026	Common Stock	10,625
Incentive Stock Option (right to buy)	\$ 13.71	02/29/2016		A	246	(5) 02/28/2026	Common Stock	246
Non-Qualified Stock Option (right to buy)	\$ 13.71	02/29/2016		A	14,754	(5) 02/28/2026	Common Stock	14,754

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Aphale Jayant 215 FIRST STREET, SUITE 415 CAMBRIDGE, MA 02142			SVP, Technical Operations	

## Signatures

/s/David Tyronne  
Howton 03/02/2016

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) 100% of the Restricted Stock Award granted on February 29, 2016 vests six months from the date of grant. This award is being provided in lieu of a portion of the executive's cash bonus and is subject to continued service with the Issuer.
- (2)

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Includes shares acquired under the Sarepta Therapeutics, Inc. 2013 Employee Stock Purchase Plan, 800 shares were acquired on February 29, 2016 at a price of \$11.4665.

- (3) Represents shares held by spouse, which were not previously reported and were acquired by the spouse of the reporting person before the reporting person became a Section 16 officer of the issuer.

- 25% of the option granted vests and is exercisable on the first anniversary of the date of grant and 1/48th of the total granted option will vest and become exercisable on each monthly anniversary thereafter, such that the option will be fully vested and exercisable on the fourth anniversary of the date of grant.
- (4)

- Half of the options begin vesting in the event the FDA provides marketing approval for eteplirsen as of the applicable PDUFA date and the other half of the options begin vesting in the event Sarepta files a Marketing Authorization Application with the EMEA prior to December 31, 2016. Vesting of the options allocated to the achievement of each goal is as follows: (i) 50% of the options allocated to the achieved goal vests immediately upon achievement of the performance condition (25% of the total Performance-Based Options granted) and (ii) the remaining 50% of the options allocated to the achieved goal (25% of the total Performance-Based Options granted) vests over four years with 25% of these remaining options vesting on the first year anniversary of the grant date and 1/48th of these remaining options vesting monthly thereafter.
- (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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As of

As of

(In millions)

December 31, 2018

Explanation of Responses:

December 31, 2017

Due from DCIP for warranty expenditures

\$

3.4

\$

2.8

Deferred rent liability for digital projectors

7.8

8.1

	December	December	December
(In millions)	31, 2018	31, 2017	31, 2016
Digital equipment rental expense	\$ 6.5	\$ 5.7	\$ 5.0

Open Road Films Transactions

During the year ended December 31, 2017, the Company recorded additional equity earnings (loss) in Open Road Releasing, LLC ("Open Road") of \$(8.0) million, related to certain advances to and on behalf of Open Road.

Explanation of Responses:

On August 4, 2017, the Company and Regal Entertainment Group consummated a transaction for the sale of all the issued and outstanding ownership interests in Open Road for total proceeds of \$28.8 million of which the Company received \$14.0 million in net proceeds after transaction expenses for its 50% investment including collection of amounts due from Open Road of \$4.8 million and recognized a gain on sale of \$17.2 million.

#### AC JV Transactions

On December 26, 2013, the Company amended and restated its existing Exhibitor Services Agreement (“ESA”) with NCM in connection with the spin-off by NCM of its Fathom Events business to AC JV, a newly-formed company owned 32% by each of the Founding Members and 4% by NCM. In consideration for the spin-off, NCM received a total of \$25.0 million in promissory notes from its Founding Members (approximately \$8.3 million from each Founding Member). Interest on the promissory note is at a fixed rate of 5% per annum, compounded annually. Interest and principal payments are due annually in six equal installments commencing on the first anniversary of the closing. Cinemark and Regal also amended and restated their respective ESAs with NCM in connection with the spin-off. The ESAs were modified to remove those provisions addressing the rights and obligations related to digital programming services of the Fathom Events business. Those provisions are now contained in the Amended and Restated Digital Programming Exhibitor Services Agreements (the “Digital ESAs”) that were entered into on December 26, 2013 by NCM and each of the Founding Members. These Digital ESAs were then assigned by NCM to AC JV as part of the Fathom spin-off.

The Company recorded the following related party transactions with AC JV:

(In millions)	As of December 31, 2018	As of December 31, 2017
Due to AC JV for Fathom Events programming	2.5	0.5

(In millions)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Film exhibition costs:			
Gross exhibition cost on Fathom Events programming	\$ 12.9	\$ 12.5	\$ 8.0

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The Company recorded the following related party transactions with the Nordic theatre JV's:

(In millions)	As of December 31, 2018	As of December 31, 2017
Due from Nordic JVs	\$ 2.6	\$ 5.7
Due to Nordic JVs for management services	1.7	2.5

## Summary Financial Information

Investments in non-consolidated affiliates accounted for under the equity method as of December 31, 2018, include interests in NCM, SV Holdco, DCM, DCIP, AC JV, DCDC, 58 theatres in Europe acquired in the Nordic acquisition, two U.S. motion picture theatres and one IMAX® screen, and other immaterial investments.

Condensed financial information of the Company's significant non-consolidated equity method investments is shown below with amounts presented under U.S. GAAP.

(In millions)	December 31, 2018		
	DCIP	Other	Total
Current assets	\$ 57.9	\$ 170.4	\$ 228.3
Noncurrent assets	684.3	201.0	885.3
Total assets	742.2	371.4	1,113.6
Current liabilities	60.7	99.4	160.1
Noncurrent liabilities	132.1	207.7	339.8
Total liabilities	192.8	307.1	499.9
Stockholders' equity (deficit)	549.5	64.3	613.8
Liabilities and stockholders' equity (deficit)	742.2	371.4	1,113.6
The Company's recorded investment (1)	\$ 152.5	\$ 79.9	\$ 232.4

(In millions)	December 31, 2017			
	NCM	DCIP	Other	Total
Current assets	\$ 173.5	\$ 56.3	\$ 172.6	\$ 402.4

Explanation of Responses:

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Noncurrent assets	759.2	771.3	226.5	1,757.0
Total assets	932.7	827.6	399.1	2,159.4
Current liabilities	125.4	52.5	117.5	295.4
Noncurrent liabilities	923.3	302.4	70.5	1,296.2
Total liabilities	1,048.7	354.9	188.0	1,591.6
Stockholders' equity (deficit)	(116.0)	472.7	211.1	567.8
Liabilities and stockholders' equity (deficit)	932.7	827.6	399.1	2,159.4
The Company's recorded investment (1)	\$ 167.9	\$ 129.6	\$ 92.0	\$ 389.5

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(1) Certain differences in the Company's recorded investments, and its proportional ownership share resulting from the acquisition of Holdings by Wanda on August 30, 2012, where the investments were recorded at fair value, are amortized to equity in (earnings) losses of non-consolidated entities over the estimated useful lives of the underlying assets and liabilities. Other non-amortizing differences are considered to represent goodwill and are evaluated for impairment annually.

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Condensed financial information of the Company's significant non-consolidated equity method investments is shown below and amounts are presented under U.S. GAAP for the periods of ownership by the Company:

(In millions)	Year Ended December 31, 2018			
	NCM	DCIP	Other	Total
Revenues	\$ 193.9	\$ 176.7	\$ 532.2	\$ 902.8
Operating costs and expenses	171.9	81.9	489.2	743.0
Net earnings	\$ 22.0	\$ 94.8	\$ 43.0	\$ 159.8

(1) The NCM condensed financial information represents the period January 1, 2018 through the date the Sale closed July 5, 2018.

(In millions)	Year Ended December 31, 2017			
	NCM	DCIP	Other	Total
Revenues	\$ 426.1	\$ 177.4	\$ 581.9	\$ 1,185.4
Operating costs and expenses	324.2	84.3	550.9	959.4
Net earnings (loss)	\$ 101.9	\$ 93.1	\$ 31.0	\$ 226.0

(In millions)	Year Ended December 31, 2016			
	NCM	DCIP	Other	Total
Revenues	\$ 447.6	\$ 178.8	\$ 494.7	\$ 1,121.1
Operating costs and expenses	338.3	89.6	533.8	961.7
Net earnings (loss)	\$ 109.3	\$ 89.2	\$ (39.1)	\$ 159.4

The components of the Company's recorded equity in earnings (losses) of non-consolidated entities are as follows:

(In millions)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
National CineMedia (1)	\$ 17.9	\$ (216.3)	\$ 17.6
Digital Cinema Implementation Partners, LLC	29.1	28.6	27.5
Other	39.7	2.5	2.6
The Company's recorded equity (loss) in earnings	\$ 86.7	\$ (185.2)	\$ 47.7

(1) Includes both NCM, LLC and NCM, Inc.





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The Company recorded the following changes in the carrying amount of its investment in NCM LLC and equity in earnings of NCM LLC during the years ended December 31, 2018, December 31, 2017, and December 31, 2016:

(In millions)	Investment in NCM	Exhibitor Services Agreement(1)	Accumulated Other Comprehensive (Income)/Loss	Cash Received	Equity in (Earnings) Losses	G&A: Mergers and Acquisitions Expense	Advertising (Revenue)
Ending balance at December 31, 2015	\$ 327.5	\$ (377.6)	\$ (4.0)	\$ 22.7	\$ (11.2)	\$ —	\$ (15.3)
Exchange of common units	0.4	—	—	—	—	—	—
Receipt of excess cash distributions	(21.6)	—	—	21.6	—	—	—
Amortization of ESA	—	18.4	—	—	—	—	(18.4)
Equity in earnings	19.0	—	—	—	(19.0)	—	—
Equity in loss from amortization of basis difference	(1.4)	—	—	—	1.4	—	—
Ending balance at December 31, 2016	\$ 323.9	\$ (359.2)	\$ (4.0)	\$ 21.6	\$ (17.6)	\$ —	\$ (18.4)
Receipt of common units	235.2	(235.2)	—	—	—	—	—
Receipt of excess cash distributions	(28.6)	—	—	28.6	—	—	—
Surrender of common units for transferred theatres	(36.4)	35.7	—	—	0.7	—	—
Surrender of common units for make whole agreement	(23.1)	—	—	—	0.5	22.6	—
Other-than-temporary impairment loss - held for sale	(206.3)	—	—	—	206.3	—	—
Units exchanged for NCM, Inc. common shares	(116.5)	—	—	—	—	—	—
Equity in earnings	15.3	—	1.5	—	(16.8)	—	—
Equity in loss from amortization of basis difference	(2.4)	—	—	—	2.4	—	—
Amortization of ESA	—	27.8	—	—	—	—	(27.8)
Ending balance at December 31, 2017	\$ 161.1	\$ (530.9)	\$ (2.5)	\$ 28.6	\$ 193.1	\$ 22.6	\$ (27.8)
ASC 606 revenue recognition change in	—	(52.9)	—	—	—	—	—

Explanation of Responses:

amortization method							
Surrender of common							
units for common unit							
adjustment	(6.3)	5.2	—	\$ —	\$ 1.1	\$ —	\$ —
Receipt of excess cash							
distributions	(15.3)	—	—	15.3	—	—	—
Impairment loss - held							
for sale	(14.4)	—	—	—	14.4	—	—
Expenses on sale of							
NCM common units	—	—	—	(1.4)	1.4	—	—
Sale of NCM common							
units	(128.3)	—	2.4	156.8	(30.9)	—	—
Equity in earnings	3.2	—	0.1	—	(3.3)	—	—
Amortization of ESA	—	14.6	—	—	—	—	(14.6)
Ending balance at							
December 31, 2018	\$ —	\$ (564.0)	\$ —	\$ 170.7	\$ (17.3)	\$ —	\$ (14.6)

(1) Represents the unamortized portion of the ESA with NCM. Such amounts are being amortized to other theatre revenues over the remainder of the 30-year term of the ESA ending in 2037. See Note 1 – The Company and Significant Accounting Policies and Note 2 – Revenue Recognition for information on the effects of adopting ASC 606.

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## NOTE 7 – SUPPLEMENTAL BALANCE SHEET INFORMATION

Assets held for sale, other assets and liabilities consist of the following:

(In millions)	December 31, 2018	December 31, 2017
Other current assets:		
Prepaid rent	\$ 82.3	\$ 63.9
Income taxes receivable	24.7	26.5
Prepaid insurance and other	17.5	50.2
Merchandise inventory	35.2	34.0
Other	38.1	28.0
	\$ 197.8	\$ 202.6
Other long-term assets:		
Investments in real estate	\$ 16.2	\$ 7.6
Deferred financing costs revolving credit facility	6.7	9.5
Investments in equity method investees	232.4	389.5
Less: Reclassified to held for sale (1)	—	(80.0)
Computer software	104.3	83.7
Investment in common stock	30.9	15.0
Pension	25.7	26.9
Derivative asset	55.7	—
Other	33.6	23.7
	\$ 505.5	\$ 475.9
Accrued expenses and other liabilities:		
Taxes other than income	\$ 73.4	\$ 87.6
Interest	32.6	27.5
Payroll and vacation	39.6	30.4
Current portion of casualty claims and premiums	11.2	11.0
Accrued bonus	39.6	18.5
Theatre and other closure	5.6	8.8
Accrued licensing and percentage rent	18.9	20.4
Current portion of pension	0.3	0.3
Other	157.3	146.6
	\$ 378.5	\$ 351.1
Other long-term liabilities:		
Unfavorable lease obligations	\$ 176.6	\$ 221.3
Deferred rent	518.5	467.7
Pension	54.6	62.7
Deferred gain	102.4	76.8
RealD deferred lease incentive	11.7	8.2
Casualty claims and premiums	15.2	17.1
Theatre and other closure	12.5	18.7
Other	71.6	31.3

\$ 963.1      \$ 903.8

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(1) As of December 31, 2017, assets held for sale includes the fair market value of NCM units of \$80.0 million.

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## NOTE 8 – CORPORATE BORROWINGS AND CAPITAL AND FINANCING LEASE OBLIGATIONS

A summary of the carrying value of corporate borrowings and capital and financing lease obligations is as follows:

(In millions)	December 31, 2018	December 31, 2017
Odeon Revolving Credit Facility Due 2022 (2.5% + Base Rate of 0.75% as of December 31, 2018)	\$ 11.9	\$ —
Senior Secured Credit Facility-Term Loan due 2022 (4.7051% as of December 31, 2018)	854.2	863.0
Senior Secured Credit Facility-Term Loan due 2023 (4.7051% as of December 31, 2018)	491.2	496.3
6.0% Senior Secured Notes due 2023	230.0	230.0
2.95% Senior Unsecured Convertible Notes due 2024	600.0	—
5.0% Promissory Note payable to NCM due 2019	1.3	2.8
5.875% Senior Subordinated Notes due 2022	375.0	375.0
6.375% Senior Subordinated Notes due 2024 (£500 million par value)	634.1	675.1
5.75% Senior Subordinated Notes due 2025	600.0	600.0
5.875% Senior Subordinated Notes due 2026	595.0	595.0
6.125% Senior Subordinated Notes due 2027	475.0	475.0
Capital and financing lease obligations, 5.75% - 11.5%	560.3	651.4
Debt issuance costs	(104.4)	(103.7)
Net premiums and (discounts)	(64.4)	26.8
Derivative liability	24.0	—
	5,283.2	4,886.7
Less:		
Current maturities	(82.2)	(87.7)
	\$ 5,201.0	\$ 4,799.0

Minimum annual payments required under existing capital and financing lease obligations (net present value thereof) and maturities of corporate borrowings as of December 31, 2018 are as follows:

(In millions)	Capital and Financing Lease Obligations			Principal	
	Minimum Lease Payments	Less Interest	Principal	Amount of Corporate Borrowings	Total
2019	\$ 100.7	\$ 33.7	\$ 67.0	\$ 15.2	\$ 82.2
2020	96.6	29.4	67.2	13.8	81.0
2021	87.8	25.2	62.6	13.8	76.4

Explanation of Responses:

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2022	82.7	21.1	61.6	1,219.7	1,281.3
2023	70.4	17.3	53.1	701.3	754.4
Thereafter	331.5	82.7	248.8	2,904.1	3,152.9
Total	\$ 769.7	\$ 209.4	\$ 560.3	\$ 4,867.9	\$ 5,428.2

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## Senior Unsecured Convertible Notes due 2024

Carrying value (in millions) as of December 31, 2018:

	Carrying Value at Issuance on September 14, 2018	Additional Deferred Charges	(Increase) to Net Earnings decrease	Carrying Value as of December 31, 2018
Principal balance	\$ 600.0	\$ —	\$ —	\$ 600.0
Discount	(90.4)	—	3.7	(86.7)
Debt issuance costs	(12.5)	(1.1)	0.6	(13.0)
Derivative liability	90.4	—	(66.4)	24.0
Carrying Value	\$ 587.5	\$ (1.1)	\$ (62.1)	\$ 524.3

On September 14, 2018, the Company issued \$600.0 million aggregate principal amount of its 2.95% Senior Unsecured Convertible Notes due 2024 (the "Convertible Notes due 2024"). The Convertible Notes due 2024 mature on September 15, 2024, subject to earlier conversion by the holders thereof, repurchase by the Company at the option of the holders or redemption by the Company upon the occurrence of certain contingencies, as discussed below. Upon maturity, the \$600.0 million principal amount of the Convertible Notes due 2024 will be payable in cash. The Company will pay interest in cash on the Convertible Notes due 2024 at 2.95% per annum, semi-annually in arrears on September 15th and March 15th, commencing on March 15, 2019. The Company used the net proceeds from the sale of the Convertible Notes due 2024 to repurchase and retire 24,057,143 shares of Class B common stock held by Wanda for \$17.50 per share or approximately \$421.0 million, associated legal fees of \$2.6 million, and to pay a special dividend of \$1.55 per share of Class A common stock and Class B common stock, or approximately \$160.5 million on September 28, 2018 to shareholders of record on September 25, 2018.

The Company bifurcated the conversion feature from the principal balance of the Convertible Notes due 2024 as a derivative liability because (1) a conversion feature is not clearly and closely related to the debt instrument and the reset of the conversion price discussed in the following paragraph causes the conversion feature to not be considered indexed to the Company's equity, (2) the conversion feature standing alone meets the definition of a derivative, and (3) the Convertible Notes due 2024 are not remeasured at fair value each reporting period with changes in fair value recorded in the consolidated statement of operations. The initial derivative liability of \$90.4 million is offset by a discount to the principal balance and is amortized to interest expense resulting in an effective rate of 5.98% over the term of the Convertible Notes due 2024. The Company also recorded debt issuance costs of approximately \$13.6 million related to the issuance of the Convertible Notes due 2024 and will amortize those costs to interest expense under the effective interest method over the term of the Convertible Notes due 2024. The Company recorded interest expense for the period from September 14, 2018 to December 31, 2018 of \$9.7 million. The derivative liability is remeasured at fair value each reporting period with changes in fair value recorded in the consolidated statement of



operations as other expense or income. See Note 15 – Fair Value Measurements for a discussion of the valuation methodology. For the year ended December 31, 2018, this resulted in other income of \$66.4 million. The principal balance exceeded the if-converted value of the Convertible Notes due 2024 by approximately \$211.2 million as of December 31, 2018 based on the closing price per share of our common stock of \$12.28 per share.

The Convertible Notes due 2024 are generally not convertible to equity in the first year after issuance. Upon conversion by a holder thereof, the Company shall deliver, at its election, either cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock at a conversion rate of 52.7704 per \$1,000 principal amount of the Convertible Notes due 2024 (which represents an initial conversion price of \$18.95), in each case subject to customary anti-dilution adjustments. As of December 31, 2018, the \$600.0 million principal balance of the Convertible Notes due 2024 would be convertible into 31,662,269 shares of Class A common stock. In addition to typical anti-dilution adjustments, in the event that the then-applicable conversion price is greater than 120% of the average of the volume-weighted average price of the Company's Class A common stock for the ten days prior to the second anniversary of issuance (the "Reset Conversion Price"), the conversion price for the Convertible Notes due 2024 is subject to a reset provision that would adjust the conversion price downward to such Reset Conversion Price. However, this conversion price reset provision is subject to a conversion price floor such that the shares of the Company's Class A common stock issuable upon conversion would not exceed 30% of the Company's then outstanding fully-diluted share capital after giving effect to the conversion. In addition, a trigger of the reset provision would result in up to 5,666,000 shares of the Company's Class B common stock held by Wanda becoming subject to forfeiture and retirement by the Company at no additional cost pursuant to the stock repurchase agreement between the Company and

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Wanda discussed in Note 9 – Stockholders’ Equity. This cancellation agreement is a contingent call option for the forfeiture shares, which is a freestanding derivative measured at fair value on a recurring basis. The feature is contingent on the same reset of the conversion price which is part of the conversion feature. The initial derivative asset of \$10.7 million is offset by a credit to stockholders’ equity related to the Class B common stock purchase and cancellation. The forfeiture shares feature is not clearly and closely related to the Convertible Notes due 2024 and it is bifurcated and accounted for as a derivative asset measured at fair value through earnings each reporting period with changes in fair value recorded in the consolidated statement of operations as other expense or income. See Note 15 – Fair Value Measurements for a discussion of the valuation methodology. For the year ended December 31, 2018, this resulted in other income of \$45.0 million. Additionally, the conversion rate will be adjusted if any cash dividend or distribution is made to all or substantially all holders of the Company’s common stock (other than the special dividend referenced above and a regular, quarterly cash dividend that does not exceed \$0.20 per share until the second anniversary of issuance and \$0.10 per share thereafter). Any Convertible Notes due 2024 that are converted in connection with a Make-Whole Fundamental Change (as defined in the Indenture (the “Indenture”) governing the Convertible Notes due 2024) are, under certain circumstances, entitled to an increase in the conversion rate.

The Company has the option to redeem the Convertible Notes due 2024 for cash on or after the fifth anniversary of issuance at par if the price for the Company’s Class A common stock is equal to or greater than 150% of the then applicable conversion price for 20 or more trading days out of a consecutive 30 day trading period (including the final three trading days), at which time the holders have the option to convert. The Company also has the option to redeem the Convertible Notes due 2024, between the second and third anniversary of issuance, if the reset provision described above is triggered at a redemption price in cash that would result in the noteholders realizing a 15% IRR from the date of issuance regardless of when any particular noteholder acquired its Convertible Notes due 2024. The Company also bifurcated this redemption feature from the principal balance of the Convertible Notes due 2024 and considered it as a part of the overall fair value of the derivative liability.

With certain exceptions, upon a change of control of the Company or if the Company’s Class A common stock is not listed for trading on The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market, the holders of the Convertible Notes due 2024 may require that the Company repurchase in cash all or part of the principal amount of the Convertible Notes due 2024 at a purchase price equal to the principal amount plus accrued and unpaid interest up to, but excluding, the date of repurchase. The Indenture includes restrictive covenants that, subject to specified exceptions and parameters, limit the ability of the Company to incur additional debt and limit the ability of the Company to incur liens with respect to the Company’s senior subordinated notes or any debt incurred to refinance the Company’s senior subordinated notes. The Indenture also includes customary events of default, which may result in the acceleration of the maturity of the Convertible Notes due 2024 under the Indenture.

The Convertible Notes due 2024 are general unsecured senior obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior unsecured basis by all the Company’s existing and future domestic restricted subsidiaries that guarantee its other indebtedness.

On September 14, 2018, in connection with the issuance of the Convertible Notes due 2024, the Company entered into an investment agreement (the “Investment Agreement”) providing for, among other things, registration rights with

respect to the Convertible Notes due 2024 and the shares of Class A common stock underlying the Convertible Notes due 2024. Subject to the terms of the Investment Agreement, the Company was required to file a registration statement with the SEC not later than three months from the issuance date of the Convertible Notes in order to provide for resales of the Convertible Notes due 2024 and the shares of Class A common stock underlying the Convertible Notes to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act. The Company filed a registration statement with the SEC on December 14, 2018 to fulfill this requirement.

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### Odeon Revolving Credit Facility

On December 7, 2017, the Company entered into a Revolving Credit Facility Agreement with Citigroup Global Markets Limited, Lloyds Bank PLC, Barclays Bank PLC and Bank of America Merrill Lynch International Limited as arrangers. The lenders make available a multicurrency revolving credit facility in an aggregate amount of £100.0 million (\$126.8 million as of December 31, 2018). As of December 31, 2018, there were borrowings of £9.4 million (\$11.9 million) outstanding and Odeon had £73.9 million (\$93.7 million) available for borrowing, net £16.7 million (\$21.2 million) letters of credit. The interest rate on each loan when drawn down under the revolving credit facility is 2.5% plus IBOR (meaning LIBOR, EURIBOR, CIBOR or STIBOR as applicable) per annum. The undrawn commitment fee is 0.5% of the undrawn amount per annum. All assets located in England and Wales have been pledged as collateral.

### Bridge Loan Agreement

On December 21, 2016, the Company entered into a bridge loan agreement with Citicorp North America, Inc., as administrative agent and the other lenders party thereto (the “Bridge Loan Agreement”). The Company borrowed \$350.0 million of interim bridge loans (the “Interim Bridge Loans”) on December 21, 2016 under the Bridge Loan Agreement and recorded approximately \$4.4 million in deferred financing costs. The proceeds of the Interim Bridge Loans were used to partially finance the acquisition of Carmike.

