

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **March 31, 2021**

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

Commission File Number: **000-31810**

**Cinedigm Corp.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**22-3720962**

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

**237 West 35th Street, Suite 605, New York, NY**

(Address of principal executive offices)

**10001**

(Zip Code)

**(212) 206-8600**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
<b>CLASS A COMMON STOCK, PAR VALUE \$0.001 PER SHARE</b>	<b>CIDM</b>	<b>NASDAQ GLOBAL MARKET</b>

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer based on a price of \$0.57 per share, the closing price of such common equity on the Nasdaq Global Market, as of September 30, 2020, was \$30,930,293. For purposes of the foregoing calculation, all directors, officers and shareholders who beneficially own 10% of the shares of such common equity have been deemed to be affiliates, but the Company disclaims that any of such persons are affiliates.

As of July 23, 2021, 167,800,341 shares of Class A Common Stock, \$0.001 par value were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

NONE.

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**CINEDIGM CORP.**  
**TABLE OF CONTENTS**

	<b>Page</b>
<a href="#">FORWARD-LOOKING STATEMENTS</a>	ii
<b><u>PART I</u></b>	
<a href="#">ITEM 1. Business</a>	1
<a href="#">ITEM 1A. Risk Factors</a>	10
<a href="#">ITEM 1B. Unresolved Staff Comments</a>	21
<a href="#">ITEM 2. Properties</a>	22
<a href="#">ITEM 3. Legal Proceedings</a>	22
<a href="#">ITEM 4. Mine Safety Disclosures</a>	22
<b><u>PART II</u></b>	
<a href="#">ITEM 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities</a>	23
<a href="#">ITEM 6. [Reserved]</a>	24
<a href="#">ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	24
<a href="#">ITEM 8. Financial Statements and Supplementary Data</a>	40
<a href="#">ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	41
<a href="#">ITEM 9A. Controls and Procedures</a>	41
<a href="#">ITEM 9B. Other Information</a>	42
<b><u>PART III</u></b>	
<a href="#">ITEM 10. Directors, Executive Officers and Corporate Governance</a>	43
<a href="#">ITEM 11. Executive Compensation</a>	48
<a href="#">ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters</a>	63
<a href="#">ITEM 13. Certain Relationships and Related Transactions, and Director Independence</a>	64
<a href="#">ITEM 14. Principal Accountant Fees and Services</a>	65
<b><u>PART IV</u></b>	
<a href="#">ITEM 15. Exhibits and Financial Statement Schedules</a>	67
<a href="#">SIGNATURES</a>	75

## FORWARD-LOOKING STATEMENTS

Various statements contained in this report or incorporated by reference into this report constitute “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements are based on current expectations and are indicated by words or phrases such as “believe,” “expect,” “may,” “will,” “should,” “seek,” “plan,” “intend” or “anticipate” or the negative thereof or comparable terminology, or by discussion of strategy. Forward-looking statements represent as of the date of this report our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. Such forward-looking statements are based largely on our current expectations and are inherently subject to risks and uncertainties. Our actual results could differ materially from those that are anticipated or projected as a result of certain risks and uncertainties, including, but not limited to, a number of factors, such as:

- successful execution of our business strategy, particularly for new endeavors;
- the performance of our targeted markets;
- competitive product and pricing pressures;
- changes in business relationships with our major customers;
- successful integration of acquired businesses;
- the content we distribute through our in-theatre, on-line and mobile services may expose us to liability;
- general economic and market conditions;
- the effect of our indebtedness on our financial condition and financial flexibility, including, but not limited to, the ability to obtain necessary financing for our business;
- disruptions to our business due to the COVID-19 pandemic, including workforce inability to perform in the ordinary course due to illness or access restrictions; and
- the other risks and uncertainties that are set forth in Item 1, “Business”, Item 1A “Risk Factors” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the Securities and Exchange Commission (“SEC”) pursuant to the SEC’s rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking information contained in this report will in fact transpire.

In this report, “Cinedigm,” “we,” “us,” “our” and the “Company” refers to Cinedigm Corp. and its subsidiaries unless the context otherwise requires.

## PART I

### ITEM 1. BUSINESS

#### OVERVIEW

Cinedigm Corp. was incorporated in Delaware on March 31, 2000 (“Cinedigm”, and collectively with its subsidiaries, the “Company”). Cinedigm is (i) a leading independent distributor and aggregator of independent film and television content rights distributed across digital, over-the-top (OTT), physical, and home and mobile entertainment platforms as well as (ii) a leading servicer of digital cinema assets on over 6,200 domestic and foreign movie screens.

Over the past several years, Cinedigm has transformed itself from being a digital cinema equipment and physical content distributor to a leading independent streaming company with the planned phasing out of its legacy projector division.

Cinedigm is a leading independent streaming entertainment company serving global enthusiast fan bases. Since our inception, we have played a significant role in the digital distribution revolution that continues to transform the media and entertainment landscape. Cinedigm delivers high-quality, curated content through subscription video on demand (SVOD), dedicated ad-supported (AVOD) and free ad-supported streaming linear (FAST) channels.

Cinedigm’s broad portfolio enables the Company to achieve significant market share on every key consumer streaming device and platform. As the Company achieves distribution to multiple, high-growth territories on a global basis, the Company expects each of these channels will generate high-margin annual revenues to Cinedigm. As its channel portfolio has grown, the Company’s viewership and subscription metrics have grown significantly. The Company currently reaches over 23.8 million streaming channel monthly active viewers. The Company controls a library of over 33,000 film & TV assets, 16 different enthusiast streaming brands across 19 live streaming channels, and over 640,000 subscribers (SVOD) reaching 900 million unique streaming devices globally.

Cinedigm has been a technological pioneer over its history and continues to be one today. Through its world-class, proprietary streaming technology, the Company has become a partner of choice for content producers, rightsholders, and major media companies seeking to monetize their content in the streaming ecosystem. The Company’s streaming technology platform, known as Matchpoint<sup>TM</sup>, is a software-as-a-service platform which automates the distribution of streaming content and OTT channels. The Company has a long legacy in using technology to transform the entertainment industry, and played a pioneering role in transitioning over 11,000 movie screens from traditional analog film prints to digital distribution.

Cinedigm is a leading distributor of independent film and television content. The Company operates a growing portfolio of owned and operated over-the-top (“OTT”) streaming entertainment channels. The Company distributes content for major brands such as Hallmark, Televisa, ITV, Nelvana, ZDF, Konami, NFL, and NHL as well as leading international and domestic content creators, movie producers, television producers and other short form digital content producers. Cinedigm collaborates with producers, major brands and other IP owners to market, source, curate and distribute quality content to targeted audiences through (i) existing and emerging digital home entertainment platforms, including Apple, Amazon Prime, Netflix, Hulu, Xbox, Tubi, PlutoTV, Vudu and cable/satellite video-on-demand (“VOD”) and (ii) packaged distribution of DVD and Blu-ray discs to wholesalers and retailers with sales coverage to over 48,000 retail storefronts, including Walmart, Target, Best Buy and Amazon.

The Company is well positioned in a changing media and entertainment landscape. Cinedigm is capitalizing on an evolving competitive environment where the top of the streaming industry is consolidating including competitors such as Netflix, Amazon Prime, Hulu and Disney Plus while Cinedigm has a complimentary offering as a leading independent distributor with a focus on the enthusiast segment of the market. The company believes the enthusiast segment, focusing on audiences and genres underserved by the major streamers, will be a significant opportunity on a global basis. Today, the Company operate properties in numerous specialty sectors, including faith and family, science fiction, horror, kids, and other major segments. Given our extensive experience in operating and distributing enthusiast content, as well as the Company’s significantly improved financial position, the Company has begun executing an M&A roll-up strategy with a focus on enthusiast channels, content, and supporting technology. Over the past two years, the Company has acquired numerous channels and content libraries. The Company is actively focused on integrating the most recent acquisitions, as well as building and launching a variety of associated critical products, including: Fantawild, Fandor, The Film Detective, Screambox, Films Around the World and other initiatives driving major technological changes in the entertainment industry.

The Company will continue to pursue accretive M&A opportunities in order to grow profitably and fortify its competitive advantage. The Company has completed & integrated four acquisitions between October 2020 and March 31, 2021 with ongoing active M&A pipeline. As part of its M&A strategy, the Company is:

- Executing on roll-up by completing several content related acquisitions enabling monetization,
- Focused on acquiring higher quality content and streaming channels,
- Exploring opportunities for new technology and other revenue channels including NFTs, ecommerce, podcasts and merchandise,
- Leveraging its proprietary tech platform (Matchpoint™), which allows for on-boarding multiple acquisitions concurrently, and

Some of the evolving consumer habits that are driving consumption of streaming and OTT content include:

- Continued “cord-cutting” resulting in rise in SVOD & AVOD migration,
- Consumer preference towards third party channels and content platforms,
- The rapid adoption of connected televisions and other dedicated streaming devices,
- A rapid rise in consumption of ad-based content,
- Increasing demand for underserved content, and the
- Trend in youth (kids) media consumption across multiple devices and brands.

The Company believes it is positioned to deliver sustained profitable growth in the future by executing on several key initiatives:

- Content: Delivering high-quality, curated content through subscription video on demand (SVOD) and dedicated ad-supported (AVOD) and free, ad-supported streaming (FAST) channels
- Technology & Distribution:
  - Dramatically expanding streaming content business through its Matchpoint™ platform,
  - Launching and scaling our channel portfolio – including the building of an umbrella streaming service encompassing all of the company’s brands.
  - Accelerating the Company’s device and platform reach, which has exceeded 900 million consumer devices, and establishing key strategic advantages through partnership deals with connected streaming TV including Samsung, Roku and Vizio, as well as large OEM’s, cable companies and technology platforms including Sinclair Broadcast Group, Samsung, Comcast Xfinity, Roku, Amazon, Vewd and Vizio, and others.
  - Licensing film and TV content to every key player in OTT streaming ecosystem with Amazon, Apple, Netflix and Google.
- Audience: Growing viewership and subscription numbers significantly beyond our current base of more than 23 million viewers to potentially hundreds of millions of global viewers across billions of connected devices.
- Financial Performance/Metrics:
  - Paying down debt and enhancing liquidity,
  - Driving EBITDA through incremental revenue growth from new channel launches, expansion of distribution, improved monetization and partnerships, and continuous efforts on cost mitigation.

The Company announced its acquisition of FoundationTV on March 8, 2021, which was consummated on June 9, 2021, and the formation of Cinedigm India, its wholly-owned subsidiary formed to house FoundationTV. In addition to powering Cinedigm's portfolio of streaming channels and digital video distribution business, the new division will allow Cinedigm to expand their global streaming footprint. The Company is developing a channel umbrella with global reach, which is expected to further enable growth and profitability.

As previously announced, on December 27, 2019, the Company entered into, and on February 14, 2020 amended, (see Note 2 - *Summary of Significant Accounting Policies*), a stock purchase agreement (as so amended, the "Stock Purchase Agreement") with BeiTai Investment LP ("BeiTai"), a related party for accounting purposes of Cinedigm, and Aim Right Ventures Limited ("Aim Right"), two shareholders of Starrise Media Holdings Limited, a leading Chinese entertainment company ("Starrise"), and related party, to buy from them an aggregate of 410,901,000 outstanding Starrise ordinary shares (the "Share Acquisition"). On February 14, 2020, the Company purchased 162,162,162 of the Starrise ordinary shares from BeiTai and issued to BeiTai 21,646,604 shares of its Class A common stock in consideration. On April 10, 2020, the Company, in accordance with the terms of the Stock Purchase Agreement, terminated its obligation to purchase Starrise ordinary shares from Aim Right under the December 27, 2019 stock purchase agreement.

On April 10, 2020, the Company entered into another stock purchase agreement (the "April Stock Purchase Agreement") with five (5) shareholders of Starrise-Bison Global Investment SPC - Bison Global No. 1 SP, Huatai Investment LP, Antai Investment LP, Mingtai Investment LP and Shangtai Asset Management LP, to buy an aggregate of 223,380,000 outstanding Starrise ordinary shares from them and for the Company to issue to them an aggregate of 29,855,081 shares of its Class A common stock in consideration therefor (the "April Share Acquisition"). On April 15, 2020, the April Share Acquisition was consummated and this transaction was also recorded as an equity investment in Starrise. Mingtai is indirectly managed by a subsidiary BFGL, which is controlled by Peixin Xu, one of our directors. BFGL's subsidiary acts as a manager of Bison Global. Shangtai and Hutai are indirectly managed by a subsidiary of BFGL. Peixin Xu controls the manager of the general partner of Antai.

Starrise's ordinary shares (HK 1616) are listed on the main board of the Stock Exchange of Hong Kong Limited. Based on the closing price of HKD 0.15 per share on July 23, 2021, calculated at an exchange rate of \$7.7698 Hong Kong Dollars to 1 US dollar, Cinedigm's ownership in Starrise ordinary shares was approximately \$7.0 million.

On October 11, 2019, the Company received a letter from the Listing Qualifications staff of The Nasdaq Stock Market LLC ("Nasdaq") indicating that, based upon the closing bid price of the Company's Class A common stock, par value \$0.001 per share (the "Common Stock"), for the prior 30 consecutive business days, the Company no longer met the requirement to maintain a minimum bid price of \$1 per share (the "Bid Price Rule"), as set forth in Nasdaq Listing Rule 5450(a)(1).

On December 18, 2019, the Company received a letter from Nasdaq indicating that the Company no longer met the requirement to maintain a minimum market value of publicly held shares of \$15,000,000 (the "MVPHS Rule"), as set forth in Nasdaq Listing Rule 5450(b)(3)(C).

On April 17, 2020, the Company received notice from Nasdaq that it has suspended, effective April 16, 2020 and until June 30, 2020, relevant grace periods to regain compliance with the Bid Price Rule and the MVPHS Rule due to the global market impact caused by COVID-19. Specifically, (x) no delisting would occur until July 1, 2020, and any extension to reach compliance with the Bid Price Rule, if granted by the Panel, would be further extended by the duration of the suspension, and (y) the Company now had until August 29, 2020 to regain compliance with the MVPHS Rule.

On May 7, 2020, the Company was notified by Nasdaq that the previously disclosed MVPHS Rule deficiency had been cured, that the Company was in compliance, and that Nasdaq considered the matter closed.

On June 17, 2020, the Company was notified by Nasdaq that the previously disclosed Bid Price Rule had been cured and that the Company was in compliance, and that Nasdaq considered the matter closed.

On October 5, 2020, the Company received a letter from the Nasdaq indicating that the Company no longer met the Bid Price Rule.

On February 2, 2021, the Company was notified by Nasdaq that the previously disclosed Bid Price Rule had been cured and that the Company was in compliance, and that Nasdaq considered the matter closed.

On July 20, 2021, Cinedigm Corp. (the "Company") received a notice (the "Notice") from the Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company is not in compliance with Nasdaq Listing Rule 5250(c)(1) ("Rule 5250(c)(1)") because the Company did not timely file its Annual Report on Form 10-K for the fiscal year ended March 31, 2021 (the "Form 10-K") with the Securities and Exchange Commission (the "SEC"). The Notice states that the Company is required to submit a plan to regain compliance with Rule 5250(c)(1) within 60 calendar days from the date of the Notice. If the plan is accepted by Nasdaq, then Nasdaq can grant the Company up to 180 calendar days from the due date of the Form 10-K to regain compliance. The Notice does not result in the immediate delisting of the Common Stock from the Nasdaq Global Market. The filing of this Annual Report on Form 10-K satisfies Rule 5250(c)(1).

## *Risk and Uncertainties*

The COVID-19 pandemic and related economic repercussions created significant volatility and uncertainty impacting the Company's results for the year. As part of our Content & Entertainment business, the Company sells DVDs and Blu-ray discs at brick-and-mortar stores. With the closure of non-essential retail stores beginning in the spring of 2020, the sale of physical discs through our retail partners declined although this was partially offset by digital purchases of physical product. As part of our Cinema Equipment business, the Company earns revenue when movies are exhibited in theaters. Many movie theaters in the United States closed during the spring of 2020 and remained closed or re-opened on a limited basis through March 31, 2021. The majority of major studios shifted films out of the fiscal year to dates when more screens would be available, and consumers felt safe to return to theaters. Films released during the year had box office results below pre-Covid expectations due to theater closure, limited capacity and new commercial models that permitted viewing day and date via premium video on demand ("PVOD") and subscription video on demand ("SVOD"). To the extent films are not shown in theaters, we do not earn revenue.

Longer term, there may be a shift in consumer preference towards digital consumption over physical or theatrical viewing. Studios may reduce their theatrical slates to tentpoles and certain genres releasing other content directly on their own streaming services. This decision could negatively impact the Company's ability to license content for the sale of physical product, if those rights are withheld to create exclusivity to the platform and reduce revenue opportunities for virtual print fees and sales of digital cinema equipment. While the Company has been encouraged by the pace of mass vaccinations, spikes or the emergence of new variants could require future closures.

## **CONTENT & ENTERTAINMENT**

### Content Distribution and our Enthusiast Streaming Channels

Cinedigm Entertainment Group, or CEG, is a leading independent content distributor in North America. We are unique among most independent distributors because of our direct relationships with thousands of digital as well as physical retail locations, including Walmart, Target, Apple, Netflix and Amazon, as well as the national Video on Demand platforms. Our library of films and television episodes encompass award winning documentaries from Docurama Films®, acclaimed independent films, festival picks and a wide range of content from brand name suppliers, including Scholastic, NFL, Konami and Hallmark.

Additionally, we are leveraging our infrastructure, technology, content and distribution expertise to rapidly and cost effectively build and expand our streaming digital network businesses, which operates as Cinedigm Networks.

The Company currently operates 16 different enthusiast streaming brands across 19 live streaming channels under a wide array of business models:

#### Subscription Video on Demand (SVOD) Services:

- Docurama – a documentary and nonfiction streaming service launched in September 2014
- CONtv – a fandom-centric service focused on comics, genre films and geek culture, launched in March 2015
- Dove Channel – a faith and family entertainment service launched in August 2015
- Viewster Anime – a Japanese Anime streaming service acquired in February, 2018
- Fandor – an independent film streaming service, acquired in January 2021.
- Screambox, a horror streaming service acquired in February 2021

#### Ad-Supported Video on Demand (AVOD) or Free Ad Supported Streaming Television Channels:

- Dove Channel – a faith and family linear channel launched in 2017



- Docurama – a documentary and nonfiction linear channel launched in 2018
- CONtv – a fandom-centric linear channel launched in 2018
- Comedy Dynamics – a comedy linear channel launched in 2019
- The Bob Ross Channel, a lifestyle linear channel launched in 2020
- MyTime, a women’s entertainment linear channel, launched in 2020
- Gametoon – an esports news and lifestyle linear channel launched in 2020
- Fashionbox – a fashion lifestyle linear channel launched in 2020
- WhistleTV – a sports lifestyle channel launched in 2020
- CONtv Anime, an anime linear channel launched in 2020
- Bloody Disgusting TV a horror linear channel launched in 2020
- The Film Detective – a classic film linear channel and on demand platform acquired in 2020
- Lone star – a classic western channel and on demand platform acquired in 2020

From time to time, the Company will announce channel development deals with a variety of media companies. The timeline for planning and launching a channel varies from months to years and is also dependent on carriage conversations with a wide array of platforms and distributors. We announced three channels in 2020 that remain in development through 2021:

- LIVX, a music and entertainment channel
- Party Crashers, a political news channel
- AudPop, a short form entertainment channel

The digital channels market is a nascent industry, and from time to time, the Company will cease operating or distributing channels that do not find adequate audiences or meet the needs of platforms or audiences. In the prior fiscal year, we elected to cease operating or distributing the following channels:

- Bambu, a Chinese entertainment linear channel owned and operated by Cinedigm
- Hallypop, a Korean music and lifestyle linear channel distributed by Cinedigm
- CombatGo, an international combat sports linear channel distributed by Cinedigm

We distribute our streaming channels in several distinct ways: direct to consumer, through major application platforms such as the web, iOS, Android, Roku, Apple TV, Amazon Fire, Vizio, and Samsung; and through third party distributors of content on emerging platforms such as Amazon Prime, Twitch, Xumo and Sling/Dish, and a wide variety of Smart TV manufacturers globally. Through our rapidly expanding base of distribution arrangements, Cinedigm has an estimated addressable device footprint of more than 330 million devices in North America and more than 370 million internationally. Our focus in the near term will be to expand our market position in the FAST and AVOD divisions of the streaming industry, taking advantage of the shift of more than \$70 billion dollars in television advertising revenue to the OTT market. We believe our scale channel portfolio, our superior capabilities in launching and managing channels at scale, and our strategic partnerships with key content owners and platforms will provide us a strategic advantage to gain considerable market share in the immediate future.

### *Our Strategy*

The shift from traditional entertainment consumption to streaming is accelerating. We believe that our large library of film and television episodes, long-standing relationships with digital platforms, state of the art technologies and years of experience operating and growing streaming audiences will allow us to continue to build a diversified portfolio of enthusiasts OTT channels that generate recurring revenue streams from advertising, merchandising and subscriptions. We believe that our success, market leadership and scale will continue to attract strong brands and media companies who bring name recognition, high-quality film and television content, and strong marketing support (together our “Streaming” business).

We believe that we are well positioned to succeed in the streaming channel business for the following key reasons:

- More than 13 years of experience as a primary distributor of content to scale 3rd party OTT platforms such as Netflix, Hulu, Amazon Prime, Apple iTunes and more, and nearly seven years of history operating OTT channels with millions of downloads, hundreds of thousands of registered users, and hundreds of millions of discrete data points on our customer’s behavior and preferences,
- The depth and breadth of our almost 33,000 title film and television episode library,
- Our digital assets and deep, long-standing relationships as launch partners that cover the major digital platforms and devices,
- Our marketing expertise,
- Our flexible releasing strategies, which differ from larger entertainment companies that need to protect their legacy businesses,
- Our proprietary streaming technology enabling us to operate at scale and at lower operating costs than our competitors, and
- Our experienced management team

### *Intellectual Property*

We own certain copyrights, trademarks and Internet domain names in connection with the Content & Entertainment business. We view these proprietary rights as valuable assets. We maintain registrations, where appropriate, to protect them and monitor them on an ongoing basis.

### *Customers*

For the fiscal year ended March 31, 2021, two customers, Amazon and Walmart each represented 10% or more of CEG’s revenues and approximately 10% of our consolidated revenues.

### *Competition*

Numerous companies are engaged in various forms of producing and distributing independent movies and alternative content. These competitors may have significantly greater financial, marketing and managerial resources than we do, may have generated greater revenue and may be better known than we are at this time.

Competitors to our Content & Entertainment and Digital Networks segment is as follows:

- Entertainment One (eOne) Ltd.
- IFC Entertainment
- Lionsgate Entertainment
- Magnolia Pictures
- RLJ Entertainment, Inc.
- AMC Networks

## CINEMA EQUIPMENT BUSINESS

The Phase I Deployment and Phase II Deployment operations consist of the following:

### **Operations of:**

Cinema Equipment Business

### **Products and services provided:**

Financing vehicles and administrators for 3,122 Systems installed nationwide in our first deployment phase (“Phase I Deployment”) to theatrical exhibitors and for 3,104 Systems installed domestically and internationally in our second deployment phase (“Phase II Deployment”).

We retain ownership of our digital cinema equipment (the “Systems”) and the residual cash flows related to the Systems in Phase I Deployment after the after the end of the 10-year deployment payment period.

For certain Phase II Deployment Systems, we do not retain ownership of the residual cash flows and digital cinema equipment in Phase II Deployment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.

The Cinema Equipment Business also provides monitoring, collection, verification and management services to this segment, as well as to exhibitors who purchase their own equipment, and also collects and disburses VPFs from motion picture studios, and distributors and ACFs from alternative content providers, movie exhibitors and theatrical exhibitors (collectively, “Services”).

## **PHASE I DEPLOYMENT AND PHASE II DEPLOYMENT**

In June 2005, we formed our Phase I Deployment division in order to purchase up to 4,000 Systems under an amended framework agreement with Christie Digital Systems USA, Inc. (“Christie”). As of March 31, 2021, Phase I Deployment had 3,122 Systems installed.

In October 2007, we formed our Phase II Deployment division for the administration of up to 10,000 additional Systems. As of March 31, 2021, Phase II Deployment had 3,104 of such Systems installed.

Our Phase I Deployment and Phase II Deployment divisions own and license Systems to theatrical exhibitors and collect virtual print fees (“VPFs”) from motion picture studios and distributors, as well as alternative content fees (“ACFs”) from alternative content providers and theatrical exhibitors, when content is shown on exhibitors’ screens. We have licensed the necessary software and technology solutions to the exhibitor and have facilitated the industry’s transition from analog (film) to digital cinema. As part of the Phase I Deployment of our Systems, we have agreements with nine motion picture studios and certain smaller independent studios and exhibitors, allowing us to collect VPFs and ACFs when content is shown in theatres, in exchange for having facilitated and financed the deployment of Systems. Cinedigm Digital Funding I, LLC (“Phase I DC”) has agreements with 17 theatrical exhibitors that license our Systems in order to show digital content distributed by the motion picture studios and other providers, including Content & Entertainment, which is described below.

Beginning in December 2015, certain of our digital cinema equipment began to reach the conclusion of their 10-year deployment payment period with certain distributors and, therefore, revenues ceased to be recognized on such Systems, related to such distributors. Furthermore, because the Phase I Deployment installation period ended in November 2007, a majority of the VPF revenue associated with the Phase I Deployment Systems has ended. As of March 31, 2021, all of our 3,122 systems from the Phase I Deployment phase of our cinema equipment business segment had ceased to earn a significant portion of VPF revenue from certain major studios, although various other studios, consisting mostly of small independent studios, continued to pay VPFs through March 31, 2021. We expect to continue to earn such ancillary revenue from the cinema equipment segment through December of 2021; however, such amounts are expected to be significantly less material to our consolidated financial statements. The reduction in VPF revenue on cinema equipment business systems approximately coincided with the conclusion of certain of our non-recourse debt obligations and, therefore, the reduced cash outflows related to such non-recourse debt obligations partially offset the reduced VPF revenue since November 2017.

Under the terms of our standard cinema equipment licensing agreements, exhibitors will continue to have the right to use our Systems through the end of the term of the licensing agreement, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair market value. As permitted by these agreements, we have begun, and expect to continue, to pursue the sale of the Systems to such exhibitors. Such sales were as originally contemplated as the conclusion of the digital cinema deployment plan. Cinedigm completed the sale of approximately 2,177 digital projection Systems for an aggregate sales price of approximately \$6.7 million during the year ended March 31, 2021.

Our Phase II Deployment division has entered into digital cinema deployment agreements with eight motion picture studios, and certain smaller independent studios and exhibitors, to distribute digital movie releases to exhibitors equipped with our Systems, for which we and our wholly owned, non-consolidated subsidiary Cinedigm Digital Funding 2, LLC (“CDF2 Holdings”) earn VPFs. As of March 31, 2021, our Phase II Deployment division has master license agreements with 102 exhibitors covering 3,104 screens, whereby the exhibitors agreed to install our Systems. As of March 31, 2021, we had 3,104 Access Digital Phase 2 Corp. (“Phase 2 DC”) Systems installed, including 1,717 screens under the exhibitor-buyer structure (“Exhibitor-Buyer”), and 1,387 screens covering 23 exhibitors through CDF2.

Exhibitors paid us an installation fee of up to \$2.0 thousand per screen out of the VPFs collected by our Services division. We manage the billing and collection of VPFs and remit to exhibitors all VPFs collected, less an administrative fee of approximately 10%. For Phase 2 DC Systems we own and finance on a non-recourse basis, we typically received a similar installation fee of up to \$2.0 thousand per screen and an ongoing administrative fee of approximately 10% of VPFs collected. We have recorded no debt, property and equipment, financing costs or depreciation in connection with Systems covered under the Exhibitor-Buyer Structure and CDF2 Holdings.

VPFs are earned pursuant to contracts with movie studios and distributors, whereby amounts are payable to our Phase I and Phase II deployment businesses according to fixed fee schedules, when movies distributed by studios are displayed in movie theatres using our installed Systems. One VPF is payable to us upon the initial booking of a movie, for every movie title displayed per System. Therefore, the amount of VPF revenue that we earn depends on the number of unique movie titles released and displayed using our Systems. Our Phase II Deployment division earns VPF revenues only for Systems that it owns.

Our Phase II Deployment agreements with distributors require payment of VPFs for ten years from the date that each system is installed; however, we may no longer collect VPFs once “cost recoupment,” as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by us have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all “overhead and ongoing costs,” as defined, subject to maximum agreed upon amounts during the four-year roll-out period and thereafter. Furthermore, if cost recoupment occurs before the end of the eighth contract year, a one-time “cost recoupment bonus” is payable to us by the studios. Cash flows, net of expenses, received by our Phase II Deployment business, following the achievement of cost recoupment, must be returned to the distributors on a pro-rata basis. At this time, we cannot estimate the timing or probability of the achievement of cost recoupment.

#### *Customers*

No single Phase I or Phase II customer comprised more than 10% of our consolidated revenue.

#### *Seasonality*

Revenues earned by our Cinema Equipment Business segment from the collection of VPFs from motion picture studios are seasonal, coinciding with the timing of releases of movies by the motion picture studios. Generally, motion picture studios release the most marketable movies during the summer and the winter holiday season. The unexpected emergence of a hit movie during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or any other quarter. The seasonality of motion picture exhibition; however, has become less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

## SERVICES

Our Services division provides monitoring, billing, collection, verification and other management services to Phase 1 DC and Phase 2 DC as well as to exhibitor-buyers who purchase their own equipment. Our Services division provides such services to the 3,122 screens in the Phase I Deployment for a monthly service fee equal to 5% of the VPFs earned by Phase 1 DC and an incentive service fee equal to 2.5% of the VPFs earned by Phase 1 DC. The Services division also provides services to the 3,104 Phase II Systems deployed, for which we typically receive a monthly fee of approximately 10% of the VPFs earned by Phase 2 DC. The total Phase II service fees are subject to an annual limitation under the terms of our agreements with motion picture studios and are determined based upon the respective Exhibitor-Buyer Structure, or CDF2 agreements. Unpaid service fees in any period remain an obligation to Phase 2 DC in the cost recoupment framework. Such fees are not recognized as income or accrued as an asset on our balance sheet given the uncertainty of the receipt and the timing thereof as future movie release and bookings are not known. Service fees are accrued and recognized only on deployed Phase II Systems. As a result, the annual service fee limitation is variable until these fees are paid.

In February 2013, we (i) assigned to our wholly owned subsidiary, Cinedigm DC Holdings LLC (“DC Holdings”), the right and obligation to service the digital cinema projection systems from the Phase I Deployment and certain systems that were part of the Phase II Deployment, (ii) delegated to DC Holdings the right and obligation to service certain other systems that were part of the Phase II Deployment and (iii) assigned to DC Holdings the right to receive servicing fees from the Phase I and Phase II Deployments. We also transferred to DC Holdings certain of our operational staff whose responsibilities and activities relate solely to the operation of the servicing business and to provide DC Holdings with the right to use the supporting software and other intellectual property associated with the operation of the servicing business.

Our Services division also has international servicing partnerships in Australia and New Zealand with the Independent Cinema Association of Australia and serviced 107 screens as of March 31, 2021, at which time we ceased providing servicing to such parties.

### *Competition*

Our Services division faces limited competition domestically in its digital cinema services business as the major Hollywood movie studios have only signed digital cinema deployment agreements with five entities, including us, and the deployment period in North America is now complete. Competitors include: Digital Cinema Implementation Partners (“DCIP”), a joint venture of three large exhibitors (Regal Entertainment Group, AMC Entertainment Holdings, Inc. and Cinemark Holdings, Inc.) focused on managing the conversions of those three exhibitors; Sony Digital Cinema, to support the deployment of Sony projection equipment; Christie Digital USA, Inc., to support the deployment of Christie equipment; and GDC, Inc., to support the deployment of GDC equipment. We have a significantly greater market share than all other competitors except for the DCIP consortium, which services approximately 18,000 total screens representing its consortium members.