On February 13, 2017, the Company repaid the aggregate principal amount of Interim Bridge Loans of \$350.0 million with a portion of the proceeds from its public offering of shares of Holdings Class A common stock, as discussed in Note 9 – Stockholders’ Equity. The Company recorded a loss of \$0.4 million in other income, which included a write-off of deferred financing costs of \$3.7 million, partially offset by a refund of fees of \$3.3 million on the extinguishment of indebtedness related to the redemption of the interim bridge loan.

### Senior Secured Credit Facility

The Senior Secured Credit Facility is with a syndicate of banks and other financial institutions. The Senior Secured Credit Facility also provides for a Revolving Credit Facility, including a borrowing capacity which is available for letters of credit and for swingline borrowings on same-day notice.

Senior Secured Credit Facility. On April 30, 2013, the Company entered into a \$925.0 million Senior Secured Credit Facility pursuant to which the Company borrowed term loans and used the proceeds to fund the redemption of the former Senior Secured Credit Facility term loans. The Senior Secured Credit Facility was comprised of a \$150.0

million Revolving Credit Facility, which matured on April 30, 2018 (the “Revolving Credit Facility”), and a \$775.0 million term loan, which matures on April 30, 2020 (the “Term Loan due 2020”). The Term Loan due 2020 required repayments of principal of 0.25% of the original principal amount, or \$1.9 million, per quarter, with the remaining principal payable upon maturity. The term loan was issued at a 0.25% discount, which was amortized to interest expense over the term of the loan. The Company capitalized deferred financing costs of approximately \$6.9 million related to the issuance of the Revolving Credit Facility and approximately \$2.2 million related to the issuance of the Term Loan due 2020.

First Amendment. On December 11, 2015, the Company entered into a first amendment to its Senior Secured Credit Agreement dated April 30, 2013 (“First Amendment”). The First Amendment provides for the incurrence of \$125.0 million incremental term loans (“Incremental Term Loan”). In addition, the First Amendment, among other things, (a) extends the maturity date with respect to (i) the existing Term Loan due 2020 and the Incremental Term Loan (together “Term Loan due 2022”) to December 15, 2022 and (ii) the Revolving Credit Facility from April 30, 2018 to December 15, 2020 and (b) increases the applicable margin for the Term Loan due 2022 from 1.75% with respect to base rate borrowings to 2.25% and 2.75% with respect to LIBOR borrowings to 3.25%. The Company capitalized additional deferred financing costs of approximately \$6.5 million related to the modification of the Revolving Credit Facility and approximately \$3.3 million related to the modification of the term loans under the Senior Secured Credit Facility. The proceeds of the Incremental Term Loan were used by the Company to pay expenses related to the First Amendment transactions and the Starplex Cinemas acquisition. The Company recorded a loss of approximately \$1.4 million in other expense (income) during the year ended December 31, 2015, which consisted of third-party costs, deferred financing costs, and discount write-off incurred in connection with the modification of the Senior Secured Credit Facility.

Second Amendment. On November 8, 2016, the Company amended its Senior Secured Credit Agreement dated April 30, 2013, as previously amended, to among other things, lower the applicable margin on base rate

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borrowings from 2.25% to 2.00% and the applicable margin on LIBOR borrowings from 3.25% to 2.75%, to reduce the minimum rate for base rate borrowings from 1.75% to 1.00% and the minimum rate for LIBOR rate borrowings to 0.0% and to allow for additional term loan borrowings of \$500 million. On November 29, 2016, the Company borrowed \$500.0 million additional Term loans due on December 15, 2023 (“Term Loan due 2023”). The Company recorded deferred financing costs of approximately \$18.8 million and a discount of 0.25%, or \$1.3 million, related to the Term Loan due 2023. The Company used the net proceeds from the Term Loan due 2023 to pay the consideration for the Odeon acquisition and the related refinancing of Odeon debt assumed in the acquisition.

Borrowings under the Senior Secured Credit Facility bear interest at a rate equal to an applicable margin plus, at the Company’s option, either a base rate or LIBOR. The minimum rate for base rate borrowings is 1.00% and the minimum rate for LIBOR-based borrowings is 0%. The applicable margin for the Terms loan due 2022 and 2023 is 2.00% for base rate borrowings and 2.75% for LIBOR based loans. The applicable margin for the Revolving Credit Facility ranges from 1.25% to 1.5% for base rate borrowings and from 2.25% to 2.5% for LIBOR based borrowings. The Revolving Credit Facility also provides for an unused commitment fee of 0.50% per annum and for letter of credit fees of up to 0.25% per annum plus the applicable margin for LIBOR-based borrowings on the undrawn amount of the letter of credit. The applicable rate for borrowings under the Term Loans due 2022 and 2023 at December 31, 2017 were each 3.727% based on LIBOR (2.75% margin plus 0% minimum LIBOR rate). The Term Loans due 2022 and 2023 requires repayments of principal of 0.25% of the original principal amount, or \$3.5 million per quarter, with any remaining balance due on December 15, 2022 or December 15, 2023, as applicable. The Company may voluntarily repay outstanding loans under the Senior Secured Credit Facility at any time without premium or penalty, other than (i) customary “breakage” costs with respect to LIBOR loans and (ii) in connection with a repricing transaction closed (a) in respect of the Term Loans due 2022, within six months from the date the Second Amendment becomes effective or (b) in respect of the Term Loans due 2023, within six months from the date on which the available commitments of the relevant lenders in respect of the Term Loans due 2023 are reduced to zero, in which case the Company must pay a 1% premium on the amount of Term Loans repaid.

The Senior Secured Credit Facility contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of the Company and its subsidiaries, to sell assets; incur additional indebtedness; prepay other indebtedness (including the notes); pay dividends and distributions or repurchase their capital stock; create liens on assets; make investments; make acquisitions; engage in mergers or consolidations; engage in transactions with affiliates; amend constituent documents and material agreements governing subordinated indebtedness, including the 5.875% Senior Subordinated Notes due 2022, the 5.75% Senior Subordinated Notes due 2025; the 6.375% Senior Subordinated Notes due 2024, and the 5.875 Senior Subordinated Notes due 2024; change the business conducted by it and its subsidiaries; and enter into agreements that restrict dividends from subsidiaries. In addition, the Senior Secured Credit Facility requires the Company and its subsidiaries to maintain, on the last day of each fiscal quarter, a net senior secured leverage ratio, as defined in the Senior Secured Credit Facility, of no more than 3.25 to 1 as long as the commitments under the Revolving Credit Facility remain outstanding. The Senior Secured Credit Facility also contains certain customary affirmative covenants and events of default, including the occurrence of (i) a change in control, as defined in the Senior Secured Credit Facility, (ii) defaults under other indebtedness of the Company, any guarantor or any significant subsidiary having a principal amount of \$25.0 million or more, and (iii) one or more uninsured judgments against the Company, any guarantor, or any significant subsidiary for an aggregate amount exceeding \$25.0 million with respect to which enforcement proceedings are brought or a stay of enforcement is not in effect for any period of 60 consecutive days.

Third Amendment. On May 9, 2017, the Company entered into the Third Amendment to Credit Agreement with Citicorp North America, Inc., as administrative agent and the other lenders party thereto (the Third Amendment”), amending the Credit Agreement dated as of April 30, 2013. The Third Amendment decreased the applicable margin for the term loans outstanding under the Credit Agreement from 1.75% to 1.25% with respect to base rate borrowings and 2.75% to 2.25% with respect to LIBOR borrowings. The Company expensed \$1.0 million during the year ended December 31, 2017 for third-party fees related to the Third Amendment to the Company’s Senior Secured Credit Agreement.

Fourth Amendment to Credit Agreement. On June 13, 2017, the Company entered into the Fourth Amendment to Credit Agreement with Citicorp North America, Inc., as administrative agent and the other lenders party thereto (the “Fourth Amendment”), amending the Credit Agreement dated as of April 30, 2013. The Fourth Amendment increased the revolving loan commitment under the Credit Agreement from \$150.0 million to \$225.0 million.

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**Fifth Amendment to Credit Agreement.** On August 14, 2018, the Company entered into the Fifth Amendment to Credit Agreement with Citicorp North America, Inc, as administrative agent and the other lenders party thereto (the “Fifth Amendment”), amending the Credit Agreement dated as of April 30, 2013. The Fifth Amendment made certain changes to certain covenants and definitions. These amendments to the Senior Secured Credit Agreement were executed in order to facilitate an internal reorganization due to recent tax changes and to make modifications which clarified certain ambiguities in the Senior Secured Credit Agreement.

The cash flows for the term loans due 2022 and 2023 were not changed as a result of the August 14, 2018 modification and the borrowing capacity under the Revolving Credit Agreement was not changed. As a result, the Company has accounted for the Fifth Amendment as a modification. The Company expensed \$0.3 million of third-party costs during the year ended December 31, 2018 and capitalized \$1.5 million debt issuance costs for amounts paid to lenders.

All obligations under the Senior Secured Credit Facility are guaranteed by each of the Company’s wholly-owned domestic subsidiaries. All obligations under the Senior Secured Credit Facility, and the guarantees of those obligations (as well as cash management obligations), are secured by substantially all of the Company’s assets as well as those of each subsidiary guarantor.

### Senior Secured Notes due 2023

On December 21, 2016, the Company assumed \$230.0 million aggregate principal amount of 6.00% Senior Secured Notes due June 15, 2023 (the “Senior Secured Notes due 2023”) in connection with the acquisition of Carmike. Interest is payable on the Senior Secured Notes due 2023 on June 15th and December 15th of each year beginning. The Company recorded the debt at estimated fair value of \$242.1 million based on a closing price for the Senior Secured Notes due 2023 of 105.25 on December 21, 2016. Pursuant to a supplemental indenture, dated as of February 17, 2017, among AMC, Carmike, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee to the indenture, dated as of June 17, 2015, providing for the issuance of the Senior Secured Notes due 2023, the Company agreed to provide a guarantee of Carmike’s obligations under the Senior Secured Notes due 2023. The Company provided such guarantee solely for purposes of assuming the reporting obligations of Carmike under the indenture governing the Senior Secured Notes due 2023 and not for the purposes of compliance with any other covenant contained in such indenture.

### Notes Due 2022

On February 7, 2014, the Company completed an offering of \$375.0 million aggregate principal amount of its Senior Subordinated Notes due 2022 (the “Notes due 2022”) in a private offering. The Company capitalized deferred financing costs of approximately \$7.7 million, related to the issuance of the Notes due 2022. The Notes due 2022 mature on



February 15, 2022. The Company pays interest on the Notes due 2022 at 5.875% per annum, semi-annually in arrears on February 15th and August 15th, commencing on August 15, 2014. The Company may redeem some or all of the Notes due 2022 at any time on or after February 15, 2017 at 104.406% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after February 15, 2020, plus accrued and unpaid interest to the redemption date. Prior to February 15, 2017, the Company may redeem the Notes due 2022 at par plus a make-whole premium. The Company used the net proceeds from the Notes due 2022 private offering, together with a portion of the net proceeds from the Holdings' IPO, to pay the consideration and consent payments for the tender offer for the Notes due 2019, plus any accrued and unpaid interest and related transaction fees and expenses.

The Notes due 2022 are general unsecured senior subordinated obligations of the Company and are fully and unconditionally guaranteed on a joint and several unsecured senior subordinated basis by all of its existing and future domestic restricted subsidiaries that guarantee its other indebtedness.

The indenture governing the Notes due 2022 contains covenants limiting other indebtedness, dividends, purchases or redemptions of stock, transactions with affiliates and mergers and sales of assets.

The Company filed a registration statement on April 1, 2014 pursuant to the Securities Act of 1933, as amended, relating to an offer to exchange the original Notes due 2022 for exchange Notes due 2022. The registration statement was declared effective on April 9, 2014. After the exchange offer expired on May 9, 2014, all of the original Notes due 2022 were exchanged.

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Sterling Notes Due 2024

On November 8, 2016, the Company issued £250.0 million aggregate principal amount of its 6.375% Senior Subordinated Notes due 2024 (the "Sterling Notes due 2024") in a private offering. The Company recorded deferred financing costs of approximately \$14.1 million related to the issuance of the Sterling Notes due 2024. The Sterling Notes due 2024 mature on November 15, 2024. The Company will pay interest on the Sterling Notes due 2024 at 6.375% per annum, semi-annually in arrears on May 15th and November 15th, commencing on May 15, 2017. The Company may redeem some or all of the Sterling Notes due 2024 at any time on or after November 15, 2019 at 104.781% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2022, plus accrued and unpaid interest to the redemption date. On or prior to November 15, 2019, the Company may redeem the Sterling Notes due 2024 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the Sterling Notes due 2024 private offering to pay the consideration for the Odeon acquisition and the related refinancing of Odeon debt assumed in the acquisition.

The Sterling Notes due 2024 are general unsecured senior subordinated obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by all of its existing and future domestic restricted subsidiaries that guarantee its other indebtedness. Following the closing of the Odeon acquisition on November 30, 2016 and the Carmike acquisition on December 21, 2016, neither Odeon or Carmike or any of its subsidiaries will guarantee the Sterling Notes due 2024.

The indenture governing the Sterling Notes due 2024 contains covenants limiting other indebtedness, dividends, purchases or redemptions of stock, transactions with affiliates, and mergers and sales of assets.

On November 8, 2016, in connection with the issuance of the Sterling Notes due 2024, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file a registration statement with the Securities and Exchange Commission ("SEC") not later than 270 days from the issuance date with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act of 1933 within 365 days of the issuance date.

On March 17, 2017, the Company issued £250.0 million additional aggregate principal amount of its Sterling Notes due 2024 at 106% plus accrued interest from November 8, 2016 in a private offering. These additional Sterling Notes due 2024 were offered as additional notes under an indenture pursuant to which the Company had previously issued and has outstanding £250.0 million aggregate principal amount of its 6.375% Sterling Notes due 2024. The Company recorded deferred financing costs of approximately \$12.7 million related to the issuance of the additional Sterling Notes due 2024. The Sterling Notes due 2024 mature on November 15, 2024. The Company will pay interest on the

Sterling Notes due 2024 at 6.375% per annum, semi-annually in arrears on May 15th and November 15th, commencing on May 15, 2017. Interest on the additional Sterling Notes will accrue from November 8, 2016. The Company may redeem some or all of the Sterling Notes due 2024 at any time on or after November 15, 2019, at 104.781% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2022, plus accrued and unpaid interest to the redemption date. In addition, the Company may redeem up to 35% of the aggregate principal amount of the Sterling Notes due 2024 using net proceeds from certain equity offerings completed on or prior to November 15, 2019. On or prior to November 15, 2019, the Company may redeem the Sterling Notes due 2024 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the additional Sterling Notes to pay a portion of the consideration for the acquisition of Nordic plus related refinancing of Nordic debt assumed in the acquisition.

On March 17, 2017, in connection with the issuance of the additional Sterling Notes due 2024, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file one or more registration statements with the SEC not later than 270 days from November 8, 2016 with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of November 8, 2016. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

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Notes Due 2025

On June 5, 2015, the Company issued \$600.0 million aggregate principal amount of its 5.75% Senior Subordinated Notes due 2025 (the "Notes due 2025") in a private offering. The Company capitalized deferred financing costs of approximately \$11.4 million, related to the issuance of the Notes due 2025. The Notes due 2025 mature on June 15, 2025. The Company will pay interest on the Notes due 2025 at 5.75% per annum, semi-annually in arrears on June 15th and December 15th, commencing on December 15, 2015. The Company may redeem some or all of the Notes due 2025 at any time on or after June 15, 2020 at 102.875% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after June 15, 2023, plus accrued and unpaid interest to the redemption date. Prior to June 15, 2020, the Company may redeem the Notes due 2025 at par plus a make-whole premium. The Company used the net proceeds from the Notes due 2025 private offering and cash on hand, to pay the consideration for the tender offer for the Notes due 2020, plus any accrued and unpaid interest and related transaction fees and expenses.

The Notes due 2025 are general unsecured senior subordinated obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by all of its existing and future domestic restricted subsidiaries that guarantee its other indebtedness.

The indenture governing the Notes due 2025 contains covenants limiting other indebtedness, dividends, purchases or redemptions of stock, transactions with affiliates, and mergers and sales of assets.

On June 5, 2015, in connection with the issuance of the Notes due 2025, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company filed a registration statement on June 19, 2015 pursuant to the Securities Act of 1933, as amended, relating to an offer to exchange the original Notes due 2025 for exchange Notes due 2025 registered pursuant to an effective registration statement; the registration statement was declared effective on June 29, 2015, and the Company commenced the exchange offer. The exchange notes have terms substantially identical to the original notes except that the exchange notes do not contain terms with respect to transfer restrictions and registration rights and additional interest payable for the failure to consummate the exchange offer within 210 days after the issue date. After the exchange offer expired on July 27, 2015, all of the original Notes due 2025 were exchanged.

Notes Due 2026

On November 8, 2016, the Company issued \$595.0 million aggregate principal amount of its 5.875% Senior Subordinated Notes due 2026 (the "Notes due 2026") in a private offering. The Company recorded deferred financing costs of approximately \$27.0 million related to the issuance of the Notes due 2026. The Notes due 2026 mature on November 15, 2026. The Company will pay interest on the Notes due 2026 at 5.875% per annum, semi-annually in

arrears on May 15th and November 15th, commencing on May 15, 2017. The Company may redeem some or all of the Notes due 2026 at any time on or after November 15, 2021, at 102.938% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after November 15, 2024, plus accrued and unpaid interest to the redemption date. On or prior to November 15, 2021, the Company may redeem the Notes due 2026 at par, including accrued and unpaid interest plus a make-whole premium. The Company used the net proceeds from the Notes due 2026 private offering to pay the consideration for the Odeon acquisition and the related refinancing of Odeon debt assumed in the acquisition.

The Notes due 2026 are general unsecured senior subordinated obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by all of its existing and future domestic restricted subsidiaries that guarantee its other indebtedness. Following the closing of the Odeon acquisition on November 30, 2016 and the Carmike acquisition on December 21, 2016, neither Odeon or Carmike or any of its subsidiaries will guarantee the Notes due 2026.

The indenture governing the Notes due 2026 contains covenants limiting other indebtedness, dividends, purchases or redemptions of stock, transactions with affiliates, and mergers and sales of assets.

On November 8, 2016, in connection with the issuance of the Notes due 2026, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file a registration statement with the SEC not later than 270 days from the issuance date with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and

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(2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of the issuance date. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

### Notes Due 2027

On March 17, 2017, the Company issued \$475.0 million aggregate principal amount of its 6.125% Senior Subordinated Notes due 2027 (the "Notes due 2027"). The Company recorded deferred financing costs of approximately \$19.8 million related to the issuance of the Notes due 2027. The Notes due 2027 mature on May 15, 2027. The Company will pay interest on the Notes due 2027 at 6.125% per annum, semi-annually in arrears on May 15th and November 15th, commencing on November 15, 2017. The Company may redeem some or all of the Notes due 2027 at any time on or after May 15, 2022 at 103.063% of the principal amount thereof, declining ratably to 100% of the principal amount thereof on or after May 15, 2025, plus accrued and unpaid interest to the redemption date. In addition, the Company may redeem up to 35% of the aggregate principal amount of the Notes due 2027 using net proceeds from certain equity offerings completed on or prior to May 15, 2020, at a redemption price as set forth in the indenture governing the Notes due 2027. The Company may redeem some or all of the Notes due 2027 at any time prior to May 15, 2022 at a redemption price equal to 100% of their aggregate principal amount and accrued and unpaid interest to, but not including, the date of redemption, plus an applicable make-whole premium. The Company used the net proceeds from the Notes due 2027 private offering to pay a portion of the consideration for the acquisition of Nordic plus related refinancing of Nordic debt assumed in the acquisition.

The Notes due 2027 are general unsecured senior subordinated obligations of the Company and are fully and unconditionally guaranteed on a joint and several senior subordinated unsecured basis by all of its existing and future domestic restricted subsidiaries that guarantee its other indebtedness. Following the closing of the Nordic acquisition on March 28, 2017, neither Nordic nor any of its subsidiaries guaranteed the Notes due 2027.

The indenture governing the Notes due 2027 contains covenants limiting other indebtedness, dividends, purchases or redemptions of stock, transactions with affiliates, and mergers and sales of assets.

On March 17, 2017, in connection with the issuance of the Notes due 2027, the Company entered into a registration rights agreement. Subject to the terms of the registration rights agreement, the Company is required to (1) file one or more registration statements with the SEC not later than 270 days from the issuance date with respect to the registered offer to exchange the notes for new notes of the Company having terms identical in all material respects to the notes and (2) use its commercially reasonable efforts to cause the exchange offer registration statement to be declared effective under the Securities Act within 365 days of the issuance date. The Company filed its Form S-4 registration statement related to the registration rights agreement with the Securities and Exchange Commission on April 19, 2017, and it was declared effective June 7, 2017. All of the original notes were exchanged as of July 12, 2017.

## Promissory Note

See Note 6 – Investments for information regarding the 5% Promissory Note payable to NCM.

## Financial Covenants

Each indenture relating to the Notes due 2022, the Sterling Notes due 2024, the Convertible Notes due 2024, the Notes due 2025, the Notes due 2026, and the Notes due 2027 allows the Company to incur specified permitted indebtedness (as defined therein) without restriction. Each indenture also allows the Company to incur any amount of additional debt as long as it can satisfy the coverage ratio of each indenture, after giving effect to the indebtedness on a pro forma basis. Under the indentures for the Notes due 2022, the Sterling Notes due 2024, the Convertible Notes due 2024, the Notes due 2025, the Notes due 2026, and the Notes due 2027 at December 31, 2018, the Company could borrow approximately \$621.1 million including amounts discussed below available under its Revolving Credit facility and Odeon's revolving credit facility. If the Company cannot satisfy the coverage ratios of the indentures, generally it can borrow an additional amount under the Senior Secured Credit Facility. The indentures also contain restrictions on the Company's ability to pay dividends. Under the most restrictive provision set forth in the note indenture for the Notes due 2022, as of December 31, 2018, the Company could not make dividend payments in excess of approximately \$2.5 billion in the aggregate. As of December 31, 2018, the Company had \$211.2 million available for borrowing under its Senior

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Secured Revolving Credit Facility and £73.9 million (\$93.7 million) available for borrowing under its Odeon Revolving Credit Facility.

As of December 31, 2018, the Company was in compliance with all financial covenants relating to the Senior Secured Credit Facility, Odeon's Revolving Credit Facility Agreement, the Senior Secured Notes due 2023, the Notes due 2022, the Sterling Notes due 2024, the Convertible Notes due 2024, the Notes due 2025, the Notes due 2026 and the Notes due 2027.

## NOTE 9 – STOCKHOLDERS' EQUITY

### Common Stock Rights and Privileges

The rights of the holders of Holdings' Class A common stock and Holdings' Class B common stock are identical, except with respect to voting and conversion applicable to the Class B common stock. Holders of Holdings' Class A common stock are entitled to one vote per share and holders of Holdings' Class B common stock are entitled to three votes per share. Holders of Class A common stock and Class B common stock will share ratably (based on the number of shares of common stock held) in any dividend declared by its board of directors, subject to any preferential rights of any outstanding preferred stock. The Class A common stock is not convertible into any other shares of Holdings' capital stock. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock shall convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in Holdings' certificate of incorporation.

### Dividends

The following is a summary of dividends and dividend equivalents declared to stockholders during the year ended December 31, 2018:

Declaration Date	Record Date	Date Paid	Amount per Share of Common Stock	Total Amount Declared (In millions)
February 28, 2018	March 12, 2018	March 26, 2018	\$ 0.20	\$ 26.0



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May 3, 2018	June 11, 2018	June 25, 2018	0.20	26.0
July 24, 2018	September 10, 2018	September 24, 2018	0.20	25.8
September 14, 2018	September 25, 2018	September 28, 2018	1.55	162.9
November 1, 2018	December 10, 2018	December 26, 2018	0.20	21.2

During the year ended December 31, 2018, the Company paid dividends and dividend equivalents of \$258.1 million and accrued \$4.0 million for the remaining unpaid dividends at December 31, 2018. The aggregate dividends paid for Class A common stock, Class B common stock, and dividend equivalents were approximately \$122.0 million, \$136.1 million, and \$0.1 million, respectively.

On February 15, 2019, the Company declared a cash dividend in the amount of \$0.20 per share of Class A and Class B common stock, payable on March 25, 2019 to stockholders of record on March 11, 2019.

The following is a summary of dividends and dividend equivalents declared to stockholders during the year ended December 31, 2017:

Declaration Date	Record Date	Date Paid	Amount per Share of Common Stock	Total Amount Declared (In millions)
February 14, 2017	March 13, 2017	March 27, 2017	0.20	26.2
April 27, 2017	June 5, 2017	June 19, 2017	0.20	26.5
August 3, 2017	September 11, 2017	September 25, 2017	0.20	26.5
October 27, 2017	December 4, 2017	December 18, 2017	0.20	25.9

During the year ended December 31, 2017, the Company paid dividends and dividend equivalents of \$104.6 million and accrued \$1.1 million for the remaining unpaid dividends at December 31, 2017. The aggregate

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dividends paid for Class A common stock, Class B common stock, and dividend equivalents were approximately \$43.9 million, \$60.6 million, and \$0.2 million, respectively.