As we expand our servicing platform internationally, additional competitors beyond those listed above consist of Arts Alliance, Inc., a leading digital cinema servicer focused on the European markets, and GDC, as well as other potential local start-ups seeking to service a specific international market. We typically seek to partner with a leading local entity to combine our efficient servicing infrastructure and strong studio relationships with the necessary local market expertise and exhibitor relationships.

## ENVIRONMENTAL

The nature of our business does not subject us to environmental laws in any material manner.

## EMPLOYEES

As of March 31, 2021, we had 72 employees, with 4 part-time/temporaries and 68 full-time, of which 18 are in sales and marketing, 23 are in operations, and 31 are in executive, finance, technology and administration functions.

## AVAILABLE INFORMATION

Our Internet website address is [www.cinedigm.com](http://www.cinedigm.com). We will make available, free of charge at the “Investor Relations - Financial Information” section of our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and all amendments to those reports and statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC.

In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding companies that file electronically with the Commission. This information is available at [www.sec.gov](http://www.sec.gov), the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549 or by calling 1-800-SEC-0330.

## ITEM 1A. RISK FACTORS

### Risks Related to our Business

***We maintain an amount of outstanding indebtedness, which could impair our ability to operate our business and react to changes in our business, remain in compliance with debt covenants and make payments on our debt.***

We maintain an amount of outstanding indebtedness, which could impair our ability to operate our business and react to changes in our business, remain in compliance with debt covenants and make payments on our debt. Our level of indebtedness could require a significant portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities.

In addition, our current credit facilities contain, and any future credit facilities will likely contain, covenants and other provisions that restrict our operations. These restrictive covenants and provisions could limit our ability to obtain future financing, make needed capital expenditures, withstand a future downturn in our business or the economy in general, or otherwise conduct necessary corporate activities, and may prevent us from taking advantage of business opportunities that arise in the future. If we refinance our credit facilities, we cannot guarantee that any new credit facility will not contain similar covenants and restrictions.

***We face the risks of doing business in new and rapidly evolving markets and may not be able successfully to address such risks and achieve acceptable levels of success or profits.***

We have encountered and may continue to encounter the challenges, uncertainties and difficulties frequently experienced in new and rapidly evolving markets, including:

- limited operating experience;
- net losses;
- lack of sufficient customers or loss of significant customers;
- a changing business focus;
- the downward trend in sales of physical DVD and Blu-ray discs;
- rapidly-changing technology for some of the products and services we offer; and
- difficulties in managing potentially rapid growth.

***We expect competition to be intense. If we are unable to compete successfully, our business and results of operations will be seriously harmed.***

The markets for the digital cinema business and the content distribution business are competitive, evolving and subject to rapid technological and other changes. We expect the intensity of competition in each of these areas to increase in the future. Companies willing to expend the necessary capital to create facilities and/or capabilities similar to ours may compete with our business. Increased competition may result in reduced revenues and/or margins and loss of market share, any of which could seriously harm our business. In order to compete effectively in each of these fields, we must differentiate ourselves from competitors.

Many of our current and potential competitors have longer operating histories and greater financial, technical, marketing and other resources than we do, which may permit them to adopt aggressive pricing policies. As a result, we may suffer from pricing pressures that could adversely affect our ability to generate revenues and our results of operations. Many of our competitors also have significantly greater name and brand recognition and a larger customer base than us. If we are unable to compete successfully, our business and results of operations will be seriously harmed.

***Our plan to acquire additional businesses involves risks, including our inability to complete or integrate an acquisition successfully, our assumption of liabilities, dilution of your investment and significant costs.***

Strategic and financially appropriate acquisitions are a key component of our growth strategy. Although there are no acquisitions identified by us as probable at this time, we may make acquisitions of similar or complementary businesses or assets. Even if we identify appropriate acquisition candidates, we may be unable to negotiate successfully the terms of the acquisitions, finance them, integrate the acquired business into our then existing business, obtain required regulatory approvals, and/or attract and retain customers. Completing an acquisition and integrating an acquired business may require a significant diversion of management time and resources and may involve assuming new liabilities. Any acquisition also involves the risks that the assets acquired may prove less valuable than expected and/or that we may assume unknown or unexpected liabilities, costs and problems. If we make one or more significant acquisitions in which any of the consideration consists of our capital stock, your equity interest in the Company could be diluted, perhaps significantly. If we were to proceed with one or more significant acquisitions in which the consideration included cash, we could be required to use a substantial portion of our available cash or obtain additional financing to consummate them.

***Our previous acquisitions involve risks, including our inability to integrate successfully the new businesses and our assumption of certain liabilities.***

Our previous acquisitions of businesses and their respective assets also involved the risks that the businesses and assets acquired may prove to be less valuable than we expected and/or that we may assume unknown or unexpected liabilities, costs and problems. In addition, we assumed certain liabilities in connection with these acquisitions and we cannot assure you that we will be able to satisfy adequately such assumed liabilities. Other companies that offer similar products and services may be able to market and sell their products and services more cost-effectively than we can.

***We have recorded goodwill impairment charges in the past and may be required to record additional charges to future earnings if our goodwill becomes further impaired or our intangible assets become impaired.***

We are required under generally accepted accounting principles to review our goodwill and definite-lived intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill must be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our reporting units and intangible assets may not be recoverable include a decline in stock price and market capitalization, slower growth rates in our industry or our own operations, and/or other materially adverse events that have implications on the profitability of our business. We may be required to record additional charges to earnings during any period in which a further impairment of our goodwill or other intangible assets is determined which could adversely affect our results of operations.

***If we do not manage our growth, our business will be harmed.***

We may not be successful in managing our growth. Past growth has placed, and future growth will continue to place, significant challenges on our management and resources, related to the successful integration of the newly acquired businesses. To manage the expected growth of our operations, we will need to improve our existing, and implement new, operational and financial systems, procedures and controls. We may also need to expand our finance, administrative, client services and operations staffs and train and manage our growing employee base effectively. Our current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. Our business, results of operations and financial position will suffer if we do not effectively manage our growth.

***If we are not successful in protecting our intellectual property, our business will suffer.***

We depend heavily on technology and viewing content to operate our business. Our success depends on protecting our intellectual property, which is one of our most important assets. We have intellectual property consisting of:

- rights to certain domain names;
- registered service marks on certain names and phrases;
- various unregistered trademarks and service marks;

- film, television and other forms of viewing content;
- know-how; and
- rights to certain logos.

If we do not adequately protect our intellectual property, our business, financial position and results of operations would be harmed. Our means of protecting our intellectual property may not be adequate. Unauthorized parties may attempt to copy aspects of our intellectual property or to obtain and use information that we regard as proprietary. In addition, competitors may be able to devise methods of competing with our business that are not covered by our intellectual property. Our competitors may independently develop similar technology, duplicate our technology or design around any intellectual property that we may obtain.

Although we hold rights to various web domain names, regulatory bodies in the United States and abroad could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. The relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. We may be unable to prevent third parties from acquiring domain names that are similar to or diminish the value of our proprietary rights.

***Our debt obligations could impair our financial flexibility and restrict our business significantly.***

We now have, and will continue to have, debt obligations. We have a credit facility with East West Bank (the “Credit Facility”), of which the principal amount outstanding was \$1.9 million as of March 31, 2021. In February 2021, we fully paid off our previous second lien loan facility (the “Second Secured Lien Notes”), of which the principal amount outstanding was approximately \$8.2 million as of March 31, 2020. Our two outstanding convertible notes in the aggregate principal amount of \$15 million were converted into equity in September 2020. We also received a Paycheck Protection Program loan in May 2020 having a principal amount of \$2.1 million, which amount plus accrued interest were forgiven in full effective June 30, 2021.

As of March 31, 2021, total indebtedness of our consolidated subsidiaries (not including guarantees of our debt) was \$2.0 million, which does not include the loan from Prospect Capital (the “Prospect Loan”). In connection with the Prospect Loan, we provided a limited recourse guaranty pursuant to which Cinedigm guaranteed certain representations and warranties and performance obligations with respect to the Prospect Loan in favor of the collateral agent and the administrative agent for the Prospect Loan. Cinedigm Corp. has provided a limited recourse guaranty in respect of a portion of this indebtedness \$7.8 million as of March 31, 2021 pursuant to which it agreed to become a primary obligor of such indebtedness in certain specified circumstances, none of which have occurred as of the date hereof.

The obligations and restrictions under the Credit Facility, the Prospect Loan, and our other debt obligations could have important consequences for us, including:

- limiting our ability to obtain necessary financing in the future; and
- requiring us to dedicate a substantial portion of our cash flow to payments on our debt obligations,
- thereby reducing the availability of our cash flow to fund working capital, capital expenditures
- and other corporate requirements or expansion of our business.

CDF2 and CDF2 Holdings are our indirect wholly owned, non-consolidated VIEs that are intended to be special purpose, bankruptcy remote entities. CDF2 Holdings has entered into the CHG Lease pursuant to which CHG provided sale/leaseback financing for digital cinema projection systems that were partially financed as part of the Phase II deployment of our Digital Equipment segment. The CHG Lease is non-recourse to Cinedigm and our subsidiaries, excluding our VIEs, CDF2 and CDF2 Holdings, as the case may be. Although the Phase II financing arrangements undertaken by CDF2 and CDF2 Holdings are important to us with respect to the success of our Phase II Deployment, our financial exposure related to the debt of CDF2 and CDF2 Holdings is limited to the \$2.0 million initial investment we made into CDF2 and CDF2 Holdings. CDF2 Holding’s total stockholder’s deficit at March 31, 2021 was \$46.3 million. We have no obligation to fund the operating loss or the deficit beyond our initial investment, and accordingly, we carried our investment in CDF2 Holdings at \$0 as of March 31, 2021 and 2020.



The obligations and restrictions under the CHG Lease could have important consequences for CDF2 and CDF2 Holdings, including:

- Limiting our ability to obtain necessary financing in the future;
- restricting us from incurring liens on the digital cinema projection systems financed and from
- subleasing, assigning or modifying the digital cinema projection systems financed; and
- requiring them to dedicate a substantial portion of their cash flow to payments on their debt obligations, thereby reducing the availability of their cash flow for other uses.

If we are unable to meet our debt obligations, we could be forced to restructure or refinance our obligations, to seek additional equity financing or to sell assets, which we may not be able to do on satisfactory terms or at all. As a result, we could default on those obligations and in the event of such default, our lenders could accelerate our debt or take other actions that could restrict our operations.

The foregoing risks would be intensified to the extent we borrow additional money or incur additional debt.

***The agreements governing the financing of the Credit Facility and the Prospect Loan impose certain limitations on us.***

The Credit Facility restricts our ability and the ability of our subsidiaries that have guaranteed the obligations under the Credit Facility, subject to certain exceptions, to, among other things:

- make investments;
- incur other indebtedness or liens;
- create or acquire subsidiaries;
- engage in a new line of business;
- pay dividends;
- sell assets;
- acquire, consolidate with, or merge with or into other companies; and
- enter into transactions with affiliates.

The agreements governing the Prospect Loan restrict the ability of DC Holdings LLC and its subsidiaries, and ADCP2 and its subsidiaries, subject to certain exceptions, to, among other things:

- make certain capital expenditures and investments;
- incur other indebtedness or liens;
- engage in a new line of business;
- sell assets;
- acquire, consolidate with, or merge with or into other companies; and
- enter into transactions with affiliates.

***We may not be able to generate the amount of cash needed to fund our future operations.***

Our ability either to make payments on or to refinance our indebtedness, or to fund planned capital expenditures and research and development efforts, will depend on our ability to generate cash in the future. Our ability to generate cash is in part subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

Based on our current level of operations and in conjunction with the cost reduction measures that we have recently implemented and continue to implement, we believe our cash flow from operations, available borrowings and loan and credit agreement terms will be adequate to meet our future liquidity needs through at least the next twelve months. Significant assumptions underlie this belief, including, among other things, that there will be no material adverse developments in our business, liquidity or capital requirements. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as:

- reducing capital expenditures;
- reducing our overhead costs and/or workforce;
- reducing research and development efforts;
- selling assets;
- restructuring or refinancing our remaining indebtedness; and
- seeking additional funding.

We cannot assure you, however, that our business will generate sufficient cash flow from operations, or that we will be able to make future borrowings in amounts sufficient to enable us to pay the principal and interest on our current indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

***We have incurred losses since our inception.***

We have incurred losses since our inception in March 2000 and have financed our operations principally through equity raises and borrowings. As of March 31, 2021, we had negative working capital, defined as current assets less current liabilities, of \$14.2 million, and cash, cash equivalents and restricted cash totaling \$17.8 million. We have total equity of \$15.8 million. During the fiscal year ended March 31, 2021, we used \$20.0 million of net cash flows from operating activities.

Our net losses and cash outflows may increase as and to the extent that we increase the size of our business operations, increase our sales and marketing activities, increase our content distribution rights acquisition activities, enlarge our customer support and professional services and acquire additional businesses. These efforts may prove to be more expensive than we currently anticipate which could further increase our losses. We must continue to increase our revenues in order to become profitable. We cannot reliably predict when, or if, we will become profitable. Even if we achieve profitability, we may not be able to sustain it. If we cannot generate operating income or positive cash flows in the future, we will be unable to meet our working capital requirements.

***We face risks associated with our business in China.***

In November 2017, Bison, a Hong Kong-based entity that does business in mainland China as well as other locations, became our majority owner. We anticipated that Bison's presence and relationships in China will provide us with assistance in expanding our business to China. In January 2018, we announced a strategic alliance with Starrise Media Holdings Limited, a leading Chinese entertainment company whose ordinary shares are listed on the Hong Kong Stock Exchange ("Starrise"), to release films in China theatrically and to digital platforms, and to evaluate opportunities to jointly produce Chinese/American film co-productions, and in February and April 2020, we acquired approximately 26% of the outstanding ordinary shares of Starrise. Accordingly, we are exposed to risks of doing business in China. As a result, the economic, political, legal and social conditions in China could have a material adverse effect on our business. In addition, the legal system in China has inherent uncertainties that may limit the legal protections available in the event of any claims or disputes that we may have with third parties, including our ability to protect the intellectual property we use in China. As China's legal system is still evolving, the interpretation of many laws, regulations and rules is not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit the remedies available in the event of any claims or disputes with third parties. Some of the other risks related to doing business in China include:

- the Chinese government exerts substantial influence over the manner in which we must conduct our business activities;
- restrictions on currency exchange may limit our ability to receive and use our cash effectively;
- the Chinese government may favor local businesses and make it more difficult for foreign businesses to operate in China on an equal footing, or generally;
- there are increased uncertainties related to the enforcement of contracts with certain parties; and
- more restrictive rules on foreign investment could adversely affect our ability to expand our operations in China

As a result of our growing operations in China, these risks could have a material adverse effect on our business, results of operations and financial condition.

***We are subject to risks from our equity investment in a foreign company.***

We own approximately 22% of the outstanding ordinary shares of Starrise, a company that operates in China and whose ordinary shares trade on the Hong Kong Stock Exchange. We have partnered with Starrise in the past, and continue to do so, with respect to the release of U.S.-sourced content in China and China-sourced content in the U.S. We may experience consequences from economic and regulatory events and requirements outside of the United States that affect the value of these shares and their value to us, including changes in regulatory requirements that affect Starrise, fluctuations in international currency exchange rates, volatility in international political and economic environments, public disclosure requirements, and unforeseen developments and conditions, including terrorism, war, epidemics and international tensions and conflicts. No assurance can be made that, if we were to sell these shares on the Hong Kong Stock Exchange in Hong Kong currency, we would receive the full value in U.S. dollars upon repatriating the proceeds, based on fluctuating currency exchange rates.

While the impact of these factors is difficult to predict, any one or more of these factors could adversely affect the value of our investment in the Starrise shares.

***Our success will significantly depend on our ability to hire and retain key personnel.***

Our success will depend in significant part upon the continued performance of our senior management personnel and other key technical, sales and creative personnel. We do not currently have significant "key person" life insurance policies for any of our employees. We currently have employment agreements with our chief executive officer. If we lose one or more of our key employees, we may not be able to find a suitable replacement(s) and our business and results of operations could be adversely affected. In addition, competition for key employees necessary to create and distribute our entertainment content and software products is intense and may grow in the future. Our future success will also depend upon our ability to hire, train, integrate and retain qualified new employees and our inability to do so may have an adverse impact upon our business, financial condition, operating results, liquidity and prospects for growth.

***If we do not respond to future changes in technology and customer demands, our financial position, prospects and results of operations may be adversely affected.***

The demand for our Systems and other assets in connection with our digital cinema business (collectively, our “Digital Cinema Assets”) may be affected by future advances in technology and changes in customer demands. We cannot assure you that there will be continued demand for our Digital Cinema Assets. Our profitability depends largely upon the continued use of digital presentations at theatres. Although we have entered into long term agreements with major motion picture studios and independent studios (the “Studio Agreements”), there can be no assurance that these studios will continue to distribute digital content to movie theatres. If the development of digital presentations and changes in the way digital files are delivered does not continue or technology is used that is not compatible with our Systems, there may be no viable market for our Systems and related products. Any reduction in the use of our Systems and related products resulting from the development and deployment of new technology may negatively impact our revenues and the value of our Systems.

The demand for DVD products is declining, and we anticipate that this decline will continue. We anticipate, however, that the distribution of DVD products will continue to generate positive cash flows for the Company for the foreseeable future. Should a decline in consumer demand be greater than we anticipate, our business could be adversely affected.

***We have concentration in our digital cinema business with respect to our major motion picture studio customers, and the loss of one or more of our largest studio customers could have a material adverse effect on us.***

Our Studio Agreements account for a significant portion of our service revenue within Phase 2. Our service fee revenue associated with these studios generated 1.4% of our consolidated revenues for the fiscal year ended March 31, 2021.

The Studio Agreements are critical to our business. If some of the Studio Agreements were terminated prior to the end of their terms or found to be unenforceable, or if our Systems are not upgraded or enhanced as necessary, or if we had a material failure of our Systems, it may have a material adverse effect on our revenue, profitability, financial condition and cash flows. The Studio Agreements also generally provide that the VPF rates and other material terms of the agreements may not be more favorable to one studio as compared to the others.

***Termination of the MLAs and MLAs could damage our revenue and profitability.***

The master license agreements with each of our licensed exhibitors (the “MLAs”) are critical to our business as are master license administrative agreements (the “MLAs”). The MLAs have terms, which expire in 2020 through 2022 and provide the exhibitor with an option to purchase our Systems or to renew for successive one-year periods up to ten years thereafter. The MLAs also require our suppliers to upgrade our Systems when technology necessary for compliance with DCI Specification becomes commercially available and we may determine to enhance the Systems, which may require additional capital expenditures. If any one of the MLAs were terminated prior to the end of its term, not renewed at its expiration or found to be unenforceable, or if our Systems are not upgraded or enhanced as necessary, it would have a material adverse effect on our revenue, profitability, financial condition and cash flows. Additionally, termination of MLAs could adversely impact our servicing business.

***An increase in the use of alternative movie distribution channels and other competing forms of entertainment could drive down movie theatre attendance, which, if causing significant theatre closures or a substantial decline in motion picture production, may lead to reductions in our revenues.***

Various exhibitor chains, which are our distributors, face competition for patrons from a number of alternative motion picture distribution channels, such as DVD, network and syndicated television, VOD, pay-per-view television and downloading utilizing the Internet. These exhibitor chains also compete with other forms of entertainment competing for patrons’ leisure time and disposable income such as concerts, amusement parks and sporting events. An increase in popularity of these alternative movie distribution channels and competing forms of entertainment could drive down movie theatre attendance and potentially cause certain of our exhibitors to close their theatres for extended periods of time. Significant theatre closures could in turn have a negative impact on the aggregate receipt of our VPF revenues, which in turn may have a material adverse effect on our business and ability to service our debt.

An increase in the use of alternative movie distribution channels could also cause the overall production of motion pictures to decline, which, if substantial, could have an adverse effect on the businesses of the major studios with which we have Studio Agreements. A decline in the businesses of the major studios could in turn force the termination of certain Studio Agreements prior to the end of their terms. The Studio Agreements with each of the major studios are critical to our business, and their early termination may have a material adverse effect on our revenue, profitability, financial condition and cash flows.

***Our success depends on external factors in the motion picture and television industry.***

Our success depends on the commercial success of movies and television programs, which is unpredictable. Operating in the motion picture and television industry involves a substantial degree of risk. Each movie and television program is an individual artistic work, and inherently unpredictable audience reactions primarily determine commercial success. Generally, the popularity of movies and television programs depends on many factors, including the critical acclaim they receive, the format of their initial release, for example, theatrical or direct-to-video, the actors and other key talent, their genre and their specific subject matter. The commercial success of movies and television programs also depends upon the quality and acceptance of movies or programs that our competitors release into the marketplace at or near the same time, critical reviews, the availability of alternative forms of entertainment and leisure activities, general economic conditions and other tangible and intangible factors, many of which we do not control and all of which may change. We cannot predict the future effects of these factors with certainty, any of which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects. In addition, because a movie's or television program's performance in ancillary markets, such as home video and pay and free television, is often directly related to its box office performance or television ratings, poor box office results or poor television ratings may negatively affect future revenue streams. Our success will depend on the experience and judgment of our management to select and develop new content acquisition and investment opportunities. We cannot make assurances that movies and television programs will obtain favorable reviews or ratings, will perform well at the box office or in ancillary markets or that broadcasters will license the rights to broadcast any of our television programs in development or renew licenses to broadcast programs in our library. The failure to achieve any of the foregoing could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

In addition, the motion picture industry has been significantly affected by the COVID-19 pandemic in light of mandatory theatre shutdown, changes to the planned production, distribution and release schedules. The industry may continue to be negatively impacted by delays in the production and release schedules of new motion pictures and TV shows, which may negatively affect our business, financial condition, operating results, liquidity and prospects.

***Our business involves risks of liability claims for media content, which could adversely affect our business, results of operations and financial condition.***

As a distributor of media content, we may face potential liability for:

- defamation;
- invasion of privacy;
- negligence;
- copyright or trademark infringement (as discussed above); and
- other claims based on the nature and content of the materials distributed.

These types of claims have been brought, sometimes successfully, against producers and distributors of media content. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

***Our revenues and earnings are subject to market downturns.***

Our revenues and earnings may fluctuate significantly in the future. General economic or other conditions could cause lower than expected revenues and earnings within our digital cinema, technology or content and entertainment businesses. The global economic turmoil of recent years has caused a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, an unprecedented level of intervention from the U.S. federal government and other foreign governments, decreased consumer confidence, overall slower economic activity and extreme volatility in credit, equity and fixed income markets. While the ultimate outcome of these events cannot be predicted, a decrease in economic activity in the U.S. or in other regions of the world in which we do business could adversely affect demand for our movies, thus reducing our revenue and earnings. While stabilization has continued, it remains a slow process and the global economy remains subject to volatility. Moreover, financial institution failures may cause us to incur increased expenses or make it more difficult either to financing of any future acquisitions, or financing activities. Any of these factors could have a material adverse effect on our business, results of operations and could result in significant additional dilution to shareholders.

***Changes in economic conditions could have a material adverse effect on our business, financial position and results of operations.***

Our operations and performance could be influenced by worldwide economic conditions. Uncertainty about current global economic conditions poses a risk as consumers and businesses may postpone spending in response to tighter credit, negative financial news and/or declines in income or asset values, which could have a material negative effect on the demand for our products and services. Other factors that could influence demand include continuing increases in fuel and other energy costs, conditions in the residential real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting consumer-spending behavior. These and other economic factors could have a material adverse effect on demand for our products and services and on our financial condition and operating results. Uncertainty about current global economic conditions could also continue to increase the volatility of our stock price.

***Changes to existing accounting pronouncements or taxation rules or practices may affect how we conduct our business and affect our reported results of operations.***

New accounting pronouncements or tax rules and varying interpretations of accounting pronouncements or taxation practice have occurred and may occur in the future. A change in accounting pronouncements or interpretations or taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. Changes to existing rules and pronouncements, future changes, if any, or the questioning of current practices or interpretations may adversely affect our reported financial results or the way we conduct our business.

***Our ability to utilize our net operating loss carryforwards in the future is subject to substantial limitations and we may not be able to use some identified net operating loss carryforwards, which could result in increased tax payments in future periods.***

Under Section 382 of the Internal Revenue Code, if a corporation undergoes an ownership change (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period), the corporation's ability to use its pre-change net operating loss ("NOL") carryforwards to offset its post-change income may be limited. Similar rules may apply under state tax laws. On November 1, 2018, we experienced an ownership change with respect to the Bison acquisition. Accordingly, our ability to utilize our NOL carryforwards attributable to periods prior to November 1, 2018 is subject to substantial limitations. These limitations could result in increased future tax payments, which could be material.

***We may experience unanticipated effects of the COVID-19 pandemic.***

Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, including the recent outbreak of COVID-19. The COVID-19 pandemic and related economic repercussions created significant volatility and uncertainty impacting the Company's results for the year. As part of our Content & Entertainment business, the Company sells DVDs and Blu-ray discs at brick-and-mortar stores. With the closure of non-essential retail stores beginning in the spring of 2020, the sale of physical discs through our retail partners declined although this was partially offset by digital purchases of physical product. As part of our Cinema Equipment business, the Company earns revenue when movies are exhibited in theaters. Many movie theaters in the United States closed during the spring of 2020 and remained closed or re-opened on a limited basis through March 31, 2021. The majority of major studios shifted films out of the fiscal year to dates when more screens would be available, and consumers felt safe to return to theaters. Films released during the year had box office results below pre-Covid expectations due to theater closure, limited capacity and new commercial models that permitted viewing day and date via premium video on demand ("PVOD") and subscription video on demand ("SVOD"). To the extent films are not shown in theaters, we do not earn revenue.

Longer term, there may be a shift in consumer preference towards digital consumption over physical or theatrical viewing. Studios may reduce their theatrical slates to tentpoles and certain genres releasing other content directly on their own streaming services. This decision could negatively impact the Company's ability to license content for the sale of physical product, if those rights are withheld to create exclusivity to the platform and reduce revenue opportunities for virtual print fees and sales of digital cinema equipment. While the Company has been encouraged by the pace of mass vaccinations, spikes or the emergence of new variants could require future closures. These changes could negatively impact results of operations, financial conditional and cash flows.

***We have identified two material weaknesses in our internal control over financial reporting and, as such, a material misstatement of the annual or interim financial statement may not be prevented or detected on a timely basis.***

Effective internal controls are necessary for us to provide reliable financial reports. Nevertheless, all internal control systems, no matter how well designed, have inherent limitations. We identified two material weaknesses in our internal control over financial reporting during the 2021 fiscal year. The material weaknesses relate to (i) the fact that we have limited accounting personnel with sufficient expertise, accounting knowledge and training in United States generally accepted accounting principles ("GAAP") and financial reporting requirements and (ii) ineffective information and communication controls. See Item 9A, "Controls and Procedures," for additional information. If we fail to achieve and maintain effective controls and procedures for financial reporting, we may be unable to provide timely and accurate financial information. This may cause investors to lose confidence in our reported financial information. This may also have an adverse effect on the trading price of our Class A common stock, give rise to an investigation by the SEC, and possible civil or criminal sanctions. Additionally, ineffective internal control over financial reporting could place us at increased risk of fraud or misuse of corporate assets.

## Risks Related to Class A Common Stock

***The liquidity of the Class A common stock is uncertain; the limited trading volume of the Class A common stock may depress the price of such stock or cause it to fluctuate significantly.***

Although the Class A common stock is listed on Nasdaq, there has been a limited public market for the Class A common stock and there can be no assurance that a more active trading market for the Common Stock will develop. As a result, you may not be able to sell your shares of Class A common stock in short time periods, or possibly at all. The absence of an active trading market may cause the price per share of the Class A common stock to fluctuate significantly.

***Substantial resales or future issuances of our Class A common stock could depress our stock price.***

The market price for the Class A common stock could decline, perhaps significantly, as a result of resales or issuances of a large number of shares of the Class A common stock in the public market or even the perception that such resales or issuances could occur. In addition, we have outstanding a substantial number of options and warrants exercisable for shares of Class A common stock that may be exercised in the future. These factors could also make it more difficult for us to raise funds through future offerings of our equity securities.

***You will incur substantial dilution as a result of certain future equity issuances.***

We have a substantial number of options and warrants currently outstanding which may be immediately exercised for shares of Class A common stock. To the extent that these options or warrants are exercised, or to the extent we issue additional shares of Class A common stock in the future, as the case may be, there will be further dilution to holders of shares of the Class A common stock.

***Our issuance of preferred stock could adversely affect holders of Class A common stock.***

Our board of directors is authorized to issue series of preferred stock without any action on the part of our holders of Class A common stock. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our Class A common stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our Class A common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our Class A common stock, the rights of holders of our Class A common stock or the price of our Class A common stock could be adversely affected.

***Our stock price has been volatile and may continue to be volatile in the future; this volatility may affect the price at which you could sell our Class A common stock.***

The trading price of the Class A common stock has been volatile and may continue to be volatile in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on an investment in our securities:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us, the market for digital and physical content, content distribution and entertainment in general;
- operating and stock price performance of other companies that investors deem comparable to us;

- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business or our industry;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of the Class A common stock available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of Class A common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of the Class A common stock irrespective of our operating performance. The stock market in general, and Nasdaq in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Class A common stock, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies that investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of the Class A common stock also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

***Anti-takeover provisions contained in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could impair a takeover attempt.***

Our fifth amended and restated certificate of incorporation and bylaws, as amended, contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our board of directors.

These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the requirement that an annual meeting of stockholders may be called only by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- limiting the liability of, and providing indemnification to, our directors and officers;
- controlling the procedures for the conduct and scheduling of stockholder meetings; and
- providing that directors may be removed prior to the expiration of their terms by the Board of Directors only for cause.



In addition, our certificate of incorporation authorizes the issuance of 15,000,000 shares of preferred stock. The terms of our preferred stock may be fixed by the company's board of directors without further stockholder action. The terms of any outstanding series or class of preferred stock may include priority claims to assets and dividends and special voting rights, which could adversely affect the rights of holders of Class A common stock. Any future issuance(s) of preferred stock could make the takeover of the company more difficult, discourage unsolicited bids for control of the company in which our stockholders could receive premiums for their shares, dilute or subordinate the rights of holders of Class A common stock and adversely affect the trading price of the Class A common stock.

These provisions, alone or together, could delay hostile takeovers and changes in control of the Company or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the DGCL, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our securities.

***We may not be able to maintain the listing of our Common Stock on Nasdaq, which may adversely effect the flexibility of holders of Common Stock to resell their securities in the secondary market.***

The Common Stock is presently listed on Nasdaq. If the Company is unable to meet the continued listing criteria of Nasdaq and the Common Stock became delisted, trading of the Common Stock could thereafter be conducted in the over-the-counter markets in the OTC Pink, also known as "pink sheets" or, if available, on another OTC trading platform. We cannot assure you that we will meet the criteria for continued listing, in which case the Common Stock could become delisted. Any such delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the loss of confidence in our financial stability by suppliers, customers and employees. Investors would likely find it more difficult to dispose of, or to obtain accurate market quotations for, the Common Stock, as the liquidity that Nasdaq provides would no longer be available to investors. In addition, the failure of our Common Stock to continue to be listed on the Nasdaq could adversely impact the market price for the Common Stock and our other securities, and we could face a lengthy process to re-list the Common Stock, if we are able to re-list the Common Stock.

***We have no present intention of paying dividends on our Class A common stock.***

We have never paid any cash dividends on our Class A common stock and have no present plans to do so. In addition, certain of our credit facilities restrict our ability to pay dividends on the Class A common stock. As a result, you may not receive any return on an investment in our Class A common stock unless you sell any shares you hold for a price greater than that which you paid for them.

***Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements.***

Our business and operations may consume resources faster than we anticipate, or we may require additional funds to pursue acquisition or expansion opportunities. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our Class A common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our Class A common stock, diluting their interest or being subject to rights and preferences senior to their own.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 2. PROPERTIES**

We operated from the following leased properties at March 31, 2021.

<b>Location</b>	<b>Square Feet (Approx.)</b>	<b>Lease Expiration Date</b>	<b>Primary Use</b>
New York City, New York	3,500	October, 2021 (1)	Corporate executive and administrative headquarters. Shared between all business segments.

(1) Company moved into the premises in March 2020.