During the year ended December 31, 2016, the Company paid dividends and dividend equivalents of \$79.6 million and accrued \$0.5 million for the remaining unpaid dividends at December 31, 2016. The aggregate dividends paid for Class A common stock, Class B common stock, and dividend equivalents were approximately \$18.2 million, \$60.6 million, and \$0.8 million, respectively.

## Related Party Transactions

As of December 31, 2018, and December 31, 2017, the Company recorded a receivable due from Wanda of \$0.9 million and \$0.6 million, respectively for reimbursement of general administrative and other expense incurred on behalf of Wanda. Total reimbursements of other expenses from Wanda were \$0.0 million, \$0.6 million and \$0.5 million for the years ended December 31, 2018, December 31, 2017, and December 31, 2016, respectively. The Company's majority shareholder, Wanda, owns Legendary Entertainment, a motion picture production company. The Company will occasionally play Legendary's films in its theatres, as a result of transactions with independent film distributors.

On September 14, 2018, the Company entered into the Investment Agreement with Silver Lake Alpine, L.P., an affiliate of Silver Lake Group, L.L.C. ("Silver Lake"), relating to the issuance to Silver Lake (or its designated affiliates) of \$600.0 million principal amount of the Convertible Notes due 2024. See Note 8 – Corporate Borrowings - Senior Unsecured Convertible Notes due 2024 for more information.

On September 14, 2018, the Company, Silver Lake and Wanda entered into a Right of First Refusal Agreement (the "ROFR Agreement"), which provides Silver Lake certain rights to purchase shares of the Company's common stock that Wanda proposes to sell during a period of two years from the date of execution of the ROFR Agreement or, if earlier, until such time that Wanda and its affiliates cease to beneficially own at least 50.1% of the total voting power of the Company's voting stock. The right of first refusal applies to both registered and unregistered transfers of shares. Under the ROFR Agreement, in the event that Wanda and its affiliates cease to beneficially own at least 50.1% of the total voting power of the Company's voting stock, then the Company will have the same right of first refusal over sales of the Company's common stock by Wanda as described above until the expiration of the two-year period beginning on the date of execution of the ROFR Agreement. In such event, the Company may exercise such right to purchase shares from Wanda from time to time pursuant to the ROFR Agreement in its sole discretion, subject to approval by the disinterested directors of the Board. If the Company determines to exercise its right to purchase shares from Wanda pursuant to the ROFR Agreement, it will have the obligation under the Investment Agreement to offer to sell to Silver Lake a like number of shares of the Company's Class A Common Stock, at the same per share price at which it purchased the Wanda shares.

On September 14, 2018, the Company used the proceeds from the Convertible Notes due 2024, and pursuant to a stock repurchase agreement between the Company and Wanda, repurchased 24,057,143 shares of Class B common stock at a price of \$17.50 per share or \$421.0 million and associated legal fees of \$2.6 million. As of December 31, 2018, Wanda owns 50.01% of AMC through its 51,769,784 shares of Class B common stock. With the three-to-one voting ratio between our Class B and Class A common stock, Wanda retains voting control of AMC with 75.01% of the voting power of the Company's common stock. As discussed in Note 8 up to 5,666,000 shares of Class B common stock are subject to forfeiture for no consideration in connection with the reset provision contained in the Indenture.

#### Temporary Equity

Certain members of management have the right to require Holdings to repurchase the Class A common stock held by them under certain limited circumstances pursuant to the terms of a stockholders agreement. Beginning on January 1, 2016 and ending on January 1, 2019 (or upon the termination of a management stockholders employment by the Company without cause, by the management stockholder for good reason, or due to the management stockholders death or disability) management stockholders will have the right, in limited circumstances, to require Holdings to purchase shares that are not fully and freely tradeable at a price equal to the price per share paid by such management stockholder with appropriate adjustments for any subsequent events such as dividends, splits, or combinations. The shares of Class A common stock subject to the stockholder agreement are classified as temporary equity, apart from permanent equity, as a result of the contingent redemption feature contained in the stockholder agreement. The Company

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determined the amount reflected in temporary equity for the Class A common stock-based on the price paid per share by the management stockholders and Wanda on August 30, 2012, the date Wanda acquired Holdings.

During the year ended December 31, 2018, one former employee and one current employee who held a total of 37,105 shares relinquished their put rights, therefore the related share amount of \$0.4 million was reclassified to additional paid in capital, a component of stockholders' equity.

During the year ended December 31, 2017, a former employee who held 27,197 shares, relinquished his put right, therefore the related amount of \$0.3 million was reclassified to additional paid-in capital, a component of stockholders' equity.

During the year ended December 31, 2016, a former employee who held 27,197 shares, relinquished his put right, therefore the related amount of \$0.2 million was reclassified to additional paid-in capital, a component of stockholders' equity.

The stockholders agreement for certain members of management ended on January 1, 2019 and the contingent redemption feature will no longer be operative in calendar 2019.

## Additional Public Offering

On February 13, 2017, the Company completed an additional public offering of 20,330,874 shares of Class A common stock at a price of \$31.50 per share (\$640.4 million), resulting in net proceeds of \$616.8 million after underwriters commission and other professional fees. The Company used a portion of the net proceeds to repay the aggregate principal amount of the Interim Bridge Loan of \$350.0 million and general corporate purposes.

## Treasury Stock

On August 3, 2017, the Company announced that its Board of Directors had approved a \$100.0 million share repurchase program to repurchase its Class A common stock over a two-year period.

Repurchases may be made at management's discretion from time to time through open-market transactions including block purchases, through privately negotiated transactions, or otherwise until mid-August 2019 in accordance with all applicable securities laws and regulations. The extent to which AMC repurchases its shares, and the timing of such repurchases, will depend upon a variety of factors, including liquidity, capital needs of the business, market conditions, regulatory requirements, and other corporate considerations, as determined by AMC's management team. Repurchases may be made under a Rule 10b5-1 plan, which would permit common stock to be repurchased when the Company's management might otherwise be precluded from doing so under insider trading laws. The repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares and may be suspended for periods or discontinued at any time. During the year ended December 31, 2018, the Company repurchased 500,000 shares of Class A common stock at a cost of \$8.2 million. During the year ended December 31, 2017, the Company repurchased 3,195,856 shares of Class A common stock at a cost of \$47.5 million. As of December 31, 2018, \$44.3 million remained available for repurchase under this plan. A two-year time limit has been set for the completion of this program, expiring August 2, 2019.

### Stock-Based Compensation

Holdings adopted a stock-based compensation plan in December 2013.

The Company recorded stock-based compensation expense of \$14.9 million, and \$5.7 million, and \$6.8 million within general and administrative: other during the years ended December 31, 2018, December 31, 2017, and December 31, 2016, respectively. As of December 31, 2018, there was approximately \$13.6 million of total unrecognized compensation cost, assuming attainment of the performance targets at 100%, related to stock-based compensation arrangements, of which \$9.1 million and \$4.5 million is expected to be recognized during the years ended December 31, 2019 and December 31, 2020, respectively.

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## 2018 Stock-Based Compensation Summary (in millions):

	Amount Recognized Year Ended	Amount Unrecognized December 31,	Expected to Recognize	Expected to Recognize
Grant	December 31, 2018	2018	2019	2020
2018 Board of Directors	\$ 0.5	\$ —	\$ —	\$ —
2018 RSU awards	3.3	6.7	3.4	3.3
2018 PSU awards	5.8	4.2	3.0	1.2
2017 RSU awards	1.8	1.4	1.4	—
2017 RSU NEO awards	1.3	1.3	1.3	—
2017 PSU awards	—	—	—	—
2016 RSU awards	1.1	—	—	—
2016 RSU NEO awards	1.1	—	—	—
2016 PSU awards	—	—	—	—
	\$ 14.9	\$ 13.6	\$ 9.1	\$ 4.5

## 2013 Equity Incentive Plan

The 2013 Equity Incentive Plan provides for grants of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock awards, restricted stock units (“RSU’s”), performance stock units (“PSU’s”), stock awards, and cash performance awards. The maximum number of shares of Holdings’ common stock available for delivery pursuant to awards granted under the 2013 Equity Incentive Plan is 9,474,000 shares. At December 31, 2018, the aggregate number of shares of Holdings’ common stock available for grant was 6,132,030 shares.

## Awards Granted in 2018, 2017, and 2016

AMC’s Board of Directors approved awards of stock, RSU’s, and PSU’s to certain of the Company’s employees and directors under the 2013 Equity Incentive Plan. During years 2018, 2017, and 2016, the grant date fair value of these awards was based on the closing price of AMC’s stock on the date of grant, which ranged from \$15.04 to \$31.45 per share.

The award agreements generally had the following features:

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Stock Award Agreement: The Company granted 28,055, 13,684, and 21,342 fully vested shares of Class A common stock to its independent members of AMC's Board of Directors during the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively. In connection with these Class A common stock grants, the Company recognized approximately \$0.5 million, \$0.4 million, and \$0.5 million of expense in general and administrative: other expense during the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively.

Stock Award Agreement Year Granted	Vested Class A Common Stock Granted	Recognized Upon Grant (in millions)
2018	28,055	\$ 0.5
2017	13,684	0.4
2016	21,342	0.5

- Restricted Stock Unit Award Agreement: The Company granted 656,576, 201,726, and 145,739 RSU awards to certain members of management during the years ended on December 31, 2018, December 31, 2017, and December 31, 2016, respectively. Each RSU represents the right to receive one share of Class A common stock at a future date. The RSUs granted during 2018, 2017, and 2016 vest over three years with 1/3 vesting in each year. These RSUs will be settled within 30 days of vesting. A dividend equivalents equal to the amount paid in respect of one share of Class A common stock underlying the RSUs began to accrue with respect to the RSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the RSUs. The Company recognized approximately \$6.2 million, \$3.3 million, and

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\$1.2 million of expense in general and administrative: other expense during the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively.

Restricted Stock Unit Year Granted	Units Granted	Recognized in 2018 (in millions)
2018	656,576	\$ 3.3
2017	201,726	1.8
2016	145,739	1.1
		\$ 6.2

· **Restricted Stock Unit Named Executive Officer Award Agreement:** During the year ended December 31, 2017, RSU awards of 129,214 units were granted to certain executive officers covered by Section 162(m) of the Internal Revenue Code. The RSUs will be forfeited if AMC does not achieve a specified cash flow from operating activities target for each of the years ended on December 31, 2017, 2018 and 2019. The RSUs vest over three years with 1/3 vesting in each of 2017, 2018 and 2019 if the cash flow from operating activities target is met. The vested RSUs will be settled within 30 days of vesting. A dividend equivalent equal to the amount paid in respect of one share of Class A common stock underlying the RSUs began to accrue with respect to the RSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the RSUs. The grant date fair value was \$4.1 million based on the probable outcome of the performance targets and a stock price of \$31.45 on March 31, 2017. The Company recognized expense for these awards of \$1.3 million and \$1.4 million in general and administrative: other expense, during the each of the years ended December 31, 2018 and December 31, 2017, respectively, based on achievement of the performance condition for 2018 and 2017.

During the year ended December 31, 2016, RSU awards of 135,981 units were granted to certain executive officers covered by Section 162(m) of the Internal Revenue Code. The RSUs will be forfeited if AMC does not achieve a specified cash flow from operating activities target for each of the years ending December 31, 2016, 2017 and 2018. The RSUs vest over three years with 1/3 vesting in each of 2016, 2018 and 2019 if the cash flow from operating activities target is met. The vested RSUs will be settled within 30 days of vesting. A dividend equivalent equal to the amount paid in respect of one share of Class A common stock underlying the RSUs began to accrue with respect to the RSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the RSUs. The grant date fair value was \$3.4 million based on the probable outcome of the performance targets and a stock price of \$24.88 on March 1, 2016. The Company recognized expense for these awards of \$1.1 million in general and administrative: other expense, during each the of years ended December 31, 2018, December 31, 2017, and December 31, 2016, respectively, based on achievement of the performance conditions for 2018, 2017, and 2016.

· **Performance Stock Unit Award Agreement:** During the year ended December 31, 2018, PSU awards of 653,669 were granted to certain members of management and executive officers, with three-year cumulative Adjusted EBITDA, diluted earnings per share, and net profit performance target conditions and service conditions, covering a performance period beginning January 1, 2018 and ending on December 31, 2020. The PSUs will vest based on achieving 80% to 120% of the performance targets with the corresponding vested unit amount ranging from 30% to



200%. If the performance target is met at 100%, the PSU awards granted during the year ended December 31, 2018 will vest at 653,669 units in the aggregate. No PSUs will vest if Holdings does not achieve 80% of the three-year cumulative Adjusted EBITDA, diluted earnings per share, and net profit performance target. Additionally, unvested PSU's shall be ratably forfeited upon termination of service prior to December 31, 2020. If service terminates prior to January 2, 2019, all unvested PSU's shall be forfeited, if service terminates prior to January 2, 2020, 2/3 of unvested PSU's shall be forfeited and if service terminates prior to January 4, 2021, 1/3 of unvested PSU's shall be forfeited. The vested PSUs will be settled within 30 days of vesting which will occur upon certification of performance results by the Compensation Committee of the Board of Directors. A dividend equivalent equal to the amount paid in respect of one share of Class A common stock underlying the PSUs began to accrue with respect to the PSUs on the date of grant. Such accrued dividend equivalents are paid to the holder upon vesting of the PSUs. The Company recognized expense for these awards of \$5.8 million in general and administrative: other expense, during the year ended December 31, 2018.

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During the year ended December 31, 2017, PSU awards were granted to certain members of management and executive officers with three-year cumulative net profit, Adjusted EBITDA, and diluted earnings per share performance target conditions and service conditions, covering a performance period beginning January 1, 2017 and ending on December 31, 2019.

During the year ended December 31, 2017, the Company determined that achieving the three-year performance thresholds of the 2017 Performance Stock Units was improbable and reversed \$1.8 million of stock-based compensation expense and ceased accruing any additional expense on these units. If the Company later determines that the performance thresholds of the 2017 Performance Stock Units is probable, then historical expense would be reinstated and accruals would resume. The Company did not recognize any further expense in 2018.

During the year ended December 31, 2016, PSU awards were granted to certain members of management and executive officers, with both a three-year cumulative adjusted free cash flow and net earnings performance target condition and a service condition, covering a performance period beginning January 1, 2016 and ended on December 31, 2018.

During the year ended December 31, 2017, the Company determined that achieving the three-year performance thresholds of the 2016 Performance Stock Units was improbable and reversed \$2.0 million of stock-based compensation expense and ceased accruing any additional expense on these units. If the Company later determines that the performance thresholds of the 2016 Performance Stock Units becomes probable, then historical expense would be reinstated and accruals would resume. The Company did not recognize any further expense in 2018.

· Performance Stock Unit Transition Award: In recognition of the shift in 2016 from one-year to three-year performance periods for annual equity awards, on March 31, 2017, PSU transition awards were granted to certain members of management and executive officers, with net profit, Adjusted EBITDA, and diluted earnings per share performance target conditions and a service condition, covering a performance period beginning January 1, 2017 and ended on December 31, 2017.

No PSU Transition Awards vested in 2017 as the Company did not meet the fiscal year 2017 net profit threshold, and as a result, all of the PSUTs were forfeited and the units were returned to the 2013 Employee Incentive Plan pool.

In recognition of the shift from one year to three year performance periods for annual equity awards, during the year ended December 31, 2016, PSU transition awards were granted to certain members of management and executive officers, with both a 2016 adjusted free cash flow and net earnings performance target condition and a service

condition, covering a performance period beginning January 1, 2016 and ended on December 31, 2016.

No PSU Transition Awards vested in 2016 as the Company did not achieve the adjusted free cash flow or net earnings minimum performance target.

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The following table represents the nonvested RSU and PSU activity for the years ended December 31, 2018, December 31, 2017 and December 31, 2016:

	Shares of RSU and PSU	Weighted Average Grant Date Fair Value
Beginning balance at January 1, 2016	19,226	29.59
Granted	618,092	24.88
Vested	(19,226)	29.59
Forfeited	(7,767)	24.88
Cancelled (1)	(53,815)	24.88
Beginning balance at January 1, 2017	556,510	\$ 24.88
Granted	701,788	31.23
Vested	(92,722)	24.88
Forfeited	(44,309)	28.68
Cancelled (1)	(37,426)	31.45
Beginning balance at January 1, 2018	1,083,841	\$ 28.61
Granted	1,313,152	15.65
Vested	(408,848)	21.68
Forfeited	(53,698)	20.69
Nonvested at December 31, 2018	1,934,447	\$ 21.50

(1) No PSU Transition Awards vested as the Company did not achieve the adjusted free cash flow or net earnings minimum performance target.

## NOTE 10 – INCOME TAXES

Current income tax expense represents the amounts expected to be reported on the Company's income tax returns, and deferred tax expense or benefit represents the change in net deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates that will be in effect when these differences reverse. Valuation allowances are recorded as appropriate to reduce deferred tax assets to the amount considered likely to be realized.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2018. Such

objective evidence limits the ability to consider other subjective evidence, such as the Company's projections for future taxable income. For the year ended December 31, 2018, the Company remained in a cumulative loss over the past three-year period.

On the basis of this evaluation, for the year ended December 31, 2017, a valuation allowance of \$221.6 million was established domestically on the Company's net deferred tax assets and considering indefinite-lived intangibles. The amount of deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income is reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as the Company's projections for future taxable income. For the year ended December 31, 2018, the Company maintained its valuation allowance.

On December 22, 2017, the President of the United States signed into law H.R. 1 (the "Tax Reform Act"). The legislation significantly changes U.S. tax law by, among other things, lowering corporate income tax rates, limiting the amount of deductible interest expense, limiting executive compensations, implementing a territorial tax system, and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries. The Tax Reform Act permanently reduces the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018.

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying amounts of

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existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. As a result of the reduction in the U.S. corporate income tax rate from 35% to 21% under the Tax Reform Act, the Company revalued its ending net deferred tax assets and related valuation allowance at December 31, 2017. As a result, the Company recognized a tax benefit of \$121.8 million in the consolidated statement of operations for the year ended December 31, 2017. This tax benefit is comprised of \$88.6 million of deferred tax expense associated with the revaluation of the Company's net deferred tax assets, as reflected in the rate reconciliation, and \$210.4 million of deferred tax benefit associated with the partial release of the Company's valuation allowance as a result of the Tax Reform Act.

The Company has assessed the deemed mandatory repatriation provisions of the Tax Reform Act, and is projecting no impact to current year domestic taxable income as it relates to undistributed earnings of its foreign subsidiaries. The Company does not intend to distribute earnings in a taxable manner, and therefore intends to limit distributions to earnings previously taxed in the U.S., or earnings that would qualify for the 100 percent dividends received deduction provided for in the Tax Reform Act, and earnings that would not result in any significant foreign taxes. As a result, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries.

While the Tax Reform Act provides for a territorial tax system, beginning in 2018, it includes two new U.S. tax base erosion provisions, the global intangible low-taxed income ("GILTI") provisions and the base-erosion and anti-abuse tax ("BEAT") provisions.

The GILTI provisions require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. The Company does not expect it will be subject to this tax in the current year and therefore has not included any tax impacts of GILTI in its consolidated financial statements for the year ended December 31, 2018.

The BEAT provisions in the Tax Reform Act eliminates the deduction of certain base-erosion payments made to related foreign corporations, and impose a minimum tax if greater than regular tax. The Company does not expect it will be subject to this tax in the current year and therefore has not included any tax impacts of BEAT in its consolidated financial statements for the year ended December 31, 2018.

The Income tax provision reflected in the consolidated statements of operations consists of the following components:

	Year Ended		
	December 31,	December 31,	December 31,
(In millions)	2018	2017	2016

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Current:			
Federal	\$ (0.5)	\$ (13.4)	\$ 0.4
Foreign	5.0	5.3	1.5
State	15.5	4.4	2.0
Total current	20.0	(3.7)	3.9
Deferred:			
Federal	0.8	116.4	37.8
Foreign	(7.5)	(5.5)	(4.1)
State	0.3	46.9	0.4
Total deferred	(6.4)	157.8	34.1
Total provision	\$ 13.6	\$ 154.1	\$ 38.0

The Company generated alternative minimum taxes for the year ended December 31, 2017, which fully offset the taxes due to the utilization of tax credits. Under the Tax Reform Act, alternative minimum tax credit will be refundable in the future. The Company has reclassified the alternative minimum tax credits from deferred tax assets to a long-term tax receivable.

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Pre-tax income (losses) consisted of the following:

	Year Ended		
(In millions)	December 31, 2018	December 31, 2017	December 31, 2016
Domestic	\$ 154.4	\$ (362.3)	\$ 135.4
Foreign	(30.7)	29.2	14.3
Total	\$ 123.7	\$ (333.1)	\$ 149.7

The difference between the effective tax rate on earnings from continuing operations before income taxes and the U.S. federal income tax statutory rate is as follows:

(In millions)	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Income tax expense at the federal statutory rate	\$ 26.0	\$ (116.6)	\$ 52.4
Effect of:			
State income taxes	8.9	(17.6)	6.5
Increase (decrease) in reserve for uncertain tax positions	5.2	2.1	(19.2)
Federal and state credits	(5.9)	(5.2)	(2.7)
Permanent items - transaction costs	—	2.0	5.7
Permanent items - other	5.7	(9.4)	4.4
Foreign rate differential	(5.9)	(15.3)	(2.2)
Change in legislation	—	88.6	(9.9)
Other	9.7	4.9	0.2
Valuation allowance	(30.1)	220.6	2.8
Income tax expense (benefit)	\$ 13.6	\$ 154.1	\$ 38.0
Effective income tax rate	11.0 %	(46.3) %	25.4 %

The valuation allowance expense reflected in the 2017 tax rate reconciliation of \$220.6 million consists of the initial domestic recognition of \$432.0 million, net of domestic reductions due to the tax reform act of \$(210.4) million and changes due to international operations of \$(1.0) million.

The significant components of deferred income tax assets and liabilities as of December 31, 2018 and December 31, 2017 are as follows:



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(In millions)	December 31, 2018		December 31, 2017	
	Deferred Income Tax		Deferred Income Tax	
	Assets	Liabilities	Assets	Liabilities
Tangible assets	\$ —	\$ (210.6)	\$ —	\$ (209.7)
Accrued liabilities	13.6	—	17.0	—
Intangible assets	—	(128.7)	—	(126.4)
Receivables	—	(3.7)	—	(9.1)
Investments	12.0	—	—	(64.0)
Capital loss carryforwards	1.0	—	—	—
Pension, postretirement and deferred compensation	21.9	—	22.0	—
Corporate borrowings	—	(111.6)	—	(90.8)
Deferred revenue	201.7	—	187.0	—
Lease liabilities	165.6	—	165.7	—
Capital and financing lease obligations	118.5	—	144.7	—
Other credit carryovers	17.7	—	16.6	—
Other comprehensive income	—	(1.0)	—	(0.4)
Net operating loss carryforwards	214.2	—	265.1	—
Total	\$ 766.2	\$ (455.6)	\$ 818.1	\$ (500.4)
Less: Valuation allowance	(323.6)	—	(338.4)	—
Net deferred income taxes	\$ 442.6	\$ (455.6)	\$ 479.7	\$ (500.4)

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A rollforward of the Company's valuation allowance for deferred tax assets is as follows:

	Balance at	Additions Charged	Charged	Charged (Credited) to	Balance at
	Beginning of	(Credited) to	(Credited) to	Other	End
(In millions)	Period	Expenses	Goodwill	Accounts(1)	of Period
Calendar Year 2018					
Valuation allowance-deferred income tax assets	\$ 338.4	(30.1)	—	15.3	\$ 323.6
Calendar Year 2017					
Valuation allowance-deferred income tax assets	\$ 112.2	220.6	(9.1)	14.7	\$ 338.4
Calendar Year 2016					
Valuation allowance-deferred income tax assets	\$ 0.5	2.8	108.9	—	\$ 112.2

(1) Primarily relates to amounts resulting from the Company's changes in deferred tax assets and associated valuation allowance that are not related to income statement activity as well as amounts charged to other comprehensive income.

The Company's federal income tax loss carryforward of \$212.8 million will begin to expire in 2019 and will completely expire in 2036 and will be limited annually due to certain change in ownership provisions of the Internal Revenue Code. The Company's foreign net operating losses of \$652.6 million can be used indefinitely except for approximately \$6.8 million, which will expire in various periods ranging from 1 to 20 years. The Company also has state income tax loss carryforwards of \$243.5 million, which may be used over various periods ranging from 1 to 20 years.