We believe that we have sufficient space to conduct our business for the foreseeable future. All of our leased properties are, in the opinion of our management, in satisfactory condition and adequately covered by insurance.

We do not own any real estate or invest in real estate or related investments.

**ITEM 3. LEGAL PROCEEDINGS**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### CLASS A COMMON STOCK

Our Class A Common Stock trades publicly on The Nasdaq Global Market ("Nasdaq"), under the trading symbol "CIDM". The following table shows the high and low sales prices per share of our Class A Common Stock as reported by Nasdaq for the periods indicated:

	For the Fiscal Year Ended March 31,			
	2021		2020	
	HIGH	LOW	HIGH	LOW
April 1 – June 30	\$ 3.20	\$ 0.32	\$ 2.00	\$ 1.29
July 1 – September 30	\$ 2.49	\$ 0.55	\$ 1.36	\$ 0.85
October 1 – December 31	\$ 1.09	\$ 0.45	\$ 1.09	\$ 0.69
January 1 – March 31	\$ 2.33	\$ 0.69	\$ 0.82	\$ 0.29

The last reported closing price per share of our Class A Common Stock as reported by Nasdaq on July 23, 2021 was \$1.46 per share. As of July 23, 2021, there were 69 holders of record of our Class A Common Stock, not including beneficial owners of our Class A Common Stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

#### CLASS B COMMON STOCK

On October 31, 2017, we filed our Fifth Amended and Restated Certificate of Incorporation which, in addition to other things, eliminated the Class B Common Stock. Accordingly, no further Class B Common Stock will be issued.

#### DIVIDEND POLICY

We have never paid any cash dividends on our Class A Common Stock or Class B Common Stock and do not anticipate paying any on our Class A Common Stock in the foreseeable future. Any future payment of dividends on our Class A Common Stock will be in the sole discretion of our board of directors.

The holders of our Series A 10% Non-Voting Cumulative Preferred Stock are entitled to receive dividends. There were \$89 thousand of cumulative dividends in arrears on the Preferred Stock at March 31, 2021.

#### SALES OF UNREGISTERED SECURITIES

None.

#### PURCHASE OF EQUITY SECURITIES

There were no purchases of shares of our Class A Common Stock made by us or on our behalf during the twelve months ended March 31, 2021 and 2020.

## **ITEM 6. [RESERVED]**

## **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes included elsewhere in this report.

This report contains forward-looking statements within the meaning of the federal securities laws. These include statements about our expectations, beliefs, intentions or strategies for the future, which are indicated by words or phrases such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “will,” “estimates,” and similar words. Forward-looking statements represent, as of the date of this report, our judgment relating to, among other things, future results of operations, growth plans, sales, capital requirements and general industry and business conditions applicable to us. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

### **OVERVIEW**

Since our inception, we have played a significant role in the digital distribution revolution that continues to transform the media landscape. In addition to our pioneering role in transitioning approximately 12,000 movie screens from traditional analog film prints to digital distribution, we have become a leading distributor of independent content, both through organic growth and acquisitions. We distribute products for major brands such as the Hallmark, Televisa, ITV, Nelvana, ZDF, Konami, NFL, NHL and Scholastic, as well as leading international and domestic content creators, movie producers, television producers and other short form digital content producers. We collaborate with producers, major brands and other content owners to market, source, curate and distribute quality content to targeted audiences through (i) existing and emerging digital home entertainment platforms, including but not limited to, iTunes, Amazon Prime, Netflix, Hulu, Xbox, Sony PlayStation, Tubi and cable video-on-demand (“VOD”), and (ii) physical goods, including DVD and Blu-ray Discs.

We report our financial results in two primary segments as follows: (1) cinema equipment business and (2) media content and entertainment business (“Content & Entertainment” or “CEG”). The cinema equipment business segment consists of the non-recourse, financing vehicles and administrators for our digital cinema equipment (the “Systems”) installed in movie theatres throughout North America and several international countries. It also provides fee-based support to over 6,200 movie screens as well as directly to exhibitors and other third-party customers in the form of monitoring, billing, collection and verification services. Our Content & Entertainment segment is a market leader in: (1) ancillary market aggregation and distribution of entertainment content and (2) branded and curated over-the-top (“OTT”) digital network business providing entertainment channels and applications.

Beginning in December 2015, certain of our cinema equipment began to reach the conclusion of their 10-year deployment payment period with certain distributors and, therefore, Virtual Print Fees (“VPF”) revenues ceased to be recognized on such Systems, related to such distributors. Furthermore, because the Phase I Deployment installation period ended in November 2007, a majority of the VPF revenue associated with the Phase I Deployment Systems has ended. The reduction in VPF revenue on cinema equipment business systems approximately coincided with the conclusion of certain of our non-recourse debt obligations and, therefore, the reduced cash outflows related to such non-recourse debt obligations partially offset the reduced VPF revenue since November 2017.

Under the terms of our standard cinema equipment licensing agreements, exhibitors will continue to have the right to use our Systems through the end of the term of the licensing agreement, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair market value. As permitted by these agreements, we typically pursue the sale of the Systems to such exhibitors. Such sales were as originally contemplated as the conclusion of the digital cinema deployment plan.

We are structured so that our cinema equipment business segment operates independently from our Content & Entertainment business. As of March 31, 2021, we had approximately \$7.8 million of non-recourse outstanding debt principal that relates to, and is serviced by, our cinema equipment business. We have approximately \$4.1 million of outstanding debt principal, as of March 31, 2021 that is attributable to our Content & Entertainment and Corporate segments.

## Risks and Uncertainties

The COVID-19 pandemic and related economic repercussions created significant volatility and uncertainty impacting the Company's results for the year. As part of our Content & Entertainment business, the Company sells DVDs and Blu-ray discs at brick-and-mortar stores. With the closure of non-essential retail stores beginning in the spring of 2020, the sale of physical discs through our retail partners declined although this was partially offset by digital purchases of physical product. As part of our Cinema Equipment business, the Company earns revenue when movies are exhibited in theaters. Many movie theaters in the United States closed during the spring of 2020 and remained closed or re-opened on a limited basis through March 31, 2021. The majority of major studios shifted films out of the fiscal year to dates when more screens would be available, and consumers felt safe to return to theaters. Films released during the year had box office results below pre-Covid expectations due to theater closure, limited capacity and new commercial models that permitted viewing day and date via premium video on demand ("PVOD") and subscription video on demand ("SVOD"). To the extent films are not shown in theaters, we do not earn revenue.

Longer term, there may be a shift in consumer preference towards digital consumption over physical or theatrical viewing. Studios may reduce their theatrical slates to tentpoles and certain genres releasing other content directly on their own streaming services. This decision could negatively impact the Company's ability to license content for the sale of physical product, if those rights are withheld to create exclusivity to the platform and reduce revenue opportunities for virtual print fees and sales of digital cinema equipment. While the Company has been encouraged by the pace of mass vaccinations, spikes or the emergence of new variants could require future closures.

## Liquidity

We have incurred net losses historically and have an accumulated deficit of \$474.1 million and negative working capital of \$14.2 million as of March 31, 2021. We may continue to generate net losses for the foreseeable future. In addition, we have debt-related contractual obligations as of March 31, 2021 and beyond. Based on these conditions, the Company entered into the following transactions:

### *Capital Raises*

On February 2, 2021, the Company entered into a Securities Purchase Agreement with a single institutional investor for the purchase and sale of 5,600,000 shares of Class A common stock at a purchase price of \$1.25 per share, in a registered direct offering, pursuant to an effective shelf registration statement on Form S-3 which was declared effective by the Securities and Exchange Commission on July 10, 2020 (File No. 333-239710) and an applicable prospectus supplement. The closing of the sale occurred on February 5, 2021. The aggregate gross proceeds for the sale was approximately \$7.0 million. The net proceeds to the Company from the sale, after deducting the fees of the placement agent but before paying the Company's estimated offering expenses, was approximately \$6.5 million.

In July 2020, we entered into an At-the-Market sales agreement (the "ATM Sales Agreement") with A.G.P./Alliance Global Partners ("A.G.P.") and B. Riley FBR, Inc. ("B. Riley" and, together with A.G.P., the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock at the market prices prevailing on Nasdaq at the time of the sale of such shares. The Company is not obligated to sell any shares under the ATM Sales Agreement. Any sales of shares made under the ATM Sales Agreement will be made pursuant to an effective registration statement on Form S-3 which was declared effective by the Securities and Exchange Commission on July 10, 2020 (File No. 333-239710), for an aggregate offering price of up to \$30 million. During the year ended March 31, 2021, we sold 28,405,840 shares of Common Stock under the ATM Sales Agreement. Net proceeds from such sales totaled \$18.6 million.

On July 16, 2020, the Company entered into a securities purchase agreement with certain investors for the purchase and sale of 7,213,334 shares of Class A common stock, par value \$0.001 per share, at a purchase price of \$1.50 per share, in a registered direct offering, pursuant to an effective shelf registration statement on Form S-3 which was declared effective by the Securities and Exchange Commission on July 10, 2020 (File No. 333-239710) and an applicable prospectus supplement. The closing of the sale occurred on July 20, 2020. The aggregate gross proceeds for the sale was approximately \$10.8 million. The net proceeds to the Company from the sale, after deducting the fees of the placement agents but before paying the Company's estimated offering expenses, is approximately \$10.1 million.

On May 20, 2020, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with certain investors (the “Investors”) for the purchase and sale of 10,666,666 shares of the Class A common stock, at a purchase price of \$0.75 per share, in a registered direct offering, pursuant to an effective shelf registration statement on Form S-3 which was declared effective by the Securities and Exchange Commission on May 14, 2020 (File No. 333-238183) and an applicable prospectus supplement. The closing of the sale occurred on May 22, 2020. The aggregate gross proceeds for the sale was \$8.0 million. The net proceeds to the Company from the sale, after deducting the fees of the placement agents but before paying the Company’s estimated offering expenses, were approximately \$7.1 million.

As of March 31, 2021, there is still approximately \$38.0 million available under our shelf registration to raise additional capital.

#### *Sale of Cinematic Equipment*

On March 17, 2021, the Company entered into two separate agreements for the sale of cinematic equipment to American Multi-Cinema, Inc. (“AMC”). The agreement included the sale in tranches of a total of 2,369 cinematic projectors starting in March 2021 throughout January 2023 for a total cash consideration of \$10.8 million. As of March 31, 2021 the Company executed the sale of the first tranche and recognized revenue for \$300 thousand. A portion of the total proceeds will be utilized to eliminate the remaining Prospect note payable.

#### *Equity Investment in a Related Party*

As previously announced, on December 27, 2019, the Company entered into, and on February 14, 2020 amended, (see Note 2 - *Summary of Significant Accounting Policies*), a stock purchase agreement (as so amended, the “Stock Purchase Agreement”) with BeiTai Investment LP (“BeiTai”), a related party for accounting purposes of Cinedigm and Aim Right Ventures Limited (“Aim Right”), two shareholders of Starrise Media Holdings Limited, a leading Chinese entertainment company (“Starrise”), to buy from them an aggregate of 410,901,000 outstanding Starrise ordinary shares (the “Share Acquisition”). On February 14, 2020, the Company purchased 162,162,162 of the Starrise ordinary shares from BeiTai and issued BeiTai 21,646,604 shares of its Class A common stock in consideration. The Starrise shares received were valued at approximately \$25 million and the Company issued shares that were valued at approximately \$11.2 million. On April 10, 2020, the Company, in accordance with the terms of the Stock Purchase Agreement, terminated its obligation to purchase Starrise ordinary shares from Aim Right under the December 27, 2019 stock purchase agreement.

On April 10, 2020, the Company entered into another stock purchase agreement (the “April Stock Purchase Agreement”) with five (5) shareholders of Starrise-Bison Global Investment SPC - Bison Global No. 1 SP, Huatai Investment LP, Antai Investment LP, Mingtai Investment LP and Shangtai Asset Management LP, all of which are related parties to the Company to buy an aggregate of 223,380,000 outstanding Starrise ordinary shares from them and for the Company to issue to them an aggregate of 29,855,081 shares of its Class A common stock as consideration therefor (the “April Share Acquisition”). On April 15, 2020, the April Share Acquisition was consummated and this transaction was also recorded as an equity investment in Starrise.

Starrise’s ordinary shares (HK 1616) are listed on the main board of the Stock Exchange of Hong Kong Limited. Based on the closing price of HKD 0.15 per share on July 23, 2021, calculated at an exchange rate of 7.7663 Hong Kong Dollars to 1 US dollar, the market value of Cinedigm’s ownership in Starrise ordinary shares was approximately \$7.0 million.

#### *Borrowings*

On June 22, 2021, the maturity date of the East West Credit Facility (as defined in Note 6 - Notes Payable) with East West Bank was extended from June 30, 2021 to September 28, 2021.

On April 15, 2020, the Company received \$2.2 million from East West Bank, the Company's existing lender, pursuant to the Paycheck Protection Program (the "PPP Loan") of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Loan matures on April 10, 2022 (the "Maturity Date"), accrues interest at 1% per annum and may be prepaid in whole or in part without penalty. No interest payments are due within the initial six months of the PPP Loan. The interest accrued during the initial six-month period is due and payable, together with the principal, on the Maturity Date. The Company used all proceeds from the PPP Loan to retain employees, maintain payroll and make lease and utility payments to support business continuity throughout the COVID-19 pandemic, which amounts are intended to be eligible for forgiveness, subject to the provisions of the CARES Act and could be subject to repayment. On January 5, 2021, the Company submitted its application for forgiveness and, as of June 30, 2021, obtained forgiveness for the full amount as discussed on Note 12 – *Subsequent Events*.

On June 24, 2020, the Company entered into an exchange agreement (the "Exchange Agreement") pursuant to which the Company issued 329,501 shares of its Class A common stock, in exchange for \$842,000, the principal amount and accrued and unpaid interest of outstanding Second Lien Loans (as defined in Note 6 - *Notes Payable*). The surrendered Second Lien Loans were immediately canceled. The exchange was consummated on June 24, 2020.

On June 26, 2020, the Company signed a consent agreement with the holders of the Second Lien loans to extend the maturity date to September 30, 2020 and grant the Company options to extend further to March 31, 2021 and then to June 30, 2021. A consent fee of \$100,000 was paid in connection with this extension.

In a separate exchange with another holder of Second Lien Notes, on November 19, 2020, the Company issued 452,499 shares of Common Stock in exchange for \$247,108 principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

On December 4, 2020, the Company entered into exchange agreements (the "December Exchange Agreements") with certain holders of notes under its Second Lien Loan Agreement dated as of July 14, 2016 among the Company, the lenders party thereto, and Cortland Capital Market Services LLC, as Agent ("Second Lien Notes"). Pursuant to the December Exchange Agreements, the Company issued an aggregate of 2,776,284 shares of its Class A common stock, par value \$0.001 per share Common Stock in exchange for an aggregate of \$1,386,106 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

On January 21, 2021, the Company entered into an exchange agreement (the "Exchange Agreement") with a holder of notes under its Second Lien Loan Agreement dated as of July 14, 2016 among the Company, the lenders party thereto, and Cortland Capital Market Services LLC, as Agent ("Second Lien Notes"). Pursuant to the Exchange Agreement, the Company issued an aggregate of 1,247,626 shares of Class A common stock, in exchange for an aggregate of \$1,289,650 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

In two separate exchanges with another holder of Second Lien Notes, on January 14, 2021 and January 21, 2021, the Company issued 689,500 shares and 580,448 shares (an aggregate of 1,269,948 shares) of Class A common stock in exchange for \$500,000 and \$600,000 (an aggregate of \$1,100,000) principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

On February 2, 2021, the Company issued 425,290 shares of Class A common stock in exchange for \$500,000 principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

The Second Lien Loans (as defined in Note 6 - *Notes Payable*) were to mature on June 16, 2020. On June 26, 2020, the Company entered into a consent agreement with the lenders of the Second Lien Loans to an extension of the Second Lien Loans pursuant to which (i) the Company paid down a portion of the outstanding principal amount plus accrued interest to date, and 47 (ii) the maturity date of the remaining outstanding principal amount of the Second Lien Loans was extended to September 30, 2019. On July 30, 2019, one of the lenders, signed a waiver to defer the receipt of the portion of the outstanding principal amount on the Second Lien Loans agreed to be paid no later than September 30, 2019. The Company paid \$3.4 million of the outstanding Second Lien Loans and expects to obtain additional capital from or through Bison Capital Holding Limited or an affiliate thereof ("Bison") for final payment of the remaining outstanding balances. The Second Lien Loans (as defined in Note 6 - *Notes Payable*) were to mature on June February 16, 2020. On June 26, 2020, the Company entered into a consent agreement with the lenders to extend the maturity date to September 30, 2020 and grant the Company options to extend further to March 31, 2021 and then to June 30, 2021. There was a consent fee of \$100,000 for this extension.

On February 9, 2021, the Company prepaid all of the outstanding obligations in respect of principal, interest, fees and expenses under the Second Lien Loan Agreement, among the Company, certain lenders and Cortland Capital Market Services LLC. The payoff amount of approximately \$3.18 million was comprised of (i) \$3.1 million of principal, (2) accrued payment-in-kind interest of \$.018 million, (3) accrued current interest of \$0.007 million, and (4) fees and expenses of \$0.004 million. Upon such prepayment, the Second Lien Loan Agreement was terminated effective February 9, 2021.

The \$10.0 million note payable (“2018 Loan”) to Bison Global Investment SPC for and on behalf of Global Investment SPC-Bison Global No. 1, another affiliate of Bison (“Bison Global”), due July 20, 2019 is guaranteed by Bison Entertainment and Media Group (“BEMG”). On July 20, 2018, the Company also entered into a side letter (the “Letter”) with BEMG, where BEMG agreed to guarantee the payment directly to Bison Global of any amount due if (i) the 2018 Loan matures prior to June 28, 2021 or (ii) Bison Global demands payment of the 2018 Loan, in whole or in part, prior to maturity.

On July 12, 2019, the Company and Bison Global entered into a termination agreement (the “Termination Agreement”) with respect to the \$10.0 million 2018 Loan. Contemporaneously with the Termination Agreement, the Company entered into a convertible promissory note (“Bison Convertible Note”) with Bison Global for \$10.0 million.

The Bison Convertible Note had a term ending on March 4, 2020, and bears interest at 5% per annum. The principal is payable upon maturity, in cash or in shares of our Class A common stock, par value \$0.001 per share (the “Common Stock” or “Class A common stock”), or a combination of cash and Common Stock, at the Company’s option. The Bison Convertible Note is unsecured and may be prepaid without premium or penalty, and contains customary covenants, representations and warranties. The proceeds of the Bison Convertible Note were used to repay the 2018 Loan. On April 15, 2020, the Company executed a letter amendment (the “Letter Amendment”) to the Bison Convertible Note. Among other things, the Letter Amendment amended the Bison Convertible Note, effective as of March 4, 2020, to change the maturity date of the Bison Convertible Note to March 4, 2021. The Bison Convertible Note due 2021 was converted to Common Stock in March 2021. See Note 6 - *Notes Payable*.

On April 15, 2020, the Company executed a letter amendment (the “Letter Amendment”) to the Bison Convertible Note (as defined in Note 6 - *Notes Payable*). Among other things, the Letter Amendment amended the Note, effective as of March 4, 2020, to extend the maturity date of the Bison Convertible note to March 4, 2021.

On October 9, 2018, the Company issued a subordinated convertible note (the “Convertible Note”) to MingTai Investment LP (the “Lender”) for \$5.0 million. All proceeds from the Convertible Note were used to pay the \$5.0 million 2013 Notes. See Note 6 - *Notes Payable*. The Convertible Note bears interest at 8% and matured on October 9, 2019. The principal is payable upon maturity, in cash or in shares of our Class A common stock, or a combination of cash and Common Stock, at the Company’s option. On October 9, 2019, the Company signed an extension to the Ming Tai Note of \$5.0 million for the first of two (2) permitted additional (1) year extensions at the Company’s option from the original maturity date to October 9, 2020.

On October 9, 2019, the Company signed an extension to the Ming Tai Note of \$5.0 million for the first of two (2) permitted additional (1) year extensions at the Company’s option from the original maturity date to October 9, 2020. This note will continue in full force and effect in accordance with its terms, including the Company’s reservation of its right to further extend the maturity date of this note, if it so elects.

On September 11, 2020, the Bison and Mingtai Notes, having an aggregate of \$15 million principal amount (the “Notes”) were converted in full into an aggregate of 10,000,000 shares of Common Stock at a conversion price of \$1.50 per share in accordance with the terms of the Notes. Accordingly, the Notes have been extinguished. The Notes were held by Bison Global and, both of which are affiliates of Peixin Xu, the Chairman of Bison Capital Holding Company Limited, which is indirectly Cinedigm’s largest stockholder.

On July 3, 2019, the Company entered into an amendment (the “EWB Amendment”) to the Loan, Guaranty and Security Agreement, dated as of March 30, 2018, by and between the Company, East West Bank and the Guarantors named therein (the “EWB Credit Agreement”). The EWB Amendment reduced the size of the facility to \$18.0 million, required certain prepayments and daily cash sweeps from collections of receivables to be made, changed in certain respects how the borrowing base is calculated, and extended the maturity date to June 30, 2020. In connection with the EWB Amendment, three of our subsidiaries became additional Guarantors under the EWB Credit Agreement. On June 26, 2020, the Company signed another amendment and extended the maturity date to June 30, 2021 and on June 22, 2021, the maturity date was extended to September 28, 2021. See Note 6 - *Notes Payable*.



On March 4, 2021, Cinedigm DC Holdings, LLC (“CDCH”), Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., Christie/AIX, Inc., Cinedigm Digital Funding I, LLC, certain Lenders, and Prospect Capital Corporation, as administrative agent and collateral agent (“Prospect”), entered into Amendment No. 3 (the “Amendment”) to the Term Loan Agreement dated February 28, 2013 (the “Term Loan Agreement”). Under the Amendment, the maturity date of the loan under the Term Loan Agreement (the “Loan”) was extended to March 31, 2022.

We believe the combination of: (i) our cash and cash equivalent balances at March 31, 2021, (ii) expected cash flows from operations, (iii) expansion into Streaming, and (iv) the capacity under existing arrangements and access to new sources of capital will be sufficient to satisfy our contractual obligations, as well as liquidity for our operational and capital needs, for twelve months from the filing of this document. Our capital requirements will depend on many factors, and we may need to use capital resources and obtain additional capital. Failure to generate additional revenues, obtain additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations and liquidity.

### Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 2 - *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K. Management believes that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management’s most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. Management has reviewed these critical accounting estimates and related disclosures with the Audit Committee of our board of directors.

### PROPERTY AND EQUIPMENT

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

Computer equipment and software	3-5 years
Internal use software	5 years
Digital cinema projection systems	10 years
Machinery and equipment	3-10 years
Furniture and fixtures	3-6 years

Leasehold improvements are being amortized over the shorter of the lease term or the estimated useful life of the improvement. Maintenance and repair costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized.

Useful lives are determined based on an estimate of either physical or economic obsolescence, or both. During the fiscal years ended March 31, 2021 and 2020, we have neither made any revisions to estimated useful lives, nor recorded any impairment charges on our property, equipment and internal use software.

## FAIR VALUE ESTIMATES

### *Goodwill, Intangible and Long-Lived Assets*

We evaluate our goodwill for impairment in the fourth quarter of each fiscal year (as of March 31), or whenever events or changes in circumstances indicate the fair value of a reporting unit is below its carrying amount. The determination of whether or not goodwill has become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of our reporting units. Inherent in the fair value determination for each reporting unit are certain judgments and estimates relating to future cash flows, including management's interpretation of current economic indicators and market conditions, and assumptions about our strategic plans with regard to our operations. To the extent additional information arises, market conditions change or our strategies change, it is possible that the conclusion regarding whether goodwill is impaired could change and result in future goodwill impairment charges that could have a material adverse effect on our consolidated financial position or results of operations.

The Company has the option to assess goodwill for possible impairment by performing a qualitative analysis to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount or to perform the quantitative impairment test.

The quantitative test involves comparing the estimated fair value of a reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired. If, however, the fair value of the reporting unit is less than book value, an impairment loss is recognized in an amount equal to the excess.

The Company tests for goodwill impairment annually at March 31. During the years ended March 31, 2021 and 2020, there were no impairment charges recorded on goodwill. In 2021, we elected to conduct a qualitative goodwill assessment and in 2020 we conducted a quantitative goodwill assessment. In determining fair value, we used various assumptions, including expectations of future cash flows based on projections or forecasts derived from analysis of business prospects, economic or market trends and any regulatory changes that may occur. We estimated the fair value of the reporting unit using a net present value methodology, which is dependent on significant assumptions related to estimated future discounted cash flows, discount rates and tax rates. Certain of the estimates and assumptions that we used in determining the value of our CEG reporting unit are discussed in Note 2 - *Summary of Significant Accounting Policies* of Item 8 - *Financial Statements and Supplementary Data* of this Report on Form 10-K.

We review the recoverability of our long-lived assets and finite-lived intangible assets, when events or conditions occur that indicate a possible impairment exists. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. The assessment for recoverability is based primarily on our ability to recover the carrying value of its long-lived and finite-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 the assets the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows.

## REVENUE RECOGNITION

We determine revenue recognition by:

- identifying the contract, or contracts, with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services.

We recognize revenue in the amount that reflects the consideration we expect to receive in exchange for the services provided, sales of physical products (DVDs and Blu-ray) or when the content is available for subscription on the digital platform or available on the point-of-sale for transactional and VOD services which is when the control of the promised products and services is transferred to our customers and our performance obligations under the contract have been satisfied. Revenues that might be subject to various taxes is recorded net of transaction taxes assessed by governmental authorities such as sales value-added taxes and other similar taxes.

Payment terms and conditions vary by customer and typically provide net 30 to 90 day terms. We do not adjust the promised amount of consideration for the effects of a significant financing component when we expect, at contract inception, that the period between our transfer of a promised product or service to our customer and payment for that product or service will be one year or less. We have in the past entered into arrangements in connection with activation fees due from our digital cinema equipment (the “Systems”) deployments that had extended payment terms. The outstanding balances on these arrangements are insignificant and hence the impact of significant financing would be insignificant.

### *Cinema Equipment Business*

Financing vehicles and administrators for 3,122 Systems installed nationwide in our first deployment phase (“Phase I Deployment”) to theatrical exhibitors and for 3,104 Systems installed domestically and internationally in our second deployment phase (“Phase II Deployment”).

We retain ownership of our digital cinema equipment (the “Systems”) and the residual cash flows related to the Systems in Phase I Deployment after the after the end of the 10-year deployment payment period.

For certain Phase II Deployment Systems, we do not retain ownership of the residual cash flows and digital cinema equipment in Phase II Deployment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.

The Cinema Equipment Business also provides monitoring, collection, verification and management services to this segment, as well as to exhibitors who purchase their own equipment, and also collects and disburses Virtual print fees (“VPFs”) from motion picture studios, and distributors and ACFs from alternative content providers, movie exhibitors and theatrical exhibitors (collectively, “Services”).

VPFs are earned, net of administrative fees, pursuant to contracts with movie studios and distributors, whereby amounts are payable by a studio to Phase I Deployment and to Phase II Deployment when movies distributed by the studio are displayed on screens utilizing our Systems installed in movie theatres. VPFs are earned and payable to Phase I Deployment based on a defined fee schedule until the end of the VPF term. One VPF is payable for every digital title initially displayed per System. The amount of VPF revenue is dependent on the number of movie titles released and displayed using the Systems in any given accounting period. VPF revenue is recognized in the period in which the digital title first plays on a System for general audience viewing in a digitally equipped movie theatre, as Phase I Deployment’s and Phase II Deployment’s performance obligations have been substantially met at that time.

Phase II Deployment’s agreements with distributors require the payment of VPFs, according to a defined fee schedule, for ten years from the date each system is installed; however, Phase II Deployment may no longer collect VPFs once “cost recoupment,” as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by Phase II Deployment have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all “overhead and ongoing costs”, as defined, and including service fees, subject to maximum agreed upon amounts during the three-year rollout period and thereafter. Further, if cost recoupment occurs before the end of the eighth contract year, the studios will pay us a one-time “cost recoupment bonus.” The Company evaluated the constraining estimates related to the variable consideration, i.e., the one-time bonus and determined that it is not probable to conclude at this point in time that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the variable consideration is subsequently resolved.

Under the terms of our standard Cinema Equipment licensing agreements, exhibitors will continue to have the right to use our Systems through the end of the term of the licensing agreement, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair market value. As permitted by these agreements, we have begun, and expect to continue, to pursue the sale of the Systems to such exhibitors. Such sales were as originally contemplated as the conclusion of the digital cinema deployment plan.

Revenues earned in connection with up front exhibitor contributions are deferred and recognized over the expected cost recoupment period.

Exhibitors who purchased and own Systems using their own financing in the Cinema Equipment Business paid us an upfront activation fee of approximately \$2.0 thousand per screen (the “Exhibitor-Buyer Structure”). Upfront activation fees were recognized in the period in which these Systems were delivered and ready for content, as we had no further obligations to the customer after that time and collection was reasonably assured. In addition, we recognize activation fee revenue of between \$1.0 thousand and \$2.0 thousand on Phase 2 DC Systems and for Systems installed by CDF2 Holdings, a related party, (See Note 4 - *Other Interests*) upon installation and such fees are generally collected upfront upon installation. Our services division manages and collects VPFs on behalf of exhibitors, for which it earns an administrative fee equal to 10% of the VPFs collected.

The Cinema Equipment Business earns an administrative fee of approximately 5% of VPFs collected and, in addition, earns an incentive service fee equal to 2.5% of the VPFs earned by Phase 1 DC. This administrative fee is related to the collection and remittance of the VPF’s and the performance obligation is satisfied at that time the related VPF fees are due which is at the time the movies are displayed on screens utilizing our Systems installed in movie theatres. The service fees are recognized as a point in time revenue when the corresponding VPF fees are due from the movie studios and distributors.

Under the terms of the standard cinema equipment licensing agreements, exhibitors will continue to have the right to use the Systems through the end of the term of the licensing agreement, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair market value. As permitted by these agreements, we have begun, and expect to continue, to pursue the sale of the Systems to such exhibitors. Such sales were as originally contemplated as the conclusion of the digital cinema deployment plan. Cinedigm completed the sale of approximately 2,177 and 152 digital projection Systems for an aggregate sales price of approximately \$6.7 million and \$1.6 million during the year ended March 31, 2021 and 2020, respectively.

### ***Content & Entertainment Business***

CEG earns fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, video on demand (“VOD”), and physical goods (e.g., DVD and Blu-ray Discs). Fees earned are typically a percentage based on the net amounts received from our customers depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. The Company’s performance obligations include the delivery of content for transactional, subscription and ad supported/FAST on the digital platforms, and shipment of DVD and Blu-ray Discs. Revenue is recognized at the point in time when the performance obligation is satisfied which is when the content is available for subscription on the digital platform, at the time of shipment for physical goods, or point-of-sale for transactional and VOD services as the control over the content or the physical title is transferred to the customer. The Company considers the delivery of content through various distribution channels to be a single performance obligation. Physical Revenue is recognized after deducting the reserves for sales returns and other allowances, which are accounted for as variable consideration.

Physical goods Reserves for sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

### ***Principal Agent Considerations***

We determine whether revenue should be reported on a gross or net basis based on each revenue stream. Key indicators that we use in evaluating gross versus net treatment include, but are not limited to, the following:

- which party is primarily responsible for fulfilling the promise to provide the specified good or service; and
- which party has discretion in establishing the price for the specified good or service.

Based on our evaluation of the above indicators, we concluded that there were no changes to our gross versus net reporting from legacy GAAP.

### ***Shipping and Handling***

Shipping and handling costs are incurred to move physical goods (e.g., DVD and Blu-ray Discs) to customers. We recognize all shipping and handling costs as an expense in cost of goods sold because we are responsible for delivery of the product to our customers prior to transfer of control to the customer.

### ***Contract Liabilities***

We generally record a receivable related to revenue when we have an unconditional right to invoice and receive payment, and we record deferred revenue (contract liability) when cash payments are received or due in advance of our performance, even if amounts are refundable.

We maintain reserves for potential credit losses on accounts receivable. We review the composition of accounts receivable and analyze historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Reserves are recorded primarily on a specific identification basis.

Our CEG segment recognizes accounts receivable, net of an estimated allowance for product returns and customer chargebacks, at the time that it recognizes revenue from a sale. Reserves for product returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required. Sales returns and allowances are reported as a reduction of revenues.

We record accounts receivable, long-term in connection with activation fees that we earn from Systems deployments that have extended payment terms. Such accounts receivable are discounted to their present value at prevailing market rates. The outstanding balances on these arrangements are insignificant and hence the impact of significant financing would be insignificant.

Deferred revenue pertaining to our Content & Entertainment Business includes amounts related to the sale of DVDs with future release dates.

Deferred revenue relating to our Cinema Equipment Business pertains to revenues earned in connection with up front exhibitor contributions that are deferred and recognized over the expected cost recoupment period. It also includes unamortized balances in connection with activation fees due from the Systems deployments that have extended payment terms.

The ending deferred revenue balance, including current and non-current balances, as of March 31, 2021 was \$0.9 million. For the year ended March 31, 2021, the additions to our deferred revenue balance were primarily due to cash payments received or due in advance of satisfying performance obligations, while the reductions to our deferred revenue balance were primarily due to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

During the year ended March 31, 2021, \$1.6 million of revenue was recognized that was included in the deferred revenue balance at the beginning of the year. As of March 31, 2021, the aggregate amount of contract revenue allocated to unsatisfied performance obligations is \$0.9 million. We expect to recognize this balance over the next 12 months.

In connection with revenue recognition for CEG, the following are also considered critical accounting policies:

### ***Advances***

Advances, which are recorded within prepaid and other current assets within the consolidated balance sheets, represent amounts prepaid to studios or content producers for which we provide content distribution services. We evaluate advances regularly for recoverability and record impairment charges for amounts that we expect may not be recoverable as of the consolidated balance sheet date.

## ASSET ACQUISITIONS

An asset acquisition is an acquisition of an asset, or a group of assets, that does not meet the definition of a business as substantially all of the fair value of the gross assets acquired are concentrated in a single or group of similar, identifiable assets. Asset acquisitions are accounted for by using the cost accumulation model whereby the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on a relative fair value basis. Determining and valuing intangible assets requires judgment.

### Results of Operations for the Fiscal Years Ended March 31, 2021 and 2020

#### Revenues

(\$ in thousands)	For the Fiscal Year Ended March 31,			
	2021	2020	\$ Change	% Change
Cinema Equipment Business	\$ 3,222	\$ 12,741	\$ (9,519)	(74.7)%
Content & Entertainment	28,197	26,550	1,647	6.2%
	<u>\$ 31,419</u>	<u>\$ 39,291</u>	<u>\$ (7,872)</u>	<u>(20.0)%</u>

Revenues generated by our Cinema Equipment Business segment decreased as a result of the reduced number of Systems earning VPF revenue and administrative fees for Phase II Deployment Systems, as well as the COVID-19 pandemic. During the year ended March 31, 2021, studios temporarily halted distribution of new content to movie theatres due to mandatory theatre shutdowns. Restrictions for theatre re-openings and capacity limitations were at the sole discretion of local governments and varied state to state. The majority of new content released in theatres during the year ended March 31, 2021 was from small Independent distributors with limited releases. There were two major studios that provided theatrical releases during the period though simultaneously releasing on streaming platforms, while other studios chose to bypass the theatrical market entirely or postpone domestic releases. In addition, as studios began to release new content directly on streaming platforms and capacity restrictions persisted, discounted VPFs were necessary to encourage bookings in the limited theatrical market. Because our digital cinema business earns a VPF when a movie is first played on a system, the temporary theatre closures, limited releases and discounted VPFs resulting from the COVID-19 pandemic significantly affected the reduced revenues. The revenues in the Content & Entertainment Business segment increased by 6.2% for the year ended March 31, 2021 compared to the year ended March 31, 2020. The increase is consistent with the addition of five new streaming channels as well as an increase in the number of advertising partners and stay at home orders increased in home digital viewing.

#### Direct Operating Expenses

(\$ in thousands)	For the Fiscal Year Ended March 31,			
	2021	2020	\$ Change	% Change
Cinema Equipment Business	\$ 683	\$ 1,236	\$ (553)	(44.7)%
Content & Entertainment	15,420	15,910	(490)	(3.1)%
	<u>\$ 16,103</u>	<u>\$ 17,146</u>	<u>\$ (1,043)</u>	<u>(6.1)%</u>

The decrease in direct operating expenses in the year ended March 31, 2021 for the Cinema Equipment Business compared to the prior period was primarily due to a reduction in head count and shifting of certain employees from full time to part time as a result of the negative impact of the Covid 19 pandemic. The decrease in direct operating expenses in the year ended March 31, 2021 for the Content & Entertainment Business compared to the prior period was primarily due to reduced cost of sales from the change in revenue mix from physical sales to digital distribution, also less spend on marketing and on theatrical releases due to COVID-19, partially offset by an increase in transition expenses related to a new third party DVD distributor. These costs were mainly fulfillment and freight expenses.

Selling, General and Administrative Expenses

(\$ in thousands)	For the Fiscal Year Ended March 31,			
	2021	2020	\$ Change	% Change
Cinema Equipment Business	\$ 2,277	\$ 2,085	\$ 192	9.2%
Content & Entertainment	9,798	10,017	(219)	(2.2)%
Corporate	9,917	4,242	5,675	133.8%
	<u>\$ 21,992</u>	<u>\$ 16,344</u>	<u>\$ 5,648</u>	<u>34.6%</u>

Selling, general and administrative expenses for the year ended March 31, 2021 increased by \$5.7 million primarily due to a \$4.9 million increase in bonus incentive expense and stock-based compensation to management and employees, \$0.7 million for legal and accounting fees related to securities reporting and consulting and \$0.3 for remote-working equipment, partially offset by \$0.2 million related to occupancy costs as a result of the company-wide program to downsize office space and move to a more remote workforce, in the Content & Entertainment Business segment.

(Recovery) Provision for Doubtful Accounts

Provision for doubtful accounts was \$(0.1) million and \$0.8 million for the fiscal years ended March 31, 2021 and 2020, respectively.

Depreciation and Amortization Expense on Property and Equipment

(\$ in thousands)	For the Fiscal Year Ended March 31,			
	2021	2020	\$ Change	% Change
Cinema Equipment Business	\$ 3,916	6,087	(2,171)	(35.7)%
Content & Entertainment	461	366	95	26.0%
Corporate	27	167	(140)	(83.8)%
	<u>\$ 4,404</u>	<u>\$ 6,620</u>	<u>\$ (2,216)</u>	<u>(33.5)%</u>

Depreciation and amortization expense decreased in our Cinema Equipment Business Segment as the majority of our digital cinema projection systems reached the conclusion of their ten-year useful lives during fiscal years 2021 and 2020. Corporate and Content & Entertainment depreciation and amortization expense is lower due to the write off of leasehold improvements with the closing of the Los Angeles office.

Interest expense, net

(\$ in thousands)	For the Fiscal Year Ended March 31,			
	2021	2020	\$ Change	% Change
Cinema Equipment Business	\$ 2,346	\$ 2,773	\$ (427)	(15.4)%
Content & Entertainment	9	-	9	n/a
Corporate	1,695	4,464	(2,769)	(62.0)%
	<u>\$ 4,050</u>	<u>\$ 7,237</u>	<u>\$ (3,187)</u>	<u>(44.0)%</u>

Interest expense in the Cinema Equipment Business segment decreased primarily as a result of reduced debt balances compared to the prior period on the Prospect Term Loan. Interest expense in our Corporate segment decreased as a result of lower loan balances from our Credit Facility, Second Lien Loans settled for Class A common stock and the conversion of the Bison Convertible Note and the Mingtai Convertible Note into shares of Class A Common Stock.

### Income Tax Expense

We recorded an income tax benefit of approximately \$0.3 million for year ended March 31, 2021. We recorded income tax expense of approximately \$0.3 million year ended March 31, 2020. The benefit in income tax is mainly derived from minor changes in estimates between the State tax income tax provision and its filling.

### Adjusted EBITDA

We define Adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, other income, net, stock-based compensation and expenses, merger and acquisition costs, restructuring, transition and acquisitions expense, net, goodwill impairment, change in fair value on equity investment in Starrise and certain other items.

Consolidated Adjusted EBITDA (including the results of Cinema Equipment Business segment) for the year ended March 31, 2021 decreased by \$9.7 million compared to the year ended March 31, 2020. Adjusted EBITDA from our Cinema Equipment Business segment decreased primarily due to state mandated theater closures due to COVID-19, the temporary halt of distribution of major studio releases and the expected decline of the Cinema Equipment Business. Negative Adjusted EBITDA from the Content & Entertainment business and Corporate segment decreased by \$1.0 million for the year ended March 31, 2021 compared to the year ended March 31, 2020, due increase on bonus incentive and stock-compensation expenses, offset by the growth of Streaming & Digital revenues based on higher volume for streaming due to the pandemic and adding additional channels and content compared to the prior period.

Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to other similarly titled measures of other companies. We use Adjusted EBITDA as a financial metric to measure the financial performance of the business because management believes it provides additional information with respect to the performance of its fundamental business activities. For this reason, we believe Adjusted EBITDA will also be useful to others, including its stockholders, as a valuable financial metric.

We present Adjusted EBITDA because we believe that Adjusted EBITDA is a useful supplement to net loss from continuing operations as an indicator of operating performance. We also believe that Adjusted EBITDA is a financial measure that is useful both to management and investors when evaluating our performance and comparing our performance with that of our competitors. We also use Adjusted EBITDA for planning purposes and to evaluate our financial performance because Adjusted EBITDA excludes certain incremental expenses or non-cash items, such as stock-based compensation charges, that we believe are not indicative of our ongoing operating performance.

We believe that Adjusted EBITDA is a performance measure and not a liquidity measure, and therefore a reconciliation between net loss from continuing operations and Adjusted EBITDA has been provided in the financial results. Adjusted EBITDA should not be considered as an alternative to income from operations or net loss from continuing operations as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of cash flows, in each case as determined in accordance with GAAP, or as a measure of liquidity. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. We do not intend the presentation of these non-GAAP measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP. These non-GAAP measures should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.



Following is the reconciliation of our consolidated net loss to Adjusted EBITDA:

(\$ in thousands)	For the Fiscal Year Ended March 31,	
	2021	2020
Net loss	\$ (62,905)	\$ (14,724)
Add Back:		
Income tax (benefit)/expense	(315)	313
Depreciation and amortization of property and equipment	4,404	6,620
Amortization of intangible assets	2,515	2,772
Loss on extinguishment of note payable	1,498	-
Interest expense, net	4,050	7,237
Change in fair value on equity investment in Starrise	43,518	1,618
Other expense, net	1,475	1,585
(Recovery) Provision for doubtful accounts	(122)	758
Stock-based compensation	2,892	543
Net income (loss) attributable to noncontrolling interest	85	(10)
Adjusted EBITDA	\$ (2,905)	\$ 6,712
Adjustments related to the Cinema Equipment Business		
Depreciation and amortization of property and equipment	\$ (3,916)	\$ (6,087)
Amortization of intangible assets	(23)	(46)
Stock-based compensation and expenses	73	7
Income from operations	4,142	(1,721)
Adjusted EBITDA from non-cinema equipment business	\$ (2,629)	\$ (1,135)

#### Recent Accounting Pronouncements

See Note 2 - *Summary of Significant Accounting Policies* to our consolidated financial statements included herein.

Changes in our cash flows were as follows:

(\$ in thousands)	For the Fiscal Years Ended March 31,	
	2021	2020
Net cash (used in) provided by operating activities	\$ (20,007)	\$ 7,762
Net cash used in investing activities	(1,710)	(1,247)
Net cash provided by (used in) financing activities	24,272	(10,093)
Net increase (decrease) in cash and cash equivalents	\$ 2,555	\$ (3,578)

As of March 31, 2021, we had cash and restricted cash balances of \$17.8 million.

As of March 31, 2020, we had cash and restricted cash balances of \$15.3 million.

For the year ended March 31, 2021, net cash used in operating activities is primarily driven by loss from operations, excluding non-cash expenses such as depreciation, amortization, recovery for doubtful accounts and stock-based compensation, including other changes in working capital. Additionally, during the year ended March 31, 2021, the Company paid down \$29.8 million to vendors at both CEG and Corporate. Cash received from VPFs declined from the previous period as Phase I Deployment Systems in our Cinema Equipment Business reached the conclusion of their deployment payment periods with certain major studios. Changes in accounts receivable from our studio customers largely impact cash flows from operating activities and vary based on the seasonality of movie release schedules by the major studios. Operating cash flows from CEG are typically higher during our fiscal third and fourth quarters, resulting from revenues earned during the holiday season, and lower in the other two quarters as we pay royalties on such revenues. In addition, we make advances on theatrical releases and to certain home entertainment distribution clients for which initial expenditures are generally recovered within six to twelve months. Cash flows were also impacted as a result of COVID-19, as during the year ended March 31, 2021, theatres in many major markets remained closed throughout the fourth quarter causing the majority of major studios to move wide releases scheduled for the year ended March 31, 2021 to future dates. Only two major studios had wide theatrical releases in the last part of the year, however, the theatrical window before the streaming debut was shortened or eliminated to accommodate the lack of theatrical venues. Because our digital cinema business earns a VPF when a movie is first played on a system, the temporary theatre closures resulting from the COVID-19 pandemic resulted in reduced revenues.

For the year ended March 31, 2020, net cash provided by operating activities is primarily driven by loss from operations, excluding non-cash expenses such as depreciation, amortization, provision for doubtful accounts and stock-based compensation, offset by changes in working capital. Cash received from VPFs declined from the previous period as Phase I and Phase II Deployment Systems in our Cinema Equipment Business reached the conclusion of their deployment payment period with certain major studios. Changes in accounts receivable from our studio customers largely impact cash flows from operating activities and vary based on the seasonality of movie release schedules by the major studios. Operating cash flows from CEG are typically higher during our fiscal third and fourth quarters, resulting from revenues earned during the holiday season, and lower in the other two quarters as we pay royalties on such revenues. In addition, we make advances on theatrical releases and to certain home entertainment distribution clients for which initial expenditures are generally recovered within six to twelve months.

For the year ended March 31, 2021, cash flows used in investing activities consisted of proceeds from the sale of Starrise shares of \$0.8 million, purchases of property and equipment of \$0.06 million, the sale of property and equipment of \$0.08 million, and the purchase of intangible assets of \$2.5 million related to the asset acquisition.

For the year ended March 31, 2020, cash flows used in investing activities mainly consisted of purchases of property and equipment of \$1.2 million.

For the year ended March 31, 2021, cash flows provided by financing activities consisted of payments of approximately \$7.7 million in notes payable, \$12.8 million in Credit Facility repayments, \$42.7 million received in connection with the issuance Class A common stock and the exercise of warrants, and \$2.2 million received pursuant to the Payment Protection Program of the Coronavirus Aid, Relief and Economic Security Act.

For the year ended March 31, 2020, cash flows used in financing activities reflects payments of \$39.5 million on notes payable offset by \$23.6 million from proceeds under the revolving credit agreement and \$5.8 million received in connection with the sale of 3,900,000 shares of our Common Stock.

We may continue to generate net losses for the foreseeable future primarily due to depreciation and amortization, interest on our debt obligations, marketing and promotional activities and content acquisition and marketing costs. Certain of these costs, including costs of content acquisition, marketing and promotional activities, could be reduced if necessary. The restrictions imposed by the terms of our debt obligations may limit our ability to obtain financing, make it more difficult to satisfy our debt obligations or require us to dedicate a substantial portion of our cash flow to payments on our existing debt obligations. We feel we are adequately financed for at least the next twelve months; however, we may need to raise additional capital for working capital as deemed necessary. Failure to generate additional revenues, raise additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations or liquidity.

### **Seasonality**

Revenues from our Cinema Equipment segment derived from the collection of VPFs from motion picture studios are seasonal, coinciding with the timing of releases of movies by the motion picture studios. Generally, motion picture studios release the most marketable movies during the summer and the winter holiday season. The unexpected emergence of a hit movie during other periods can alter the traditional trend. The timing of movie releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or any other quarter. While CEG benefits from the winter holiday season, we believe the seasonality of motion picture exhibition, is becoming less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

### **Off-balance sheet arrangements**

We are not a party to any off-balance sheet arrangements, other than operating leases in the ordinary course of business, which are disclosed above in the table of our significant contractual obligations, and CDF2 Holdings. In addition, as discussed further in Note 2 - *Basis of Presentation and Consolidation* and Note - *Other Interests* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K, we hold a 100% equity interest in CDF2 Holdings, which is an unconsolidated variable interest entity (“VIE”), which wholly owns Cinedigm Digital Funding 2, LLC; however, we are not the primary beneficiary of the VIE.

### **Impact of Inflation**

The impact of inflation on our operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future would not have an adverse impact on our operating results.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**CINEDIGM CORP.**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-1
<a href="#">Consolidated Balance Sheets at March 31, 2021 and 2020</a>	F-2
<a href="#">Consolidated Statements of Operations for the fiscal years ended March 31, 2021 and 2020</a>	F-3
<a href="#">Consolidated Statements of Comprehensive Loss for the fiscal years ended March 31, 2021 and 2020</a>	F-4
<a href="#">Consolidated Statements of Equity (Deficit) for the fiscal years ended March 31, 2021 and 2020</a>	F-5
<a href="#">Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2021 and 2020</a>	F-7
<a href="#">Notes to Consolidated Financial Statements</a>	F-8

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Cinedigm Corp.

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Cinedigm Corp. (the “Company”) as of March 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive loss, equity(deficit), and cash flows for each of the years in the two-year period ended March 31, 2021, and the related notes. In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### ***Critical Audit Matter***

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Revenue recognition – Content & Entertainment Business segment.*

As disclosed in Note 2 to the consolidated financial statements, the Company’s Content & Entertainment business segment (“CEG”) earns fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, video on demand (“VOD”) and physical goods. Fees earned are typically a percentage based on the net amounts received from customers. Depending on the nature of the agreements with the platform and content providers, the fee rate that is earned varies. The Company’s performance obligations include the delivery of content for transactional, subscription and ads supported on the digital platforms, and shipment of DVDS and Blu-Ray disks. Revenue is recognized at the point in time when the performance obligation is satisfied which is when the content is available for subscription on the digital platform, at the time of shipment of physical goods, or point-of-sale for transactional and VOD services as the control over the content or the physical titles is transferred to the customer. The Company considers the delivery of content through various distribution channels to be a single performance obligation. Physical revenue is recognized after deducting the reserves for sales returns and revenue reductions, which are accounted for as variable consideration. Revenue is determined to be reported on a gross or net basis for each revenue stream based on the transfer of control of goods and services. Total CEG revenues for the year ended March 31, 2021 was \$28.2 million.

We identified revenue recognition for CEG as a critical audit matter due the level of judgement and estimation required by management in the recognition of fees earned from customers and estimation of revenues accrued at period end. As such, there is a degree of auditor judgement and subjectivity, and significant audit effort and audit procedures to address management’s revenue recognition for CEG.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. We obtained an understanding and evaluated the design of the Company’s controls over the revenue recognition of CEG. We gained an understanding of the Company’s role as either principal or agent in the revenue streams and management’s determination of revenue streams as either gross or net based on the transfer of control for the good and service. Our audit procedures included, among others, comparing the revenue recognized to third party statements/reports, which can include sales, cash receipts, returns, revenue deductions, advance payments, advance recoupments, expenses, and other information, to reconcile to the revenue recognized or the net amounts in which fees are calculated on, as determined by the underlying contracts or third party statements for a sample of transactions. We also tested the mathematical accuracy of management’s calculations of revenue and the associated timing of revenue recognized in the financial statements, as well as the Company’s estimation process, on a sample basis, for revenues accrued at period end.

/s/ EisnerAmper LLP

We have served as the Company’s auditor since 2004.

EISNERAMPER LLP



**CINEDIGM CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except for share and per share data)

	March 31,	
	2021	2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 16,849	\$ 14,294
Accounts receivable, net	21,093	34,785
Inventory, net	166	582
Unbilled revenue	1,377	1,992
Prepaid and other current assets	3,657	5,382
<b>Total current assets</b>	<b>43,142</b>	<b>57,035</b>
Restricted cash	1,000	1,000
Equity investment in Starrise, a related party, at fair value	6,443	23,433
Property and equipment, net	3,500	7,967
Operating lease right-of use assets	100	1,210
Intangible assets, net	9,860	6,924
Goodwill	8,701	8,701
Other long-term assets	2,700	4,170
<b>Total assets</b>	<b>\$ 75,446</b>	<b>\$ 110,440</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 46,627	\$ 77,085
Current portion of notes payable, including unamortized debt discount and debt issuance costs of \$0 and \$460, respectively (see Note 6)	1,956	37,249
Current portion of notes payable, non-recourse including unamortized debt discount of \$0 and \$763, respectively (see Note 6)	7,786	11,442
Operating lease liabilities	87	593
Current portion of deferred revenue	924	1,645
<b>Total current liabilities</b>	<b>57,380</b>	<b>128,014</b>
PPP Loan	2,152	—
Operating lease liabilities, net of current portion	13	684
Deferred revenue, net of current portion	—	919
Other long-term liabilities	19	110
<b>Total liabilities</b>	<b>59,564</b>	<b>129,727</b>
Commitments and contingencies (see Note 8)		
Stockholders' Equity (Deficit)		
Preferred stock, 15,000,000 shares authorized; Series A 10% - \$0.001 par value per share; 20 shares authorized; 7 shares issued and outstanding at March 31, 2021 and 2020. Liquidation preference of \$3,648	3,559	3,559
Common stock, \$0.001 par value; Class A stock 200,000,000 and 150,000,000 shares authorized at March 31, 2021 and 2020, respectively, 167,542,404 and 63,251,429 shares issued and 166,228,568 and 61,937,593 shares outstanding at March 31, 2021 and 2020, respectively.	164	62
Additional paid-in capital	499,272	400,784
Treasury stock, at cost; 1,313,836 Class A common shares at March 31, 2021 and 2020.	(11,603)	(11,603)
Accumulated deficit	(474,080)	(410,904)
Accumulated other comprehensive (loss) income	(68)	92
<b>Total stockholders' equity (deficit) of Cinedigm Corp.</b>	<b>17,244</b>	<b>(18,010)</b>
Deficit attributable to noncontrolling interest	(1,362)	(1,277)
<b>Total equity (deficit)</b>	<b>15,882</b>	<b>(19,287)</b>
<b>Total liabilities and equity (deficit)</b>	<b>\$ 75,446</b>	<b>\$ 110,440</b>

See accompanying Notes to Consolidated Financial Statements

**CINEDIGM CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except for share and per share data)

	<b>For the Fiscal Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenues	\$ 31,419	\$ 39,291
Costs and expenses:		
Direct operating (excludes depreciation and amortization shown below)	16,103	17,146
Selling, general and administrative	21,992	16,344
(Recovery) Provision for doubtful accounts	(122)	758
Depreciation and amortization of property and equipment	4,404	6,620
Amortization of intangible assets	2,515	2,772
Total operating expenses	44,892	43,640
Loss from operations	(13,473)	(4,349)
Interest income	37	21
Interest expense	(4,087)	(7,258)
Changes in fair value of equity investment in Starrise, a related party	(43,518)	(1,618)
Loss in extinguishment of note payable	(1,498)	—
Other expense, net	(681)	(1,207)
Loss from operations before income taxes	(63,220)	(14,411)
Income tax benefit (expense)	315	(313)
Net loss	(62,905)	(14,724)
Net income (loss) attributable to noncontrolling interest	85	(10)
Net loss attributable to controlling interests	(62,820)	(14,734)
Preferred stock dividends	(356)	(356)
Net loss attributable to common stockholders	\$ (63,176)	\$ (15,090)
Net loss per Class A common stock attributable to common stockholders - basic and diluted:		
Net loss attributable to common stockholders	\$ (0.49)	\$ (0.34)
Weighted average number of Class A common stock outstanding: basic and diluted	127,787,379	44,004,780

See accompanying Notes to Consolidated Financial Statements



**CINEDIGM CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In thousands)

	<b>For the Fiscal Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Net loss	\$ (62,905)	\$ (14,724)
Other comprehensive (loss) income: foreign exchange translation	(160)	82
Comprehensive loss	(63,065)	(14,642)
Less: comprehensive income (loss) attributable to noncontrolling interest	85	(10)
Comprehensive loss attributable to controlling interests	<u>\$ (62,980)</u>	<u>\$ (14,652)</u>

See accompanying Notes to Consolidated Financial Statements

**CINEDIGM CORP.**  
**CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)**  
(In thousands, except share data)

	Series A Preferred Stock		Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Deficit	Non-Controlling Interest	Total Deficit
	Shares	Amount	Shares	Amount	Shares	Amount						
Balances as of March 31, 2019	7	\$ 3,559	35,678,597	\$ 36	1,313,836	\$(11,603)	\$ 368,531	\$ (395,814)	\$ 10	\$ (35,281)	\$ (1,287)	\$(36,568)
Foreign exchange translation	—	—	—	—	—	—	—	—	82	82	—	82
Issuance of Class A common stock for third party professional services	—	—	374,286	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock to Bison	—	—	3,900,000	4	—	—	5,846	—	—	5,850	—	5,850
Issuance of Class A common stock in connection with the Starrise transaction, a related party	—	—	21,646,604	22	—	—	11,235	—	—	11,257	—	11,257
Contributed capital under the Starrise transaction, a related party	—	—	—	—	—	—	13,795	—	—	13,795	—	13,795
Fair value of conversion feature in connection with convertible note	—	—	—	—	—	—	478	—	—	478	—	478
Stock-based compensation	—	—	—	—	—	—	543	—	—	543	—	543
Preferred stock dividends paid with common stock	—	—	338,106	—	—	—	356	(356)	—	—	—	—
Net loss	—	—	—	—	—	—	—	(14,734)	—	(14,734)	10	(14,724)
Balances as of March 31, 2020	<u>7</u>	<u>\$ 3,559</u>	<u>61,937,593</u>	<u>\$ 62</u>	<u>1,313,836</u>	<u>\$(11,603)</u>	<u>\$ 400,784</u>	<u>\$ (410,904)</u>	<u>\$ 92</u>	<u>\$ (18,010)</u>	<u>\$ (1,277)</u>	<u>\$(19,287)</u>

See accompanying Notes to Consolidated Financial Statements

**CINEDIGM CORP.**  
**CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)**  
(In thousands, except share data)

	Series A Preferred Stock		Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Deficit	Non-Controlling Interest	Total Deficit
	Shares	Amount	Shares	Amount	Shares	Amount						
Balances as of March 31, 2020	7	\$ 3,559	61,937,593	\$ 62	1,313,836	\$(11,603)	\$ 400,784	\$ (410,904)	\$ 92	\$ (18,010)	\$ (1,277)	\$(19,287)
Foreign exchange translation	—	—	—	—	—	—	—	—	(160)	(160)	—	(160)
Issuance of Class A common stock in connection with public offerings	—	—	51,885,840	52	—	—	42,299	—	—	42,351	—	42,351
Issuance of Class A common stock in connection with the Starrise transaction, a related party	—	—	29,855,081	30	—	—	11,016	—	—	11,046	—	11,046
Contributed capital under the Starrise transaction, a related party	—	—	—	—	—	—	17,187	—	—	17,187	—	17,187
Common stock issued in connection with conversion of Convertible Notes and second lien loans	—	—	16,534,613	16	—	—	21,536	—	—	21,552	—	21,552
Stock-based compensation	—	—	1,860,554	1	—	—	2,891	—	—	2,892	—	2,892
Exercise of warrants for Class A common stock	—	—	236,889	—	—	—	301	—	—	301	—	301
Class A common stock to be issued in connection with asset acquisitions	—	—	3,098,126	3	—	—	2,902	—	—	2,905	—	2,905
Issuance of f Class A common stock for third party professional services	—	—	196,914	—	—	—	—	—	—	—	—	—
Preferred stock dividends paid with common stock	—	—	622,948	—	—	—	356	(356)	—	—	—	—
Net loss	—	—	—	—	—	—	—	(62,820)	—	(62,820)	(85)	(62,905)
Balances as of March 31, 2021	<u>7</u>	<u>\$ 3,559</u>	<u>166,228,568</u>	<u>\$ 164</u>	<u>1,313,836</u>	<u>\$(11,603)</u>	<u>\$ 499,272</u>	<u>\$ (474,080)</u>	<u>\$ (68)</u>	<u>\$ 17,244</u>	<u>\$ (1,362)</u>	<u>\$ 15,882</u>

See accompanying Notes to Consolidated Financial Statements

**CINEDIGM CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	<b>For the Fiscal Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Net loss	\$ (62,905)	\$ (14,724)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization of property and equipment and amortization of intangible assets	6,919	9,392
Changes in fair value of equity investment in Starrise	43,518	1,618
Loss from sale of property and equipment	44	3
Amortization of debt issuance costs included in interest expense	1,223	1,218
(Recovery) Provision for doubtful accounts	(122)	758
Reserve (recovery) for inventory reserve	155	(404)
Stock-based compensation and expenses	2,892	543
Loss on extinguishment of note payable	1,498	—
Accretion and PIK interest expense added to note payable	302	1,495
Changes in operating assets and liabilities:		
Accounts receivable	13,814	(33)
Inventory	251	495
Unbilled revenue	615	344
Prepaid and other current assets	3,195	554
Accounts payable and accrued expenses	(29,766)	7,983
Deferred revenue	(1,640)	(1,480)
Net cash (used in) provided by operating activities	<u>(20,007)</u>	<u>7,762</u>
Cash flows from investing activities:		
Purchases of property and equipment	(64)	(1,237)
Purchase of intangible assets	(2,545)	(10)
Proceeds from the sale of property and equipment	84	—
Sale of equity investment shares	815	—
Net cash used in investing activities	<u>(1,710)</u>	<u>(1,247)</u>
Cash flows from financing activities:		
Payments of notes payable	(7,703)	(39,493)
(Repayments) proceeds under revolving credit agreement, net	(12,829)	23,550
Proceeds from PPP Loan	2,152	—
Net proceeds from issuance of Class A common stock	42,652	5,850
Net cash provided by (used in) financing activities	<u>24,272</u>	<u>(10,093)</u>
Net change in cash, cash equivalents and restricted cash	2,555	(3,578)
Cash, cash equivalents and restricted cash at beginning of year	15,294	18,872
Cash, cash equivalents and restricted cash at end of year	<u>\$ 17,849</u>	<u>\$ 15,294</u>

See accompanying Notes to Consolidated Financial Statements

**CINEDIGM CORP.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. NATURE OF OPERATIONS AND LIQUIDITY**

Cinedigm Corp. (“Cinedigm,” the “Company,” “we,” “us,” or similar pronouns) was incorporated in Delaware on March 31, 2000. We are (i) a distributor and aggregator of independent movie, television and other short form content managing a library of distribution rights to thousands of titles and episodes released across digital, physical, theatrical, home and mobile entertainment platforms (“Streaming”) and (ii) a servicer of digital cinema assets (“Systems”) for over 6,200 movie screens in both North America and several international countries.

*Risks and Uncertainties*

The COVID-19 pandemic and related economic repercussions created significant volatility and uncertainty impacting the Company’s results for the year. As part of our Content & Entertainment business, the Company sells DVDs and Blu-ray discs at brick-and-mortar stores. With the closure of non-essential retail stores beginning in the spring of 2020, the sale of physical discs through our retail partners declined although this was partially offset by digital purchases of physical product. As part of our Cinema Equipment business, the Company earns revenue when movies are exhibited in theaters. Many movie theaters in the United States closed during the spring of 2020 and remained closed or re-opened on a limited basis through March 31, 2021. The majority of major studios shifted films out of the fiscal year to dates when more screens would be available, and consumers felt safe to return to theaters. Films released during the year had box office results below pre-Covid expectations due to theater closure, limited capacity and new commercial models that permitted viewing day and date via premium video on demand (“PVOD”) and subscription video on demand (“SVOD”). To the extent films are not shown in theaters, we do not earn revenue.