A reconciliation of the change in the amount of unrecognized tax benefits was as follows:

	Year Ended		
(In millions)	December 31, 2018	December 31, 2017	December 31, 2016
Balance at beginning of period	\$ 15.3	\$ 12.7	\$ 30.1
Gross increases—current period tax positions	7.3	3.2	1.7
Gross decreases—prior period tax positions	(0.6)	0.3	0.1
Favorable resolutions with authorities	—	—	(19.2)
Impact of legislation change	—	(0.9)	—
Balance at end of period	\$ 22.0	\$ 15.3	\$ 12.7

The Company recognizes income tax-related interest expense and penalties as income tax expense and general and administrative expense, respectively. No interest expense related to federal uncertain tax positions have been recognized for the year ended December 31, 2018 and December 31, 2017, respectively.

The Company analyzed and reviewed the remaining state uncertain tax positions to determine the necessity of accruing interest and penalties. For the year ended December 31, 2018, the Company determined it is not necessary to accrue interest and penalties. The total amount of accrued interest and penalties for state uncertain tax positions at December 31, 2018 and December 31, 2017 was \$0.1 million and \$0.1 million, respectively.

The total amount of net unrecognized tax benefits at December 31, 2018 and December 31, 2017 that would impact the effective tax rate, if recognized, would be \$15.2 million and \$12.6 million, respectively. There are currently, unrecognized tax benefits which the Company anticipates will be resolved in the next 12 months; however, the Company is unable at this time to estimate what the impact on its unrecognized tax benefits will be.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. An IRS examination of the tax year March 29, 2012 is currently ongoing. Generally, tax years beginning after March 28, 2002 are still open to examination by various taxing authorities. Additionally, as discussed above, the Company has net operating loss ("NOL") carryforwards for tax years ended December 31, 2000, through December 31, 2017, in the U.S. and various state jurisdictions which have carryforwards of varying lengths of time. These NOLs are subject to adjustment based on the statute of limitations applicable to the return in which they are utilized, not the year in which they are generated. Various state, local and foreign income tax returns are also under examination by taxing authorities. The Company does not believe that the outcome of any examination will have a material impact on its consolidated financial statements.

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## NOTE 11 – LEASES

The following table sets forth the future minimum rental payments, by calendar year, required under existing operating leases and digital projector equipment leases payable to DCIP that have initial or remaining non-cancelable terms in excess of one year as of December 31, 2018:

(In millions)	Minimum operating lease payments
2019	\$ 810.2
2020	801.9
2021	748.9
2022	687.5
2023	597.1
Thereafter	3,367.6
Total minimum payments required	\$ 7,013.2

As of December 31, 2018, the Company has lease agreements for 19 theatres with 155 screens which are under construction or development and are expected to open from 2019 to 2020.

Rent expense is summarized as follows:

(In millions)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Minimum rentals	\$ 678.1	\$ 682.7	\$ 440.5
Common area expenses	104.3	97.4	51.0
Percentage rentals based on revenues	15.4	14.3	14.0
Rent	797.8	794.4	505.5
General and administrative and other	29.7	26.3	7.6
Total	\$ 827.5	\$ 820.7	\$ 513.1

## NOTE 12 – EMPLOYEE BENEFIT PLANS

Explanation of Responses:

The Company sponsors frozen non-contributory qualified and non-qualified defined benefit pension plans generally covering all employees in the U.S. who, prior to the freeze, were age 21 or older and had completed at least 1,000 hours of service in their first year of employment, or in a calendar year ending thereafter, and who were not covered by a collective bargaining agreement. The Company sponsors frozen defined benefit pension plans in the U.K. that were acquired from Odeon on November 30, 2016. The Company sponsors a frozen defined benefit pension plan in Sweden that was acquired from Nordic on March 28, 2017. The Company also offered eligible retirees the opportunity to participate in a health plan. Certain employees were eligible for subsidized postretirement medical benefits. The eligibility for these benefits was based upon a participant's age and service as of January 1, 2009. The Company also sponsors a postretirement deferred compensation plan.

The measurement dates used to determine pension and other postretirement benefits were December 31, 2018, December 31, 2017, and December 31, 2016.

Net periodic benefit cost for the plans consists of the following:

(In millions)	U.S. Pension Benefits Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Components of net periodic benefit cost:			
Interest cost	\$ 4.0	\$ 4.2	\$ 4.3
Expected return on plan assets	(3.2)	(3.2)	(3.5)
Settlement loss	0.4	—	—
Net periodic benefit cost	\$ 1.2	\$ 1.0	\$ 0.8

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(In millions)	International Pension Benefits		
	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Components of net periodic benefit cost:			
Service cost	\$ 0.5	\$ 0.4	\$ —
Interest cost	2.6	3.0	0.2
Expected return on plan assets	(3.2)	(3.5)	(0.3)
Amortization of net loss	0.1	0.1	—
Settlement (gain) loss	(0.1)	(0.4)	—
Net periodic benefit credit	\$ (0.1)	\$ (0.4)	\$ (0.1)

The following table summarizes the changes in other comprehensive income (loss):

(In millions)	U.S. Pension Benefits		
	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Net (gain) loss	\$ (6.3)	\$ 5.4	\$ 0.6
Amortization of net gain	(0.1)	—	—
Total recognized in other comprehensive (income) loss	\$ (6.4)	\$ 5.4	\$ 0.6
Net periodic benefit cost	1.2	1.0	0.8
Total recognized in net periodic benefit cost (credit) and other comprehensive (income) loss	\$ (5.2)	\$ 6.4	\$ 1.4

(In millions)	International Pension Benefits		
	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Net (gain) loss	\$ 1.6	\$ (2.8)	\$ (0.1)
Prior service credit	0.8	—	—
Settlement	0.1	—	—
Allocated tax expense (benefit)	(0.4)	0.4	—
Total recognized in other comprehensive (income) loss	\$ 2.1	\$ (2.4)	\$ (0.1)
Net periodic benefit cost (credit)	(0.1)	(0.4)	(0.1)
Total recognized in net periodic benefit cost (credit) and other comprehensive (income) loss	\$ 2.0	\$ (2.8)	\$ (0.2)

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The following tables set forth the plan's change in benefit obligations and plan assets and the accrued liability for benefit costs included in the Consolidated Balance Sheets:

(In millions)	U.S. Pension Benefits	
	Year Ended	
	December 31, 2018	December 31, 2017
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 117.4	\$ 109.0
Interest cost	4.0	4.2
Actuarial (gain) loss	(12.3)	12.0
Benefits paid	(3.9)	(7.8)
Settlement paid	(4.5)	—
Settlement loss	0.4	—
Benefit obligation at end of period	\$ 101.1	\$ 117.4

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(In millions)	International Pension Benefits	
	Year Ended	
	December 31, 2018	December 31, 2017(1)
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 110.1	\$ 93.3
Acquisition	—	11.7
Service cost	0.5	0.4
Interest cost	2.6	3.0
Plan participants' contributions	—	—
Actuarial (gain) loss	(4.1)	1.1
Plan amendment	0.8	—
Benefits paid	(2.8)	(3.2)
Administrative expenses	—	—
Settlement paid	(1.4)	(6.0)
Currency translation adjustment	(7.1)	9.8
Benefit obligation at end of period	\$ 98.6	\$ 110.1

(1) Activity for calendar 2017 reflects activity for the International Pension Benefits assumed from Odeon in November 2016 and Nordic assumed in March 2017.

(In millions)	U.S. Pension Benefits	
	Year Ended	
	December 31, 2018	December 31, 2017
Change in plan assets:		
Fair value of plan assets at beginning of period	\$ 70.2	\$ 65.3
Actual return on plan assets gain	(2.6)	9.9
Employer contribution	4.0	2.7
Benefits paid	(2.3)	(6.1)
Administrative expense	(1.6)	(1.6)
Settlement paid	(4.5)	—
Fair value of plan assets at end of period	\$ 63.2	\$ 70.2
Net liability for benefit cost:		
Funded status	\$ (37.9)	\$ (47.2)

International Pension  
Benefits  
Year Ended



(In millions)	December 31, 2018	December 31, 2017
Change in plan assets:		
Fair value of plan assets at beginning of period	\$ 121.1	\$ 111.1
Acquisition	—	—
Actual return on plan assets gain	(2.5)	7.6
Employer contribution	—	1.1
Benefits paid	(2.7)	(3.2)
Settlement paid	(1.4)	(6.0)
Currency translation adjustment	(7.3)	10.5
Fair value of plan assets at end of period	\$ 107.2	\$ 121.1
Net asset for benefit cost:		
Funded status	\$ 8.6	\$ 11.1

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(In millions)	U.S. Pension Benefits		International Pension Benefits	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Amounts recognized in the Balance Sheet:				
Other long-term assets	\$ —	\$ —	\$ 25.7	\$ 26.9
Accrued expenses and other liabilities	(0.3)	(0.3)	—	—
Other long-term liabilities	(37.5)	(46.9)	(17.1)	(15.8)
Net asset (liability) recognized	\$ (37.8)	\$ (47.2)	\$ 8.6	\$ 11.1

The following table summarizes pension plans with accumulated benefit obligations and projected benefit obligations in excess of plan assets:

(In millions)	U.S. Pension Benefits		International Pension Benefits	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Aggregated accumulated benefit obligation	\$ (101.1)	\$ (117.4)	\$ (95.8)	\$ (107.4)
Aggregated projected benefit obligation	(101.1)	(117.4)	(98.6)	(110.1)
Aggregated fair value of plan assets	63.2	70.2	107.2	121.1

Amounts recognized in accumulated other comprehensive income consist of the following:

(In millions)	U.S. Pension Benefits		International Pension Benefits	
	December	December	December	December
	31, 2018	31, 2017	31, 2018	31, 2017
Net actuarial (gain) loss	\$ 5.0	\$ 11.4	\$ 1.6	\$ (2.8)
Prior service credit	—	—	0.8	—

Amounts in accumulated other comprehensive income expected to be recognized in components of net periodic pension cost during the calendar year 2019 are as follows:

	U.S. Pension Benefits
(In millions)	
Net actuarial loss	\$ 1.6

	International Pension Benefits
(In millions)	
Net actuarial loss	\$ 0.2

## Actuarial Assumptions

The weighted-average assumptions used to determine benefit obligations are as follows:

	U.S. Pension Benefits		International Pension Benefits	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Discount rate	4.12%	3.42%	2.86%	2.58%
Rate of compensation increase	N/A	N/A	2.19%	2.14%

The weighted-average assumptions used to determine net periodic benefit cost are as follows:

	U.S. Pension Benefits			International Pension Benefits		
	Year Ended			Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2018	December 31, 2017	December 31, 2016
Discount rate	3.42%	3.92%	4.10%	2.58%	2.70%	2.90%
Weighted average expected long-term return on plan assets	7.00%	7.00%	7.06%	2.86%	2.85%	3.09%
Rate of compensation increase	N/A	N/A	N/A	2.19%	2.14%	3.20%

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In developing the expected long-term rate of return on plan assets at each measurement date, the Company considers the plan assets' historical returns, asset allocations, and the anticipated future economic environment and long-term performance of the asset classes. While appropriate consideration is given to recent and historical investment performance, the assumption represents management's best estimate of the long-term prospective return.

## Cash Flows

The Company expects to contribute \$4.1 million and \$0.0 million to the U.S. and International pension plans, respectively during the calendar year 2019.

The following table provides the benefits expected to be paid (inclusive of benefits attributable to estimated future employee service) in each of the next five years, and in the aggregate for the five years thereafter:

	U.S. Pension Benefits	International Pension Benefits
(In millions)		
2019	\$ 4.0	\$ 2.7
2020	3.8	2.7
2021	4.3	2.8
2022	5.2	2.8
2023	4.7	2.9
Years 2024 - 2028	28.3	15.6

## Pension Plan Assets

The Company's investment objectives for its U.S. defined benefit pension plan investments are: (1) to preserve the value of its principal; (2) to maximize a real long-term return with respect to the plan assets consistent with minimizing risk; (3) to achieve and maintain adequate asset coverage for accrued benefits under the plan; and (4) to maintain sufficient liquidity for payment of the plan obligations and expenses. The Company uses a diversified allocation of equity, debt, commodity and real estate exposures that are customized to the plan's cash flow benefit needs. The target allocations for U.S. plan assets are as follows:

## U.S. Target

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Asset Category	Allocation
Fixed(1)	15%
Equity Securities—U.S.	30%
Equity Securities—International	15%
Collective trust fund	25%
Private Real Estate	15%
	100%

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(1) Includes U.S. Treasury Securities and Bond market fund.

The international pension benefit plans do not have an established asset target allocation for 2017.

Valuation Techniques. The fair values classified within Level 1 of the valuation hierarchy were determined using quoted market prices from actively traded markets. The fair values classified within Level 2 of the valuation hierarchy included pooled separate accounts and collective trust funds, which valuations were based on market prices for the underlying instruments that were observable in the market or could be derived by observable market data from independent external valuation information.

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The fair value of the U.S. pension plan assets at December 31, 2018, by asset class is as follows:

(In millions)	Total Carrying Value at December 31, 2018	Fair Value Measurements at December 31, 2018 Using		
		Quoted prices active markets	Significant other observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Cash and cash equivalents	\$ 0.4	\$ 0.4	\$ —	\$ —
Equity securities:				
U.S. companies	1.3	1.3	—	—
International companies	1.0	1.0	—	—
Bond market fund	1.4	1.4	—	—
Private real estate	9.0	—	9.0	—
Investments at net asset value(1)	50.1	—	—	—
Total assets at fair value	\$ 63.2	\$ 4.1	\$ 9.0	\$ —

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

The fair value of the International Pension Benefits assets at December 31, 2018, by asset class is as follows:

(In millions)	Total Carrying Value at December 31, 2018	Fair Value Measurements at December 31, 2018 Using		
		Quoted prices active markets	Significant other observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Cash and cash equivalents	\$ 0.9	\$ 0.9	\$ —	\$ —
Bond market fund	80.0	—	80.0	—
Private real estate	0.1	—	0.1	—
Investments at net asset value(1)	26.2	—	—	—
Total assets at fair value	\$ 107.2	\$ 0.9	\$ 80.1	\$ —

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

The fair value of the U.S. pension plan assets at December 31, 2017, by asset class is as follows:

Fair Value Measurements at December 31, 2017  
Using

Quoted prices for identical assets and liabilities in active markets  
Significant other observable inputs  
Significant unobservable inputs

(In millions)	Total Carrying Value at December 31, 2017	(Level 1)	(Level 2)	(Level 3)
Cash and cash equivalents	\$ 0.1	\$ 0.1	\$ —	\$ —
Equity securities:				
U.S. companies	1.8	1.8	—	—
International companies	1.3	1.3	—	—
Bond market fund	1.4	1.4	—	—
Private real estate	9.7	—	9.7	—
Investments at net asset value(1)	55.9	—	—	—
Total assets at fair value	\$ 70.2	\$ 4.6	\$ 9.7	\$ —

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

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The fair value of the International Pension Benefits assets at December 31, 2017, by asset class is as follows:

(In millions)	Total Carrying Value at December 31, 2017	Fair Value Measurements at December 31, 2017 Using		
		Quoted prices for identical active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	\$ 0.5	\$ 0.5	\$ —	\$ —
Bond market fund	83.4	—	83.4	—
Private real estate	6.4	—	6.4	—
Investments at net asset value(1)	30.8	—	—	—
Total assets at fair value	\$ 121.1	\$ 0.5	\$ 89.8	\$ —

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

#### Defined Contribution Plan

The Company sponsors a voluntary 401(k) savings plan covering certain U.S. employees age 21 or older and who are not covered by a collective bargaining agreement. Under the Company's 401(k) Savings Plan, the Company matches 100% of each eligible employee's elective contributions up to 3% and 50% of contributions up to 5% of the employee's eligible compensation. The Company's expense under the 401(k) savings plan was \$5.3 million, \$4.4 million, and \$3.5 million for the years ended December 31, 2018, December 31, 2017 and December 31, 2016, respectively.

#### NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Company, in the normal course of business, is a party to various ordinary course claims from vendors (including food and beverage suppliers and film distributors), landlords, competitors, and other legal proceedings. If management believes that a loss arising from these actions is probable and can reasonably be estimated, the Company records the amount of the loss, or the minimum estimated liability when the loss is estimated using a range and no point is more probable than another. As additional information becomes available, any potential liability related to these actions is assessed and the estimates are revised, if necessary. Management believes that the ultimate outcome of such matters, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or overall trends in results of operations. However, litigation and claims are subject to inherent uncertainties and unfavorable outcomes can occur. An unfavorable outcome might include monetary damages. If an unfavorable outcome were to occur, there exists the possibility of a material adverse impact on the results of operations in the period in which the



outcome occurs or in future periods.

On January 12, 2018 and January 19, 2018, two putative federal securities class actions, captioned Hawaii Structural Iron workers Pension Trust Fund v. AMC Entertainment Holdings, Inc., et al., Case No. 1:18-cv-00299-AJN (the “Hawaii Action”), and Nichols v. AMC Entertainment Holdings, Inc., et al., Case No. 1:18-cv-00510-AJN (the “Nichols Action,” and together with the Hawaii Action, the “Actions”), respectively, were filed against the Company in the U.S. District Court for the Southern District of New York. The Actions, which name certain of the Company’s officers and directors and, in the case of the Hawaii Action, the underwriters of the Company’s February 8, 2017 secondary public offering, as defendants, asserted claims under some or all of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 with respect to alleged material misstatements and omissions in the registration statement for the secondary public offering and in certain other public disclosures. On May 30, 2018, the court consolidated the Actions and appointed the International Union of Operating Engineers Pension Fund of Eastern Pennsylvania and Delaware as lead plaintiff. On August 13, 2018, lead plaintiff and additional named plaintiff Hawaii Structural Iron Workers Pension Trust Fund (“Plaintiffs”) filed an Amended Class Action Complaint. On November 21, 2018, Plaintiffs filed a Second Amended Class Action Complaint.

On May 21, 2018, a stockholder derivative complaint, captioned Gantulga v. Aron, et al., Case No. 2:18-cv-02262-JAR-TJJ (the “Gantulga Action”), was filed against certain of the Company’s officers and directors in the U.S. District Court for the District of Kansas. The Gantulga Action, which was filed on behalf of the Company, asserts claims under Section 14(a) of the Securities Exchange Act of 1934 and for breaches of fiduciary duty and unjust enrichment based on allegations substantially similar to the Actions. On August 27, 2018, defendants and the Company as nominal

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defendant filed a motion to dismiss or, in the alternative, to transfer the action to the U.S. District Court for the Southern District of New York. On September 17, 2018, plaintiff filed an amended complaint. On October 12, 2018, the parties filed a joint motion to transfer the action to the U.S. District Court for the Southern District of New York, which the court granted on October 15, 2018. When the action was transferred to the Southern District of New York, it was re-captioned Gantulga v. Aron, et al., Case No. 1:18-cv-10007-AJN. The parties filed a joint stipulation to stay the action, which the court granted on December 17, 2018.

The Company remains contingently liable for lease payments under certain leases of theatres that it previously divested, in the event that such assignees are unable to fulfill their future lease payment obligations. Due to the variety of remedies available, the Company believes that if the current tenant defaulted on the leases it would not have a material effect on the Company's financial condition, results of operations or cash flows.

## NOTE 14 – THEATRE AND OTHER CLOSURE AND DISPOSITION OF ASSETS

The Company has provided reserves for estimated losses from theatres and screens which have been permanently closed and vacant space with no right to future use. As of December 31, 2018, the Company reserved \$18.1 million for lease terminations which have either not been consummated or paid, related primarily to nine theatres and certain vacant restaurant space. The Company is obligated under long-term lease commitments with remaining terms of up to 10 years for theatres which have been closed. As of December 31, 2018, base rents aggregated approximately \$5.9 million annually and \$18.8 million over the remaining terms of the leases.

A rollforward of reserves for theatre and other closure is as follows:

(In millions)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Beginning balance, December 31, 2018, December 31, 2017 and December 31, 2016, respectively	\$ 27.5	\$ 34.6	\$ 43.0
Theatre and other closure expense	2.7	3.0	5.2
Transfer of assets and liabilities	1.0	1.2	—
Foreign currency translation adjustment	(0.5)	1.0	(1.4)
Cash payments	(12.6)	(12.3)	(12.2)
Ending balance	\$ 18.1	\$ 27.5	\$ 34.6

The Company recognized theatre and other closure expense of \$2.7 million, \$3.0 million, and \$5.2 million, during the years ended December 31, 2018, December 31, 2017, and December 31, 2016, respectively. Theatre and other closure expense included the accretion on previously closed properties with remaining lease obligations.

In the accompanying Consolidated Balance Sheets, the current portion of the theatre and other closure ending balance of \$5.6 million was included with accrued expenses and other liabilities and the long-term portion of the theatre and other closure ending balance of \$12.5 million was included with other long-term liabilities. See Note 7 – Supplemental Balance Sheet Information for further information.

Theatre and other closure reserves for leases that have not been terminated were recorded at the present value of the future contractual commitments for the base rents, taxes and maintenance. As of December 31, 2018, the future lease obligations are discounted at annual rates ranging from 6.0% to 9.0%.

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## NOTE 15 – FAIR VALUE MEASUREMENTS

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts business. The inputs used to develop these fair value measurements are established in a hierarchy, which ranks the quality and reliability of the information used to determine the fair values. The fair value classification is based on levels of inputs. Assets and liabilities that are carried at fair value are classified and disclosed in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Recurring Fair Value Measurements. The following table summarizes the fair value hierarchy of the Company's financial assets carried at fair value on a recurring basis:

(In millions)	Total Carrying Value at December 31, 2018	Fair Value Measurements at December 31, 2018 Using		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Other long-term assets:				
Money market mutual funds	\$ 0.5	\$ 0.5	\$ —	\$ —
Equity securities, available-for-sale:				
Derivative asset	55.7	—	—	55.7
Investments measured at net asset value (1)	9.6	—	—	—
Total assets at fair value	\$ 65.8	\$ 0.5	\$ —	\$ 55.7
Other long-term liabilities:				
Derivative liability	\$ 24.0	\$ —	\$ —	\$ 24.0
Total liabilities at fair value	\$ 24.0	\$ —	\$ —	\$ 24.0

(In millions)	Total Carrying Value at	Fair Value Measurements at December 31, 2017 Using		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)

Explanation of Responses:

	December 31, 2017 (1)			
Other long-term assets:				
Money market mutual funds	\$ 0.6	\$ 0.6	\$ —	\$ —
Equity securities, available-for-sale:				
Investments measured at net asset value(1)	9.8	—	—	—
Total assets at fair value	\$ 10.4	\$ 0.6	\$ —	\$ —

(1) The investments relate to a non-qualified deferred compensation arrangement on behalf of certain management. The Company has an equivalent liability for this related-party transaction recorded in other long-term liabilities for the deferred compensation obligation. These investments are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

Valuation Techniques. The Company's money market mutual funds are invested in funds that seek to preserve principal, are highly liquid, and therefore are recorded on the balance sheet at the principal amounts deposited, which equals fair value. The equity securities, available-for-sale, primarily consist of common stock and mutual funds invested in equity, fixed income, and international funds and are measured at fair value using quoted market prices. See Note 17 – Accumulated Other Comprehensive Income for the unrealized gain on equity securities recorded in accumulated other comprehensive income.

On September 14, 2018, the Company issued Convertible Notes due 2024 with a conversion feature that gave rise to an embedded derivative instrument and a stock purchase and cancellation agreement that gave rise to a derivative asset (See Note 8 – Corporate Borrowings). The derivative features have been valued using a Monte Carlo simulation

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approach. The Monte Carlo simulation approach consists of simulated common stock prices from the valuation date to the maturity of the Convertible Notes and to September 14, 2020 for the contingent call option for forfeiture shares. Increases or decreases in the Company's share price, the volatility of the share price, the passage of time, risk-free interest rate, discount yield, and dividend yield will all impact the value of the derivative instruments. The Company re-values the derivative instruments at the end of each reporting period and any changes are recorded in other expense (income) in the consolidated statements of operations.

The following table summarizes the fair value hierarchy of the Company's assets that were measured at fair value on a nonrecurring basis:

		Fair Value Measurements at December 31, 2018 Using			
		Significant other observable inputs		Significant unobservable inputs	Total
		Quoted prices for identical assets in active markets	Significant other observable inputs	Significant unobservable inputs	Total
(In millions)	Total Carrying Value at December 31, 2018	(Level 1)	(Level 2)	(Level 3)	Losses
Property, net:					
Property owned, net	\$ 17.3	\$ —	\$ —	\$ 17.3	\$ 13.8

  

		Fair Value Measurements at December 31, 2017 Using			
		Significant other observable inputs		Significant unobservable inputs	Total
		Quoted prices for identical assets in active markets	Significant other observable inputs	Significant unobservable inputs	Total
(In millions)	Total Carrying Value at December 31, 2017	(Level 1)	(Level 2)	(Level 3)	Losses
Property, net:					
Property owned, net	\$ 7.7	\$ —	\$ —	\$ 7.7	\$ 43.6

Long-lived assets held and used and a favorable lease were considered impaired and were written down to their fair value at December 31, 2018 and December 31, 2017 of \$17.3 million and \$7.7 million, respectively.