Longer term, there may be a shift in consumer preference towards digital consumption over physical or theatrical viewing. Studios may reduce their theatrical slates to tentpoles and certain genres releasing other content directly on their own streaming services. This decision could negatively impact the Company’s ability to license content for the sale of physical product, if those rights are withheld to create exclusivity to the platform and reduce revenue opportunities for virtual print fees and sales of digital cinema equipment. While the Company has been encouraged by the pace of mass vaccinations, spikes or the emergence of new variants could require future closures. These changes could negatively impact results of operations, financial conditional and cash flows.

*Liquidity*

We have incurred net losses historically and have an accumulated deficit of \$474.1 million and negative working capital of \$14.2 million as of March 31, 2021. Net cash used in operating activities for the fiscal year ended March 31, 2021 was \$20 million. We may continue to generate net losses for the foreseeable future. In addition, we have significant debt-related contractual obligations as of March 31, 2021 and beyond. Based on these conditions, the Company entered into the following transactions described below:

*Capital Raise*

On February 2, 2021, the Company entered into a securities purchase agreement with a single institutional investor for the purchase and sale of 5,600,000 shares of the Company’s Class A common stock for net proceeds of \$6.5 million.

In July 2020, we entered into an At-the-Market sales agreement (the “ATM Sales Agreement”) with certain sales agents (the “Sales Agents”), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock at the market prices prevailing on The Nasdaq Global Market at the time of the sale of such shares. The Company is not obligated to sell any shares under the ATM Sales Agreement. Any sales of shares made under the ATM Sales Agreement will be made pursuant to an effective registration statement on Form S-3 filed by the Company with the Securities and Exchange Commission on July 6, 2020, for an aggregate offering price of up to \$30 million. During the year ended March 31, 2021, we sold 28,405,840 shares of Common Stock under the ATM Sales Agreement. Net proceeds from such sales totaled \$18.6 million.

On July 16, 2020, the Company entered into a securities purchase agreement for the sale of 7,213,334 shares of Class A common stock at a purchase price of \$1.50 per share, in a registered direct offering, pursuant to an effective shelf registration statement on Form S-3 and an applicable prospectus supplement. This registration statement covers offerings of up to an aggregate offering price of \$75.0 million. The Company closed the transaction on July 20, 2020. The net proceeds to the Company from the sale of the shares, after deducting the fees of the placement agents but before paying the Company's estimated offering expenses, was approximately \$10.1 million.

On May 20, 2020, the Company entered into a securities purchase agreement with certain investors for the purchase and sale of 10,666,666 shares of the Company's Class A common stock, at a purchase price of \$0.75 per share, in a registered direct offering, pursuant to an effective shelf registration statement on Form S-3 and an applicable prospectus supplement.

The Company closed the transaction on May 22, 2020. The net proceeds to the Company from the sale of the Shares, after deducting the fees of the placement agents but before paying the Company's estimated offering expenses, were approximately \$7.1 million.

#### *Sale of Cinematic Equipment*

On March 17, 2021, the Company entered into two separate agreements for the sale of cinematic equipment to American Multi-Cinema, Inc. ("AMC"), the agreements included the sale in tranches of a total of 2,369 cinematic projectors starting in March 2021 throughout January 2023 for a total cash consideration of \$10.8 million. As of March 31, 2021, the Company executed the sale of the first tranche and recognized revenue for \$300 thousand. A portion of the total proceeds will be utilized to eliminate the remaining Prospect notes payable.

#### *Equity Investment in Starrise, a related party transaction*

On December 27, 2019, the Company entered into, and on February 14, 2020 amended, (see Note 2 - Summary of Significant Accounting Policies), a stock purchase agreement (as so amended, the "Starrise Stock Purchase Agreement") with BeiTai Investment LP ("BeiTai") and Aim Right Ventures Limited ("Aim Right"), two shareholders of Starrise Media Holdings Limited, a leading Chinese entertainment company ("Starrise"), to buy from them an aggregate of 410,901,000 outstanding Starrise ordinary shares (the "Share Acquisition"). On February 14, 2020, the Company purchased 162,162,162 of the Starrise ordinary shares from BeiTai and issued BeiTai 21,646,604 shares of Class A common stock as consideration.

On April 10, 2020, the Company, in accordance with the terms of the Starrise Stock Purchase Agreement, terminated its obligation to purchase Starrise ordinary shares from Aim Right under the December 27, 2019 stock purchase agreement. On April 10, 2020, the Company entered into another stock purchase agreement (the "April Stock Purchase Agreement") with five (5) shareholders of Starrise - Bison Global Investment SPC - Bison Global No. 1 SP ("Bison Global"), Huatai Investment LP, Antai Investment LP, Mingtai Investment LP ("Mingtai") and Shangtai Asset Management LP - to buy an aggregate of 223,380,000 outstanding Starrise ordinary shares from them and for the Company to issue to them an aggregate of 29,855,081 shares of its Class A common stock in consideration therefore (the "April Share Acquisition"). On April 15, 2020, the April Share Acquisition was consummated and recorded as an equity investment in Starrise and is a related party transaction. As of March 31, 2021, the Company owns 362,987,397 shares in Starrise or approximately 26%.

Starrise's ordinary shares (HK 1616) are listed on the main board of the Stock Exchange of Hong Kong Limited. Based on the closing price of HKD 0.15 per share on July 23, 2021, calculated at an exchange rate of \$7.7698 Hong Kong Dollars to 1 US dollar, the Cinedigm's ownership in Starrise ordinary shares was approximately \$7.0 million.

#### *Borrowings*

On June 22, 2021, the maturity date of the East West Credit Facility (as defined in Note 6 - *Notes Payable*) with East West Bank was extended from June 30, 2021 to September 28, 2021.

On April 15, 2020, the Company received \$2.2 million from East West Bank, the Company's existing lender, pursuant to the Paycheck Protection Program (the "PPP Loan") of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Loan matures on April 10, 2022 (the "PPP Maturity Date"), accrues interest at 1% per annum and may be prepaid in whole or in part without penalty. No interest payments are due within the initial six months of the PPP Loan. The interest accrued during the initial six-month period is due and payable, together with the principal, on the PPP Maturity Date. The Company used all proceeds from the PPP Loan to retain employees, maintain payroll and make lease and utility payments to support business continuity throughout the COVID-19 pandemic, which amounts are intended to be eligible for forgiveness, subject to the provisions of the CARES Act and could be subject to repayment. On January 5, 2021, the Company submitted its application for forgiveness and, as of June 30, 2021, obtained forgiveness for the full amount as discussed on Note 12 – *Subsequent Events*.

On June 2, 2020, the Company exchanged 33,465 shares of Class A common stock in exchange for \$61,000 of second lien loan principal.

On June 24, 2020, the Company entered into an exchange agreement (the "Exchange Agreement") pursuant to which the Company issued 329,501 shares of its Class A common stock, in exchange for the principal amount and accrued and unpaid interest of outstanding Second Lien Loans (as defined in Note 6 - *Notes Payable*). The surrendered Second Lien Loans were immediately canceled. The exchange was consummated on June 24, 2020.

On June 26, 2020, the Company signed a consent agreement with the holders of the Second Lien loans to extend the maturity date to September 30, 2020 and grant the Company options to extend further to March 31, 2021 and then to June 30, 2021. A consent fee of \$100,000 was paid in connection with this extension.

In a separate exchange with another holder of Second Lien Notes, on November 19, 2020, the Company issued 452,499 shares of Class A common stock in exchange for \$247,108 principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

On December 4, 2020, the Company entered into exchange agreements (the "December Exchange Agreements") with certain holders of notes under its Second Lien Loan Agreement dated as of July 14, 2016 among the Company, the lenders party thereto, and Cortland Capital Market Services LLC, as Agent ("Second Lien Notes"). Pursuant to the December Exchange Agreements, the Company issued an aggregate of 2,776,284 shares of its Class A common stock, par value \$0.001 per share Common Stock in exchange for an aggregate of \$1,386,106 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

In January 2021, the Company entered into exchange agreements with holders of the Second Lien Loan to exchange \$2,389,650 of Second Lien Loans for 2,517,574 shares of Class A Common Stock. The exchanged Second Lien Notes were immediately cancelled.

In February 2021, the Company entered into exchange agreements with one holder of the Second Lien Loan to exchange \$500,000 of Second Lien Loans for 425,290 shares of Class A Common Stock. The exchanged Second Lien Notes were immediately cancelled.

On February 9, 2021, the Company prepaid all of the outstanding Second Lien Loans.

On April 15, 2020, the Company executed a letter amendment (the "Letter Amendment") to the Bison Convertible Note (as defined in Note 6 - *Notes Payable*). Among other things, the Letter Amendment amended the Note, effective as of March 4, 2020, to extend the maturity date of the Bison Convertible note to March 4, 2021.

On October 9, 2019, the Company signed an extension to the Ming Tai Note of \$5.0 million for the first of two (2) permitted additional (1) year extensions at the Company's option from the original maturity date to October 9, 2020. This note will continue in full force and effect in accordance with its terms, including the Company's reservation of its right to further extend the maturity date of this note, if it so elects.

On September 11, 2020, the Bison and Mingtai Notes, having an aggregate of \$15 million principal amount (the "Notes") were converted in full into an aggregate of 10,000,000 shares of Common Stock at a conversion price of \$1.50 per share in accordance with the terms of the Notes. Accordingly, the Notes have been extinguished. The Notes were held by Bison Global and, both of which are affiliates of Peixin Xu, the Chairman of Bison Capital Holding Company Limited, which is indirectly Cinedigm's largest stockholder. See Note 6- *Notes Payable*.

On March 4, 2021, Cinedigm DC Holdings, LLC (“CDCH”), Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., Christie/AIX, Inc., Cinedigm Digital Funding I, LLC, certain Lenders, and Prospect Capital Corporation, as administrative agent and collateral agent (“Prospect”), entered into Amendment No. 3 (the “Amendment”) to the Term Loan Agreement dated February 28, 2013 (the “Term Loan Agreement”). Under the Amendment, the maturity date of the loan under the Term Loan Agreement (the “Loan”) was extended to March 31, 2022.

We believe the combination of: (i) our cash and cash equivalent balances at March 31, 2021, (ii) expected cash flows from operations, (iii) expansion into Streaming, and (iv) the capacity under existing arrangements and access to new sources of capital will be sufficient to satisfy our contractual obligations, as well as liquidity for our operational and capital needs, for twelve months from the filing of this document. Our capital requirements will depend on many factors, and we may need to use capital resources and obtain additional capital. Failure to generate additional revenues, obtain additional capital or manage discretionary spending could have an adverse effect on our financial position, results of operations and liquidity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PRESENTATION AND CONSOLIDATION

Our consolidated financial statements include the accounts of Cinedigm and its wholly owned and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Investments in which we do not have a controlling interest or are not the primary beneficiary, but have the ability to exert significant influence, are accounted for under the equity method of accounting. Noncontrolling interests for which we have been determined to be the primary beneficiary are consolidated and recorded as net loss attributable to noncontrolling interest. See Note 4 - *Other Interests* to the Consolidated Financial Statements for a discussion of our noncontrolling interests.

### USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires us to make estimates and assumptions that affect the assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include the adequacy of accounts receivable reserves, return reserves, inventory reserves, recovery of advances, assessment of goodwill impairment, intangible asset impairment and estimated amortization lives, fair value for asset acquisitions, valuation allowances for income taxes and stock awards. Actual results could differ from these estimates.

### RECLASSIFICATIONS

Certain amounts related to cash advances classified as current assets in the prior year consolidated balance sheet have been reclassified to long-term assets to conform to the presentation of the current period as follows:

	<b>March 31, 2020</b>	<b>Reclassification</b>	<b>March 31, 2020</b>
	<b>(as reported)</b>		<b>(as reclassified)</b>
Prepaid and other current assets	\$ 9,409	\$ (4,027)	\$ 5,382
Total current asset	61,062	(4,027)	57,035
Other long-term assets	143	4,027	4,170
Total assets	<u>\$ 110,440</u>	<u>\$ —</u>	<u>\$ 110,440</u>



## CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

We consider all highly liquid investments with an original maturity of three months or less to be “cash equivalents.” We maintain bank accounts with major banks, which from time to time may exceed the Federal Deposit Insurance Corporation’s insured limits. We periodically assess the financial condition of the institutions and believe that the risk of any loss is minimal. Our Prospect Loan requires that we maintain specified cash balances that are restricted to repayment of interest thereunder. See Note 6- *Notes Payable* for information about our restricted cash balances.

Cash, cash equivalents, and restricted cash consisted of the following:

(in thousands)	As of	
	March 31, 2021	March 31, 2020
Cash and Cash Equivalents	\$ 16,849	\$ 14,294
Restricted Cash	1,000	1,000
	<u>\$ 17,849</u>	<u>\$ 15,294</u>

## EQUITY INVESTMENT IN STARRISE, A RELATED PARTY

On February 14, 2020, the Company acquired an approximately 11.5% interest in Starrise Media Holdings Limited (“Starrise”), a leading publicly traded Chinese entertainment company whose ordinary shares are listed on the Stock Exchange of Hong Kong. The Company acquired such interest as a strategic investment and in a private transaction from a shareholder of Starrise that is related to our major shareholders. Our major shareholders also maintain a significant beneficial interest ownership in Starrise. Upon consummation of the transaction on February 14, 2020, the Company recorded an initial investment of approximately \$25.1 million, which is the fair market value of the Starrise shares on the transaction date on the Stock Exchange of Hong Kong, in exchange for the Company’s common stock of \$11.2 million, valued as of the date of the issuance of the Class A common stock of the Company. The difference in value of shares received in Starrise and shares issued by the Company is deemed as contributed capital and recorded in additional paid-in capital.

On April 10, 2020, the Company purchased an additional 15% interest in Starrise in a private transaction from shareholders of Starrise that are affiliated with the major shareholder of the Company. The Company recorded an additional equity investment of approximately \$28.2 million, which is the fair market value of the Starrise shares on the transaction date on the Stock Exchange of Hong Kong, in exchange for the Company’s common stock of \$11.0 million, valued at the date of the issuance of the Class A common stock of the Company. The difference in the value of shares received in Starrise and shares issued by the Company is deemed as contributed capital and recorded in additional paid-in capital. This transaction was also recorded as an equity investment in Starrise.

The Company has accounted for these investments under the equity method of accounting as the Company can exert significant influence over Starrise with its direct ownership and affiliation with the Company’s majority shareholders. The Company has made an irrevocable election to apply the fair value option under ASC 825-10, *Financial Instruments*, as it relates to its equity investment in Starrise. The Company’s investment in Starrise is marked to market and recorded at fair value. The stock is traded on the Hong Kong Stock exchange with readily available pricing that is classified as Level 1 in the fair value hierarchy. The Company has established a policy that consistently uses either the closing price of last active trades or the latest bid price when there is no active trades, unadjusted at the last day of each reporting period, as the most relevant and representative input to the Level 1 fair value measures of its investment holdings.

During the year ended March 31, 2021, the Company sold 8,370,000 of Starrise shares for net proceeds of approximately \$0.8 million which resulted in a loss on sale of approximately \$73 thousand.

As of March, 31, 2021 and 2020, the value of our equity investment in Starrise, using the readily determinable fair value inputs from the market pricing of the Stock Exchange of Hong Kong, was approximately \$6.4 million and \$23.4 million, respectively, resulting in a change in fair value of approximately \$43.5 million for the year ended March 31, 2021, on our consolidated statement of operations. At March 31, 2021, the Company owned 362,987,397 shares or 26% of Starrise.

## NON-MONETARY TRANSACTIONS

During the year ended March 31, 2021, respectively, the Company entered into agreements with certain vendors to transfer 14,184,765 Starrise shares to satisfy outstanding liabilities with these vendors. Upon the sale of the Starrise shares by the vendors, with certain restrictions on sales unless the Company gives consent to sell, if the proceeds do not satisfy the amount due to the vendor, the Company is liable for the balance owed. Pursuant to such agreements, the Company reduced the amount payable to its vendors by \$0.8 million as of March 31, 2021.

There was no gain or loss resulting from these transactions for the year ended March 31, 2021.

## ACCOUNTS RECEIVABLE

We maintain reserves for potential credit losses on accounts receivable. We review the composition of accounts receivable and analyze historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Reserves are recorded primarily on a specific identification basis.

We record accounts receivable, long-term in connection with activation fees that we earn from our digital cinema equipment (the “Systems”) deployments that have extended payment terms. Such accounts receivable are discounted to their present value at prevailing market rate.

## ADVANCES

Advances, which are recorded within prepaid and other current assets on the consolidated balance sheets, represent amounts prepaid to studios or content producers for which we provide content distribution services. We evaluate advances regularly for recoverability and record impairment charges for amounts that we expect may not be recoverable as of the consolidated balance sheet date. Impairments and accelerated amortization related to advances were \$0.3 million and \$0.9 million, respectively, for the years ended March 31, 2021 and 2020.

## PROPERTY AND EQUIPMENT

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

Computer equipment and software	3 - 5 years
Internal use software	5 years
Digital cinema projection systems	10 years
Machinery and equipment	3 - 10 years
Furniture and fixtures	3 - 6 years

We capitalize costs associated with software developed or obtained for internal use when the preliminary project stage is completed, and it is determined that the software will provide significantly enhanced capabilities and modifications. These capitalized costs are included in property and equipment and include external direct cost of services procured in developing or obtaining internal-use software and personnel and related expenses for employees who are directly associated with, and who devote time to internal-use software projects. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended use. Once the software is ready for its intended use, the costs are amortized over the useful life of the software. Post-configuration training and maintenance costs are expensed as incurred.

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the leasehold improvements. Repair and maintenance costs are charged to expense as incurred. Major renewals, improvements and additions are capitalized. 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.

## FAIR VALUE MEASUREMENTS

The fair value measurement disclosures are grouped into three levels based on valuation factors:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments and market corroborated inputs)
- Level 3 – significant unobservable inputs (including our own assumptions in determining the fair value of investments)

Assets and liabilities measured at fair value on a recurring basis use the market approach, where prices and other relevant information are generated by market transactions involving identical or comparable assets or liabilities.

The equity investment in Starrise is in Hong Kong dollars and was translated into US dollars as of March 31, 2021 and 2020 at an exchange rate of 7.8 and 7.8 Hong Kong Dollars to 1 US Dollar, respectively. The fair value of this equity investment is measured by the unadjusted market pricing of Starrise on the Stock Exchange of Hong Kong.

The following tables summarize the levels of fair value measurements of our financial assets and liabilities as of March 31, 2021 and, 2020:

**As of March 31, 2021**

(in thousands)	Level 1	Level 2	Level 3	Total
Restricted cash	\$ 1,000	\$ —	\$ —	\$ 1,000
Equity investment in Starrise, at fair value	6,443	—	—	6,443
	<u>\$ 7,443</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,443</u>

**As of March 31, 2020**

(in thousands)	Level 1	Level 2	Level 3	Total
Restricted cash	\$ 1,000	\$ —	\$ —	\$ 1,000
Equity investment in Starrise, at fair value	23,433	—	—	23,433
	<u>\$ 24,433</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,433</u>

Our cash and cash equivalents, accounts receivable, unbilled revenue and accounts payable and accrued expenses are financial instruments and are recorded at cost in the consolidated balance sheets. The estimated fair values of these financial instruments approximate their carrying amounts because of their short-term nature. At March 31, 2021 and 2020, the estimated fair value of our fixed rate debt approximated its carrying amounts. We estimated the fair value of debt based upon current interest rates available to us at the respective balance sheet dates for arrangements with similar terms and conditions. Based on borrowing rates currently available to us for loans with similar terms, the fair value of the variable rate debt is \$7.8 million and lease obligations approximates fair value.

**IMPAIRMENT OF LONG-LIVED AND FINITE-LIVED ASSETS**

We review the recoverability of our long-lived assets and finite-lived intangible assets, when events or conditions occur that indicate a possible impairment exists. The assessment for recoverability is based primarily on our ability to recover the carrying value of our long-lived and finite-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 the asset, the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows. During the years ended March 31, 2021 and 2020, no impairment charge was recorded from operations for long-lived assets or finite-lived assets.

**ASSET ACQUISITIONS**

An asset acquisition is an acquisition of an asset, or a group of assets, that does not meet the definition of a business. Asset acquisitions are accounted for by using the cost accumulation model whereby the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values.

**GOODWILL**

Goodwill is the excess of the purchase price paid over the fair value of the net assets of an acquired business. Goodwill is tested for impairment on an annual basis or more often if warranted by events or changes in circumstances indicating that the carrying value may exceed fair value, also known as impairment indicators.

Inherent in the fair value determination for each reporting unit are certain judgments and estimates relating to future cash flows, including management's interpretation of current economic indicators and market conditions, and assumptions about our strategic plans with regard to its operations. To the extent additional information arises, market conditions change, or our strategies change, it is possible that the conclusion regarding whether our remaining goodwill is impaired could change and result in future goodwill impairment charges that will have a material effect on our consolidated financial position or results of operations.

The Company has the option to assess goodwill for possible impairment by performing a qualitative analysis to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount or to perform the quantitative impairment test.

The quantitative test involves comparing the estimated fair value of a reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired. If, however, the fair value of the reporting unit is less than book value, an impairment loss is recognized in an amount equal to the excess.

No goodwill impairment charge was recorded in the years ended March 31, 2021 and 2020. In 2021, we conducted a qualitative assessment of goodwill considering the favorable developments in the equity and credit markets and the improvement on financial performance of the business; in 2020, we elected to conduct a quantitative goodwill assessment as of March 31, 2020. In determining fair value, we used various assumptions, including expectations of future cash flows based on projections or forecasts derived from analysis of business prospects, economic or market trends and any regulatory changes that may occur. We estimated the fair value of the reporting unit using a net present value methodology, which is dependent on significant assumptions related to estimated future discounted cash flows, discount rates and tax rates.

Gross amounts of goodwill and accumulated impairment charges that we have recorded are as follows:

**(In thousands)**

Goodwill	\$ 32,701
Accumulated impairment charges	(24,000)
Goodwill at March 31, 2021 and 2020	<u>\$ 8,701</u>

**REVENUE RECOGNITION**

We determine revenue recognition by:

- identifying the contract, or contracts, with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services.

We recognize revenue in the amount that reflects the consideration we expect to receive in exchange for the services provided, sales of physical products (DVDs and Blu-ray Discs) or when the content is available for subscription on the digital platform or available on the point-of-sale for transactional and video on demand services which is when the control of the promised products and services is transferred to our customers and our performance obligations under the contract have been satisfied. Revenues that might be subject to various taxes are recorded net of transaction taxes assessed by governmental authorities such as sales value-added taxes and other similar taxes.

Payment terms and conditions vary by customer and typically provide net 30 to 90 day terms. We do not adjust the promised amount of consideration for the effects of a significant financing component when we expect, at contract inception, that the period between our transfer of a promised product or service to our customer and payment for that product or service will be one year or less. We have in the past entered into arrangements in connection with activation fees due from our System deployments that had extended payment terms. The outstanding balances on these arrangements are insignificant and hence the impact of significant financing would be insignificant.

## ***Cinema Equipment Business***

Our Cinema Equipment Business consists of financing vehicles and administrators for 3,122 Systems installed nationwide in our first deployment phase (“Phase I Deployment”) to theatrical exhibitors and for 3,104 Systems installed domestically and internationally in our second deployment phase (“Phase II Deployment”).

We retain ownership of our digital cinema equipment (the “Systems”) and the residual cash flows related to the Systems in Phase I Deployment after the after the end of the 10-year deployment payment period.

For certain Phase II Deployment Systems, we do not retain ownership of the residual cash flows and digital cinema equipment in Phase II Deployment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.

The Cinema Equipment Business also provides monitoring, collection, verification and management services to this segment, as well as to exhibitors who purchase their own equipment, and also collects and disburses Virtual print fees (“VPFs”) from motion picture studios, and distributors and ACFs from alternative content providers, movie exhibitors and theatrical exhibitors (collectively, “Services”).

VPFs are earned, net of administrative fees, pursuant to contracts with movie studios and distributors, whereby amounts are payable by a studio to Phase I Deployment and to Phase II Deployment when movies distributed by the studio are displayed on screens utilizing our Systems installed in movie theatres. VPFs are earned and payable to Phase I Deployment based on a defined fee schedule until the end of the VPF term. One VPF is payable for every digital title initially displayed per System. The amount of VPF revenue is dependent on the number of movie titles released and displayed using the Systems in any given accounting period. VPF revenue is recognized in the period in which the digital title first plays on a System for general audience viewing in a digitally equipped movie theatre, as Phase I Deployment’s and Phase II Deployment’s performance obligations have been substantially met at that time.

Phase II Deployment’s agreements with distributors require the payment of VPFs, according to a defined fee schedule, for ten years from the date each system is installed; however, Phase II Deployment may no longer collect VPFs once “cost recoupment,” as defined in the contracts with movie studios and distributors, is achieved. Cost recoupment will occur once the cumulative VPFs and other cash receipts collected by Phase II Deployment have equaled the total of all cash outflows, including the purchase price of all Systems, all financing costs, all “overhead and ongoing costs”, as defined, and including service fees, subject to maximum agreed upon amounts during the three-year rollout period and thereafter. Further, if cost recoupment occurs before the end of the eighth contract year, the studios will pay us a one-time “cost recoupment bonus.” The Company evaluated the constraining estimates related to the variable consideration, i.e., the one-time bonus and determined that it is not probable to conclude at this point in time that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the variable consideration is subsequently resolved.

Under the terms of our standard cinema equipment licensing agreements, exhibitors will continue to have the right to use our Systems through the end of the term of the licensing agreement, after which time, they have the option to: (1) return the Systems to us; (2) renew their license agreement for successive one-year terms; or (3) purchase the Systems from us at fair market value. As permitted by these agreements, we typically pursue the sale of the Systems to such exhibitors. Such sales were as originally contemplated as the conclusion of the digital cinema deployment plan. Cinedigm completed the sale of 2,177 and 152 digital projection Systems, respectively, for an aggregate sales price of approximately \$6.7 million and \$1.6 million, and recognized revenue of \$600 thousand and \$1.4 million, during the years ended March 31, 2021 and 2020, respectively.

Revenues earned in connection with up front exhibitor contributions are deferred and recognized over the expected cost recoupment period.

Exhibitors who purchased and own Systems using their own financing in the Cinema Equipment Business paid us an upfront activation fee of approximately \$2.0 thousand per screen (the “Exhibitor-Buyer Structure”). Upfront activation fees were recognized in the period in which these Systems were delivered and ready for content, as we had no further obligations to the customer after that time and collection was reasonably assured. In addition, we recognize activation fee revenue of between \$1.0 thousand and \$2.0 thousand on Phase II Deployment Systems and for Systems installed by CDF2 Holdings, a related party, (See Note 4 - *Other Interests*) upon installation and such fees are generally collected upfront upon installation. Our services division manages and collects VPFs on behalf of exhibitors, for which it earns an administrative fee equal to 10% of the VPFs collected (the “Services”).

The Cinema Equipment Business earns an administrative fee of approximately 5% of VPFs collected and, in addition, earns an incentive service fee equal to 2.5% of the VPFs earned by Phase I DC. This administrative fee is related to the collection and remittance of the VPF’s and the performance obligation is satisfied at that time the related VPF fees are due which is at the time the movies are displayed on screens utilizing our Systems installed in movie theatres. The service fees are recognized as a point in time revenue when the corresponding VPF fees are due from the movie studios and distributors.

### ***Content & Entertainment Business***

CEG earns fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, video on demand (“VOD”) (“OTT Streaming and Digital”), and physical goods (e.g., DVDs and Blu-ray Discs) (“Physical Revenue” or “Base Distribution Business”). Fees earned are typically a percentage based on the net amounts received from our customers. Depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. The Company’s performance obligations include the delivery of content for transactional, subscription and ad supported/FAST on the digital platforms, and shipment of DVDs and Blu-ray Discs. Revenue is recognized at the point in time when the performance obligation is satisfied which is when the content is available for subscription on the digital platform, at the time of shipment for physical goods, or point-of-sale for transactional and VOD services as the control over the content or the physical title is transferred to the customer. The Company considers the delivery of content through various distribution channels to be a single performance obligation. Physical Revenue is recognized after deducting the reserves for sales returns and other allowances, which are accounted for as variable consideration.

Physical goods reserves for sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

Reserves for product returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

CEG also has contracts for the theatrical distribution of third party feature movies and alternative content. CEG’s distribution fee revenue and CEG’s participation in box office receipts is recognized at the time a feature movie and alternative content are viewed. CEG has the right to receive or bill a portion of the theatrical distribution fee in advance of the exhibition date, and therefore such amount is recorded as a receivable at the time of execution, and all related distribution revenue is deferred until the third party feature movies’ or alternative content’s theatrical release date.

### ***Principal Agent Considerations***

We determine whether revenue should be reported on a gross or net basis for each revenue stream based on the transfer of control of goods and services. Key indicators that we use in evaluating gross versus net treatment include, but are not limited to, the following:

- which party is primarily responsible for fulfilling the promise to provide the specified good or service; and
- which party has discretion in establishing the price for the specified good or service.

### ***Shipping and Handling***

Shipping and handling costs are incurred to move physical goods (e.g., DVDs and Blu-ray Discs) to customers. We recognize all shipping and handling costs as an expense in cost of goods sold because we are responsible for delivery of the product to our customers prior to transfer of control to the customer.

### ***Contract Liabilities***

We generally record a receivable related to revenue when we have an unconditional right to invoice and receive payment, and we record deferred revenue (contract liability) when cash payments are received or due in advance of our performance, even if amounts are refundable.

We maintain reserves for potential credit losses on accounts receivable. We review the composition of accounts receivable and analyze historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves. Reserves are recorded primarily on a specific identification basis.

Our CEG segment recognizes accounts receivable, net of an estimated allowance for product returns and customer chargebacks, at the time that it recognizes revenue from a sale. Reserves for product returns and other allowances is variable consideration as part of the transaction price. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

We record accounts receivable, long-term in connection with activation fees that we earn from Systems deployments that have extended payment terms. Such accounts receivable are discounted to their present value at prevailing market rates. The outstanding balances on these arrangements are insignificant and hence the impact of significant financing would be insignificant.

Deferred revenue pertaining to our Content & Entertainment Business includes amounts related to the sale of DVDs with future release dates.

Deferred revenue relating to our Cinema Equipment Business pertains to revenues earned in connection with up front exhibitor contributions that are deferred and recognized over the expected cost recoupment period. It also includes unamortized balances in connection with activation fees due from the Systems deployments that have extended payment terms.

The ending deferred revenue balance, including current and non-current balances, as of March 31, 2021 was \$0.9 million. For the year ended March 31, 2021, the additions to our deferred revenue balance were primarily due to cash payments received or due in advance of satisfying performance obligations, while the reductions to our deferred revenue balance were primarily due to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

During the years ended March 31, 2021 and 2020, \$1.6 million and \$4.2 million, respectively of revenue was recognized that was included in the deferred revenue balance at the beginning of the period. As of March 31, 2021, the aggregate amount of contract revenue allocated to unsatisfied performance obligations was \$0.9 million. We expect to recognize this balance over the next 12 months.

#### *Participations and royalties payable*

When we use third parties to distribute company owned content, we record participations payable, which represent amounts owed to the distributor under revenue-sharing arrangements. When we provide content distribution services, we record accounts payable and accrued expenses to studios or content producers for royalties owed under licensing arrangements. We identify and record as a reduction to the liability any expenses that are to be reimbursed to us by such studios or content producers.

#### **Disaggregation of Revenue**

The Company disaggregates revenue into different revenue categories for the Cinema Equipment and CEG Businesses. The Cinema Equipment Business revenue categories are: Phase I Deployment revenue, Phase II Deployment revenue, Services, and Digital System Sales, and the Content & Entertainment Business revenue categories are: Base Distribution Business and OTT Streaming and Digital. For the year ended March 31, 2021, the Company further refined its reporting within the revenue categories of the Content & Entertainment Business resulting in the update of Disaggregated Revenues for the Base Distribution Business and OTT Streaming and Digital previously reported amounts of \$19,222 and \$7,328, respectively for the year ended March 31, 2020 to the amounts disclosed in the table below.

The following tables present the Company's revenue categories for the year ended March 31, 2021 and 2020 (in thousands):

	<b>Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cinema Equipment Business:</b>		
Phase I Deployment	\$ 552	\$ 5,476
Phase II Deployment	1,531	1,717
Services	539	4,122
Digital System Sales	600	1,426
Total Cinema Equipment Business revenue	<u>\$ 3,222</u>	<u>\$ 12,714</u>
<b>Content &amp; Entertainment Business:</b>		
Base Distribution Business	\$ 10,230	\$ 13,984
OTT Streaming and Digital	17,967	12,566
Total Content & Entertainment Business revenue	<u>\$ 28,197</u>	<u>\$ 26,550</u>

#### **DIRECT OPERATING COSTS**

Direct operating costs consist of operating costs such as cost of goods sold, fulfillment expenses, shipping costs, property taxes and insurance on Systems, royalty expenses, impairments of advances, and marketing and direct personnel costs.

## STOCK-BASED COMPENSATION

The Company issues stock-based awards to employees and non-employees, generally in the form of restricted stock units and performance stock units. The Company accounts for its stock-based compensation awards in accordance with FASB ASC Topic 718, *Compensation—Stock Compensation* (“ASC 718”). ASC 718 requires all stock-based payments, including grants of stock options and restricted stock units and modifications to existing stock options, to be recognized in the consolidated statements of operations and comprehensive loss based on their fair values. The Company measures the compensation expense of employee and nonemployee services received in exchange for an award of equity instruments based on the fair value of the award on the grant date. That cost is recognized on a straight-line basis over the period during which the employee and nonemployee is required to provide service in exchange for the award. The fair value of options on the date of grant is calculated using the Black-Scholes option pricing model based on key assumptions such as stock price, expected volatility and expected term. The Company’s estimates of these assumptions are primarily based on the trading price of the Company’s stock, historical data, peer company data and judgment regarding future trends and factors.

Employee and director stock-based compensation expense related to our stock-based awards was as follows:

<b>(In thousands)</b>	<b>Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Selling, general and administrative	\$ 2,892	\$ 543
	\$ 2,892	\$ 543

During the year ended March 31, 2021, the Company granted 7,692,323 stock appreciation rights (“SARs”). The SARs were granted under the Company’s 2017 Equity Incentive Plan (the “2017 Plan”). All SARs issued have an exercise price equal to the fair value of the Company’s common stock on the date of grant and a maturity date of 10 years. The SARs were valued on the grant date utilizing an option pricing model, as follows:

Grant Date: November 19, 2020 – February 17, 2021

Maturity Date: November 19, 2030 – February 17, 2031

Fair value of class A common stock on grant date: \$0.54 - \$1.97

Volatility: 91.05% - 93.12%

Discount rate: 0.88% - 1.59%

There was \$1.6 million and \$441 thousand of stock-based compensation recorded for the year ended March 31, 2021 and 2020, respectively, relating to these SARs.

Total SARs outstanding are as follows:

	<b>Year Ended March 31, 2021</b>
SARs Outstanding March 31, 2020	1,462,610
Issued	7,692,323
Forfeited	—
Total SARs Outstanding March 31, 2021	9,154,933

There are 696,050 units of performance stock units (“PSU”) which were granted on July 26, 2018 fully vested that were settled during the year ended March 31, 2021. There was no stock-based compensation recorded related to these units for the year ended March 31, 2021 and there was a cumulative adjustment of \$166 thousand of stock-based compensation recorded for the year ended March 31, 2020. During the year ended March 31, 2021, the vested PSU’s were settled for 693,647 shares of Class A common stock. In addition, the Company issued 689,364 shares of Class A common stock as a bonus to employees. The Company recorded \$786 thousand as stock compensation expense related to the bonus awards based on the \$1.14 Class A common share value on the date of grant during the year ended March 31, 2021.

In addition, during the year ended March 31, 2021, the Company granted and issued 320,000 shares of Class A common stock to the Company’s Chief Executive Officer as a compensatory bonus. The shares were valued on the date of grant utilizing the fair value of the Company’s class A common stock. The Company recognized stock compensation of \$166 thousand for the issuance.



There was \$5 thousand and \$4 thousand of stock-based compensation recorded for the years ended March 31, 2021 and 2020, respectively, related to employees' restricted stock awards.

There was \$239 thousand and \$263 of stock-based compensation for the years ended March 31, 2021 and 2020 related to board of directors.

On September 1, 2020, we issued 80,000 shares of Class A common stock to Ronald L. Chez as a bonus payable to him under the Strategic Investor Agreement between the Company and him dated as of April 3, 2017. During the year ended March 31, 2021, we recognized an expense of \$71 thousand based on the stock price of the Class A common stock on the date of grant.

## INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to operating loss and tax credit carryforwards and for differences between the carrying amounts of existing assets and liabilities and their respective tax bases.

Valuation allowances are established when management is unable to conclude that it is more likely than not that some portion, or all, of the deferred tax asset will ultimately be realized. The Company is primarily subject to income taxes in the United States.

The Company accounts for uncertain tax positions in accordance with an amendment to ASC Topic 740-10, *Income Taxes (Accounting for Uncertainty in Income Taxes)*, which clarified the accounting for uncertainty in tax positions. This amendment provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained were it to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the "more-likely-than-not" threshold, the largest amount of tax benefit that is more than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Company has no uncertain tax positions.

## NET LOSS PER SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS

Basic and diluted net loss per common share has been calculated as follows:

$$\text{Basic and diluted net loss per common share attributable to common stockholders} = \frac{\text{Net loss attributable to common stockholders}}{\text{Weighted average number of common stock outstanding during the period}}$$

Stock issued and treasury stock repurchased during the period are weighted for the portion of the period that they are outstanding. Shares issued and any shares that are reacquired during the period are weighted for the portion of the period that they are outstanding.

We incurred net losses for the years ended March 31, 2021 and 2020, and therefore the impact of potentially dilutive common shares from outstanding stock options and warrants, totaling 11,127,539 shares and 4,117,323 shares as of March 31, 2021 and 2020, respectively, were excluded from the computations of loss per share as their impact would have been anti-dilutive.

## COMPREHENSIVE LOSS

As of the year ended March 31, 2021 and 2020, comprehensive loss consisted of net loss and foreign currency translation adjustments.

## RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

### *Adopted*

In August 2018, the FASB issued ASU No. 2018-13, “*Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*”. The amendments in ASU 2018-13 modify the disclosure requirements associated with fair value measurements based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The adoption of this ASU on April 1, 2020 did not have a material impact on our consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, “*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.” ASU 2020-04 provides optional expedients and exceptions to account for contracts, hedging relationships and other transactions that reference LIBOR or another reference rate if certain criteria are met. The amendments of ASU No. 2020-04 are effective immediately, as of March 12, 2020, and may be applied prospectively to contract modifications made and hedging relationships entered into on or before December 31, 2022. The adoption of this ASU did not have a material impact on our consolidated financial statements.

### *Not yet adopted*

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which provides new guidance regarding the measurement and recognition of credit impairment for certain financial assets. Such guidance will impact how the Company determines its allowance for estimated uncollectible receivables and evaluates its available-for-sale investments for impairment. ASU 2016-13 is effective for the Company in the first quarter of fiscal 2023. The Company is currently evaluating the effect that ASU 2016-13 will have on its consolidated financial statements and related disclosures.

On December 18, 2019, the FASB issued ASU 2019-12, “*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*,” which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The update also simplifies GAAP for other areas of Topic 740 by clarifying and amending existing guidance to improve consistent application. The amendment in this update is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Early adoption is permitted. We are currently assessing the impact this pronouncement may have on our consolidated financial statements.

## 3. CONSOLIDATED BALANCE SHEET COMPONENTS

### ACCOUNTS RECEIVABLE

Accounts receivable, net consisted of the following:

<b>(In thousands)</b>	<b>As of</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Trade receivables	\$ 23,969	40,073
Allowance for doubtful accounts	(2,876)	(5,288)
Total accounts receivable	<u>\$ 21,093</u>	<u>\$ 34,785</u>

## PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets consisted of the following:

(In thousands)	As of	
	March 31, 2021	March 31, 2020
Non-trade accounts receivable	\$ 413	\$ 509
Advances	1,841	3,213
Due from producers	589	1,009
Prepaid insurance	409	336
Other prepaid expenses	405	315
Total prepaid and other current assets	<u>\$ 3,657</u>	<u>\$ 5,382</u>

## PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following:

(In thousands)	As of	
	March 31, 2021	March 31, 2020
Leasehold Improvements	\$ 8	\$ 183
Computer equipment and software	1,002	1,051
Internal Use Software	5,164	3,950
Construction in Process	40	1,212
Digital Cinema Projection Systems	307,487	324,760
Machinery and Equipment	437	437
Furniture and Fixtures	1	24
	<u>314,139</u>	<u>331,617</u>
Less - Accumulated Depreciation and Amortization	<u>(310,639)</u>	<u>(323,650)</u>
Total property and equipment, net	<u>\$ 3,500</u>	<u>\$ 7,967</u>

Total depreciation and amortization of property and equipment was \$4.4 million and \$6.6 million for the years ended March 31, 2021 and 2020, respectively.

## INTANGIBLE ASSETS

Intangible assets, net consisted of the following:

(In thousands)	As of March 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Useful life (years)
Trademarks	\$ 2,839	\$ (382)	\$ 2,457	3
Customer relationships and contracts	22,137	(17,610)	4,527	3-15
Theatre relationships	550	(550)	-	10-12
Content library	23,148	(20,272)	2,876	3-6
Total	<u>\$ 48,674</u>	<u>\$ (38,814)</u>	<u>\$ 9,860</u>	

(In thousands)	As of March 31, 2020			Useful life (years)
	Gross Carrying Amount	Accumulated Amortization	Net Amount	
Trademarks	\$ 271	\$ (259)	\$ 12	3
Customer relationships and contracts	21,968	(15,473)	6,495	3-15
Theatre relationships	550	(527)	23	10-12
Content library	20,420	(20,026)	394	3-6
<b>Total</b>	<b>\$ 43,209</b>	<b>\$ (36,285)</b>	<b>\$ 6,924</b>	

Amortization expense related to intangible assets was \$2.5 million and \$2.8 million for the years ended March 31, 2021 and 2020, respectively.

Based on identified intangible assets that are subject to amortization as of March 31, 2021, we expect future amortization expense for each period to be as follows:

(In thousands) Fiscal years ending March 31,	
2022	\$ 2,760
2023	2,090
2024	1,920
2025	1,091
2026	177
Thereafter	1,822
<b>Total</b>	<b>\$ 9,860</b>

#### ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

(In thousands)	As of	
	March 31, 2021	March 31, 2020
Accounts payable	\$ 30,111	\$ 50,708
Amounts due to producers, net	10,557	19,599
Accrued compensation and benefits	2,995	1,237
Accrued taxes (refund) payable	(99)	453
Interest payable	10	954
Accrued other expenses	3,053	4,134
<b>Total accounts payable and accrued expenses</b>	<b>\$ 46,627</b>	<b>\$ 77,085</b>

#### 4. OTHER INTERESTS

##### *Investment in CDF2 Holdings*

We indirectly own 100% of the common equity of CDF2 Holdings, LLC (“CDF2 Holdings”), which was created for the purpose of capitalizing on the conversion of the exhibition industry from film to digital technology. CDF2 Holdings assists its customers in procuring the equipment necessary to convert their systems to digital technology by providing financing, equipment, installation and related ongoing services.

CDF2 Holdings is a Variable Interest Entity (“VIE”), as defined in Accounting Standards Codification Topic 810 (“ASC 810”), “Consolidation.” ASC 810 requires the consolidation of VIEs by an entity that has a controlling financial interest in the VIE which entity is thereby defined as the primary beneficiary of the VIE. To be a primary beneficiary, an entity must have the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, among other factors. Although we indirectly, wholly own CDF2 Holdings, we, a third party that also has a variable interest in CDF2 Holdings, and an independent third party manager must mutually approve all business activities and transactions that significantly impact CDF2 Holdings’ economic performance. We have therefore assessed our variable interests in CDF2 Holdings and determined that we are not the primary beneficiary of CDF2 Holdings. As a result, CDF2 Holdings’ financial position and results of operations are not consolidated in our financial position and results of operations. In completing our assessment, we identified the activities that we consider most significant to the economic performance of CDF2 Holdings and determined that we do not have the power to direct those activities, and therefore we account for our investment in CDF2 Holdings under the equity method of accounting.

As of March 31, 2021 and 2020, our maximum exposure to loss, as it relates to the non-consolidated CDF2 Holdings entity, represents accounts receivable for service fees under a master service agreement with CDF2 Holdings. Such accounts receivable was \$0.3 million and \$0.4 million as of March 31, 2021 and 2020, respectively, which are included in accounts receivable, net on the accompanying consolidated balance sheets.

The accompanying Consolidated Statements of Operations include \$128 thousand of digital cinema servicing revenue from CDF2 Holdings for the year ended March 31, 2021. The accompanying Consolidated Statements of Operations include \$1.1 million of digital cinema servicing revenue from CDF2 Holdings for the year ended March 31, 2020.

Total Stockholders’ Deficit of CDF2 Holdings at March 31, 2021 and 2020 was \$46.3 million and \$31.8 million, respectively. We have no obligation to fund the operating loss or the stockholders’ deficit beyond our initial investment of \$2.0 million and, accordingly, our investment in CDF2 Holdings as of March 31, 2021 and 2020 is carried at \$0.

**Majority Interest in CONtv**

We own an 85% interest in CON TV, LLC, a worldwide digital network that creates original content, and sells and distributes on-demand digital content on the Internet and other consumer digital distribution platforms, such as gaming consoles, set-top boxes, handsets, and tablets.

**5. ASSET ACQUISITION**

On December 21, 2020, the Company acquired substantially all of the assets of The Film Detective, LLC (“TFD”), a leading content distributor and streaming channel company focused on classic film and television programming. The purchase price for the TFD acquisition was \$750,000 in cash and 2,504,592 shares of the Company’s Class A common stock at \$0.74 per share or \$1,853,000, as of the acquisition date. In addition, TFD may be entitled to receive earnout amounts of up to an aggregate of \$1,600,000 for the four years beginning on April 1, 2021, payable in cash or with respect to a portion thereof, at the Company’s discretion and subject to certain conditions, in shares of Common Stock. This acquisition is accounted for as an asset acquisition as substantially all of the value acquired resides in a single group of assets. Accordingly, the acquisition cost related to the transaction is capitalized and the potential earnout will only be recognized when the contingency is probable and estimable in the future. As of March 31, 2021 the Company determined that the potential earnout was not probable. Acquired intangible assets include TFD’s content library, distribution contracts, trade name and other and the final fair value allocation was as follows:

Asset	Amount in (\$000)	Useful Life
Content Library	\$ 2,471	20 years
Distribution Contracts	124	2 years
Trade Name	24	2 years
Other	32	3 years
<b>Total</b>	<b>\$ 2,651</b>	

In January 2021, the Company acquired Fandor’s tradename, which specializes in independent film streaming service for a total of \$745 thousand in cash. In February 2021, the Company acquired Screambox’s trademark, a horror streaming service, for \$1.8 million consisting of cash of \$650 thousand, \$850 thousand by issuance of 593,534 Class A common shares at a price of \$1.4321 plus an amount held in escrow for \$200 thousand for future issuance of Class A common shares. In March 2021, the Company acquired Films Around the World’s classic film content library for a total of \$257 thousand in cash. Cinedigm estimates the useful life of these acquired assets is 3 years. These are asset acquisitions where substantially all the value is ascribed to a single asset.

## 6. NOTES PAYABLE

Notes payable consisted of the following:

(In thousands)	March 31, 2021		March 31, 2020	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
Prospect Loan	\$ 7,786	\$ —	\$ 12,205	\$ —
Total non-recourse notes payable	7,786	—	12,205	—
Less: Unamortized debt issuance costs and debt discounts	—	—	(763)	—
Total non-recourse notes payable, net of unamortized debt issuance costs and debt discounts	\$ 7,786	\$ —	\$ 11,442	\$ —
Bison Note Payable	\$ —	—	\$ 10,000	\$ —
Second Lien Loans	—	—	8,222	—
Credit Facility	1,956	—	14,487	—
Mingtai Convertible Note	—	—	5,000	—
PPP Loan	—	2,152	—	—
Total recourse notes payable	1,956	2,152	37,709	—
Less: Unamortized debt issuance costs and debt discounts	—	—	(460)	—
Total recourse notes payable, net of unamortized debt issuance costs and debt discounts	\$ 1,956	\$ 2,152	\$ 37,249	\$ —
Total notes payable, net of unamortized debt issuance costs	\$ 9,742	\$ 2,152	\$ 48,691	\$ —

Non-recourse debt is generally defined as debt whereby the lenders’ sole recourse with respect to defaults, is limited to the value of the asset, which is collateral for the debt. Certain of our subsidiaries are liable with respect to, and their assets serve as collateral for, certain indebtedness for which our assets and the assets of our other subsidiaries that are not parties to the transaction are generally not liable. We have referred to this indebtedness as “non-recourse debt” because the recourse of the lenders is limited to the assets of specific subsidiaries. Such indebtedness includes the Prospect Loan.

### Prospect Loan

In February 2013, our DC Holdings, AccessDM and Phase 2 DC subsidiaries entered into a term loan agreement (the “Prospect Loan”) with Prospect Capital Corporation (“Prospect”), pursuant to which DC Holdings borrowed \$70.0 million. The Prospect Loan bears interest at LIBOR plus 9.0% (with a 2.0% LIBOR floor), which is payable in cash, and at an additional 2.50% to be accrued as an increase to the aggregate principal amount of the Prospect Loan until the Prospect Loan is paid off, at which time all accrued interest will be payable in cash.

Collections of DC Holdings accounts receivable are deposited into accounts designated to pay certain operating expenses, principal, interest, fees, costs and expenses relating to the Prospect Loan. On a quarterly basis, if there is excess cash flow, it is used for prepayment of the Prospect Loan. We also maintain a debt service fund under the Prospect Loan for future principal and interest payments. As of March 31, 2021, and 2020, the debt service fund had a balance of \$1.0 million, which is classified as part of restricted cash on our Consolidated Balance Sheets.

On March 4, 2021, Cinedigm DC Holdings, LLC (“CDCH”), Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., Christie/AIX, Inc., Cinedigm Digital Funding I, LLC, certain Lenders, and Prospect Capital Corporation, as administrative agent and collateral agent (“Prospect”), entered into Amendment No. 3 (the “Amendment”) to the Term Loan Agreement dated February 28, 2013 (the “Term Loan Agreement”). Under the Amendment, the maturity date of the loan under the Term Loan Agreement (the “Loan”) was extended to March 31, 2022. As a condition to the effectiveness of the Amendment, CDCH paid \$3,500,000 to Prospect to reduce the outstanding principal amount of the Loan.

The Prospect Loan matures on March 31, 2022 and may be accelerated upon a change in control (as defined in the agreement) or other events of default as set forth therein and would be subject to mandatory acceleration upon insolvency of DC Holdings. We are permitted to pay the full outstanding balance of the Prospect Loan at any time after the second anniversary of the initial borrowing, subject to the following prepayment penalties:

- 5.0% of the principal amount prepaid between the second and third anniversaries of issuance;
- 4.0% of the principal amount prepaid between the third and fourth anniversaries of issuance;
- 3.0% of the principal amount prepaid between the fourth and fifth anniversaries of issuance;
- 2.0% of the principal amount prepaid between the fifth and sixth anniversary of issuance;
- 1.0% of the principal amount prepaid between the sixth and seventh anniversaries of issuance; and
- No penalty if the balance of the Prospect Loan, including accrued interest, is prepaid thereafter.

The Prospect Loan is secured by, among other things, a first priority pledge of the stock of CDF2 Holdings, our wholly owned unconsolidated subsidiary, the stock of AccessDM, owned by DC Holdings, and the stock of our Phase 2 DC subsidiary, and is also guaranteed by AccessDM and Phase 2 DC. We provide limited financial support to the Prospect Loan not to exceed \$1.5 million per year in the event financial performance does not meet certain defined benchmarks.

The Prospect Loan contains customary representations, warranties, affirmative covenants, negative covenants and events of default.

The following table summarizes the activity related to the Prospect Loan:

<b>(In thousands)</b>	<b>As of</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Prospect Loan, at issuance	\$ 70,000	\$ 70,000
PIK Interest	6,397	4,778
Payments to date	(68,611)	(62,573)
Prospect Loan, gross	\$ 7,786	\$ 12,205
Less unamortized debt issuance costs and debt discounts	—	(763)
Prospect Loan, net	7,786	11,442
Less current portion	(7,786)	(11,442)
Total long term portion	\$ —	\$ —

#### *Bison Note Payable*

In December 2017, the Company entered into a loan with Bison for \$10.0 million (the “Bison Loan”) and issued Warrants to purchase 1,400,000 shares of the Company’s Class A common stock. See Note 7 - *Stockholders’ Equity (Deficit)* for further discussion of the warrants.

The loan was made in accordance with the Stock Purchase Agreement between the Company and Bison Entertainment Investment Limited, another affiliate of Bison, entered into on June 29, 2017.

On July 20, 2018, the Company entered into a term loan agreement (the “2018 Loan Agreement”) with Bison Global, pursuant to which the Company borrowed from Bison Global \$10.0 million (the “2018 Loan”), the proceeds of which were used to pay off the Bison Loan. The 2018 Loan has a one (1) year term that may be extended by mutual agreement of Bison Global and the Company and bears interest at 5% per annum, payable quarterly in cash. On July 12, 2019, we entered into a Termination Agreement for the 2018 Loan and at the same time entered into a \$10.0 million convertible note with Bison Global (the “Bison Convertible Note”).

#### *Bison Convertible Note*

The Bison Convertible Note has a term ending on March 4, 2021, and bears interest at 5% per annum. The principal is due on March 4, 2021, in cash or in shares of Common Stock, or a combination of cash and Common Stock, at the Company’s option. The Bison Convertible Note is convertible at the Company’s option, at any time prior to payment in full of the principal balance and all accrued interest of the note, to convert this note in whole or in part, into fully paid and nonassessable shares of the Company’s Class A common stock. The Bison Convertible Note is Convertible into 6,666,666 shares of Company’s Class A common stock, based on initial conversion price of \$1.50 per share.

The Bison Convertible Note is unsecured and may be prepaid without premium or penalty, and contains customary covenants, representations and warranties. The proceeds of the Bison Convertible Note were used to repay the 2018 Loan. On April 15, 2020, the Company executed a letter amendment to the Bison Convertible Note dated July 12, 2019, amending the Bison Convertible Note, effective as of March 4, 2020, to change the maturity date of the note to March 4, 2021.

The Bison Convertible Note, offset by the concurrent payoff and termination of the 2018 Loan, did not result in any increase to the Company’s outstanding debt balance.

On September 11, 2020, Bison Global converted the Bison Convertible Note in full into an aggregate of 6,666,667 shares of Common Stock at a conversion price of \$1.50 per share. Accordingly, the Bison Convertible Note has been extinguished. In accordance with ASC 470, the Company recognized a loss on extinguishment of \$285 thousand related to unamortized debt issuance costs for the nine months ended December 31, 2020.

#### *Second Secured Lien Loans*

On July 14, 2016, we entered into a Second Lien Loan Agreement (the “Second Lien Loan Agreement”), under which we may borrow up to \$15.0 million (the “Second Lien Loans”), subject to certain limitations imposed on us regarding the number of shares that we may issue in connection with the loans. The Second Lien Loan Agreement included balances borrowed from Ronald L. Chez, at that time a member of the Board of Directors. Mr. Chez resigned from the Board of Directors in April 2017, and became a strategic advisor to the Company through September 2020. The Second Lien Loans bear interest at 12.75%, payable 7.5% in cash and 5.25% in cash or in kind at our option. Before the June 30, 2019 maturity date, on June 28, 2019, the Company entered into a consent agreement with lenders of the Second Lien Loans to an extension of the Second Lien Loans pursuant to which (i) the Company paid down a portion of the outstanding principal amount plus accrued interest to date, and (ii) the maturity date of the remaining outstanding principal amount of the Second Lien Loans was extended to September 30, 2019.

In addition, under the terms of the Second Lien Loan Agreement, we are required to issue 98,000 shares of our Class A common stock for every \$1.0 million borrowed, subject to pro rata adjustments. As of March 31, 2021, we have issued 906,450 shares of Class A common stock cumulatively under the Second Lien Loan Agreement. The Second Lien Loans may be prepaid without premium or penalty and contain customary covenants, representations and warranties. The obligations under the Second Lien Loans are guaranteed by certain of our existing and future subsidiaries. We have pledged substantially all of our assets, except those assets related to our digital cinema deployment business, to secure payment on the Second Lien Loans.

On June 24, 2020, the Company entered into an exchange agreement (the “Exchange Agreement”) pursuant to which the Company issued 329,501 shares of its Class A common stock in exchange for \$842 thousand principal amount and accrued and unpaid interest of Second Lien Loans with the holders of such notes. The surrendered notes were immediately canceled and the Company recognized a gain on extinguishment of \$23 thousand.



The Exchange Agreement included a true-up clause. The true-up clause stated that if the gross proceeds from the sale of the Company's Class A common stock are less than \$758 thousand, the Company shall pay up to an aggregate maximum of \$50 thousand of such shortfall in cash, and, with respect to any balance of the shortfall remaining after the cash payment, shall issue such additional number of shares of common stock not to exceed, together with the Shares, 1,000,000 shares equal in value, based on the closing price of the common stock.

On July 2, 2020, in accordance with the true-up clause, an additional 33,465 shares of Class A common stock (\$61 thousand based on the stock price of the Company's Class A common stock on the date of issue) were issued as a true-up adjustment pursuant to the Exchange Agreement. In addition, the Company paid an additional \$50 thousand in July 2020.

On June 26, 2020, the Company entered into a consent agreement to extend the maturity date to September 30, 2020 and grant the Company options to extend further to March 31, 2021 and then to June 30, 2021. There was a consent fee of \$100,000 paid in connection with this extension. On September 21, 2020, the Company extended the maturity date to March 31, 2021 upon payment of a fee of \$50,000. On February 9, 2021, the Company prepaid all of the outstanding obligations in respect of principal, interest, fees and expenses under the Second Lien Loan Agreement, and the Second Lien Loan Agreement was terminated.

On November 19, 2020, the Company issued 452,499 shares of Common Stock in exchange for \$247 thousand of principal and interest of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled and the Company recorded a gain on extinguishment of \$5 thousand.

On December 4, 2020, the Company entered into exchange agreements (the "December Exchange Agreements") with certain holders of notes under its Second Lien Loan Agreement dated as of July 14, 2016 among the Company, the lenders party thereto, and Cortland Capital Market Services LLC, as Agent ("Second Lien Notes"). Pursuant to the December Exchange Agreements, the Company issued an aggregate of 2,776,284 shares of its Class A common stock, par value \$0.001 per share Common Stock in exchange for an aggregate of \$1,386 thousand of principal and interest of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled and the Company recorded a loss on extinguishment of \$545 thousand.

On January 21, 2021, the Company entered into an exchange agreement (the "Exchange Agreement") with a holder of notes under its Second Lien Loan Agreement dated as of July 14, 2016 among the Company, the lenders party thereto, and Cortland Capital Market Services LLC, as Agent ("Second Lien Notes"). Pursuant to the Exchange Agreement, the Company issued an aggregate of 1,247,626 shares of its Class A common stock, par value \$0.001 per share Common Stock in exchange for an aggregate of \$1,289,650 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled and the Company recorded a loss on extinguishment of \$341 thousand.

In two separate exchanges with another holder of Second Lien Notes, on January 14, 2021 and January 21, 2021, the Company issued 689,500 shares and 580,448 shares (an aggregate of 1,269,948 shares) of Class A Common Stock in exchange for \$500,000 and \$600,000 (an aggregate of \$1,100,000) principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled and the Company recorded a loss on extinguishment of \$247 thousand.

In an exchange with another holder of Second Lien Notes, on February 2, 2021, the Company issued 425,290 shares of Class A Common Stock in exchange for \$500,000 principal amount of Second Lien Notes and the Company recorded a loss of \$59 thousand.

#### *Credit Facility and Cinedigm Revolving Loans*

On March 30, 2018, the Company entered into the Loan, Guaranty and Security Agreement, dated as of March 30, 2018, by and between the Company, East West Bank and the Guarantors named therein (the "Credit Facility") for a maximum of \$19.0 million in revolving loans outstanding at any one time with a maturity date of March 31, 2020, which may be extended for two successive one-year periods at the sole discretion of the lender, subject to certain conditions.

Interest under the Credit Facility is due monthly at a rate elected by the Company of either 0.5% plus Prime Rate or 3.25% above LIBOR Rate established by the lender.

As of March 31, 2021 and 2020, there was \$2.0 million and \$14.5 million outstanding, respectively, and there was \$6.3 million available, under the Credit Facility based on the Company's borrowing base as of March 31, 2021. On July 3, 2019, the Company entered into the EWB Amendment to the Credit Facility. The EWB Amendment reduced the size of the facility to \$18.0 million, required certain prepayments and daily cash sweeps from collections of receivables to be made, changed in certain respects how the borrowing base is calculated, and extended the maturity date to June 30, 2020. In connection with the EWB Amendment, three of our subsidiaries became Guarantors under the Credit Facility. On June 25, 2020, the Company signed amendment No. 4 with East West Bank to extend the maturity of the Credit Facility to June 30, 2021 and waive events of default provisions. On June 22, 2021, the maturity date of the Credit Facility was extended to September 28, 2021.

#### *Mingtai Convertible Note*

On October 9, 2018, the Company issued a subordinated convertible note (the "Mingtai Convertible Note") to Mingtai for \$5.0 million. All proceeds from the Mingtai Convertible Note were used to pay the then-outstanding \$5.0 million 2013 Notes. The \$5.0 million in aggregate principal bears interest at 8% maturing on October 9, 2019 with two one year extensions at the Company's option. The Mingtai Convertible Note is convertible into 3,333,333 shares of the Company's Class A common stock, based on initial conversion price of \$1.50 per share. On October 9, 2019, the Company signed an extension, for one additional year from the original maturity date to be due on October 9, 2020.

The Mingtai Convertible Note is convertible at the option of the Lender, or the Company, at any time prior to payment in full of the principal balance, and all accrued interest of this Convertible Note in whole, or in part, into fully paid and non-assessable shares of Company's Class A common stock at the conversion rate of \$1.50.

Upon conversion prior to maturity by Mingtai, or the Company, we may elect to settle such conversion in shares of our Class A common stock, cash or a combination thereof. Upon the maturity date, the Company has the option to pay in Class A common shares convertible at the greater of the closing price of the Class A common stock or \$1.10. As a result of our cash conversion option, we separately accounted for the value of the embedded conversion option as a debt discount (with an offset to additional paid-in capital) of \$270 thousand. The value of the embedded conversion option was determined based on the estimated fair value of the debt without the conversion feature, which was determined using market comparables to estimate the fair value similar nonconvertible debt; the debt discount is being amortized to interest expense using the effective interest method over the one year term of the Mingtai Convertible Note.

On September 11, 2020, Mingtai converted the Notes in full into an aggregate of 3,333,333 shares of Common Stock at a conversion price of \$1.50 per share. Accordingly, the Note has been extinguished. In accordance with ASC 470, the Mingtai Convertible Note was analyzed for potential debt extinguishment. The discount on the note had been fully accreted prior to conversion, resulting in no gain or loss from extinguishment.

#### *PPP Loan*

On April 15, 2020, the Company received \$2.2 million from East West Bank, the Company's existing lender. The PPP Loan matures on April 10, 2022 (the "PPP Maturity Date"), accrues interest at 1% per annum and may be prepaid in whole or in part without penalty. No interest payments are due within the initial six months of the PPP Loan. The interest accrued during the initial six-month period is due and payable, together with the principal, on the PPP Maturity Date. The Company used all proceeds from the PPP Loan to retain employees, maintain payroll and make lease and utility payments to support business continuity throughout the COVID-19 pandemic, which amounts are intended to be eligible for forgiveness, subject to the provisions of the CARES Act and could be subject to repayment. On January 5, 2021, the Company has submitted its application for forgiveness and, as of June 30, 2021 obtained forgiveness for the full amount as discussed on Note 12 – *Subsequent Events*.