Other Fair Value Measurement Disclosures. The following table summarizes the fair value of financial instruments that are not recognized at fair value in the statement of financial position for which it is practicable to estimate that value:

Fair Value Measurements at December 31, 2018 Using	
Significant other	Significant

Explanation of Responses:

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	Total Carrying Value at December 31, 2018	Quoted prices for active markets (Level 1)	Observable inputs (Level 2)	unobservable inputs (Level 3)
(In millions)				
Current maturities of corporate borrowings	\$ 15.2	\$ —	\$ 13.4	\$ 1.4
Corporate borrowings	4,707.8	—	3,909.2	475.2

	Total Carrying Value at December 31, 2017	Fair Value Measurements at December 31, 2017 Using Quoted prices for active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(In millions)				
Current maturities of corporate borrowings	\$ 15.2	\$ —	\$ 14.0	\$ 1.4
Corporate borrowings	4,220.1	—	4,304.9	1.4

Valuation Technique. Quoted market prices and observable market based inputs were used to estimate fair value for level 2 inputs. The level 3 fair value measurement represents the transaction price of the corporate borrowings under market conditions. On September 14, 2018, the Company issued \$600.0 million of Convertible Notes due 2024. These notes were issued by private placement, as such there is no observable market for these Convertible Notes. The Company valued these notes at principal value less a discount reflecting a market yield to maturity. See Note 8 – Corporate Borrowings for further information.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments.

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## NOTE 16 – OPERATING SEGMENTS

The Company reports information about operating segments in accordance with ASC 280-10, Segment Reporting, which requires financial information to be reported based on the way management organizes segments within a company for making operating decisions and evaluating performance. Beginning with the Company's acquisition of Odeon in 2016, the Company has identified two reportable segments for its theatrical exhibition operations, U.S. markets and International markets. The International markets reportable segments consist of two operating segments (Odeon Theatres and Nordic Theatres) with operations in or partial interest in theatres in the United Kingdom, Germany, Spain, Italy, Ireland, Austria, Portugal, Sweden, Finland, Estonia, Latvia, Lithuania, Norway, and Denmark. Each segment's revenue is derived from admissions, food and beverage sales and other ancillary revenues, primarily screen advertising, AMC Stubs® membership fees, ticket sales, gift card income and exchange ticket income. The two international operating segments, Odeon Theatres and Nordic Theatres, are combined into one reportable segment (International markets) because they have similar economic characteristics and meet the aggregation criteria described in the accounting guidance for segment reporting. The measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, as defined in the reconciliation table below. The Company does not report asset information by segment because that information is not used to evaluate the performance of or allocate resources between segments.

Below is a breakdown of select financial information by reportable operating segment:

	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Revenues (In millions)			
U.S. markets	\$ 4,013.2	\$ 3,723.5	\$ 3,117.0
International markets	1,447.6	1,355.7	118.9
Total revenues	\$ 5,460.8	\$ 5,079.2	\$ 3,235.9
	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Adjusted EBITDA (1) (In millions)			
U.S. markets (2)	\$ 700.5	\$ 610.0	\$ 573.6
International markets	228.7	212.5	28.4
Total Adjusted EBITDA	\$ 929.2	\$ 822.5	\$ 602.0
	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Capital Expenditures (In millions)			
U.S. markets	\$ 395.6	\$ 543.7	\$ 412.7



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International markets	180.7	83.1	9.0
Total capital expenditures	\$ 576.3	\$ 626.8	\$ 421.7

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(1) The Company presents Adjusted EBITDA as a supplemental measure of its performance. The Company defines Adjusted EBITDA as net earnings (loss) plus (i) income tax provision, (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that the Company does not consider indicative of the Company's ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in international markets and any cash distributions of earnings from its other equity method investees. The measure of segment profit and loss the Company uses to evaluate performance and allocate its resources is Adjusted EBITDA, which is consistent with how Adjusted EBITDA is defined in the Company's debt indentures.

(2) Distributions from NCM are reported entirely within the U.S. markets segment.

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## Financial Information About Geographic Area:

	Year Ended		
	December 31,	December 31,	December 31,
Revenues (In millions)	2018	2017	2016
United States	\$ 4,013.2	\$ 3,723.5	\$ 3,117.0
United Kingdom	513.5	509.8	56.9
Spain	193.9	187.1	20.0
Sweden	192.1	154.2	—
Italy	178.5	185.5	21.0
Germany	114.3	129.7	14.1
Finland	101.7	77.3	—
Ireland	40.7	38.5	3.2
Other foreign countries	112.9	73.6	3.7
Total	\$ 5,460.8	\$ 5,079.2	\$ 3,235.9

	As of	As of
	December 31,	December
Long-term assets, net (In millions)	2018	31, 2017
United States	\$ 5,826.5	\$ 5,866.8
International	2,888.0	3,066.7
Total long-term assets (1)	\$ 8,714.5	\$ 8,933.5

(1) Long-term assets are comprised of property, intangible assets, goodwill, deferred income tax assets and other long-term assets.

The following table sets forth a reconciliation of net earnings (loss) to Adjusted EBITDA:

	Year Ended		
(In millions)	December 31, 2018	December 31, 2017	December 31, 2016
Net earnings (loss)	\$ 110.1	\$ (487.2)	\$ 111.7
Plus:			
Income tax provision (benefit)	13.6	154.1	38.0
Interest expense	342.3	274.0	121.5
Depreciation and amortization	537.8	538.6	268.2

Explanation of Responses:

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Impairment of long-lived assets	13.8	43.6	5.5
Certain operating expenses (1)	24.0	20.6	20.2
Equity in (earnings) loss of non-consolidated entities (2)	(86.7)	185.2	(47.7)
Cash distributions from non-consolidated entities (3)	35.2	45.4	40.1
Attributable EBITDA (4)	7.3	3.4	—
Investment income	(6.2)	(22.6)	(10.2)
Other expense (income) (5)	(108.2)	(1.3)	—
General and administrative — unallocated:			
Merger, acquisition and transaction costs (6)	31.3	63.0	47.9
Stock-based compensation expense (7)	14.9	5.7	6.8
Adjusted EBITDA	\$ 929.2	\$ 822.5	\$ 602.0

(1) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens including the related accretion of interest, non-cash deferred digital equipment rent expense, and disposition of assets and other non-operating gains or losses included in operating expenses. The Company has excluded these items as they are non-cash in nature, include components of interest cost for the time value of money or are non-operating in nature.

(2) During the year ended December 31, 2018, the Company recorded equity in earnings related to AMC's sale of all remaining NCM units of \$28.9 million and a gain of \$30.1 million related to the Screenvision merger. Equity in earnings of non-consolidated entities also includes loss on the surrender (disposition) of a portion of AMC's investment in NCM of \$1.1 million during the year ended December 31, 2018. Equity in (earnings) loss of non-

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consolidated entities includes a lower of carrying value or fair value impairment loss of the held-for sale portion of our investment in NCM of \$16.0 million for the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes an other-than-temporary impairment charge of \$208.0 million to reduce the carrying value of the Company's investment in NCM to Level 1 fair value during the year ended December 31, 2017. An other-than-temporary impairment charge of \$204.5 million was recorded on the Company's units and shares at the publicly quoted per share price on June 30, 2017, of \$7.42 and an other-than-temporary impairment charge of \$3.5 million was recorded on the Company's units and shares at the publicly quoted per share price on December 31, 2017 of \$6.86, based on the Company's determination that the decline in the price per share during the respective quarters was other than temporary. Equity in (earnings) loss of non-consolidated entities includes loss on the sale of a portion of the Company's investment in NCM of \$22.2 million during the year ended December 31, 2017.

- (3) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. The Company believes including cash distributions is an appropriate reflection of the contribution of these investments to the Company's operations.
- (4) Attributable EBITDA includes the EBITDA from minority equity investments in theatre operators in certain international markets. See below for a reconciliation of the Company's equity earnings of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where the Company holds a significant market share, the Company believes attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. The Company also provides services to these theatre operators including information technology systems, certain on-screen advertising services and our gift card and package ticket program. As these investments relate only to the Company's Nordic acquisition, the second quarter of 2017 represents the first time the Company has made this adjustment and does not impact prior historical presentations of Adjusted EBITDA.

(In millions)	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Equity in (earnings) loss of non-consolidated entities	\$ (86.7)	\$ 185.2	\$ (47.7)
Less:			
Equity in (earnings) loss of non-consolidated entities excluding international theatre JV's	(81.9)	187.0	(47.7)
Equity in earnings (loss) of International theatre JV's	4.8	1.8	—
Income tax provision	0.4	—	—
Investment income	(0.5)	—	—
Depreciation and amortization	2.6	1.6	—
Attributable EBITDA	\$ 7.3	\$ 3.4	\$ —

- (5) Other expense (income) for the year ended December 31, 2018 includes financing losses and financing related foreign currency transaction losses. During the year ended December 31, 2018, the Company recorded a gain of \$111.4 million as a result of a decrease in fair value of our derivative liability and an increase in fair value of our derivative asset for the Convertible Notes due 2024. Other income for the year ended December 31, 2017 includes \$3.0 million financing related foreign currency transaction gains, partially offset by \$1.3 million in fees relating to third-party fees related to the Third Amendment to the Company's Senior Secured Credit Agreement, and a

\$0.4 million loss on the redemption of the Bridge Loan Facility.

(6) Merger, acquisition and transition costs are excluded as they are non-operating in nature.

(7) Non-cash or non-recurring expense included in general and administrative: other

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## NOTE 17 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The following tables present the change in accumulated other comprehensive income (loss) by component:

		Pension and	Gain from	Unrealized Net Net Gain from Equity Method Investees' Cash Flow Hedge	
(In millions)	Foreign	Other	Marketable		Total
Balance, December 31, 2017	Currency \$ 129.9	Benefits (1) \$ (6.6)	Securities \$ 0.6		\$ 125.6
Other comprehensive income (loss) before reclassifications	(127.7)	4.2	—	0.2	(123.3)
Amounts reclassified from accumulated other comprehensive income	1.0	—	—	(2.2)	(1.2)
Other comprehensive income (loss)	(126.7)	4.2	—	(2.0)	(124.5)
Adoption of ASU 2016-01 - reclassification to retained earnings	—	—	(0.6)	—	(0.6)
Adoption of ASU 2018-02 - reclassification to retained earnings	4.0	0.6	—	0.4	5.0
Balance, December 31, 2018	\$ 7.2	\$ (1.8)	\$ —	\$ 0.1	\$ 5.5

		Pension and	Gain from	Unrealized Net Net Gain from Equity Method Investees' Cash Flow Hedge	
(In millions)	Foreign	Other	Marketable		Total
Balance, December 31, 2016	Currency \$ (1.8)	Benefits (1) \$ (3.6)	Securities \$ 0.3		\$ (2.5)
Other comprehensive income before reclassifications	131.7	—	0.7	—	132.4
Amounts reclassified from accumulated other comprehensive income	—	(3.0)	(0.4)	(0.9)	(4.3)
Other comprehensive income (loss)	131.7	(3.0)	0.3	(0.9)	128.1

Explanation of Responses:

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Balance, December 31, 2017	\$ 129.9	\$ (6.6)	\$ 0.6	\$ 1.7	\$ 125.6
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(1) See Note 12 – Employee Benefit Plans for further information regarding amounts reclassified from accumulated other comprehensive income.

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The tax effects allocated to each component of other comprehensive income (loss) is as follows:

	Year Ended December 31, 2018			December 31, 2017			December 31, 2016		
	Pre-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Pre-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
(In millions)									
Unrealized foreign currency translation adjustment (1)	\$ (127.5)	\$ (0.2)	\$ (127.7)	\$ 142.6	\$ (10.9)	\$ 131.7	\$ (3.1)	\$ (0.8)	\$ (3.9)
Realized loss on foreign currency transactions	1.0	—	1.0	—	—	—	—	—	—
Pension and other benefit adjustments:									
Net gain (loss) arising during the period	3.8	0.4	4.2	(2.6)	(0.4)	(3.0)	(0.5)	0.2	(0.3)
Marketable securities:									
Unrealized net holding gain (loss) arising during the period	—	—	—	1.2	(0.5)	0.7	1.0	(0.4)	0.6
Realized net gain reclassified into investment expense (income)	—	—	—	(0.6)	0.2	(0.4)	(3.0)	1.2	(1.8)
Equity method investees' cash flow hedge:									
Unrealized net holding gain (loss) arising during the period	0.2	—	0.2	—	—	—	(0.5)	0.2	(0.3)
Realized net (gain) loss reclassified into equity in earnings of non-consolidated entities	(2.2)	—	(2.2)	(1.5)	0.6	(0.9)	0.5	(0.1)	0.4
Other comprehensive	\$ (124.7)	\$ 0.2	\$ (124.5)	\$ 139.1	\$ (11.0)	\$ 128.1	\$ (5.6)	\$ 0.3	\$ (5.3)

Explanation of Responses:



income (loss)

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- (1) Deferred tax impacts of foreign currency translation for the Odeon and Nordic international operations acquired during 2016 and 2017 have not been recorded due to the Company's intent to remain permanently invested.

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## NOTE 18 – EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net earnings (loss) by the weighted-average number of common shares outstanding. Diluted earnings per share includes the effects of unvested RSU's with a service condition only and unvested contingently issuable RSUs that have service and performance conditions, if dilutive, as well as potential dilutive shares from the conversion feature of the Convertible Notes due 2024, if dilutive.

The following table sets forth the computation of basic and diluted earnings (loss) per common share:

(In millions)	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Numerator:			
Net earnings (loss) for basic earnings (loss) per share	\$ 110.1	\$ (487.2)	\$ 111.7
Calculation of Net earnings for diluted earnings (loss) per share			
Marked-to-market (gain) on derivative liability	(66.4)	—	—
Interest expense for Convertible Notes due 2024	9.7	—	—
Net earnings available for diluted earnings	\$ 53.4	\$ (487.2)	\$ 111.7
Denominator (shares in thousands):			
Weighted average shares for basic earnings per common share	120,621	128,246	98,838
Common equivalent shares for RSUs and PSUs	29	—	34
Common equivalent shares if converted: convertible notes 2024	9,455	—	—
Weighted average shares for diluted earnings per common share	130,105	128,246	98,872
Basic earnings (loss) per common share:	\$ 0.91	\$ (3.80)	\$ 1.13
Diluted earnings (loss) per common share:	\$ 0.41	\$ (3.80)	\$ 1.13

Vested RSUs and PSU's have dividend rights identical to the Company's Class A and Class B common stock and are treated as outstanding shares for purposes of computing basic and diluted earnings per share. Certain unvested RSUs and unvested PSUs are subject to performance conditions and are included in diluted earnings per share, if dilutive, based on the number of shares, if any, that would be issuable under the terms of the Company's 2013 Equity Incentive Plan if the end of the reporting period were the end of the contingency period. During the year ended December 31, 2018 unvested PSUs of 364,269 at the minimum performance target were not included in the computation of diluted earnings per share because they would not be issuable if the end of the reporting period were the end of the contingency period and unvested RSU's of 210,558 were not included in the computation of diluted earnings per share because they would not be issuable if the end of the reporting period were the end of the contingency period or they would be anti-dilutive. During the year ended December 31, 2017 unvested PSUs and Transition PSUs of 187,468 at the minimum performance target and unvested performance based RSU's of 88,194 were not included in the computation of diluted loss because they would anti-dilutive. During the year ended December 31, 2016, unvested PSUs of 83,477 at the minimum performance target and unvested performance based RSU's of 90,654 were not

included in the computation of diluted earnings per share as vesting conditions were not met at the end of the reporting period.

The Company uses the if-converted method for calculating any potential dilutive effect of the Convertible Notes due 2024 that were issued on September 14, 2018. The Company has adjusted net earnings for the year ended December 31, 2018 to eliminate the interest expense and the gain for the derivative liability related to the Convertible Notes due 2024 of \$9.7 million and \$66.4 million, respectively in the computation of diluted earnings per share. The Company has included in diluted weighted average shares approximately 9.5 million shares upon conversion for the year ended December 31, 2018, as the effects are dilutive. Based on the current conversion price of \$18.95 per share the Convertible Notes due 2024 are convertible into 31,662,269 Class A common shares.

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## NOTE 19 – SUPPLEMENTAL FINANCIAL INFORMATION BY QUARTER (UNAUDITED)

	2018 Quarter Ended March 31,	Quarter Ended June 30,	Quarter Ended September 30,	Quarter Ended December 31,	Year Ended December 31,
(In millions, except per share data)	2018	2018	2018	2018	2018
Total revenues	\$ 1,383.6	\$ 1,442.5	\$ 1,221.4	\$ 1,413.3	\$ 5,460.8
Operating income (loss)	109.9	89.7	(21.9)	87.3	265.0
Net earnings (loss) (1)	\$ 17.7	\$ 22.2	\$ (100.4)	\$ 170.6	\$ 110.1
Basic earnings (loss) per share:	\$ 0.14	\$ 0.17	\$ (0.82)	\$ 1.65	\$ 0.91
Diluted earnings (loss) per share:	\$ 0.14	\$ 0.17	\$ (0.82)	\$ 0.43	\$ 0.41
Weighted average shares outstanding: (in thousands)					
Basic	128,046	128,039	123,126	103,514	120,621
Diluted	128,046	128,105	123,126	135,450	130,105

(1) In the fourth quarter of calendar 2018, the Company recorded \$165.5 million of other income related to derivative assets and liabilities. See Note 8 – Corporate Borrowings and Capital and Financing Lease Obligations for a discussion of the derivative asset and derivative liability gains.

	2017 Quarter Ended March 31,	Quarter Ended June 30,	Quarter Ended September 30,	Quarter Ended December 31,	Year Ended December 31,
(In millions, except per share data)	2017	2017	2017	2017	2017
Total revenues	\$ 1,281.4	\$ 1,202.3	\$ 1,178.7	\$ 1,416.8	\$ 5,079.2
Operating income (loss)	55.3	(19.5)	(4.1)	70.3	102.0
Net earnings (1)	\$ 8.4	\$ (176.5)	\$ (42.7)	\$ (276.4)	\$ (487.2)
Basic earnings (loss) per share:	\$ 0.07	\$ (1.35)	\$ (0.33)	\$ (2.14)	\$ (3.80)
Diluted earnings (loss) per share:	\$ 0.07	\$ (1.35)	\$ (0.33)	\$ (2.14)	\$ (3.80)
Weighted average shares outstanding: (in thousands)					
Basic	121,358	131,166	131,077	129,265	128,246
Diluted	121,401	131,166	131,077	129,265	128,246

Explanation of Responses:

- (1) In the fourth quarter of calendar 2017, the Company recorded the impact of the change in the U.S. enacted federal income tax rate from 35% to 21% which reduced its deferred tax assets. In the fourth quarter and in connection with the preparation of its 2017 consolidated financial statements, the Company also determined that realization of its deferred tax assets in the U.S. tax jurisdictions was not more likely than not, primarily as a result of cumulative net losses recorded for three years and the Company recorded a full valuation allowance for its deferred tax assets in U.S. tax jurisdictions. As a result of the change in enacted tax rate and recording a full valuation allowance for the Company's deferred tax assets in U.S. tax jurisdictions, the Company recorded a charge to its income tax provision in the fourth quarter of approximately \$310.0 million.

#### NOTE 20 – SUBSEQUENT EVENTS

On February 15, 2019, Holdings' Board of Directors declared a cash dividend in the amount of \$0.20 per share on Class A and Class B common stock, payable on March 25, 2019 to stockholders of record on March 11, 2019.

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## NOTE 21 – CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Years Ended December 31, 2018, December 31, 2017, and December 31, 2016

The accompanying condensed consolidating financial information has been prepared and presented pursuant to SEC Regulation S-X Rule 3-10, Financial statements of guarantors and issuers of guaranteed securities registered or being registered. Each of the subsidiary guarantors are 100% owned by Holdings. The subsidiary guarantees of the Company's Notes due 2022, the Sterling Notes due 2024, the Convertible Notes due 2024, the Notes due 2025, Notes due 2026, and the Notes due 2027 are full and unconditional and joint and several and subject to customary release provisions. The Company and its subsidiary guarantors' investments in its consolidated subsidiaries are presented under the equity method of accounting.

## Consolidating Statement of Operations

Year Ended December 31, 2018:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Revenues					
Admissions	\$ —	\$ 2,006.5	\$ 1,378.5	\$ —	\$ 3,385.0
Food and beverage	—	1,041.7	629.8	—	1,671.5
Other theatre	—	227.5	176.8	—	404.3
Total revenues	—	3,275.7	2,185.1	—	5,460.8
Operating costs and expenses					
Film exhibition costs	—	1,091.9	618.3	—	1,710.2
Food and beverage costs	—	156.8	114.1	—	270.9
Operating expense, excluding depreciation and amortization	—	931.4	723.3	—	1,654.7
Rent	—	484.1	313.7	—	797.8
General and administrative: Merger, acquisition and transaction costs	—	16.8	14.5	—	31.3
Other, excluding depreciation and amortization	—	112.5	66.8	—	179.3
Depreciation and amortization	—	285.4	252.4	—	537.8
Impairment of long-lived assets	—	6.1	7.7	—	13.8
Operating costs and expenses	—	3,085.0	2,110.8	—	5,195.8
Operating income	—	190.7	74.3	—	265.0
Other expense (income):	(14.5)	(75.4)	—	89.9	—

Explanation of Responses:

Equity in net earnings of subsidiaries					
Other expense (income)	(110.5)	1.7	0.7	—	(108.1)
Interest expense:					
Corporate borrowings	256.7	263.1	5.9	(263.4)	262.3
Capital and financing lease obligations	—	6.8	31.7	—	38.5
Non-cash NCM exhibitor service agreement	—	41.5	—	—	41.5
Equity in earnings of non-consolidated entities	—	(50.5)	(36.2)	—	(86.7)
Investment income	(241.8)	(27.1)	(0.7)	263.4	(6.2)
Total other expense (income)	(110.1)	160.1	1.4	89.9	141.3
Earnings before income taxes	110.1	30.6	72.9	(89.9)	123.7
Income tax provision (benefit)	—	16.1	(2.5)	—	13.6
Net earnings	\$ 110.1	\$ 14.5	\$ 75.4	\$ (89.9)	\$ 110.1

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## Consolidating Statement of Operations

Year Ended December 31, 2017:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Revenues					
Admissions	\$ —	\$ 1,906.1	\$ 1,323.4	\$ —	\$ 3,229.5
Food and beverage	—	956.1	592.3	—	1,548.4
Other theatre	—	168.1	133.2	—	301.3
Total revenues	—	3,030.3	2,048.9	—	5,079.2
Operating costs and expenses					
Film exhibition costs	—	1,001.8	602.5	—	1,604.3
Food and beverage costs	—	138.9	113.2	—	252.1
Operating expense, excluding depreciation and amortization	—	873.6	674.4	—	1,548.0
Rent	—	496.7	297.7	—	794.4
General and administrative:					
Merger, acquisition and transaction costs	—	58.3	4.7	—	63.0
Other, excluding depreciation and amortization	2.0	81.8	49.4	—	133.2
Depreciation and amortization	—	290.7	247.9	—	538.6
Impairment of long-lived assets	—	43.6	—	—	43.6
Operating costs and expenses	2.0	2,985.4	1,989.8	—	4,977.2
Operating income (loss)	(2.0)	44.9	59.1	—	102.0
Other expense (income):					
Equity in net (earnings) loss of subsidiaries	472.5	(31.9)	—	(440.6)	—
Other expense (income)	—	(0.9)	(0.6)	—	(1.5)
Interest expense:					
Corporate borrowings	230.3	239.0	1.3	(239.0)	231.6
Capital and financing lease obligations	—	7.7	34.7	—	42.4
Equity in (earnings) loss of non-consolidated entities	—	192.2	(7.0)	—	185.2
Investment (income) expense	(217.6)	(43.0)	(1.0)	239.0	(22.6)
Total other expense	485.2	363.1	27.4	(440.6)	435.1
Earnings (loss) before income taxes	(487.2)	(318.2)	31.7	440.6	(333.1)
Income tax provision (benefit)	—	154.3	(0.2)	—	154.1
Net earnings (loss)	\$ (487.2)	\$ (472.5)	\$ 31.9	\$ 440.6	\$ (487.2)



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## Consolidating Statement of Operations

Year Ended December 31, 2016:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Revenues					
Admissions	\$ —	\$ 1,945.1	\$ 104.3	\$ —	\$ 2,049.4
Food and beverage	—	972.9	46.2	—	1,019.1
Other theatre	—	152.4	15.0	—	167.4
Total revenues	—	3,070.4	165.5	—	3,235.9
Operating costs and expenses					
Film exhibition costs	—	1,040.0	49.5	—	1,089.5
Food and beverage costs	—	134.2	8.0	—	142.2
Operating expense, excluding depreciation and amortization	—	830.8	42.7	—	873.5
Rent	—	491.1	14.4	—	505.5
General and administrative:					
Merger, acquisition and transaction costs	—	46.9	1.0	—	47.9
Other, excluding depreciation and amortization	2.0	84.0	4.0	—	90.0
Depreciation and amortization	—	252.9	15.3	—	268.2
Impairment of long-lived assets	—	5.5	—	—	5.5
Operating costs and expenses	2.0	2,885.4	134.9	—	3,022.3
Operating income (loss)	(2.0)	185.0	30.6	—	213.6
Other expense (income):					
Equity in net (earnings) loss of subsidiaries	(119.7)	(32.7)	—	152.4	—
Other expense (income)	—	0.4	(0.1)	—	0.3
Interest expense:					
Corporate borrowings	110.5	123.7	—	(123.5)	110.7
Capital and financing lease obligations	—	8.5	2.3	—	10.8
Equity in earnings of non-consolidated entities	—	(46.9)	(0.8)	—	(47.7)
Investment income	(104.5)	(28.3)	(0.9)	123.5	(10.2)
Total other expense (income)	(113.7)	24.7	0.5	152.4	63.9
Earnings before income taxes	111.7	160.3	30.1	(152.4)	149.7
Income tax provision (benefit)	—	40.6	(2.6)	—	38.0
Net earnings	\$ 111.7	\$ 119.7	\$ 32.7	\$ (152.4)	\$ 111.7