## **7. STOCKHOLDERS' EQUITY (DEFICIT)**

### **COMMON STOCK**

During the year ended March 31, 2021, we issued 104,326,689 shares of Class A common stock which consists of the sale of 28,405,840 shares of our Class A common stock, 29,855,081 in connection with the Starrise transaction, 23,480,000 shares of our Class A common stock in registered direct offerings, issuance of Class A common stock in asset acquisitions, settlement of the outstanding second lien loans, issuance of restricted shares to employees, directors, consultants and third parties, and the issuances of Class A common stock for warrants exercised and preferred stock dividends. On March 8, 2021, the Company cancelled 35,714 shares of Class A common stock issued to a board director that resigned from the board before such shares vested.

On June 24, 2020, the Company issued 329,501 shares of Common Stock in exchange for \$842,000 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

In July 2020, we entered into an At-the-Market sales agreement (the "ATM Sales Agreement") with A.G.P./Alliance Global Partners ("A.G.P.") and B. Riley FBR, Inc. ("B. Riley") and, together with A.G.P., the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock at the market prices prevailing on The Nasdaq Global Market at the time of the sale of such shares. The Company is not obligated to sell any shares under the Sales Agreement. Any sales of shares made under the Sales Agreement will be made pursuant to an effective registration statement on Form S-3 filed by the Company with the SEC on July 6, 2020, for an aggregate offering price of up to \$30 million.

During the year ended March 31, 2021, we sold 28,405,840 shares of Common Stock under the ATM Sales Agreement. Net proceeds from such sales totaled \$18.6 million. Proceeds were used to strengthen our liquidity and working capital position.

On September 1, 2020, we issued 80,000 shares of Class A common stock to Ronald L. Chez as a bonus payable to him under the Strategic Investor Agreement between the Company and him dated as of April 3, 2017. We recognized an expense of \$71 thousand based on the stock price of the Class A common stock on the date of grant.

On October 23, 2020, the Company filed a Certificate of Amendment to the Fifth Amended and Restated Certificate of Incorporation, pursuant to which the number of shares of Class A common stock authorized for issuance was increased to 200,000,000 shares.

On November 19, 2020, the Company issued 452,499 shares of Common Stock in exchange for \$247,108 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

On December 4, 2020, the Company entered into Exchange Agreements with certain holders of the Second Lien Loans. Pursuant to the Exchange Agreements, the Company issued an aggregate of 2,776,284 shares of its Class A common stock, par value \$0.001 per share Common Stock in exchange for an aggregate of \$1,386,106 of principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled. The exchange was consummated on December 4, 2020.

On January 14, 2021 and January 21, 2021, the Company issued 689,500 shares, 580,448 shares, and 1,247,626 shares (an aggregate of 2,517,574 shares) of Class A Common Stock in exchange for \$500,000, \$600,000 and \$1,289,650 (an aggregate of \$2,389,650) principal amount of Second Lien Notes. The exchanged Second Lien Notes were immediately cancelled.

In an exchange with another holder of Second Lien Notes, on February 2, 2021, the Company issued 425,290 shares of Class A Common Stock in exchange for \$500,000 principal amount of Second Lien Notes.

### **PREFERRED STOCK**

Cumulative dividends in arrears on preferred stock were \$0.1 million as of March 31, 2021 and 2020. In May 2021, we paid the preferred stock dividends in arrears in the form of 53,278 shares of Class A common stock.

### **TREASURY STOCK**

We have treasury stock, at a cost, consisting of 1,313,836 shares of Class A common stock at March 31, 2021 and 2020.

## CINEDIGM'S EQUITY INCENTIVE PLANS

### Stock Based Compensation Awards

Awards issued under our 2000 Equity Incentive Plan (the "2000 Plan") may be in any of the following forms (or a combination thereof) (i) stock option awards; (ii) stock appreciation rights; (iii) stock or restricted stock or restricted stock units; or (iv) performance awards. The 2000 Plan provides for the granting of incentive stock options ("ISOs") with exercise prices not less than the fair market value of our Class A Common Stock on the date of grant. ISOs granted to shareholders having more than 10% of the total combined voting power of the Company must have exercise prices of at least 110% of the fair market value of our Class A Common Stock on the date of grant. ISOs and non-statutory stock options granted under the 2000 Plan are subject to vesting provisions, and exercise is subject to the continuous service of the participant. The exercise prices and vesting periods (if any) for non-statutory options are set at the discretion of our compensation committee. On November 1, 2017, upon the consummation of the initial equity investment in Cinedigm by Bison, as a result of which there was a change of control of the Company, all stock options (incentive and non-statutory) and shares of restricted stock were vested immediately and the options became fully exercisable.

In connection with the grants of stock options and shares of restricted stock under the 2000 Plan, we and the participants have executed stock option agreements and notices of restricted stock awards setting forth the terms of the grants. The 2000 Plan provided for the issuance of up to 2,380,000 shares of Class A Common Stock to employees, outside directors and consultants.

As of March 31, 2021, there were 261,587 stock options outstanding in the Plan with weighted average exercise price of \$14.99 and a weighted average contract life of 2.11 years. As of March 31, 2020, there were 272,766 shares pursuant to stock options outstanding in the Plan with weighted average exercise price of \$15.00 and a weighted average contract life of 3.11 years.

In August 2017, the Company adopted the 2017 Plan. The 2017 Plan replaced the 2000 Plan, and applies to employees and directors of, and consultants to, the Company. The 2017 Plan provided for the issuance of up to 2,108,270 shares of Class A common stock, in the form of various awards, including stock options, stock appreciation rights, stock, restricted stock, restricted stock units, performance awards and cash awards. The Compensation Committee of the Company's Board of Directors (the "Board") is authorized to administer the 2017 Plan and make grants thereunder. The approval of the 2017 Plan does not affect awards already granted under the 2000 Plan. On December 4, 2019, upon shareholder approval, the 2017 Plan was amended to increase the maximum number of shares of Class A common stock authorized for issuance thereunder from 2,108,270 shares to 4,098,270.

On October 23, 2020, the Company amended its 2017 Equity Incentive Plan to increase the number of shares authorized for issuance thereunder from 4,098,270 to 14,098,270.

The analysis of all options outstanding under the 2000 Plan as of March 31, 2020 is as follows:

As of March 31, 2021				
Range of Prices	Options Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
\$1.16 - \$7.40	5,000	4.25	\$ 7.40	\$ —
\$13.70 - \$24.40	249,087	2.12	14.69	—
\$30.00 - \$50.00	7,500	0.38	30.00	—
	<u>261,587</u>			<u>\$ —</u>

An analysis of all options exercisable under the 2000 Plan as of March 31, 2021 is presented below:

Options Exercisable	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
261,587	2.11	\$ 14.99	—

## OPTIONS GRANTED OUTSIDE CINEDIGM'S EQUITY INCENTIVE PLAN

In October 2013, we issued options outside of the 2000 Plan to 10 individuals who became employees as a result of a business combination. The employees received options to purchase an aggregate of 62,000 shares of our Class A Common Stock at an exercise price of \$17.50 per share. The options were fully vested as of October 2017 and expire 10 years from the date of grant, if unexercised. As of March 31, 2021, 12,500 of such options remained outstanding.

In December 2010, we issued options to purchase 450,000 shares of Class A Common Stock outside of the 2000 Plan as part of our Chief Executive Officer's initial employment agreement with the Company. Such options have exercise prices per share between \$15.00 and \$50.00, were vested as of December 2013 and expired in December 2020. As of March 31, 2021, none of such options remained outstanding.

## WARRANTS

The following table presents information about outstanding warrants to purchase shares of our Class A common stock as of March 31, 2021. All of the outstanding warrants are fully vested and exercisable.

<b>Recipient</b>	<b>Amount outstanding</b>	<b>Expiration</b>	<b>Exercise price per share</b>
Strategic management service provider	52,500	July 2021	\$ 17.20 - \$30.00
Warrants issued in connection with Convertible Notes exchange transaction	246,019	December 2021	\$ 1.30
5-year Warrant issued to BEMG in connection with a term loan agreement	1,400,000	December 2022	\$ 1.80

Certain warrants issued in connection with the Second Lien Loans (See Note 6- *Notes Payable*) to Ronald L. Chez, at the time a member of our Board of Directors, contain a cashless exercise provision and customary anti-dilution rights. On June 4, 2020, Ronald L. Chez exercised all such warrants to purchase 236,889 shares of Class A common stock in connection with the Second Lien Loans, resulting in gross proceeds of \$301 thousand.

## 8. COMMITMENTS AND CONTINGENCIES

We operate from leased properties under non-cancelable operating lease agreements, certain of which contain escalating lease clauses.

The Company leases office space under operating leases. The Company's portfolio of leases is primarily related to real estate and since most of our leases do not provide a readily determinable implicit rate, the Company estimated its incremental borrowing rate to discount the lease payments based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered into thereafter.

The table below presents the lease-related assets and liabilities recorded on the balance sheet as of March 31, 2021

<b>(In thousands)</b>	<b>Classification on the Balance Sheet</b>	<b>March 31, 2021</b>
<b>Assets</b>		
Noncurrent	Operating lease right-of-use asset	\$ 100
<b>Liabilities</b>		
Current	Operating leases - current portion	87
Noncurrent	Operating leases - long-term portion	13
Total operating lease liabilities		\$ 100
Weighted-average discount rate (1)		5.1%

(1) Upon adoption of the new lease standard, discount rates used for existing leases were established at April 1, 2019.

## Lease Costs

The table below presents certain information related to lease costs for leases:

<b>(In thousands)</b>	<b>Year Ended March 31, 2021</b>
Operating lease cost	\$ 195
Total lease cost	\$ 195

## Other Information

The table below presents supplemental cash flow information related to leases:

<b>(In thousands)</b>	<b>Year Ended March 31, 2021</b>
Cash paid for amounts included in the measurement of lease liabilities	197
Operating cash flows used for operating leases	\$ 197

The Company terminated an office lease in Los Angeles in April 2020 and a lease for office equipment was terminated in June 2020. The Company removed the right-of-use assets of \$927 thousand and the lease liabilities of \$1.0 million as of June 30, 2020. The estimated future lease liabilities are not expected to be material for the remaining outstanding office and equipment leases.

## 9. SUPPLEMENTAL CASH FLOW INFORMATION

<b>(In thousands)</b>	<b>Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Cash interest paid	\$ 4,052	\$ 4,905
Income taxes paid	232	439
Accrued dividends on preferred stock	89	89
Issuance of Class A common stock for payment of preferred stock dividends	356	356
Issuance of Class A common stock to Starrise, a related party	11,046	11,257
Contributed capital under the Starrise transaction, a related party	17,187	13,795
Settlement of second lien loan with Class A common stock	6,485	—
Settlement of note payable with Class A common stock	15,067	—
Class A common stock to be issued in connection with the asset acquisition	2,905	—
Right-of-use assets and operating lease liability recorded upon adoption of ASU 842, net	—	90
Amounts accrued in connection with addition of property and equipment	—	403
Starrise shares used to pay down vendors	897	—

## 10. SEGMENT INFORMATION

We operate in two reportable segments: Cinema Equipment Business and Content & Entertainment Business. Our segments were determined based on the economic characteristics of our products and services, our internal organizational structure, the manner in which our operations are managed and the criteria used by our CODM to evaluate performance, which is generally the segment's operating income (loss) before depreciation and amortization.

**Operations of:**

Cinema Equipment Business

**Products and services provided:**

Financing vehicles and administrators for 3,122 Systems installed nationwide in our first deployment phase (“Phase I Deployment”) to theatrical exhibitors and for 3,104 Systems installed domestically and internationally in our second deployment phase (“Phase II Deployment”).

We retain ownership of the Systems and the residual cash flows related to the Systems in Phase I Deployment after the repayment of all non-recourse debt at the expiration of exhibitor master license agreements. For certain Phase II Deployment Systems, we do not retain ownership of the residual cash flows and digital cinema equipment in Phase II Deployment after the completion of cost recoupment and at the expiration of the exhibitor master license agreements.

The Cinema Equipment Business segment also provides monitoring, collection, verification and management services to this segment, as well as to exhibitors who purchase their own equipment, and also collects and disburses VPFs from motion picture studios, distributors and ACFs from alternative content providers, movie exhibitors and theatrical exhibitors (collectively, “Services”).

Content &amp; Entertainment Business

Leading independent streaming company of content and channels. We collaborate with producers and other content owners to market, source, curate and distribute independent content to targeted and under-served audiences in theatres and homes, and via mobile and emerging platforms.

The following tables present certain financial information related to our reportable segments and Corporate:

<b>As of March 31, 2021</b>						
<b>(In thousands)</b>	<b>Intangible Assets, net</b>	<b>Goodwill</b>	<b>Total Assets</b>	<b>Notes Payable, Non- Recourse</b>	<b>Notes Payable</b>	<b>Operating lease liabilities</b>
Cinema Equipment Business	\$ —	\$ —	\$ 13,169	\$ 7,786	\$ —	\$ 1
Content & Entertainment Business	9,858	8,701	42,733	—	—	69
Corporate	2	—	19,544	—	4,108	30
<b>Total</b>	<b>\$ 9,860</b>	<b>\$ 8,701</b>	<b>\$ 75,446</b>	<b>\$ 7,786</b>	<b>\$ 4,108</b>	<b>\$ 100</b>

  

<b>As of March 31, 2020</b>						
<b>(In thousands)</b>	<b>Intangible Assets, net</b>	<b>Goodwill</b>	<b>Total Assets</b>	<b>Notes Payable, Non- Recourse</b>	<b>Notes Payable</b>	<b>Operating lease liabilities</b>
Cinema Equipment Business	\$ 23	\$ —	\$ 34,465	\$ 11,442	\$ —	\$ 594
Content & Entertainment Business	6,895	8,701	49,923	—	—	73
Corporate	6	—	26,052	—	37,249	610
<b>Total</b>	<b>\$ 6,924</b>	<b>\$ 8,701</b>	<b>\$ 110,440</b>	<b>\$ 11,442</b>	<b>\$ 37,249</b>	<b>\$ 1,277</b>

**Statements of Operations**  
**Year Ended March 31, 2021**  
(in thousands)

	<b>Cinema Equipment Business</b>	<b>Content &amp; Entertainment Business</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	\$ 3,222	\$ 28,197	\$ —	\$ 31,419
Direct operating (exclusive of depreciation and amortization shown below)	683	15,420	—	16,103
Selling, general and administrative	2,277	9,798	9,917	21,992
Allocation of corporate overhead	586	3,872	(4,458)	—
Recovery for doubtful accounts	(121)	(1)	—	(122)
Depreciation and amortization of property and equipment	3,916	461	27	4,404
Amortization of intangible assets	23	2,488	4	2,515
Total operating expenses	7,364	32,038	5,490	44,892
Loss from operations	\$ (4,142)	\$ (3,841)	\$ (5,490)	\$ (13,473)

The following employee and director stock-based compensation expense related to our stock-based awards is included in the above amounts as follows:

<b>(In thousands)</b>	<b>Cinema Equipment Business</b>	<b>Content &amp; Entertainment Business</b>	<b>Corporate</b>	<b>Consolidated</b>
Direct operating	\$ —	\$ —	\$ —	\$ —
Selling, general and administrative	—	264	2,628	2,892
Total stock-based compensation	\$ —	\$ 264	\$ 2,628	\$ 2,892

**Statements of Operations**  
**Year Ended March 31, 2020**  
(in thousands)

	<b>Cinema Equipment Business</b>	<b>Content &amp; Entertainment Business</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenues	\$ 12,741	\$ 26,550	\$ —	\$ 39,291
Direct operating (exclusive of depreciation and amortization shown below)	1,236	15,910	—	17,146
Selling, general and administrative	2,085	10,017	4,242	16,344
Allocation of corporate overhead	807	4,704	(5,511)	—
Provision for doubtful accounts	759	(1)	—	758
Depreciation and amortization of property and equipment	6,087	366	167	6,620
Amortization of intangible assets	46	2,722	4	2,772
Total operating expenses	11,020	33,718	(1,098)	43,640
Income (loss) from operations	\$ 1,721	\$ (7,168)	\$ 1,098	\$ (4,349)

The following employee and director stock-based compensation expense related to our stock-based awards is included in the above amounts as follows:

	<b>Cinema Equipment Business</b>	<b>Content &amp; Entertainment Business</b>	<b>Corporate</b>	<b>Consolidated</b>
Direct operating	\$ —	\$ —	\$ —	\$ —
Selling, general and administrative	(6)	55	494	543
Total stock-based compensation	\$ (6)	\$ 55	\$ 494	\$ 543



## 11. INCOME TAXES

We calculate income tax expense based upon an annual effective tax rate forecast, including estimates and assumptions. We recorded an income tax benefit from operations of \$0.3 million and income tax expense of \$0.3 million for the years ended March 31, 2021 and 2020, respectively, primarily for state income taxes in our Cinema Equipment Business and Corporate segments. The income tax benefit for the year ended March 31, 2021 was mainly related to changes in estimates from timing of the income tax provisions to the income tax fillings to state income tax expense. The income tax expense for the year ended March 31, 2020 was mainly related to taxable income at the state level and timing differences related to fixed asset depreciation.

The following table presents the components of income tax benefit (expense):

<b>(In thousands)</b>	<b>For the Fiscal Year Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Federal:		
Current	\$ —	\$ —
Deferred	—	—
Total federal	—	—
State:		
Current	315	(313)
Deferred	—	—
Total State	315	(313)
Income tax benefit (expense)	<u>\$ 315</u>	<u>\$ (313)</u>

Net deferred taxes consisted of the following:

<b>(In thousands)</b>	<b>As of March 31,</b>	
	<b>2021</b>	<b>2020</b>
Deferred tax assets:		
Net operating loss carryforwards	\$ 15,019	\$ 7,549
Stock-based compensation	934	2,666
Intangibles	5,879	6,162
Accrued liabilities	1,054	1,162
Allowance for doubtful accounts	845	1,540
Investments	3,857	—
Nondeductible interest expense	3,693	2,821
Other	114	359
Total deferred tax assets before valuation allowance	31,394	22,259
Less: Valuation allowance	(30,968)	(17,614)
Total deferred tax assets after valuation allowance	\$ 425	\$ 4,645
Deferred tax liabilities:		
Depreciation and amortization	\$ (425)	\$ (1,398)
Investments	—	(3,247)
Total deferred tax liabilities	(425)	(4,645)
Net deferred tax	<u>\$ —</u>	<u>\$ —</u>

We have provided a valuation allowance equal to our net deferred tax assets for the years ended March 31, 2021 and 2020. We are required to recognize all or a portion of our deferred tax assets if we believe that it is more likely than not that such assets will be realized, given the weight of all available evidence. We assess the realizability of the deferred tax assets at each interim and annual balance sheet date. In assessing the need for a valuation allowance, we considered both positive and negative evidence, including recent financial performance, projections of future taxable income and scheduled reversals of deferred tax liabilities. The net change in the valuation allowance of \$13.4 million during the fiscal year ended March 31, 2021 was mainly due to increases in the deferred tax asset related to our investment in Starrise, a related party, and increases in the net operating loss carryforward. The net change in the valuation allowance of \$1.5 million during the fiscal year ended March 31, 2020, was mainly due to the recording of a deferred tax liability related to our investment in Starrise, offset by an increase in other deferred tax assets. We will continue to assess the realizability of the deferred tax assets at each interim and annual balance sheet date based upon actual and forecasted operating results.

As of March 31, 2021, we had federal and state net operating loss carryforwards of approximately \$52.6 million available in the United States of America (“U.S.”) and approximately \$1.1 million in Australia to reduce future taxable income. U.S. federal and state net operating loss carryforwards of approximately \$22.2 and \$52.6 million, respectively, generally begin to expire in 2022. U.S. federal net operating loss carryforwards that were generated during the years ended March 31, 2020 and 2021, of approximately \$30.4 million, do not expire. The Australian net operating loss carryforward of \$1.1 million, does not expire.

Under the provisions of the Internal Revenue Code, certain substantial changes in our ownership may result in a limitation on the amount of net operating losses that may be utilized in future years. During the year ended March 31, 2018, approximately \$233.5 million of our net operating losses became subject to limitation under Internal Revenue Code Section 382 in connection with the consummation in November 2017 of the transactions under the Stock Purchase Agreement with Bison. Approximately \$209.0 million of our net operating losses will not be able to be utilized because of the ownership change. Future significant ownership changes could cause a portion or all of our remaining net operating losses to expire before utilization.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The Act contains several new or changed income tax provisions, including but not limited to the following: increased limitation threshold for determining deductible interest expense; class life changes to qualified improvements (in general, from 39 years to 15 years); and the ability to carry back net operating losses incurred from tax years 2018 through 2020 up to the five preceding tax years. The Company has evaluated the new tax provisions of the CARES Act and determined the impact to be either immaterial or not applicable.

The differences between the United States statutory federal tax rate and our effective tax rate are as follows:

	<b>For the fiscal years ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Provision at the U.S. statutory federal tax rate	21.0%	21.0%
State income taxes, net of federal benefit	5.7%	(0.1)%
Change in valuation allowance	(26.7)%	(9.9)%
Non-deductible expenses	(3.4)%	(3.4)%
Net operating loss decrease under IRC 382	---	(10.2)
Effect of tax reform	—	—
Losses from non-consolidated entities	3.8%	0.4%
Other	0.1	—
Income tax benefit /(expense)	<u>0.5%</u>	<u>(2.2)%</u>

We file income tax returns in the U.S. federal jurisdiction, various U.S. states, and Australia. For federal income tax purposes, our fiscal 2018 through 2021 tax years remain open for examination by the tax authorities under the normal three-year statute of limitations. For U.S. state and Australian tax purposes, our fiscal 2017 through 2021 tax years generally remain open for examination by most of the tax authorities under a four-year statute of limitations.

## 12. SUBSEQUENT EVENTS

### *Stock Purchase Agreement*

On May 12, 2021, the Company entered into a stock purchase agreement (the “Stock Purchase Agreement”) with FoundationTV, Inc. (“FoundationTV”), to buy all of FoundationTV’s issued and outstanding stock and for the Company to exchange in consideration an aggregate of \$5,125,000, of which \$1 million was paid in cash and issue 1,483,129 shares of Class A common stock were issued for a total of \$2 million in consideration therefor at closing in June 9, 2021 and an additional \$1.9 million will be paid in eight equal installments of one installment on each six month anniversary of closing over forty-eight months, and a final lump sum payment of \$225 thousand on the four year anniversary of the closing. The Stock Purchase Agreement contains certain conditions to closing, including that the Company obtain approval of its stockholders, applicable lenders, and regulatory authorities, as applicable, and representations and warranties and covenants as are customary for transactions of this type. On June 9, 2021, the Stock Acquisition was consummated.

### *Prospect Loan Payment*

On a series of payments between April 30 and July 9, 2021, the Company paid in full the prospect loan non-recourse debt amount by paying an aggregate principal amount of \$7.8 million. Pre-payment of the Prospect loan is permissible without penalty.

### *PPP Loan Forgiveness*

On July 7, 2021, the Company received notification from the Lender that the U.S. Small Business Administration had approved the Company’s PPP Loan forgiveness application for the entire PPP Loan amount and accrued interest as of June 30, 2021. The forgiveness of the PPP Loan will be recognized during the Company’s fiscal quarter ending June 30, 2021.

## PART II. OTHER INFORMATION

### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

### ITEM 9A. CONTROLS AND PROCEDURES

#### *Definition and Limitations of Disclosure Controls and Procedures*

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are designed to reasonably ensure that information required to be disclosed in our reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and (ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

#### *Evaluation of Disclosure Controls and Procedures*

The management of the Company, under the supervision and with the participation of our Chief Executive Officer and Chief Operating Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of March 31, 2021. Based on such evaluation, our principal executive officer and principal financial and accounting officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were not effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, on a timely basis, and (ii) accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Operating Officer, as appropriate, to allow timely decisions regarding required disclosures due to the material weaknesses identified in our internal control over financial reporting as of March 31, 2021.

#### *Management’s Report on Internal Control Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Based on our evaluation, management concluded that our internal control over financial reporting was not effective as of March 31, 2021 and identified the following material weaknesses:

- *Financial Close Process:* the Company did not maintain an effective control environment related to the financial close process due to significant turnover of personnel in the accounting function where there was an insufficient complement of personnel, contributing to:
  - the Company did not design and maintain effective controls over the financial close process including timely and sufficient analysis of certain financial statement account balances;
  - the Company did not identify and evaluate certain transactions under the appropriate accounting literature; and
  - the Company did not perform timely and sufficient analysis of certain financial statement account balances as part of the financial close process.
- *Information and Communication Controls:* the Company did not design and maintain effective controls regarding significant transaction cycles to ensure policies and procedures designed to mitigate the risks to the achievement of objectives are carried out.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected and corrected on a timely basis. As this deficiency created a reasonable possibility that a material misstatement would not be prevented or detected in a timely basis, management concluded that the control deficiency represented a material weakness and accordingly our internal control over financial reporting was not effective as of March 31, 2021. Management concluded that additional formal procedures should be implemented in the financial close and reporting process to ensure that appropriate and timely reviews occur on all financial reporting analysis.

Management also concluded that due to employee turnover within our corporate accounting group as of March 31, 2021, we did not have a sufficient complement of corporate personnel with appropriate levels of accounting and controls knowledge and experience commensurate with our financial reporting requirements to appropriately analyze, record and disclose accounting matters completely and accurately.

*Remediation.* Following identification of this control deficiency, management is implementing modifications to better ensure that the Company has appropriate and timely reviews on all financial reporting analysis. The material weakness in our internal control over financial reporting will not be considered remediated until these modifications are implemented, in operation for a sufficient period of time, tested, and concluded by management to be designed and operating effectively. In addition, as we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to address control deficiencies or determine to modify our remediation plan. Management will test and evaluate the implementation of these modifications to ascertain whether they are designed and operating effectively to provide reasonable assurance that they will prevent or detect a material misstatement in the Company's financial statements.

The steps we took to address the deficiencies identified included:

- we appointed an SVP Finance and Accounting;
- we have engaged in efforts to restructure accounting processes and revise organizational structures to enhance accurate accounting and appropriate financial reporting;
- we have hired additional experienced accounting personnel in the corporate office to enhance the application of accounting standards and our financial closing and reporting process;
- we have engaged external advisors to provide financial accounting and reporting assistance;
- we will enhance information and communication processes through information technology solutions to ensure that information needed for financial reporting is accurate, complete, relevant and reliable, and communicated in a timely manner; and
- we plan to engage external advisors to evaluate and document the design and operating effectiveness of our internal control over financial reporting and assist with the remediation and implementation of our internal control function.

As noted above, we believe that, as a result of management's in-depth review of its accounting processes, and the additional procedures management has implemented, there are no material inaccuracies or omissions of material fact in this Form 10-K and, to the best of our knowledge, we believe that the consolidated financial statements in this Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows in conformity with GAAP.

We and our Board treat the controls surrounding, and the integrity of, our financial statements with the utmost priority. Management is committed to the planning and implementation of remediation efforts to address control deficiencies and any other identified areas of risk. These remediation efforts are intended to both address the identified material weakness and to enhance our overall financial control environment. We are committed to maintaining a strong internal control environment, and we believe the measures described above will strengthen our internal control over financial reporting and remediate the material weakness we have identified. Our remediation efforts have begun, and we will continue to devote significant time and attention to these remedial efforts. As we continue to evaluate and work to improve our internal control over financial reporting, management may determine to take additional measures to strengthen controls or to modify the remediation plan described above, which may require additional implementation time.

#### *Changes in Internal Control Over Financial Reporting*

There have been no changes, other than our remediation efforts discussed above, in the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **ITEM 9B. OTHER INFORMATION**

None.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

#### Directors

**Christopher J. McGurk, 64**, has been the Company's Chief Executive Officer and Chairman of the Board since January 2011. Mr. McGurk was the founder and Chief Executive Officer of Overture Films from 2006 until 2010 and also the Chief Executive Officer of Anchor Bay Entertainment, which distributed Overture Films' products to the home entertainment industry. From 1999 to 2005, Mr. McGurk was Vice Chairman of the Board and Chief Operating Officer of Metro-Goldwyn-Mayer Inc. ("MGM"), acting as the company's lead operating executive until MGM was sold for approximately \$5 billion to a consortium of investors. Mr. McGurk joined MGM from Universal Pictures, where he served in various executive capacities, including President and Chief Operating Officer, from 1996 to 1999. From 1988 to 1996, Mr. McGurk served in several senior executive roles at The Walt Disney Studios, including Studios Chief Financial Officer and President of The Walt Disney Motion Picture Group. Mr. McGurk currently serves on the board of IDW Media Holdings, Inc. (Pink:IDWM) and has previously served on the boards of BRE Properties, Inc., DivX Inc., DIC Entertainment, Pricegrabber.com, LLC and MGM Studios, Inc. Mr. McGurk's extensive career in various sectors of the theatrical production and exhibition industry will provide the Company with the benefits of his knowledge of and experience in this field, as well as his wide-spread contacts within the industry.

**Fan "Tom" Bu, 41**, has been a member of the Board since March 2020. He served as an Audit/Financial Director for Bison Finance Group Ltd. (HK:00888) from June 2017 through May 2021. From October 2017 through June 2019, he was the Chief Financial Officer of Xynomic Pharmaceuticals Holdings, Inc., f/k/a Bison Capital Acquisition Corp. (OTC:XYN). From December 2013 to May 2017, Mr. Bu served as an audit manager at KPMG Huazhen LLC. From October 2010 to December 2013, Mr. Bu served as the audit manager at KPMG Advisory (China) Limited. Mr. Bu graduated from Shandong Economic University with a Bachelor's Degree in International Trade in June 2007 and graduated from Ocean University of China with a Master's Degree in Economics in June 2010. Mr. Bu is a certified public accountant in China (CICPA). Mr. Bu is a designee of Bison in accordance with the Stock Purchase Agreement (the "Bison Agreement") dated as of June 29, 2017, by and between the Company and Bison Entertainment Investment Limited, a wholly owned subsidiary of Bison. Mr. Bu brings knowledge of doing business in China, as well as financial and accounting experience, to the Board.

**Peter C. Brown, 62**, has been a member of the Board since September 2010. He is Chairman of Grassmere Partners, LLC, a private investment firm, which he founded in 2009. Prior to founding Grassmere Partners, Mr. Brown served as Chairman of the Board, Chief Executive Officer and President of AMC Entertainment Inc. ("AMC"), one of the world's leading theatrical exhibition companies, from July 1999 until his retirement in February 2009. He joined AMC in 1990 and served as AMC's President from January 1997 to July 1999 and Senior Vice President and Chief Financial Officer from 1991 to 1997. Mr. Brown currently serves on the board of EPR Properties (NYSE: EPR), a specialty real estate investment trust (REIT). Mr. Brown also serves as a director of CenturyLink (NYSE: CTL), a global leader in communications, hosting, cloud and IT services. Past additional public company boards include: National CineMedia, Inc., Midway Games, Inc., LabOne, Inc., and Protection One, Inc. Mr. Brown's extensive experience in the theatrical exhibition and entertainment industry and other public company boards provides the Board with valuable knowledge and insight relevant to the Company's business.

**Patrick W. O'Brien, 74**, has been a member of the Board since July 2015. He currently serves as the Managing Director & Principal of Granville Wolcott Advisors, a company he formed in 2009 which provides business consulting, due diligence and asset management services for public and private clients. From 2005 to 2009, Mr. O'Brien was a Vice President - Asset Management for Bentall-Kennedy Associates Real Estate Counsel where he represented pension fund ownership interests in hotel real estate investments nationwide. Mr. O'Brien has previously served as Chairman of the Board and CEO of Livevol, Inc., a private company that was a leader in equity and index options technology which was successfully sold to CBOE Holdings. During the past five years, Mr. O'Brien has also served on the boards of LVI Liquidation Corp., Creative Realities, Inc., ICPW Liquidation Trust, and Merriman Holdings, Inc. Mr. O'Brien brings to the Board his seasoned executive and business expertise in private and public companies with an emphasis on financial analysis and business development.

**Peixin Xu, 49**, has been a member of the Board since November 2017. Mr. Xu founded Bison, an investment company with a focus on the media and entertainment, healthcare and financial service industries, in 2014 and has been serving as a partner and director since then. From 2013 to the present, Mr. Xu has been serving on the board of directors of Airmedia Group Inc. (Nasdaq: AMCN). Mr. Xu is a designee of Bison in connection with the Bison Agreement. Mr. Xu brings to the Board investment experience, including in the media industry, in the United States and in China.