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## Consolidating Statement of Comprehensive Income (Loss)

Year Ended December 31, 2018:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Net earnings	\$ 110.1	\$ 14.5	\$ 75.4	\$ (89.9)	\$ 110.1
Other comprehensive income (loss)					
Equity in other comprehensive income (loss) of subsidiaries	(124.5)	(99.1)	—	223.6	—
Unrealized foreign currency translation adjustment, net of tax	—	(30.7)	(97.0)	—	(127.7)
Realized loss on foreign currency transactions, net of tax	—	1.0	—	—	1.0
Pension and other benefit adjustments:					
Net gain (loss) arising during the period, net of tax	—	6.3	(2.1)	—	4.2
Equity method investees' cash flow hedge:					
Unrealized net holding (loss) gain arising during the period, net of tax	—	0.2	—	—	0.2
Realized net gain reclassified to equity in earnings of non-consolidated entities, net of tax	—	(2.2)	—	—	(2.2)
Other comprehensive loss	(124.5)	(124.5)	(99.1)	223.6	(124.5)
Total comprehensive income (loss)	\$ (14.4)	\$ (110.0)	\$ (23.7)	\$ 133.7	\$ (14.4)

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## Consolidating Statement of Comprehensive Income (Loss)

Year Ended December 31, 2017:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Net earnings (loss)	\$ (487.2)	\$ (472.5)	\$ 31.9	\$ 440.6	\$ (487.2)
Other comprehensive income (loss)					
Equity in other comprehensive income (loss) of subsidiaries	128.1	112.1	—	(240.2)	—
Unrealized foreign currency translation adjustment, net of tax	—	22.0	109.7	—	131.7
Pension and other benefit adjustments:					
Net gain (loss) arising during the period, net of tax	—	(5.4)	2.4	—	(3.0)
Marketable securities:					
Unrealized net holding gain arising during the period, net of tax	—	0.7	—	—	0.7
Realized net gain reclassified into net investment income, net of tax	—	(0.4)	—	—	(0.4)
Equity method investees' cash flow hedge:					
Realized net loss reclassified to equity in earnings of non-consolidated entities, net of tax	—	(0.9)	—	—	(0.9)
Other comprehensive income	128.1	128.1	112.1	(240.2)	128.1
Total comprehensive income (loss)	\$ (359.1)	\$ (344.4)	\$ 144.0	\$ 200.4	\$ (359.1)

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## Consolidating Statement of Comprehensive Income (Loss)

Year Ended December 31, 2016:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Net earnings	\$ 111.7	\$ 119.7	\$ 32.7	\$ (152.4)	\$ 111.7
Other comprehensive income (loss)					
Equity in other comprehensive income (loss) of subsidiaries	(5.3)	(3.6)	—	8.9	—
Unrealized foreign currency translation adjustment, net of tax	—	(0.2)	(3.7)	—	(3.9)
Pension and other benefit adjustments:					
Net gain (loss) arising during the period, net of tax	—	(0.4)	0.1	—	(0.3)
Marketable securities:					
Unrealized net holding gain arising during the period, net of tax	—	0.6	—	—	0.6
Realized net gain reclassified into net investment income, net of tax	—	(1.8)	—	—	(1.8)
Equity method investees' cash flow hedge:					
Unrealized net holding loss arising during the period, net of tax	—	(0.3)	—	—	(0.3)
Realized net loss reclassified into equity in earnings of non-consolidated entities, net of tax	—	0.4	—	—	0.4
Other comprehensive loss	(5.3)	(5.3)	(3.6)	8.9	(5.3)
Total comprehensive income	\$ 106.4	\$ 114.4	\$ 29.1	\$ (143.5)	\$ 106.4

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## Consolidating Balance Sheet

As of December 31, 2018:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Assets					
Current assets:					
Cash and cash equivalents	\$ 0.3	\$ 169.5	\$ 143.5	\$ —	\$ 313.3
Restricted cash	—	—	10.7	—	10.7
Receivables, net	—	157.3	106.6	(4.4)	259.5
Assets held for sale	—	—	—	—	—
Other current assets	—	120.8	77.0	—	197.8
Total current assets	0.3	447.6	337.8	(4.4)	781.3
Investment in equity of subsidiaries	654.3	1,494.8	—	(2,149.1)	—
Property, net	—	1,534.9	1,504.7	—	3,039.6
Intangible assets, net	—	209.6	142.5	—	352.1
Intercompany advances	5,427.0	(3,541.1)	(1,885.9)	—	—
Goodwill	(2.1)	2,422.1	2,368.7	—	4,788.7
Deferred tax asset, net	—	—	97.3	(68.7)	28.6
Other long-term assets	59.8	307.5	138.2	—	505.5
Total assets	\$ 6,139.3	\$ 2,875.4	\$ 2,703.3	\$ (2,222.2)	\$ 9,495.8
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	\$ —	\$ 301.5	\$ 155.6	\$ (4.5)	\$ 452.6
Accrued expenses and other liabilities	31.5	176.4	170.5	0.1	378.5
Deferred revenues and income	—	313.0	101.8	—	414.8
Current maturities of corporate borrowings and capital and financing lease obligations	13.8	11.1	57.3	—	82.2
Total current liabilities	45.3	802.0	485.2	(4.4)	1,328.1
Corporate borrowings	4,696.0	—	11.8	—	4,707.8
Capital and financing lease obligations	—	63.8	429.4	—	493.2
Exhibitor services agreement	—	564.0	—	—	564.0
Deferred tax liability, net	—	86.4	23.9	(68.7)	41.6
Other long-term liabilities	—	704.9	258.2	—	963.1
Total liabilities	4,741.3	2,221.1	1,208.5	(73.1)	8,097.8
Temporary equity	0.4	—	—	—	0.4
Stockholders' equity	1,397.6	654.3	1,494.8	(2,149.1)	1,397.6
Total liabilities and stockholders' equity	\$ 6,139.3	\$ 2,875.4	\$ 2,703.3	\$ (2,222.2)	\$ 9,495.8



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## Consolidating Balance Sheet

As of December 31, 2017:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Assets					
Current assets:					
Cash and cash equivalents	\$ 1.1	\$ 85.0	\$ 223.9	\$ —	\$ 310.0
Restricted cash	—	—	8.3	—	8.3
Receivables, net	0.4	186.4	84.7	—	271.5
Assets held for sale	—	80.0	—	—	80.0
Other current assets	—	118.0	84.6	—	202.6
Total current assets	1.5	469.4	401.5	—	872.4
Investment in equity of subsidiaries	2,450.6	1,513.4	—	(3,964.0)	—
Property, net	—	1,591.1	1,525.4	—	3,116.5
Intangible assets, net	—	218.9	161.6	—	380.5
Intercompany advances	3,914.1	(1,893.3)	(2,020.8)	—	—
Goodwill	(2.1)	2,422.1	2,511.7	—	4,931.7
Deferred tax asset, net	—	—	97.6	(68.7)	28.9
Other long-term assets	5.8	326.5	143.6	—	475.9
Total assets	\$ 6,369.9	\$ 4,648.1	\$ 2,820.6	\$ (4,032.7)	\$ 9,805.9
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	\$ —	\$ 373.7	\$ 195.9	\$ —	\$ 569.6
Accrued expenses and other liabilities	24.2	165.3	161.6	—	351.1
Deferred revenues and income	—	270.8	130.2	—	401.0
Current maturities of corporate borrowings and capital and financing lease obligations	13.8	11.8	62.1	—	87.7
Total current liabilities	38.0	821.6	549.8	—	1,409.4
Corporate borrowings	4,218.7	1.4	—	—	4,220.1
Capital and financing lease obligations	—	73.5	505.4	—	578.9
Exhibitor services agreement	—	530.9	—	—	530.9
Deferred tax liability, net	—	85.3	33.0	(68.7)	49.6
Other long-term liabilities	—	684.8	219.0	—	903.8
Total liabilities	4,256.7	2,197.5	1,307.2	(68.7)	7,692.7
Temporary equity	0.8	—	—	—	0.8
Stockholders' equity	2,112.4	2,450.6	1,513.4	(3,964.0)	2,112.4
Total liabilities and stockholders' equity	\$ 6,369.9	\$ 4,648.1	\$ 2,820.6	\$ (4,032.7)	\$ 9,805.9





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## Consolidating Statement of Cash Flows

Year Ended December 31, 2018:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Cash flows from operating activities:					
Net cash provided by operating activities	\$ 7.2	\$ 247.3	\$ 268.7	\$ —	\$ 523.2
Cash flows from investing activities:					
Capital expenditures	—	(286.0)	(290.3)	—	(576.3)
Proceeds from sale leaseback transactions	—	50.1	—	—	50.1
Proceeds from disposition of NCM	—	162.5	—	—	162.5
Proceeds from Screenvision merger	—	—	45.8	—	45.8
Proceeds from disposition of long-term assets	—	4.8	9.4	—	14.2
Investments in non-consolidated entities, net	—	(11.4)	—	—	(11.4)
Other, net	—	(4.1)	2.0	—	(2.1)
Net cash used in investing activities	—	(84.1)	(233.1)	—	(317.2)
Cash flows from financing activities:					
Proceeds from issuance of Senior Unsecured Convertible Notes due 2024	600.0	—	—	—	600.0
Net borrowings under Revolving Credit Facility	—	—	12.1	—	12.1
Principal payments under Term Loan	(13.8)	—	—	—	(13.8)
Principal payments under capital and financing lease obligations	—	(10.4)	(60.6)	—	(71.0)
Principal payments under promissory note	—	(1.4)	—	—	(1.4)
Cash used to pay deferred financing costs	(15.5)	—	—	—	(15.5)
Cash used to pay dividends	(258.1)	—	—	—	(258.1)
Taxes paid for restricted unit withholdings	(1.7)	—	—	—	(1.7)
Retirement of Class B common stock	(423.6)	—	—	—	(423.6)
Purchase of treasury stock	(21.8)	—	—	—	(21.8)
Change in intercompany advances	167.1	(108.5)	(58.6)	—	—
Net cash provided by (used in) financing activities	32.6	(120.3)	(107.1)	—	(194.8)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(40.6)	41.6	(6.5)	—	(5.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	(0.8)	84.5	(78.0)	—	5.7
Cash and cash equivalents and restricted cash at beginning of period	1.1	85.0	232.2	—	318.3
Cash and cash equivalents and restricted cash at end of period	\$ 0.3	\$ 169.5	\$ 154.2	\$ —	\$ 324.0

Explanation of Responses:



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## Consolidating Statement of Cash Flows

Year Ended December 31, 2017:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Cash flows from operating activities:					
Net cash provided by (used in)					
operating activities	\$ (10.2)	\$ 231.3	\$ 316.3	\$ —	\$ 537.4
Cash flows from investing activities:					
Capital expenditures	—	(407.5)	(219.3)	—	(626.8)
Acquisition of Nordic, net of cash acquired	—	(654.9)	77.3	—	(577.6)
Proceeds from sale leaseback transactions	—	136.2	—	—	136.2
Proceeds from disposition of NCM shares	—	89.0	—	—	89.0
Proceeds from disposition of Open Road	—	9.2	—	—	9.2
Proceeds from disposition of long-term assets	—	10.5	13.6	—	24.1
Investments in non-consolidated entities, net	—	(11.1)	—	—	(11.1)
Other, net	—	(2.1)	(0.2)	—	(2.3)
Net cash used in investing activities	—	(830.7)	(128.6)	—	(959.3)
Cash flows from financing activities:					
Proceeds from the issuance of Senior Subordinated Sterling Notes due 2024	327.8	—	—	—	327.8
Proceeds from the issuance of Senior Subordinated Notes due 2027	475.0	—	—	—	475.0
Payment of Nordic SEK Term Loan	(144.4)	—	—	—	(144.4)
Payment of Nordic EUR Term Loan	(169.5)	—	—	—	(169.5)
Net proceeds from equity offering	616.8	—	—	—	616.8
Principal payment of Bridge Loan due 2017	(350.0)	—	—	—	(350.0)
Principal payments under Term Loan	(12.6)	—	—	—	(12.6)
Principal payments under capital and financing lease obligations	—	(9.5)	(61.2)	—	(70.7)
Principal payments under promissory note	—	(1.4)	—	—	(1.4)
Cash used to pay deferred financing costs	(29.8)	—	(3.8)	—	(33.6)
Cash used to pay dividends	(104.6)	—	—	—	(104.6)
Taxes paid for restricted unit withholdings	(6.5)	—	—	—	(6.5)
Purchase of treasury stock	(34.0)	—	—	—	(34.0)

Explanation of Responses:

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Change in intercompany advances	(616.7)	654.1	(37.4)	—	—
Net cash provided by (used in) financing activities	(48.5)	643.2	(102.4)	—	492.3
Effect of exchange rate changes on cash and cash equivalents and restricted cash	56.8	(53.5)	14.4	—	17.7
Net increase (decrease) in cash and cash equivalents and restricted cash	(1.9)	(9.7)	99.7	—	88.1
Cash and cash equivalents and restricted cash at beginning of period	3.0	94.7	132.5	—	230.2
Cash and cash equivalents and restricted cash at end of period	\$ 1.1	\$ 85.0	\$ 232.2	\$ —	\$ 318.3

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## Consolidating Statement of Cash Flows

Year Ended December 31, 2016:

(In millions)	Holdings	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Holdings
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	\$ 7.3	\$ 438.6	\$ (14.2)	\$ —	\$ 431.7
Cash flows from investing activities:					
Capital expenditures	—	(410.9)	(10.8)	—	(421.7)
Acquisition of Odeon, net of cash acquired	—	(480.3)	64.7	—	(415.6)
Acquisition of Carmike, net of cash acquired	—	(584.3)	86.5	—	(497.8)
Acquisition of Starplex Cinemas, net of cash	—	0.7	—	—	0.7
Proceeds from disposition of long-term assets	—	19.9	—	—	19.9
Investments in non-consolidated entities, net	—	(10.5)	—	—	(10.5)
Other, net	—	(6.5)	—	—	(6.5)
Net cash provided by (used in) investing activities	—	(1,471.9)	140.4	—	(1,331.5)
Cash flows from financing activities:					
Proceeds from the issuance of Term Loan due 2023	498.7	—	—	—	498.7
Proceeds from the issuance of Senior Subordinated Sterling Notes due 2024	310.0	—	—	—	310.0
Proceeds from the issuance of Senior Subordinated Notes due 2026	595.0	—	—	—	595.0
Proceeds from the issuance of Bridge Loan due 2017	350.0	—	—	—	350.0
Payment of Odeon Senior Subordinated GBP Notes due 2018	(380.7)	—	—	—	(380.7)
Payment of Odeon Senior Subordinated EUR Notes due 2018	(212.5)	—	—	—	(212.5)
Payments under Revolving Credit Facility	(75.0)	—	—	—	(75.0)
Payments of stock issuance costs	(0.8)	—	—	—	(0.8)
Principal payments under Term Loan	(8.8)	—	—	—	(8.8)
Principal payments under capital and financing lease obligations	—	(8.6)	(2.2)	—	(10.8)
Principal payments under promissory note	—	(1.4)	—	—	(1.4)

Explanation of Responses:

Cash used to pay deferred financing fees	(65.9)	—	—	—	(65.9)
Cash used to pay dividends	(79.6)	—	—	—	(79.6)
Change in intercompany advances	(935.1)	968.1	(33.0)	—	—
Net cash provided by (used) in financing activities	(4.7)	958.1	(35.2)	—	918.2
Effect of exchange rate changes on cash and equivalents	(1.5)	2.9	(0.8)	—	0.6
Net increase (decrease) in cash and equivalents	1.1	(72.3)	90.2	—	19.0
Cash and equivalents at beginning of period	1.9	167.0	42.3	—	211.2
Cash and equivalents at end of period	\$ 3.0	\$ 94.7	\$ 132.5	\$ —	\$ 230.2

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### Independent Auditor's Report

### The Members

### Digital Cinema Implementation Partners, LLC

We have audited the accompanying consolidated financial statements of Digital Cinema Implementation Partners, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and comprehensive income, members' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

### Explanation of Responses:

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Digital Cinema Implementation Partners, LLC and Subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

/s/ CohnReznick LLP

Roseland, New Jersey

February 18, 2019

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## DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

## CONSOLIDATED BALANCE SHEETS

(\$ in thousands)

	December 31,	
	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 17,522	\$ 10,892
Accounts receivable, net	40,193	45,211
Other current assets	192	193
Total current assets	57,907	56,296
Property and equipment, net	606,864	661,728
Deferred warranty reimbursement costs, net	52,070	75,999
Restricted cash	3,702	5,891
Derivative assets	472	1,279
Other noncurrent assets	21,174	26,394
Total assets	\$ 742,189	\$ 827,587
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 14,604	\$ 10,717
Warranty reimbursement liability, current	46,050	41,784
Total current liabilities	60,654	52,501
Warranty reimbursement liability (excluding current)	55,530	101,779
Long-term debt, net	69,737	193,853
Other noncurrent liabilities	6,820	6,762
Total liabilities	192,741	354,895
<b>Commitments</b>		
Members' equity	549,448	472,692
Total liabilities and members' equity	\$ 742,189	\$ 827,587

See Notes to Consolidated Financial Statements.



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## DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(\$ in thousands)

	Years Ended December 31,		
	2018	2017	2016
<b>REVENUES</b>			
Virtual print fees	\$ 178,998	\$ 180,101	\$ 183,242
Exhibitor lease fees	14,976	14,938	14,998
Alternative content fees	2,873	2,147	1,659
Peak period payments	5,072	5,499	4,393
Management fees	3,328	3,413	3,284
Sales revenue	349	394	456
Subtotal, operating revenues	205,596	206,492	208,032
Warranty reimbursement costs	(23,663)	(23,803)	(23,887)
Exhibitor lease, step-up rent adjustment	(5,201)	(5,307)	(5,308)
Net operating revenues	176,732	177,382	178,837
<b>OPERATING EXPENSES</b>			
General and administrative	9,280	9,637	9,825
Bad debt expense	4,198	-	-
Depreciation and amortization	61,018	61,058	61,092
Total operating expenses	74,496	70,695	70,917
Operating income	102,236	106,687	107,920
<b>INTEREST EXPENSE</b>			
Interest expense	5,327	10,602	15,472
Amortization of deferred financing costs	885	1,536	1,953
Total interest expense	6,212	12,138	17,425
<b>OTHER INCOME (EXPENSE)</b>			
Interest income	313	91	9
Loss on sale of assets	(1,250)	(1,253)	(1,121)
Other income	78	106	102
Total other expense	(859)	(1,056)	(1,010)
Income before taxes	95,165	93,493	89,485
Income tax expense	408	390	333
Net income	94,757	93,103	89,152

## OTHER COMPREHENSIVE INCOME (LOSS)

Explanation of Responses:

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Gain (loss) on interest rate swap contracts	(809)	659	176
Comprehensive income	\$ 93,948	\$ 93,762	\$ 89,328

See Notes to Consolidated Financial Statements.

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## DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

## CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

(\$ in thousands)

	Years Ended December 31,			
	2018	2017		2016
Balance, beginning of year	\$ 472,692	\$ 397,360	\$	329,565
Capital contributions	5,108	4,070		2,528
Distributions to Members	(22,300)	(22,500)		(24,061)
Net income	94,757	93,103		89,152
Balance before other comprehensive income (loss)	550,257	472,033		397,184
Other comprehensive income (loss) - gain (loss) on derivatives	(809)	659		176
Balance, end of year	\$ 549,448	\$ 472,692	\$	397,360

See Notes to Consolidated Financial Statements.

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## DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(\$ in thousands)

	Years Ended December 31,		
	2018	2017	2016
Operating activities:			
Net income	\$ 94,757	\$ 93,103	\$ 89,152
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	61,018	61,058	61,092
Amortization of deferred warranty reimbursement costs	23,663	23,803	23,887
Amortization of deferred financing costs	885	1,536	1,953
Amortization of derivative assets	(2)	-	-
Loss on sale of assets	1,250	1,253	1,121
Changes in operating assets and liabilities:			
Accounts receivable	5,018	(4,469)	(9,774)
Other current and noncurrent assets	5,221	5,311	5,356
Accounts payable and accrued liabilities	2,013	113	(2,518)
Warranty reimbursement liability	(30,546)	(23,639)	(17,060)
Payment of prior period warranty reimbursement liability	(9,041)	(6,641)	(4,695)
Other noncurrent liabilities	58	2,779	3,977
Net cash provided by operating activities	154,294	154,207	152,491
Investing activities:			
Purchase of property and equipment	(7,668)	(5,199)	(1,447)
Payment of prior period property and equipment	(298)	(123)	(312)
Sale of property and equipment	305	2,783	1,657
Net cash used in investing activities	(7,661)	(2,539)	(102)
Financing activities:			
Paydown of long-term debt	(125,000)	(125,000)	(145,000)
Capital contributions from Members	5,108	4,070	2,528
Distributions to Members	(22,300)	(22,500)	(24,061)
Deferred financing costs	-	-	(847)
Net cash used in financing activities	(142,192)	(143,430)	(167,380)
Net increase (decrease) in cash, cash equivalents and restricted cash	4,441	8,238	(14,991)
Cash, cash equivalents and restricted cash, beginning of year	16,783	8,545	23,536
Cash, cash equivalents and restricted cash, end of year	\$ 21,224	\$ 16,783	\$ 8,545

Supplemental schedule of non-cash investing and financing activities:

Explanation of Responses:

Additions to property and equipment included in accounts payable

and accrued liabilities	\$	42	\$	298	\$	123
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Warranty reimbursement payable in accounts payable and accrued liabilities	\$	11,171	\$	9,041	\$	6,641
Deferred warranty asset and warranty reimbursement obligation	\$	(265)	\$	(802)	\$	(650)

See Notes to Consolidated Financial Statements.

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DIGITAL CINEMA IMPLEMENTATION PARTNERS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Nature of Operations

Digital Cinema Implementation Partners, LLC, ("DCIP", and together with its consolidated wholly-owned subsidiaries, the "Company") was formed as a Delaware limited liability company on February 12, 2007 for the purpose of raising third-party capital to purchase and deploy digital cinema projection equipment ("Digital Systems") in theatres located throughout the United States and Canada. The Company will continue in perpetuity. The Company is headquartered in New Jersey and has offices in Colorado and Minnesota. The Company is owned by its founding members American Multi-Cinema, Inc. ("AMC"), Cinemark Media, Inc. ("Cinemark") and Regal/DCIP Holdings, LLC ("Regal") (collectively, the "Founding Members").

On March 10, 2010, the Company completed an initial financing transaction for the deployment of Digital Systems utilizing its subsidiary entities Kasima, LLC ("Kasima"), Kasima Holdings, LLC ("Holdings") and Kasima Parent Holdings, LLC ("Parent") to execute its business plan. Kasima is a wholly-owned subsidiary of Holdings, Holdings is a wholly-owned subsidiary of Parent and Parent is a wholly-owned subsidiary of DCIP. As part of the initial financing transaction, Parent entered into a note purchase agreement with a third-party investment fund. On March 31, 2011, the Company obtained the incremental financing necessary to complete its planned deployment of Digital Systems and on May 17, 2013, the Company refinanced all of its outstanding senior secured debt, extending the term of that debt and lowering its effective interest rate. On March 31, 2014, Parent repaid, in full, the outstanding notes under the note purchase agreement.

Digital Systems are purchased by Kasima and leased to each Founding Member or one of its affiliates (each such entity, an "Exhibitor") pursuant to the terms of a Master Equipment Lease Agreement ("ELA"). Kasima facilitates the installation of the leased Digital Systems into each Exhibitor's theatres pursuant to the terms of an Installation Agreement. The Exhibitor is responsible for the ongoing maintenance and insurance of the Digital Systems. The Company has also entered into (and assigned to Kasima) long-term Digital Cinema Deployment Agreements ("DCDAs") with six major motion picture studios ("Major Studios") pursuant to which Kasima receives a virtual print fee ("VPF") each time the studio books a film or certain other content on the Digital Systems. Other content distributors have entered into DCDAs or shorter term agreements with the Company that provide for the payment of VPFs (or as more fully described and defined in Note 2, alternative content fees or "ACFs") to Kasima for bookings of the distributor's content on a Digital System. One such distributor, AC JV, LLC ("Fathom Events"), is related to DCIP through common ownership.

On June 20, 2011, DCIP and Canadian Digital Cinema Partnership ("CDCP") entered into a long-term management services agreement (an "MSA" and with respect to CDCP, the "CDCP MSA") to manage a similar deployment of Digital Systems in Canada and to perform certain other specified services for CDCP related thereto (see Note 2). CDCP is a Canadian limited partnership formed by Cineplex Entertainment LP ("Cineplex") and Empire Theatres Ltd. ("Empire") to facilitate the purchase and deployment of Digital Systems to their theatres in Canada. On April 1, 2012, DCIP entered into a long-term MSA with Cinemark USA, Inc., a Texas corporation and an affiliate of Cinemark, to manage deployment of Digital Systems to theatres operated by its affiliates in Latin America (the "CNI MSA"). On September 1, 2014, DCIP entered into a long-term MSA with Fathom Events to provide it with management and software related services. The services we provide under this agreement have changed from time to time.

## Note 2 - Summary of Significant Accounting Policies

### Principles of consolidation

The consolidated financial statements include the accounts of DCIP and its subsidiaries. Intercompany accounts have been eliminated in consolidation.

### New accounting standards

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In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance on revenue from contracts with customers. This update is a comprehensive new revenue recognition model that requires a company to recognize revenue upon transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. It also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. This accounting guidance is effective prospectively for annual reporting periods, and interim periods within those periods, beginning after December 15, 2017.

The Company adopted the new standard and related updates on January 1, 2018 and used the modified retrospective method of adoption. The Company reviewed the terms and conditions of its existing customer contracts and applied the five discrete criteria required for recognizing revenue as set forth in ASU 2014-09. Based upon its analysis, the new revenue recognition guidance had no significant impact on the Company's consolidated financial statements.

In February 2016, the FASB issued guidance related to leases. This new guidance requires lessees to recognize on the balance sheet a right-of-use asset, representing its right to use the underlying asset for the lease term, and a lease liability for all leases with a term greater than 12 months. The guidance also requires qualitative and quantitative disclosures designed to assess the amount, timing, and uncertainty of cash flows arising from leases. The standard requires the use of a modified retrospective transition approach, which includes optional practical expedients that entities may elect to apply. This new guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. The Company is in the process of evaluating the effect the guidance will have on its consolidated financial statements and related disclosures and does not expect this new standard to have a material effect on its consolidated financial statements.

In November 2016, the FASB issued guidance related to the classification and presentation of restricted cash in the statement of cash flows. This guidance requires entities to include in its cash and cash equivalent balances any amounts that are deemed restricted cash and restricted cash equivalents. This accounting guidance is effective prospectively for annual reporting periods, and interim periods within those periods, beginning after December 15, 2017. The Company adopted this standard retrospectively on January 1, 2018.

In August 2017, the FASB amended the requirements of the Derivatives and Hedging Topic of the Accounting Standards Codification to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. The amendments will be effective for the Company beginning after December 15, 2018. Early adoption is permitted. The Company does not anticipate that the adoption of this guidance will have a significant impact on its consolidated financial statements.

#### Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company's most significant estimates relate to depreciation and recoverability of property and equipment, amortization, the valuation of derivative agreements and the reimbursement liability concerning equipment warranty and replacement costs under the ELAs. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions or conditions.

#### Cash and cash equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amount of the Company's cash equivalents approximates fair value due to the short maturities of these investments and consists primarily of money market funds and other overnight investments. The Company maintains bank accounts with major banks, which from time to time may exceed the Federal Deposit Insurance Corporation's insured limits. The Company periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

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### Concentration of credit risk

For the years ended December 31, 2018 and 2017, the Company had three customers that represented 33% and 34%, respectively, of operating revenues and for the year ended December 31, 2016, the Company had four customers that represented 44% of operating revenues. At December 31, 2018 and 2017, four and three customers represented 55% and 39%, respectively, of net accounts receivable. These customers are each parties to DCDAs. None of the Company's other customers individually represented more than 10% of operating revenues or accounts receivable at December 31, 2018 or 2017, or for the years ended December 31, 2018, 2017 and 2016.

The Company has credit risk associated with certain accounts receivable, which consists primarily of amounts owed by the Major Studios and other digital content distributors. The Company actively monitors the status of its accounts receivable and has mechanisms in place to minimize the potential for incurring material accounts receivable credit losses. During 2018, the Company incurred bad debt expense of \$4,198,000 related primarily to two studio bankruptcies. At December 31, 2018 and 2017, management has determined that there is no requirement for an allowance for doubtful accounts.

### Concentration in foreign countries

The Company originally leased Digital Systems to AMC (pursuant to its ELA) for theatres located in Canada and receives revenues from CDCP pursuant to the CDCP MSA. In 2013, AMC sold the last of its Canadian theatres and, as a result, the Company no longer leases Digital Systems to AMC in Canada. The revenue previously earned from these operations was paid to the Company in U.S. dollars. For the years ended December 31, 2018, 2017 and 2016, revenues earned from Canadian sources totaled \$1,812,000, \$1,799,000 and \$1,812,000, respectively. The carrying value of equipment deployed in Canada at December 31, 2018 and 2017 was zero. Revenue earned by the Company under the CNI MSA for theatres located in Latin America was \$722,000, \$818,000 and \$825,000, for the years ended December 31, 2018, 2017 and 2016, respectively.

### Fair value and credit risk

All current assets and liabilities are carried at cost, which approximates fair value due to the short-term maturities of those instruments. The Company's Credit Facility (see Note 7) is comprised of floating rate instruments and management believes fair value approximates carrying value.

### Property and equipment, net

## Explanation of Responses:

Property and equipment, net, is stated at cost, less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

Computer equipment and software	3-5 years
Leasehold improvements	5 years
Digital cinema projection equipment	17.5 years
Furniture and fixtures	7 years

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the assets. Certain costs of computer software developed or obtained for internal use are capitalized and amortized on a straight-line basis over three to five years. Costs for general and administrative expenses, overhead, maintenance and training, as well as the cost of software coding that does not add functionality to existing systems, are expensed as incurred. Upon the sale or other disposition of any property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and the gain or loss on disposal is included in the consolidated statements of operations and comprehensive income.

#### Deferred financing costs, net

Deferred financing costs are amortized on the interest method basis for the Credit Facility as described in Note 7 and by a charge to interest expense over the term of the Credit Facility and reported as a reduction of long-term debt, net. Accumulated amortization of deferred financing costs at December 31, 2018 and 2017 totaled \$11,713,000 and \$10,828,000, respectively.

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Fair value measurements

The Company accounts for and reports the fair value of certain assets and liabilities. The Company applies fair value accounting for financial assets and liabilities that are recognized or disclosed at fair value in its consolidated financial statements.

The Company utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by the Financial Accounting Standards Board Accounting Standards Codification ("ASC"):

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

Level 2:Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3:Unobservable inputs reflecting the reporting entity's own assumptions.

The following table sets forth, by level, the fair value measurements of the Company's consolidated financial assets (\$ in thousands):

Fair Value Measurements

	December 31, 2018	Level 1	Level 2	Level 3
Fair value of Interest Rate Swap	\$472(1)	\$ -	\$ 472	\$ -

(1) Reported in derivative assets on the consolidated balance sheets.

The fair value of the Company's assets under its Interest Rate Swap (as defined below) is based upon observable market-based inputs that reflect the present values of the difference between estimated future fixed rate payments and future variable receipts and, therefore, is classified within Level 2. The Level 2 fair value of the Company's Interest Rate Swap at December 31, 2017 was \$1,279,000.

#### Accounting for derivatives

In May 2013, the Company terminated an existing swap arrangement and executed new interest rate swap agreements (the "Interest Rate Swap"). Derivative financial instruments are recorded at fair value. Changes in the fair value of derivative financial instruments are either recognized in accumulated other comprehensive income (loss) (a component of members' equity) or in the consolidated statements of operations and comprehensive income depending on whether the derivative is being used to hedge changes in cash flows or fair value. The Company determined that the Interest Rate Swap was an effective cash flow hedging instrument through December 31, 2017 and, as a result, changes in the fair value of the Interest Rate Swap are recognized in other comprehensive income (loss). During 2018, a portion of the hedge was designated as ineffective and an immaterial amount was recognized as interest expense in the consolidated statements of operations and comprehensive income.

#### Income taxes

The Company is a limited liability company and, as such, is treated as a partnership for federal and state income tax purposes. Accordingly, as a partnership for tax purposes, the Company is not a taxable entity for federal income taxes and is not subject to significant state income taxes. However, the Company does pay certain state taxes based on revenue or net income that are reported as income tax expense on the consolidated statements of operations and comprehensive income. Income or loss of the Company as a limited liability company is reported to and included in the individual income tax returns of its members. Tax years ended December 31, 2017, 2016 and 2015 remain open to examination by federal and state taxing authorities with regard to the allocation of income or losses by the Company to its members.



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### Impairment of long-lived assets

The Company reviews the recoverability of its long-lived assets when events or conditions exist that indicate a possible impairment. The assessment for recoverability is based primarily on the Company's ability to recover the carrying value of its long-lived assets from expected future undiscounted net cash flows. If the total of expected future undiscounted net cash flows is less than the total carrying value of an asset, the asset is deemed not to be recoverable and possibly impaired. The Company then estimates the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the carrying value of the asset exceeds its fair value. Fair value is determined by computing the expected future discounted cash flows. No impairment charges were recorded for the years ended December 31, 2018, 2017 or 2016.

### Revenue recognition

The Company has analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and has concluded that no changes are necessary to conform with the new standard.

The majority of the Company's revenues are VPFs from Major Studios under the DCDAs. The Company earns VPF revenue when movies and certain other content distributed by Major Studios and other content distributors are booked and exhibited on screens utilizing the Company's Digital Systems. VPFs are earned and payable based on a fee schedule outlined in the DCDAs and other VPF agreements. The VPF revenue is recognized in the period in which it is earned, generally the first time the content is booked and exhibited in the theatre auditorium for which a Digital System has been installed.

The DCDAs with the Major Studios require the payment of VPFs for a period that ends on the earlier to occur of (i) the tenth anniversary of the "mean deployment date" for all Digital Systems scheduled to be deployed over a period of up to five years, or (ii) the date the Company achieves "cost recoupment", each as defined in the DCDAs. Cost recoupment occurs when revenues attributable to the Digital Systems exceed the costs associated with their purchase (including financing), deployment, administration and other allowed amounts, all as defined in the DCDAs.

In addition to VPF revenue, the Company also earns a fee each time certain digital content other than feature films (e.g., concerts, sporting events and opera performances) is booked and exhibited on a Digital System. The Company refers to fees derived on a per-exhibition basis from these alternative forms of digital content as alternative content fees ("ACFs"). ACFs may be paid by the distributor of the alternative content pursuant to an agreement with the Company or by the Exhibitor showing the content pursuant to its ELA. ACF revenue is recognized in the period in which the alternative content is exhibited.

Lease revenues in respect of the Digital Systems and certain other rental and usage fees are earned by the Company in accordance with the terms of the ELAs. All amounts due to the Company under these agreements are recognized as revenue when earned and any unearned amounts are recorded as deferred revenue. The initial lease term for each piece of equipment deployed under the ELAs begins on the date the equipment is placed in service and continues for 12 years, with the first and last month incurring one-half of the monthly lease payment otherwise due.

The Company generates multiple revenue streams from the leased Digital Systems under the ELAs as follows:

Lease fees are payable by the Exhibitors monthly and prior to March 31, 2014 were comprised of a fixed base lease rate plus a "step-up" rate component for all equipment (regardless of lease commencement date) that was to occur on October 1, 2016. The Company recognized lease revenue from these fees on a straight-line method making an allowance for the step-up in rent that was to occur. On March 31, 2014, the ELAs were amended to remove the scheduled step-up lease payments. The accumulated effects of the amendments are being amortized on a straight-line basis as a reduction in revenue over the remaining terms of the ELAs.

Contingent rent may be due under the ELAs if total revenues in respect of the Digital Systems deployed thereunder (calculated quarterly on a rolling last twelve-month basis) fail to meet certain minimum revenue thresholds. The minimum revenue thresholds were prorated for the initial four quarters of the ELAs. Contingent rent, if any, is calculated and recognized monthly, but billed and paid quarterly. No Contingent rent was due for the years ending December 31, 2018, 2017 or 2016.

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Peak period payments are due under the ELAs when the leased Digital Systems are taken out of service by an Exhibitor for one or more consecutive defined "peak periods" (generally a weekend) as a result of relocation, damage or a complex closing. Peak period payments, if any, are recognized, billed and paid monthly.

In accordance with the ELAs, the Exhibitors are required to acquire extended warranties with respect to the leased Digital Systems covering the period from the expiration of the initial included manufacturer's warranty through the date of repayment of the Credit Facility (the "Warranty End Date"), but in no event later than 12 years from the effective date of the ELAs. Following the Warranty End Date, the Exhibitors may choose to continue extended warranty coverage through the expiration of the DCDAs (the "DCDA End Date"). The DCDA End Date will occur on the earlier of (i) the tenth anniversary of the "mean deployment date" of the Digital Systems or (ii) the date the Company achieves "cost recoupment", each as defined in the DCDAs. The Company expects that the Exhibitors will maintain extended warranty coverage through the DCDA End Date. Pursuant to the ELAs, the Company is required to reimburse the Exhibitor for the costs of the extended warranties (and/or equipment replacement costs) subject to quarterly caps set forth in the ELAs. This contractual obligation by the Company to incur costs at a future date for the extended warranties or replacement costs when the leased equipment is purchased creates a liability at the purchase date and a contra revenue adjustment in respect of revenues derived under the ELAs that is recognized on a straight-line basis over the term of the lease.

The Company also earns revenues in respect of the services DCIP provides under the MSAs. The revenues are earned ratably as the services are performed under the agreement.

## Subsequent events

The Company has evaluated subsequent events through February 18, 2019, which is the date the consolidated financial statements were available to be issued.

## Note 3 - Financing Transactions

On May 17, 2013, the Company refinanced its then outstanding senior secured debt, extending its term and lowering its effective interest rate. The transaction consisted of a \$755,000,000 senior secured loan commitment (the Credit Facility described in Note 7) to Kasima from a group of commercial banks and institutional investors.

## Note 4 - Consolidated Balance Sheet Components

## Restricted cash

The Company had restricted cash of \$3,702,000 and \$5,891,000 at December 31, 2018 and 2017, respectively, in the form of an interest reserve escrow account related to the Credit Facility (see Note 7) and an excess cost escrow account for the funding of Digital Systems in excess of costs caps established in the related credit agreement.

## Accounts receivable, net

Accounts receivable, net consists of the following (\$ in thousands):

	December 31,	
	2018	2017
Accounts receivable	\$ 40,676	\$ 45,891
Accrued revenue	766	606
Deferred revenue(1)	(1,249)	(1,286)
Total accounts receivable, net	\$ 40,193	\$ 45,211

(1) Deferred revenue consists of unearned amounts billed but not collected at December 31, 2018 and 2017.

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Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consists of the following (\$ in thousands):

	December 31,	
	2018	2017
Warranty reimbursement payable	\$ 11,171	\$ 9,041
Accrued bonus and compensation	3,040	894
Accrued equipment purchases leased to others	27	241
Other accrued liabilities	160	185
Accounts payable	44	147
Accrued taxes payable	152	140
Accrued interest payable	10	69
Total accounts payable and accrued liabilities	\$ 14,604	\$ 10,717

Other noncurrent liabilities

Other noncurrent liabilities consist primarily of accrued long-term incentive compensation.

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## Note 5 - Property and Equipment, net

Property and equipment, net consists of the following (\$ in thousands):

	December 31,	
	2018	2017
Equipment leased to others(1)	\$ 1,053,029	\$ 1,050,035
Equipment, not deployed	3,520	1,593
Computer equipment and software	6,228	6,151
Leasehold improvements	292	292
Furniture and fixtures	124	124
Total property and equipment	1,063,193	1,058,195
Less accumulated depreciation and amortization	(456,329)	(396,467)
Property and equipment, net	\$ 606,864	\$ 661,728

(1)At December 31, 2018 and 2017, the approximate carrying value of equipment leased to others was \$603,000 and \$659,000, respectively.

## Note 6 - Exhibitor Lease Fees

The Company earns lease revenues and other fees through the lease of Digital Systems to the Exhibitors in accordance with the ELAs described in Note 2. The aggregate future minimum lease revenues due under non-cancellable equipment lease agreements that have initial or remaining terms in excess of one year as of December 31, 2018 are as follows (\$ in thousands):

Year ending	Amount
December 31,	
2019	\$ 14,997
2020	14,997
2021	14,997
2022	12,625
2023	6,521

Explanation of Responses:

Thereafter	3,901
Total	\$ 68,038

Revenues earned under the ELAs for the years ended December 31, 2018, 2017 and 2016 totaled \$20,409,000, \$20,629,000 and \$19,699,000, respectively.

#### Note 7- Long-term Debt, net

##### Credit facilities

On May 17, 2013, DCIP, Holdings and Kasima entered into a credit agreement with Barclays Bank PLC as Administrative Agent and a group of lenders which agreed to provide Kasima a \$75 million revolving line of credit ("Revolver") and a \$680 million term loan ("Term Loan B" and together with the Revolver, the "Credit Facility"). The Term Loan B was fully funded at the closing of the Credit Facility. Proceeds from the Term Loan B were used to repay all amounts under the then outstanding credit facility and to repay fees, transaction costs and other expenses incurred in connection with such repayment and the establishment of the Credit Facility. All costs of Digital Systems exceeding established caps must be funded by capital contributions from the Founding Members.

The Revolver was available, subject to certain conditions, through May 17, 2018, its maturity date, at which time no amounts were outstanding. The maturity date of the Term Loan B is May 17, 2021 (the "Term Loan B Maturity Date"). At December 31, 2017, the Revolver was undrawn. The Term Loan B borrowings bear interest, at the option of Kasima,

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at either the Adjusted LIBO Rate or the Alternate Base Rate, each as defined in the Credit Facility, plus the defined Applicable Rate, which is 1.50% in the case of borrowings based on the Alternate Base Rate and 2.50% for borrowings based on the Adjusted LIBO Rate. The Term Loan B is further subject to an Adjusted LIBO Rate floor of 0.75%. The commitment fee on undrawn amounts in respect of the Revolver was 0.50% per annum through its maturity date.

The Term Loan B amortizes at 1.25% of its original principal amount per annum, payable in quarterly increments of \$8.5 million commencing on September 30, 2014 with the remaining balance, including any unpaid interest and fees, payable on the Term Loan B Maturity Date. Prepayments of the Term Loan B reduce future mandatory amortization payments on a dollar-for-dollar basis. Commencing with the defined Test Date in respect of the fiscal year ended December 31, 2014 and annually on each Test Date thereafter, Kasima will prepay Term Loan B borrowings in an aggregate amount equal to 100% of defined Excess Cash Flow (generally the amount by which Cash Flow from Operations exceeds Consolidated Fixed Charges, each as defined, for the prior fiscal year). Kasima may at any time terminate or permanently reduce commitments under the Credit Facility without premium or penalty in \$5 million increments of not less than \$20 million.

The "Borrower" under the Credit Facility is Kasima and the Credit Facility is guaranteed by Holdings and each direct or indirect subsidiary of Holdings other than the Borrower. The Credit Facility is secured by a first priority lien on all of the assets of the Company (with certain negotiated exclusions), including contract rights, cash and securities accounts and the Digital Systems on Exhibitors' premises.

Under the Credit Facility, the Borrower is required to maintain compliance with certain financial covenants. Material covenants included an interest coverage ratio, minimum average revenues per deployed screen, capital expenditure limitations and excess cash flow. At December 31, 2018, the Company had excess cash flow of \$3.4 million which will be paid in the first quarter of 2019. At December 31, 2018, the Borrower was in compliance with all of its Credit Facility covenants.

On September 27, 2016, the Credit Facility was amended to allow Kasima to make up to \$20.0 million in distributions each fiscal year subject to the satisfaction of certain conditions, including having revenue per average screen of no less than \$12,475 for the most recently completed four fiscal quarter period prior to any such distribution. As part of the same amendment, the Revolver was reduced from \$75.0 million to \$35.0 million. Following the effective date of the amendment in 2016, Kasima is making an annual distribution of \$20.0 million to its member.

The Company's long-term debt consists of the Term Loan B with balances at December 31, 2018 and 2017 of \$70.0 million and \$195.0 million, respectively, and interest rates of 5.26% and 4.17%, respectively.

The Company's aggregate maturities of long-term debt are as follows (\$ in thousands):

Explanation of Responses:



Year Ending December 31,	Amount
2019	\$ -
2020	-
2021	70,000
Total	\$ 70,000

Interest expense on long-term debt was \$5,327,000, \$10,602,000 and \$15,472,000, for the years ended December 31, 2018, 2017 and 2016, respectively.

Long-term debt, net consists of the following (\$ in thousands):

	December 31,	
	2018	2017
Long-term debt	\$ 70,000	\$ 195,000
Deferred financing costs, net	(263)	(1,147)
Total long-term debt, net	\$ 69,737	\$ 193,853

#### Derivatives

The Interest Rate Swap contracts were entered into for interest expense cost protection from rising variable interest rates and are associated with the Company's Term Loan B which matures on May 17, 2021. Under the Interest Rate Swap

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contracts, the Company receives current market LIBO Rate interest payments, subject to an interest rate floor for the Term Loan B of 0.75% per annum, and pays a fixed rate of 1.29% calculated on the same notional principal amount (the "Notional Swap Amount") which changes for each fiscal quarter commencing as of the quarter ended June 30, 2013 and terminating on the contract expiration date of December 31, 2019. The Notional Swap Amount for the quarterly period ended December 31, 2018 was \$68,127,000 and the then-current market LIBO Rate interest was (1.52%) per annum. The protection afforded by the Interest Rate Swap extends until December 31, 2019 and the Notional Swap Amount decreases quarterly beginning September 30, 2014.

## Note 8 - Retirement Plan

The Company maintains a defined contribution plan for eligible employees under Section 401(k) of the Internal Revenue Code. The Company's plan provides for eligible employees to contribute up to 80% of eligible compensation with a Company contribution of 4% of eligible wages. All employees are eligible to participate in the plan upon hire. The Company's contributions to the plan totaled \$139,000, \$140,000 and \$146,000 for the years ended December 31, 2018, 2017 and 2016, respectively.

## Note 9 - Commitments

## Operating leases

The Company has leased facilities in the states of New Jersey, Colorado and Minnesota. The aggregate future minimum lease payments under non-cancellable operating leases that have initial or remaining terms in excess of one year as of December 31, 2018 are as follows (\$ in thousands):

Year Ending December 31,	Amount
2019	\$ 179
2020	119
2021	101
2022	8
Total	\$ 407

Rent expense for operating leases for the years ended December 31, 2018, 2017 and 2016 totaled \$181,000, \$201,000 and \$168,000, respectively.

#### Employment agreements

The Company has employment agreements with two of its key executives setting forth key compensation terms (generally annual salary plus a defined bonus) and providing each executive with a severance benefit in the case the executive's employment is terminated without cause or the executive resigns with good reason, each as defined.

#### Note 10 - Related Party Transactions

At December 31, 2018, all of the Company's Digital Systems are leased to the Exhibitors under the ELAs. For the years ended December 31, 2018, 2017 and 2016, revenues earned from the Exhibitors totaled \$20,409,000, \$20,629,000 and \$19,699,000, respectively. Net accounts receivable due from the Exhibitors totaled \$1,092,000 and \$1,762,000, at December 31, 2018 and 2017, respectively, and will be settled in cash. Payments under the ELAs are generally due on the fifth day of the month after billing. At times, the Company purchases digital equipment from the Exhibitors at cost subject to caps established in the ELAs. For the years ended December 31, 2018 and 2017, the Company had no liability for reimbursement of equipment purchases due to the Exhibitors. The \$11,171,000 warranty reimbursement liability represents a liability to reimburse the Exhibitors for the extended equipment warranty and other replacement costs (as defined in the ELAs) as cash payments that began in 2011 and continues through the DCDA End Date (see Note 2). Warranty reimbursements earned for the years ended December 31, 2018, 2017 and 2016 totaled \$41,717,000, \$32,680,000 and \$23,700,000, respectively. Cash reimbursement payments for the years ended December 31, 2018, 2017

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and 2016 totaled \$39,587,000, \$30,280,000 and \$21,755,000, respectively, and payables totaled \$11,171,000 and \$9,041,000 as of December 31, 2018 and 2017, respectively.

In 2018, 2017 and 2016, the Exhibitors terminated their ELAs with respect to an aggregate of 38, 81, and 54 Digital Systems, respectively. Pursuant to the terms of the ELAs, the Exhibitors were required to purchase these Digital Systems from the Company at a defined Termination Amount per Digital System. In 2018, 2017 and 2016, total Termination Amounts paid by the Exhibitors in the aggregate were \$305,000, \$2,783,000 and \$1,657,000, respectively, resulting in a loss on sale to the Company of \$1,250,000, \$1,252,000 and \$1,121,000 in 2018, 2017 and 2016, respectively.

For the years ended December 31, 2018, 2017 and 2016, revenues earned from Fathom Events totaled \$3,719,000, \$3,004,000 and \$2,689,000, respectively, (see Note 1). Accounts receivable due from Fathom Events at December 31, 2018 and 2017 totaled \$635,000 and \$381,000, respectively.

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Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Company maintains a set of disclosure controls and procedures designed to ensure that material information required to be disclosed in its filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that material information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have evaluated these disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K and have determined that such disclosure controls and procedures were effective.

(b) Management's annual report on internal control over financial reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) of the Exchange Act. With management's participation, an evaluation of the effectiveness of internal control over financial reporting was conducted as of December 31, 2018, based on the framework and criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2018. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report in Item 8 of Part II of this Annual Report on Form 10-K.

(c) Changes in internal control over financial reporting.

As part of the adoption of ASC Topic 606, the Company implemented changes to its control activities related to revenue recognition to ensure adequate evaluation of its contracts and proper assessment of the impact of the new accounting standard. There were no significant changes in the Company's internal control over financial reporting due to the adoption of the new standard, and no other changes in its internal control over financial reporting as defined in Exchange Act Rule 13a-15(f) during the year ended December 31, 2018, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

For information with respect to the executive officers of the Company, see “Executive Officers” included as a separate item at the end of Part I, Item 1. of this Report.

All other information called for by this item is hereby incorporated herein by reference to the relevant information under the headings “Proposal 1 - Election of Directors”, “Section 16(A) Beneficial Ownership Reporting Compliance”, and “Corporate Governance” portions of our definitive proxy statement on Schedule 14A in connection with our 2019 Annual Meeting of Stockholders, to be filed within 120 days after December 31, 2018 (the “Proxy Statement”).

Item 11. Executive Compensation.

The information called for by this item is set forth under the headings “Executive Compensation”, “Compensation Committee Report on Executive Compensation”, “Compensation Committee Interlocks and Insider Participation”, “Compensation Policies and Practices as They Relate to Risk Management”, “Director Compensation” and “Compensation Discussion and Analysis” in the Company’s 2019 Proxy Statement to be filed with the SEC within 120 days after December 31, 2018 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information called for by this item is set forth under the headings “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” and “Equity Compensation Plan Information” in the Company’s 2019 Proxy Statement to be filed with the SEC within 120 days after December 31, 2018 and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information called for by this item is set forth under the headings “Certain Relationships and Related Transactions” and “Director Independence” in the Company’s 2019 Proxy Statement to be filed with the SEC within 120 days after

December 31, 2018 and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information called for by this item is set forth under the headings “Principal Accounting Fees and Services” and “Audit Committee Pre-Approval Policy” in the Company’s 2019 Proxy Statement to be filed with the SEC within 120 days after December 31, 2018 and is incorporated herein by reference.

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Part IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1)The following financial statements are included in Part II, Item 8.

<u>Reports of Independent Registered Public Accounting Firm</u>	Page 75
<u>Consolidated Statements of Operations—Years ended December 31, 2018, December 31, 2017, and December 31, 2016</u>	77
<u>Consolidated Statements of Comprehensive Income (Loss)—Years ended December 31, 2018, December 31, 2017, and December 31, 2016</u>	78
<u>Consolidated Balance Sheets—December 31, 2018 and December 31, 2017</u>	79
<u>Consolidated Statements of Cash Flows—Years ended December 31, 2018, December 31, 2017, and December 31, 2016</u>	80
<u>Consolidated Statements of Stockholders' Equity—Years ended December 31, 2018, December 31, 2017, and December 31, 2016</u>	82
<u>Notes to Consolidated Financial Statements—Years ended December 31, 2018, December 31, 2017, and December 31, 2016</u>	84

(a)(2)Financial Statement Schedules—All schedules have been omitted because the necessary information is included in the Notes to the Consolidated Financial Statements.

(b) Exhibits

The Company has attached or incorporated by reference herein certain exhibits as specified below.

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Exhibit Number	Description
2.1	<u>Agreement and Plan of Merger, dated May 21, 2012, by and among AMC Entertainment Holdings, Inc., Dalian Wanda Group Co., Ltd. and, solely with respect to certain sections, the stockholder representative referenced therein (incorporated by reference from Exhibit 2.1 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
2.2	<u>Share Purchase Agreement dated as of July 12, 2016, by and among AMC Entertainment Holdings, Inc., AMC (U.K.) Acquisition Limited, Monterey Capital III S.A.R.L., Odeon and UCI Cinemas Holdings Limited, Odeon and UCI Cinemas Group Limited, and certain Management Shareholders. (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on July 13, 2016).</u>
2.3	<u>Amended and Restated Agreement and Plan of Merger dated as of July 24, 2016, by and among AMC Entertainment Holdings, Inc., Congress Merger Subsidiary, Inc., and Carmike Cinemas, Inc. (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on July 25, 2016).</u>
2.4	<u>Sale and Purchase Agreement dated as of January 20, 2017, by and among AMC Entertainment Holdings, Inc., Goldcup 14139 AB, European Cinemas S.à.r.l, Bonnier Holding AB, and certain Management Shareholders. (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on January 23, 2017).</u>
3.1	<u>Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on December 23, 2013).</u>
3.2	<u>Third Amended and Restated Bylaws of AMC Entertainment Holdings, Inc. (incorporated by reference from Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 22, 2013, as amended).</u>
3.3	<u>Certificate of Retirement of 24,057,143 Shares of Class B Common Stock of AMC Entertainment Holdings, Inc., dated as of November 1, 2018 (incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 8, 2018).</u>
4.1(a)	<u>Credit Agreement, dated April 30, 2013, by and among AMC Entertainment Inc., the lenders and the issuers party thereto, Citicorp North America, Inc., as agent, and the other agents and arrangers party thereto (incorporated by reference from Exhibit 10.1 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).</u>
4.1(b)	<u>Guaranty, dated as of April 30, 2013, by AMC Entertainment Inc. and each of the other Guarantors party thereto in favor of the Guaranteed Parties named therein (incorporated by reference from Exhibit 10.2 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).</u>

- 4.1(c) Pledge and Security Agreement, dated as of April 30, 2013, by AMC Entertainment Inc. and each of the other Grantors party thereto in favor of Citicorp North America, Inc., as agent for the Secured Parties (incorporated by reference from Exhibit 10.3 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on May 3, 2013).

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Exhibit Number	Description
4.1(d)	<u>First Amendment to Credit Agreement, dated as of December 11, 2015, by and among AMC Entertainment Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 4.1(d) to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2016).</u>
4.1(e)	<u>Second Amendment to Credit Agreement, dated as of November 8, 2016, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent. (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on November 8, 2016).</u>
4.2	<u>Indenture, dated as of February 7, 2014, respecting AMC Entertainment Inc.'s 5.875% Senior Subordinated Notes due 2022, among AMC Entertainment Inc. and U.S. Bank National Association, as Trustee (incorporated by reference from Exhibit 4.1 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on February 10, 2014).</u>
4.3	<u>Indenture, dated as of June 5, 2015, respecting AMC Entertainment Inc.'s 5.75% Senior Subordinated Notes due 2025, among AMC Entertainment Inc., the Guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to AMC's Current Report on Form 8-K (File No. 1-8747) filed on June 5, 2015).</u>
4.4	<u>Second Supplemental Indenture, dated as of March 31, 2016, with respect to \$600 million aggregate principal amount of 5.75% Senior Subordinated Notes due 2025, by and between AMC Entertainment Holdings, Inc., AMC Entertainment Inc., the guarantors party thereto and U.S. Bank National Association, as trustee. (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on March 31, 2016).</u>
4.5	<u>Second Supplemental Indenture, dated as of March 31, 2016, with respect to \$375 million aggregate principal amount of 5.875% Senior Subordinated Notes due 2022, by and between AMC Entertainment Holdings, Inc., AMC Entertainment Inc., the guarantors party thereto and U.S. Bank National Association, as trustee. (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on March 31, 2016).</u>
4.6	<u>Indenture, dated as of November 8, 2016, respecting AMC Entertainment Holdings, Inc.'s 5.875% Senior Subordinated Notes due 2026 and 6.375% Senior Subordinated Notes due 2024, among AMC Entertainment Holdings, Inc., the guarantors named therein and U.S. Bank National Association, as trustee. (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on November 8, 2016).</u>
4.6(a)	<u>Registration Rights Agreement, dated November 8, 2016, respecting AMC Entertainment Holdings, Inc.'s 5.875% Senior Subordinated Notes due 2026 and 6.375% Senior Subordinated Notes due 2024, among AMC Entertainment Holdings, Inc. and Citigroup Global Markets Inc., as</u>

representative of the initial purchasers of the 5.875% Senior Subordinated Notes due 2026 and 6.375% Senior Subordinated Notes due 2024. (incorporated by reference from Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on November 8, 2016).

- 4.7 Indenture for the 6.00% Senior Secured Notes due 2023, dated June 17, 2015, among Carmike Cinemas, Inc. and JP Morgan (incorporated by reference from Exhibit 4.1 to Carmike Cinemas, Inc.'s Current Report on Form 8-K (File No. 0-14993) filed on June 23, 2015).

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Exhibit Number	Description
4.8	<u>Form of 6.00% Senior Secured Note due 2023 (included in Exhibit 4.7)</u>
4.9	<u>Second Supplemental Indenture, dated March 23, 2016, to Indenture dated June 17, 2015, among Carmike Cinemas, Inc., the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference from Exhibit 4.1 to Carmike Cinemas, Inc.'s Current Report on Form 8-K (File No. 0-14993) filed March 29, 2016).</u>
4.10	<u>Third Supplemental Indenture, dated February 17, 2017, to the Indenture dated June 17, 2015, among AMC Entertainment Holdings, Inc., Carmike Cinemas, Inc., the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference from Exhibit 4.10 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2017).</u>
4.11	<u>Indenture, dated as of March 17, 2017, respecting AMC Entertainment Holdings, Inc.'s 6.125% Senior Subordinated Notes due 2027, among AMC Entertainment Holdings, Inc., the guarantors named therein and U.S. Bank National Association, as trustee, (incorporated by reference from Exhibit 4.1 to the Company's Form 8-K (File No. 1-33892) filed on March 17, 2017).</u>
4.12	<u>Registration Rights Agreement, dated March 17, 2017, respecting AMC Entertainment Holdings, Inc.'s 6.125% Senior Subordinated Notes due 2027 and 6.375% Senior Subordinated Notes due 2024, among AMC Entertainment Holdings, Inc. and Citigroup Global Markets Inc., as representative of the initial purchasers of the 6.125% Senior Subordinated Notes due 2027 and 6.375% Senior Subordinated Notes due 2024. (incorporated by reference from Exhibit 4.2 to the Company's Form 8-K (File No. 1-33892) filed on March 17, 2017).</u>
4.13	<u>Indenture by and among AMC Entertainment Holdings, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee, dated as of September 14, 2018 (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on September 20, 2018).</u>
***10.1	<u>Management Stockholders Agreement of AMC Entertainment Holdings, Inc., dated August 30, 2012, by and among AMC Entertainment Holdings, Inc., Dalian Wanda Group Co., Ltd. and the management stockholders of AMC Entertainment Holdings, Inc. party thereto (incorporated by reference from Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
***10.1(a)	<u>Amendment No. 1 to the Management Stockholders Agreement of AMC Entertainment Holdings, Inc., dated December 17, 2013, by and among AMC Entertainment Holdings, Inc., Dalian Wanda Group Co., Ltd. and the management stockholders of AMC Entertainment Holdings, Inc. party thereto (incorporated by reference from Exhibit 10.1(a) to the Company's Annual Report on Form 10-K (File No. 1-33892) filed March 10, 2015).</u>
***10.2	

Defined Benefit Retirement Income Plan for Certain Employees of American Multi-Cinema, Inc., as Amended and Restated, effective December 31, 2006, and as Frozen, effective December 31, 2006 (incorporated by reference from Exhibit 10.15(a) to AMC's Annual Report on Form 10-K (File No. 1-8747) filed June 18, 2007).

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Exhibit Number	Description
***10.2(a)	<u>American Multi-Cinema, Inc. Supplemental Executive Retirement Plan, as Amended and Restated, generally effective January 1, 2006, and as Frozen, effective December 31, 2006 (incorporated by reference from Exhibit 10.15(b) to AMC's Annual Report on Form 10-K (File No. 1-8747) filed June 18, 2007).</u>
***10.3	<u>Employment Agreement between AMC Entertainment Inc., American Multi-Cinema, Inc. and John D. McDonald which commenced July 1, 2001 (incorporated by reference from Exhibit 10.29 to Amendment No. 1 to the AMC's Annual Report on Form 10-K (File No. 1-8747) filed on July 27, 2001).</u>
***10.4	<u>Employment Agreement between AMC Entertainment Inc., American Multi-Cinema, Inc. and Craig R. Ramsey which commenced on July 1, 2001 (incorporated by reference from Exhibit 10.36 to AMC's Quarterly Report on Form 10-Q (File No. 1-8747) filed on August 12, 2002).</u>
10.5	<u>Amended and Restated Exhibitor Services Agreement dated as of February 13, 2007 and Amended and Restated as of December 26, 2013, by and between National CineMedia, LLC and American Multi-Cinema, Inc. (Portions omitted pursuant to request for confidential treatment and filed separately with the Commission.) (incorporated by reference from Exhibit 10.2.4 to National CineMedia, Inc.'s Annual Report on Form 10-K (File No. 1-33296) filed February 21, 2014).</u>
10.6	<u>Third Amended and Restated Limited Liability Company Operating Agreement, dated February 13, 2007 between American Multi-Cinema, Inc., Cinemark Media, Inc., Regal CineMedia Holdings, LLC and National CineMedia, Inc. (incorporated by reference from Exhibit 10.3 to the AMC's Current Report on Form 8-K (File No. 1-8747) filed February 20, 2007).</u>
10.6(a)	<u>First Amendment to the Third Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC dated as of March 16, 2009, by and among American Multi-Cinema, Inc., Cinemark Media, Inc., Regal CineMedia Holdings, LLC and National CineMedia, Inc. (incorporated by reference from Exhibit 10.1.1 to National CineMedia, Inc.'s Quarterly Report on Form 10-Q (File No. 1-33296) filed August 7, 2009).</u>
10.6(b)	<u>Second Amendment to the Third Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC dated as of August 6, 2010, by and among American Multi-Cinema, Inc., AMC Showplace Theatres, Inc., Cinemark Media, Inc., Regal CineMedia Holdings, LLC and National CineMedia, Inc. (incorporated by reference from Exhibit 10.1 to National CineMedia, Inc.'s Current Report on Form 8-K (File No. 1-33296) filed August 10, 2010).</u>
10.6(c)	<u>Third Amendment to the Third Amended and Restated Limited Liability Company Operating Agreement of National CineMedia, LLC dated September 3, 2013, by and among American Multi-Cinema, Inc., AMC ShowPlace Theatres, Inc., Cinemark Media, Inc., Regal CineMedia Holdings, LLC, Regal Cinemas, Inc. and National CineMedia, Inc. (incorporated by reference from Exhibit 10.1.3 to National CineMedia, Inc.'s Current Report on Form 8-K (File No. 1-33296) filed September 3, 2013).</u>



\*\*\*10.7

Employment Agreement, dated as of November 6, 2002, by and among Kevin M. Connor, AMC Entertainment Inc. and American Multi-Cinema, Inc. (incorporated by reference from Exhibit 10.49 to AMC's Annual Report on Form 10-K (File No. 1-8747) filed on June 18, 2007).

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Exhibit Number	Description
***10.8	<u>Employment Agreement, dated as of November 24, 2009, by and between Stephen A. Colanero and AMC Entertainment Inc. (incorporated by reference from Exhibit 10.48 to AMC's Annual Report on Form 10-K (File No. 1-8747) filed on June 3, 2011).</u>
***10.9	<u>Employment Agreement, dated as of July 1, 2001, by and between Mark A. McDonald and AMC Entertainment Inc. (incorporated by reference from Exhibit 10.48 to AMC's Annual Report on Form 10-K (File No. 1-8747) filed on June 18, 2008).</u>
***10.10	<u>Employment Agreement, dated as of August 18, 2010, by and between Elizabeth Frank and AMC Entertainment Inc. (incorporated by reference from Exhibit 10.65 to AMC's Form 10-KT (File No. 1-8747) filed on March 13, 2013).</u>
***10.11	<u>Management Subscription Agreement, dated as of May 21, 2012, by and among AMC Entertainment Holdings, Inc. and Craig R. Ramsey (incorporated by reference from Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
***10.12	<u>Management Subscription Agreement, dated as of May 21, 2012, by and among AMC Entertainment Holdings, Inc. and Elizabeth Frank (incorporated by reference from Exhibit 10.22 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
***10.13	<u>Management Subscription Agreement, dated as of May 21, 2012, by and among AMC Entertainment Holdings, Inc. and John D. McDonald (incorporated by reference from Exhibit 10.23 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
***10.14	<u>Management Subscription Agreement, dated as of May 21, 2012, by and among AMC Entertainment Holdings, Inc. and Mark A. McDonald (incorporated by reference from Exhibit 10.24 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on October 8, 2013, as amended).</u>
10.15	<u>Registration Rights Agreement dated December 23, 2013 by and among AMC Entertainment Holdings, Inc. and Dalian Wanda Group Co., LTD. (incorporated by reference from Exhibit 10.17 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2015).</u>
10.16	<u>Form of Indemnification Agreement by and between AMC Entertainment Holdings, Inc. and its Directors and Executive Officers (incorporated by reference from Exhibit 10.26 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 22, 2013, as amended).</u>

- \*\*\*10.17      Employment Agreement, dated as of December 14, 2015, by and among AMC Entertainment Holdings, Inc. and Adam M. Aron (incorporated by reference from Exhibit 10.1 to the Company's Current Report Form 8-K (File No. 1-33892) filed on December 15, 2015).
- 10.18      Tax Payment Agreement dated October 15, 2013 among Wanda America Investment Holding Co. Ltd, AMC Entertainment Holdings, Inc. and American Multi-Cinema Inc. (incorporated by reference from Exhibit 10.33 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 4, 2014).

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***10.19	Form of Stock Award Agreement (incorporated by reference from Exhibit 10.29 to the Company's Registration Statement on Form S-1 (File No. 333-190904) filed on November 27, 2013, as amended).
***10.20	<u>AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 7, 2014).</u>
***10.20(a)	<u>AMC Entertainment Holdings, Inc. Clarifying Amendment to 2013 Equity Incentive Plan (incorporated by reference from Exhibit 10.27(a) to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 10, 2015).</u>
***10.21	<u>Form of Performance Stock Unit Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan. (incorporated by reference from Exhibit 10.31 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 8, 2016).</u>
***10.22	<u>Form of Restricted Stock Unit Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan for officers covered by Section 162(m) of the Internal Revenue Code. (incorporated by reference from Exhibit 10.32 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 8, 2016).</u>
***10.23	<u>Form of Restricted Stock Unit Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan. (incorporated by reference from Exhibit 10.33 to the Company's Annual Report on Form 10-K (File No. 1-33892) filed on March 8, 2016).</u>
***10.24	<u>Restated American Multi-Cinema, Inc. Non-Qualified Deferred Compensation Plan dated September 29, 2016, by American Multi-Cinema, Inc. effective January 1, 2016. (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2016).</u>
***10.25	<u>AMC Entertainment Holdings, Inc. Non-Employee Director Compensation Program Summary Revised November 3, 2016. Effective January 1, 2017. (incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2016).</u>
***10.26	<u>Form of Restricted and/or Performance Stock Unit Award Notice and Agreement under the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan.(incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 8, 2017).</u>
10.27	<u>Third Amendment to Credit Agreement, dated as of May 9, 2017, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from</u>

Exhibit 4.1 to the Company's Form 8-K (File No. 1-33892) filed on May 11, 2017).

10.28

Fourth Amendment to Credit Agreement, dated as of June 13, 2017, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on June 13, 2017).

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Exhibit Number	Description
***10.29	<u>First Amendment dated October 19, 2017, to the Employment Agreement between AMC Entertainment Holdings, Inc. as successor in interest to AMC Entertainment, Inc. and Elizabeth Frank and amends the Employment Agreement between Company and Executive which commenced August 18, 2010 (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2017).</u>
***10.30	<u>First Amendment dated October 13, 2017, to the Employment Agreement between AMC Entertainment Holdings, Inc. as successor in interest to AMC Entertainment, Inc. and Stephen Colanero and amends the Employment Agreement between Company and Executive which commenced November 24, 2009. (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 9, 2017).</u>
***10.31	<u>AMC Entertainment Holdings, Inc. Annual Incentive Compensation Program Continuing Structure, as modified by the Compensation Committee March 11, 2018 (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on May 7, 2018).</u>
***10.32	<u>Amendment No. 1 to the American Multi-Cinema, Inc. Non-Qualified Deferred Compensation Plan effective May 1, 2018 (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on August 7, 2018).</u>
10.33	<u>Fifth Amendment to Credit Agreement, dated as of August 14, 2018, by and among AMC Entertainment Holdings, Inc., as borrower, the other loan parties party thereto, the lenders party thereto and Citicorp North America, Inc., as administrative agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 1-33892) filed on August 7, 2018).</u>
10.34	<u>Investment Agreement by and between AMC Entertainment Holdings, Inc. and Silver Lake Alpine, L.P., dated as of September 14, 2018 (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on September 20, 2018).</u>
10.35	<u>Stock Repurchase and Cancellation Agreement by and between AMC Entertainment Holdings, Inc. and Wanda America Entertainment, Inc., dated as of September 14, 2018 (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on September 20, 2018).</u>
10.36	<u>Right of First Refusal Agreement by and among AMC Entertainment Holdings, Inc., Silver Lake Alpine, L.P. and Wanda America Entertainment, Inc., dated as of September 14, 2018 (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 1-33892) filed on September 20, 2018).</u>

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- \*\*\*10.37      AMC Entertainment Holdings, Inc. Non-Employee Director Compensation Program – Amended and Restated November 1, 2018, Effective January 1, 2019 (incorporated by reference from Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q (File No. 1-33892) filed on November 8, 2018). .
- \*21              Subsidiaries of AMC Entertainment Holdings, Inc.
- \*23.1           Consent of KPMG LLP, Independent Registered Public Accounting Firm.

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Exhibit Number	Description
*23.2	<u>Consent of CohnReznick LLP as to Digital Cinema Implementation Partners, LLC's financial statements.</u>
*31.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</u>
*31.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Acts of 2002.</u>
*32.1	<u>Section 906 Certifications of Adam M. Aron (Chief Executive Officer) and Craig R. Ramsey (Chief Financial Officer) furnished in accordance with Securities Act Release 33-8212.</u>
**101.INS	XBRL Instance Document
**101.SCH	XBRL Taxonomy Extension Schema Document
**101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
**101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
**101.LAB	XBRL Taxonomy Extension Label Linkbase Document
**101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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(c) Separate Financial Statements of Subsidiaries Not Consolidated

The following financial statements of Digital Cinema Implementation Partners, LLC are as follows:

<u>Independent Auditor's Report</u>	Page 156
<u>Consolidated Balance Sheets</u>	
<u>December 31, 2018 and 2017</u>	157
<u>Consolidated Statements of Operations and Comprehensive Income</u>	
<u>Years Ended December 31, 2018, 2017 and 2016</u>	158
<u>Consolidated Statements of Members' Equity</u>	
<u>Years Ended December 31, 2018, 2017 and 2016</u>	159
<u>Consolidated Statements of Cash Flows</u>	
<u>Years Ended December 31, 2018, 2017 and 2016</u>	160
<u>Notes to Consolidated Financial Statements</u>	162

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\* Filed herewith.

\*\* Submitted electronically with this Report.

\*\*\* Management contract, compensatory plan or arrangement.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Chris A. Cox  
Chris A. Cox  
Senior Vice President and Chief Accounting Officer  
Date: February 28, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ MAOJUN JOHN ZENG Maojun (JOHN) Zeng	Chairman of the Board	February 28, 2019
/s/ ADAM M. ARON Adam M. Aron	Chief Executive Officer, Director and President (principal executive officer)	February 28, 2019
/s/ ANTHONY J. SAICH Anthony J. Saich	Director	February 28, 2019
/s/ LEE E. WITTLINGER Lee E. Wittlinger	Director	February 28, 2019
/s/ LLOYD HILL Lloyd Hill	Director	February 28, 2019
/s/ GARY F. LOCKE Gary F. Locke	Director	February 28, 2019
/s/ KATHLEEN M. PAWLUS Kathleen M. Pawlus	Director	February 28, 2019
/s/ HOWARD KOCH, JR. Howard Koch, Jr.	Director	February 28, 2019
/s/ CRAIG R. RAMSEY	Executive Vice President and Chief Financial	February 28, 2019

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Craig R. Ramsey

Officer (principal financial officer)

February 28, 2019

/s/ CHRIS A. COX

Senior Vice President and Chief Accounting

Chris A. Cox

Officer (principal accounting officer)

February 28, 2019