## Executive Officers

The Company's executive officers are Christopher J. McGurk, Chief Executive Officer and Chairman of the Board, Gary S. Loffredo, President, Chief Operating Officer, General Counsel, and Secretary, and Erick Opeka, Executive Vice President and President of Cinedigm Digital Networks. Biographical information for Mr. McGurk is included above.

**Gary S. Loffredo, 56**, has been the Company's President since December 2020, Chief Operating Officer since February 2019, and General Counsel and Secretary since October 2011. He had previously served as President of Digital Cinema since 2011, as Senior Vice President - Business Affairs, General Counsel and Secretary since 2000, as Interim Co-Chief Executive Officer from June 2010 through December 2010, and was a member of the Board from September 2000 - October 2015. From March 1999 to August 2000, he had been Vice President, General Counsel and Secretary of Cablevision Cinemas d/b/a Clearview Cinemas. Mr. Loffredo was an attorney at the law firm of Kelley Drye & Warren LLP from September 1992 to February 1999. Having been with the Company since its inception and with Clearview Cinemas prior thereto, Mr. Loffredo has over two decades of experience in the cinema exhibition industry, both on the movie theatre and studio sides, as well as legal training and general business experience, which skills and understanding are beneficial to the Company. As part of his role as Chief Operating Officer of the Company, the Company's finance team reports directly to Mr. Loffredo.

**Erick Opeka, 47**, has been the Company's Chief Strategy Officer since December 2020 and President of Cinedigm Networks since joining the Company in 2014, when, as EVP of Digital Networks, he oversaw the distribution of Cinedigm's OTT networks online, as well as on mobile devices, gaming consoles, and connected TVs. Mr. Opeka was integral in the development and launch of the Company's flagship digital first networks, further expanding the Company's growth through landmark partnerships with leading platforms such as Sling TV, XUMO, and Twitch, among others. Prior to joining Cinedigm, Mr. Opeka served as Senior Vice President and head of New Video Digital, which he grew into the largest global aggregator of independent digital content for more than 850 content partners including A&E Networks, The Jim Henson Company, Berman Braun, and others.

## Key Employees

The Company's key employee, other than executive officers, Yolanda Macías, Chief Content Officer of Cinedigm Entertainment Group.

**Yolanda Macías, 56**, joined Cinedigm in 2013 and has been the Chief Content Officer of Cinedigm Entertainment Group since December 2020, in connection with which she is responsible for acquiring global content rights for all distribution and streaming platforms and oversees all third party digital sales and marketing. Previously, Ms. Macías has over 25 years of entertainment distribution experience, including executive positions at Vivendi/Universal from 2004 to 2012, DIRECTV from 1996 to 2003, and The Walt Disney Company from 1992 to 1995.

## Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own more than 10% of its Class A common stock to file reports of ownership and changes in ownership with the Commission and to furnish the Company with copies of all such reports they file. Based on the Company's review of the copies of such forms received by it, or written representations from certain reporting persons, the Company believes that none of its directors, executive officers or persons who beneficially own more than 10% of the Company's Class A common stock failed to comply with Section 16(a) reporting requirements during the fiscal year ended March 31, 2021 (the "Last Fiscal Year"), except for Mr. Xu, who had multiple late Form 4 filings reporting multiple transactions, and Mr. Brown and Mr. O'Brien, each of whom had one late Form 4 filing reporting one transaction.

## Code of Business Conduct and Ethics

We have adopted a code of ethics applicable to all members of the Board, executive officers and employees. Such code of ethics is available on our Internet website, [www.cinedigm.com](http://www.cinedigm.com). We intend to disclose any amendment to, or waiver of, a provision of our code of ethics by filing a Form 8-K with the SEC.

## **Shareholder Communications**

The Board currently does not provide a formal process for stockholders to send communications to the Board. In the opinion of the Board, it is appropriate for the Company not to have such a process in place because the Board believes there is currently not a need for a formal policy due to, among other things, the limited number of stockholders of the Company. While the Board will, from time to time, review the need for a formal policy, at the present time, stockholders who wish to contact the Board may do so by submitting any communications to the Company's Secretary, Mr. Loffredo, 237 West 35th Street, Suite 605, New York, NY 10001, with an instruction to forward the communication to a particular director or the Board as a whole. Mr. Loffredo will receive the correspondence and forward it to any individual director or directors to whom the communication is directed.

## **MATTERS RELATING TO OUR GOVERNANCE**

### **Board of Directors**

The Board oversees the Company's risk management including understanding the risks the Company faces and what steps management is taking to manage those risks, as well as understanding what level of risk is appropriate for the Company. The Board's role in the Company's risk oversight process includes receiving regular updates from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, human resources, employment, and strategic risks.

The Company's leadership structure currently consists of the combined role of Chairman of the Board and Chief Executive Officer and a separate Lead Independent Director. Mr. O'Brien serves as our Lead Independent Director. The Lead Independent Director's responsibilities include presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, serving as a liaison between the Chairman and the independent directors, reviewing information sent to the Board, consulting with the Nominating Committee with regard to the membership and performance evaluations of the Board and Board committee members, calling meetings of and setting agendas for the independent directors, and serving as liaison for communications with stockholders.

The Board intends to meet at least quarterly and the independent directors serving on the Board intend to meet in executive session (i.e., without the presence of any non-independent directors and management) immediately following regularly scheduled Board meetings. During the Last Fiscal Year, the Board held five (5) meetings and acted sixteen (16) times by unanimous written consent in lieu of holding a meeting. Each current member of the Board, who was then serving, attended at least 75% of the total number of meetings of the Board, except for Mr. Xu, and of the committees of the Board on which they served in the Last Fiscal Year. No individual may be nominated for election to the Board after his or her 73rd birthday. Messrs. Brown, Bu and O'Brien are considered "independent" under the rules of the SEC and Nasdaq.

The Company does not currently have a policy in place regarding attendance by Board members at the Company's annual meetings.

The Board has three standing committees, consisting of an Audit Committee, a Compensation Committee and a Nominating Committee.

### **Audit Committee**

The Audit Committee consists of Messrs. Brown, Bu and O'Brien. Mr. Brown is the Chairman of the Audit Committee. The Audit Committee held four (4) meetings in the Last Fiscal Year. The Audit Committee has met with the Company's management and the Company's independent registered public accounting firm to review and help ensure the adequacy of its internal controls and to review the results and scope of the auditors' engagement and other financial reporting and control matters. Mr. Brown is financially literate, and Mr. Brown is financially sophisticated, as those terms are defined under the rules of Nasdaq. Mr. Brown is also a financial expert, as such term is defined under the Sarbanes-Oxley Act of 2002. Messrs. Brown, Bu and O'Brien are considered "independent" under the rules of the SEC and Nasdaq.

The Audit Committee has adopted a formal written charter (the "Audit Charter"). The Audit Committee is responsible for ensuring that the Company has adequate internal controls and is required to meet with the Company's auditors to review these internal controls and to discuss other financial reporting matters. The Audit Committee is also responsible for the appointment, compensation and oversight of the auditors. Additionally, the Audit Committee is responsible for the review and oversight of all related party transactions and other potential conflict of interest situations between the Company and its officers, directors, employees and principal stockholders. The Audit Charter is available on the Company's Internet website at [www.cinedigm.com](http://www.cinedigm.com).



## **Compensation Committee**

The Compensation Committee consists of Messrs. Brown and O'Brien. Mr. O'Brien is the Chairman of the Compensation Committee. The Compensation Committee met ten (10) times during the Last Fiscal Year and acted one (1) time by unanimous written consent in lieu of holding a meeting. The Compensation Committee approves the compensation package of the Company's Chief Executive Officer and, based on recommendations by the Company's Chief Executive Officer, approves the levels of compensation and benefits payable to the Company's other executive officers, reviews general policy matters relating to employee compensation and benefits and recommends to the entire Board, for its approval, stock option and other equity-based award grants to its executive officers, employees and consultants and discretionary bonuses to its executive officers and employees. The Compensation Committee has the authority to appoint and delegate to a sub-committee the authority to make grants and administer bonus and compensation plans and programs. Messrs. Brown and O'Brien are considered "independent" under the rules of the SEC and the Nasdaq.

The Compensation Committee has adopted a formal written charter (the "Compensation Charter"). The Compensation Charter sets forth the duties, authorities and responsibilities of the Compensation Committee. The Compensation Charter is available on the Company's Internet website at [www.cinedigm.com](http://www.cinedigm.com).

The Compensation Committee, when determining executive compensation (including under the executive compensation program, as discussed below under the heading Compensation Discussion and Analysis), evaluates the potential risks associated with the compensation policies and practices. The Compensation Committee believes that the Company's compensation programs are designed with an appropriate balance of risk and reward in relation to the Company's overall compensation philosophy and do not encourage excessive or unnecessary risk-taking behavior. In general, the Company compensates its executives in a combination of cash and equity awards. The equity awards contain either or both performance targets and vesting provisions, both of which encourage the executives, on a long-term basis, to strive to enhance the value of such compensation as measured by the trading price of the Class A common stock or other performance metrics. The Compensation Committee does not believe that this type of compensation encourages excessive or unnecessary risk-taking behavior. As a result, we do not believe that risks relating to our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on the Company. The Company intends to recapture compensation if and as required under the Sarbanes-Oxley Act. However, there have been no instances where it needed to recapture any compensation.

During the Last Fiscal Year, the Compensation Committee engaged Aon, a compensation consulting firm. The consultant met with the Compensation Committee multiple times during the Last Fiscal Year and provided guidance for cash and equity bonus compensation to executive officers and directors, which the Compensation Committee considered in reaching its determinations of such compensation. In addition, the consultant was available to respond to specific inquiries throughout the year.

## **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee currently consists of Messrs. Brown and O'Brien. Mr. O'Brien is the Chairman of the Compensation Committee. None of such members was, at any time during the Last Fiscal Year or at any previous time, an officer or employee of the Company.

None of the Company's directors or executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more of its executive officers serving as a member of the Company's board of directors. No member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Securities and Exchange Commission Regulation S-K.

## **Nominating Committee**

The Nominating Committee consists of Messrs. Brown and O'Brien. Mr. Brown is the Chairman of the Nominating Committee. The Nominating Committee held one (1) meeting during the Last Fiscal Year. The Nominating Committee evaluates and approves nominations for annual election to, and to fill any vacancies in, the Board and recommends to the Board the directors to serve on committees of the Board. The Nominating Committee also approves the compensation package of the Company's directors. Messrs. Brown and O'Brien are considered "independent" under the rules of the SEC and the Nasdaq.

The Nominating Committee has adopted a formal written charter (the “Nominating Charter”). The Nominating Charter sets forth the duties and responsibilities of the Nominating Committee and the general skills and characteristics that the Nominating Committee employs to determine the individuals to nominate for election to the Board. The Nominating Charter is available on the Company’s Internet website at [www.cinedigm.com](http://www.cinedigm.com).

The Nominating Committee will consider any candidates recommended by stockholders. In considering a candidate submitted by stockholders, the Nominating Committee will take into consideration the needs of the Board and the qualifications of the candidate. Nevertheless, the Board may choose not to consider an unsolicited recommendation if no vacancy exists on the Board and/or the Board does not perceive a need to increase the size of the Board.

There are no specific minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended director nominee. However, the Nominating Committee believes that director candidates should, among other things, possess high degrees of integrity and honesty; have literacy in financial and business matters; have no material affiliations with direct competitors, suppliers or vendors of the Company; and preferably have experience in the Company’s business and other relevant business fields (for example, finance, accounting, law and banking). The Nominating Committee considers diversity together with the other factors considered when evaluating candidates but does not have a specific policy in place with respect to diversity.

Members of the Nominating Committee meet in advance of each of the Company’s annual meetings of stockholders to identify and evaluate the skills and characteristics of each director candidate for nomination for election as a director of the Company. The Nominating Committee reviews the candidates in accordance with the skills and qualifications set forth in the Nominating Charter and the rules of the Nasdaq. There are no differences in the manner in which the Nominating Committee evaluates director nominees based on whether or not the nominee is recommended by a stockholder.

### **Stock Ownership Guidelines**

The Board has adopted stock ownership guidelines for its non-employee directors, pursuant to which the non-employee directors are required to acquire, within three (3) years, and maintain until separation from the Company, shares equal in value to a minimum of three (3) times the value of the annual cash retainer (not including committee or per-meeting fees) payable to such director. Shares acquired as Board retainer fees and shares owned by an investment entity with which a non-employee director is affiliated may be counted toward the stock ownership requirement.

### **Environmental, Social and Governance (ESG)**

The Company is committed to responsible and sustainable business practices. We are currently in the process of building our ESG strategy, with the goal of transparently communicating about our most material ESG impacts and initiatives.

#### *Sustainability*

The Company is committed to working in a responsible and sustainable way to produce as few negative environmental effects as possible from our operations. Our core business does not result in any significant negative environmental effects. We note our leading role in the conversion, starting in 2005, from using analog films, which had to be shipped to theatre destinations, causing greenhouse gas emissions and ultimately waste of the film after use, to digital projection of virtually all major and independent studio films, which are now electronically delivered to theatre destinations. In addition, our current CEG business concentrates on digital and streaming distribution of content, which again is environmentally-friendly. This conversion and streaming approach significantly reduces the carbon footprint associated with the film exhibition industry.

#### *Social*

We are committed to diverse representation across all levels of our workforce to reflect the vibrant and thriving diversity of the communities which make up our customers, stockholders and home communities. Fostering a work environment that is culturally diverse, inclusive and equitable is important to us.

We encourage our employees to give back to the community. In 2021, we initiated a Community Service Policy that provides paid time off to employees volunteering with qualified charitable organizations or causes (which organizations or causes may not discriminate based on creed, race, color, national origin, religion, age, disability, sex, gender, identity, sexual orientation, pregnancy or any other legally protected classification). In addition, we have implemented a summer internship program in conjunction with C5 Youth Foundation of Southern California, a non-profit inner-city youth program. This 8-week program will provide for four college students to rotate through four departments at Cinedigm.

## ITEM 11. EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

This section describes the compensation program and related decisions for our Named Executive Officers (“NEOs”) in our fiscal year ended March 31, 2021 (“Fiscal 2021”). As a “smaller reporting company,” as that term is defined under SEC rules, we are not required to include a “Compensation Discussion and Analysis” and are permitted to exclude certain executive compensation tables from our disclosure.

We have elected to include this Compensation Discussion & Analysis (“CD&A”) as well as additional tables required under Item 402 of Regulation S-K on a voluntary basis. As permitted under Item 402, we are not including pay ratio disclosure in light of our status as a smaller reporting company. This CD&A is intended to be read in conjunction with the tables beginning on page 50, which provide historical compensation information for the following NEOs:

NEOs	Title
Christopher J. McGurk	Chairman and Chief Executive Officer
Gary S. Loffredo	President, Chief Operating Officer, General Counsel and Secretary
Erick Opeka	Chief Strategy Officer and President of Cinedigm Digital Networks

#### Quick CD&A Reference Guide

Compensation Program Overview	Section I
Compensation Philosophy and Objectives	Section II
Pay Mix	Section III
Competitive Positioning	Section IV
Elements of Compensation	Section V
Additional Compensation Practices and Policies	Section VI

#### I. Compensation Program Overview

The Company’s executive compensation program is designed to attract, motivate and retain highly skilled and experienced individuals to attain the Company’s corporate goals. To do so, the program provides competitive compensation packages that motivate executive officers, links pay to performance and aligns executive officers’ interests with those of the Company and its shareholders over the long term.

The executive compensation program for the NEOs is administered by the Compensation Committee, all of the members of which are independent. The Compensation Committee annually reviews the executive compensation elements and assesses the integrity of the compensation program as a whole to ensure that it continues to be aligned with the Company’s compensation objectives and supports the attainment of Company goals.

As the Company has evolved, so too has the compensation program. During the last several years, Cinedigm’s executive compensation for NEOs has been transitioning to a more performance-oriented program. The Company aims to improve both shareholder returns and its cash position. To help achieve these goals, the Compensation Committee has designed the compensation program to reward the Chief Executive Officer (“CEO”) and other employees for achieving strategic goals and increasing shareholder value by linking a portion of pay to performance through annual cash and equity, and long-term equity incentives.

The compensation program generally consists of base salary, annual incentives, and long-term equity incentive compensation. In addition, all of our NEOs receive some modest personal benefits and perquisites. Retirement benefits are accumulated through the Company's 401(k) plan, which is open to all employees. The Company does not provide supplemental retirement benefits for NEOs. All of the NEOs have employment agreements with the Company.

When the Company does not meet performance targets or the share price does not increase, executive pay and payouts are affected. During Fiscal 2021, the Company made stock grants to employees, including the NEOs, to recognize extraordinary service contributions and loyalty to the Company under difficult circumstances throughout the prior year. Such stock grants to the NEOs consisted of 320,000 shares to Mr. McGurk, 125,000 shares to Mr. Loffredo and 125,000 shares to Mr. Opeka. In addition, during Fiscal 2021, certain Performance Stock Units ("PSUs") that were granted in 2018 and had vested were paid in shares, consisting of 320,000 to Mr. McGurk, 100,000 shares to Mr. Loffredo and 100,000 shares to Mr. Opeka.

## **II. Compensation Philosophy and Objectives**

Cinedigm's executive compensation program is focused on enabling the Company to hire and retain qualified and motivated executives, motivating them to meet its business needs and objectives. The executive compensation program has been designed around the following objectives:

- Provide competitive compensation levels to enable the recruitment and retention of highly qualified executives.
- Strengthen the link between pay and corporate and business unit performance encouraging and rewarding excellence and contributions to support Cinedigm's success.
- Align the interests of executives with those of shareholders through grants of equity-based compensation that promote increasing shareholder value and also provide opportunities for ongoing executive share ownership.

An overarching principle in delivering on these objectives is to ensure that compensation decisions are made in the Company's best financial interests such that incentive awards are both affordable and reasonable, taking into account Company performance and circumstances and considering the interests of all stakeholders.

## **III. Pay Mix**

The Company's pay philosophy has evolved from an emphasis on fixed pay to one that is based on the belief that a substantial portion of each executive's compensation should be at risk and dependent upon performance. While the Compensation Committee has not adopted a targeted mix of either long-term to short-term, fixed to variable, or equity and non-equity compensation, it has taken steps to increase the portion of variable compensation. Steps in this direction include the continuation of the performance-based annual incentive program (MAIP) and more regular equity grants.

## **IV. Compensation Determination Process**

The Compensation Committee designs the executive compensation program with the intention of accomplishing the goals described above. In determining executive compensation, the Compensation Committee obtains input and advice from its independent compensation consultant. The Compensation Committee reviews and approves compensation and performance awards to the CEO and executive officers and considers financial, operational and share price performance to determine appropriate executive compensation parameters. The Compensation Committee also considers the results of the prior stockholders' advisory vote on executive compensation. To date, the stockholders have approved, on a non-binding advisory basis, of executive compensation.

### ***Role of the Independent Compensation Consultant***

The Compensation Committee has selected and retained Aon as its independent compensation consultant to assist it in the performance of its duties and responsibilities. While the Compensation Committee took into consideration the review and recommendations of this independent consultant when making decisions about the Company's executive and director compensation practices, the Compensation Committee ultimately made its own independent decisions about these matters.

## ***Competitive Assessment***

The Compensation Committee used comparative compensation information from a relevant group of peer companies as one of several factors considered as part of setting compensation for our CEO and our other NEOs. The Compensation Committee has not defined a target pay positioning relative to the peer group for the CEO or the other NEOs, nor does it commit to providing total compensation at a specific percentile or within a specific pay range. During Fiscal 2021, Mr. McGurk's employment agreement was extended and his base salary was moderately increased. In connection with such extension, Mr. McGurk's compensation was not significantly increased and accordingly the Compensation Committee did not believe a new peer group comparison was necessary in connection therewith. However, also in Fiscal 2021, the Company entered into a new employment agreement with Mr. Loffredo and amended Mr. Opeka's employment agreement, both of which were in connection with promotions. In connection therewith, the Compensation Committee developed a peer group with the assistance of Aon. The Compensation Committee retains discretion in determining the nature and extent of the use of peer group data. The Compensation Committee periodically reassesses the companies within the peer groups and makes changes as appropriate, considering mergers and acquisitions involving peer companies, changes in the Company's business and other factors.

In connection with Mr. Loffredo's and Mr. Opeka's employment agreements, the Compensation Committee selected a peer group that consisted of the following companies:

Avid Technology	Leaf Group Ltd.
Ballantyne Strong, Inc.	Limelight Networks, Inc.
Brightcove Inc.	LiveXLive Media, Inc.
Chicken Soup for the Soul Entertainment, Inc.	National Cinemedia, Inc.
Dolphin Entertainment, Inc.	NTN Buzztime, Inc.
Gaia, Inc.	Reading International, Inc.
Glu Mobile Inc.	RealNetworks, Inc.
Harmonic Inc.	TechTarget, Inc.
IMAX Corp.	TravelZoo

## **V. Elements of Compensation**

Compensation for executive officers is comprised primarily of three main components:

- base salary;
- annual incentive awards; and
- long-term incentive equity grants.

These components support the core principles of our executive officer compensation philosophy of pay for performance and alignment of executive officers' interests with those of Cinedigm and its shareholders by emphasizing short- and long-term incentives. Our compensation program encourages our employees to remain focused on both our short-term and long-term goals: our annual incentive (MAIP) measures and rewards business and individual performance on an annual basis, while our equity awards typically vest in installments of several years and increase in value with any share price appreciation, encouraging our executives to focus on the long-term performance of our company.

### ***Base Salary***

Base salaries are fixed compensation with the primary function of aiding in attraction and retention. Base salaries vary among executive officers, and are individually determined according to each executive officer's areas of responsibility, role and experience. The Compensation Committee reviews the salaries for our NEOs periodically, as well as at the time of a promotion, change in responsibilities, or when employment arrangements and/or agreements are renewed. Any increases are based on an evaluation of the performance of the Company and the executive, the relative strategic importance of the position, market conditions, and competitive pay levels (though, as noted earlier, the Compensation Committee does not target a specific percentile or range).

During fiscal 2021, the Compensation Committee adjusted the base salary of all of the NEOs in connection with their employment agreement amendments or new agreement.

#### *Annual Incentive Awards*

The annual cash incentive component aims to ensure that our executive officers are aligned in reaching our short- and long-term goals. Annual cash incentives are designed to provide a significant pay-for-performance element of our executive compensation package, through the formal performance-based MAIP. The MAIP incorporates predetermined, specific target award levels and performance metrics and goals that the Compensation Committee deemed rigorous and challenging. The MAIP goals are critical to Cinedigm's future success and are designed to reward the collaboration across divisions and segments required to achieve corporate financial goals.

All NEOs have a target bonus set at a fixed percentage of their base salary. The program also established threshold and maximum levels of incentive awards defined as a percentage of a participant's salary. The Compensation Committee generally establishes the individual payout targets for each NEO based on the executive's position, level of responsibility and a review of the competitive market.

Threshold, target and maximum annual incentive opportunities for our NEOs for Fiscal 2021 were as follows:

#### **MAIP Potential Awards**

<b>Executive Officer</b>	<b>Threshold</b>	<b>Target (as a % of base salary)</b>	<b>Maximum</b>
Chris McGurk	37.5%	100%	150%
Gary S. Loffredo	29%	70%	100%
Erick Opeka	25%	60%	100%

For Fiscal 2021, the Compensation Committee established performance measures and goals set forth in the table below. The measures include a Company and/or division component with a performance measure and an individual component. Mr. Loffredo and Mr. Opeka, who each led a division in fiscal 2021, have a portion of their measurement determined by that division's performance as compared to goals established at the beginning of the fiscal year.

<b>Executive Officers</b>	<b>Company</b>		<b>Individual</b>
	<b>Cinedigm</b>	<b>Division</b>	
Chris McGurk	80%	--	20%
Gary Loffredo	60%	20%	20%
Erick Opeka	60%	20%	20%

We do not disclose performance targets, division targets or individual goals, as we believe that such disclosure would result in competitive harm. Based on our experience, we believe these targets were rigorous and challenging, and were set sufficiently high to provide incentive to achieve a high level of performance. We believe it is difficult, although not unattainable, for the targets to be reached and, therefore, no more likely than unlikely that the targets will be reached.

#### *Long-Term Incentive Awards*

The Compensation Committee uses equity-based compensation to reward future performance, as reflected by the market price of our shares and/or other performance criteria. The Compensation Committee annually considers long-term incentive awards, for which it has the authority to grant a variety of equity-based awards. The primary objective of such awards is to align the interests of executives with those of the Company and its shareholders by offering incentives to achieve performance goals believed to be linked to increasing shareholder value, increasing executive share ownership and fostering a long-term focus. In recent years, the earning and vesting of such awards have been assessed and determined after fiscal year end in order to permit consideration of year-end performance.

We currently maintain the 2017 Equity Incentive Plan (“2017 Plan”). The 2017 Plan is administered by the Compensation Committee. Under the 2017 Plan, the Compensation Committee or the Board has authority to grant awards of non-qualified stock options, incentive stock options, stock appreciation rights (“SARs”), restricted stock, restricted stock units, performance shares, performance units, cash-based awards, or other stock-based awards to employees, non-employee directors, and third-party consultants.

The Compensation Committee determines the executive officers’ equity-based awards, taking into account pay mix and the executive officer’s contribution to Company performance. The mix of equity-based vehicles is structured to enhance the executive officers’ commitment to increasing shareholder value.

#### *Performance Units*

In connection with the NEO employment agreement amendments or new arrangements during Fiscal 2021, under the 2017 Plan, the NEOs were awarded new grants of performance units, subject to Earnings before Income Tax, Depreciation and Amortization (“EBITDA”) targets to be determined in the sole and absolute discretion of the Compensation Committee and such other terms as the Compensation Committee shall determine, with 50% of such shares to vest based on such targets for the period April 1, 2021 to March 31, 2022 and the other 50% of such shares to vest based on such targets for the period April 1, 2022 to March 31, 2023. The Company was given discretion to pay such awards in cash or in stock. Mr. McGurk was granted 250,000 performance units, Mr. Loffredo was granted 150,000 performance units, and Mr. Opeka was granted 150,000 performance units.

#### *SARs*

In connection with the NEO employment agreement amendments or new arrangements during Fiscal 2021, the Compensation Committee granted SARs to the NEOs under the 2017 Plan. Mr. McGurk was granted 2,500,000 SARs, and Mr. Loffredo and Mr. Opeka were each granted 1,200,000 SARs. The SARs granted to Mr. McGurk have an exercise price of \$.54, and one-half (1/2) of which vested on November 19, 2020 and one-half (1/2) of which will vest on March 31, 2023. The SARs granted to Mr. Loffredo have an exercise price of \$.64 and will vest as follows: 500,000 SARs will vest on March 31, 2022, 500,000 SARs will vest on March 31, 2023, and 200,000 SARs will vest on June 30, 2023. The SARs granted to Mr. Opeka have an exercise price of \$.64 and will vest as follows: 500,000 SARs will vest on March 31, 2022, 500,000 SARs will vest on March 31, 2023, and 200,000 SARs will vest on December 31, 2023.

## **VI. Additional Compensation Arrangements, Policies and Practices**

### ***Mr. McGurk’s Compensation Arrangements***

Mr. McGurk joined Cinedigm in January 2011 as CEO and Chairman of the Board. Accordingly, Mr. McGurk’s compensation package was created in line with the Company’s current compensation philosophy of a base salary coupled with variable compensation including a large portion of equity-based compensation, through stock options, linked to stock price performance. When negotiating Mr. McGurk’s employment agreement, the Company sought to provide salary and bonus amounts that were in line with peer group amounts and that would provide incentive for Mr. McGurk with a view toward increasing stockholder value.

A summary of Mr. McGurk’s compensation package is located under the heading “Employment Agreements and Arrangements Between the Company and Named Executives” of this Item 11.

### ***Employment Agreement with Mr. McGurk and Employment Arrangements for other NEOs***

The Company currently has employment agreements with Mr. McGurk, Mr. Loffredo and Mr. Opeka for retention during periods of uncertainty and operational challenge. Additionally, the employment agreements include non-compete and non-solicitation provisions. The provisions for severance benefits are at typical competitive levels. See “Employment Agreements and Arrangements Between the Company and Named Executives” of this Item 11 for a description of the material terms of Messrs. McGurk’s, Loffredo’s and Opeka’s employment agreements.

### ***Personal Benefits and Perquisites***

In addition to the benefits provided to all employees and grandfathered benefits (provided to all employees hired before January 1, 2005), the CEO and NEOs are eligible for an annual physical and supplemental life insurance coverage of \$200,000.

It is the Company's policy to provide minimal and modest perquisites to the CEO and NEOs. With the new employment arrangements, most perquisites previously provided, including automobile allowances, have been eliminated.

### ***Policy on Deductibility of Compensation***

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of \$1 million paid to certain executive officers named in this proxy statement. Pursuant to the Tax Cuts and Jobs Act of 2017, for taxable years beginning after December 31, 2017, the exemption from the deduction limit that was previously available for "performance-based compensation" is no longer available. Consequently, for fiscal years beginning after December 31, 2017, all remuneration in excess of \$1 million paid to a specified executive will not be deductible. Given the Company's net operating losses, Section 162(m) is not currently a material factor in designing compensation.

### ***Recoupment ("Clawback") Policy***

The Company intends to recapture compensation as currently required under the Sarbanes-Oxley Act. However, there have been no instances to date where it needed to recapture any compensation.

Additionally, we recognize that our compensation program will be subject to the forthcoming amendments to stock exchange listing standards required by Section 954 of the Dodd-Frank Act, which requires that stock exchange listing standards be amended to require issuers to adopt a policy providing for the recovery from any current or former executive officer of any incentive-based compensation (including stock options) awarded during the three-year period prior to an accounting restatement resulting from material noncompliance of the issuer with financial reporting requirements. We intend to adopt such a clawback policy which complies with all applicable standards when such rules are adopted.

### ***Restriction on Speculative Transactions***

The Company's Insider Trading and Disclosure Policy restricts employees and directors of the Company from engaging in speculative transactions in Company securities, including short sales, and discourages employees and directors of the Company from engaging in hedging transactions, including "cashless" collars, forward sales, and equity swaps, that may indirectly involve short sales. Pre-clearance by the Company is required for all equity transactions.

## **COMPENSATION COMMITTEE REPORT**

The following report does not constitute soliciting material and is not considered filed or incorporated by reference into any other filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis that precedes this Report as required by Item 402(b) of the SEC's Regulation S-K. Based on its review and discussions with management, the Compensation Committee recommended to the Board the inclusion of the Compensation Discussion and Analysis in this proxy statement.

The Compensation Discussion and Analysis discusses the philosophy, principles, and policies underlying the Company's compensation programs that were in effect during fiscal 2021.

Respectfully submitted,

The Compensation Committee of the Board of Directors

Patrick W. O'Brien, Chairman  
Peter C. Brown



## Named Executive Officers

The following table sets forth certain information concerning compensation received by the Company's NEOs, consisting of the Company's Chief Executive Officer and its two other most highly compensated individuals who were serving as executive officers at the end of the Last Fiscal Year, plus up to two additional persons for whom disclosures would have been provided but for the fact that they were not serving as executive officers at the end of the Last Fiscal Year, for services rendered in all capacities during the Last Fiscal Year.

### SUMMARY COMPENSATION TABLE

Name and Principal Position (s)	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
<b>Christopher J. McGurk</b> Chief Executive Officer and Chairman	2021	600,000	600,000	1,498,866	—	—	33,553	2,508,848
	2020	600,000	—	—	—	—	31,722	631,722
	2019	600,000	—	—	700,000	—	43,697	1,743,697
<b>Gary S. Loffredo</b> President, Chief Operating Officer, General Counsel and Secretary	2021	436,250	255,000	875,664	—	—	47,121	1,128,269
	2020	425,000	—	—	—	—	44,541	469,541
	2019	367,424	100,000	—	407,610	—	43,697	918,731
<b>Erick Opeka</b> Chief Strategy Officer and President of Digital Networks	2021	343,750	113,750	875,664	—	—	33,553	911,023
	2020	325,000	—	—	—	—	15,611	340,611
	2019	292,295	100,000	—	355,000	—	7,537	754,831

- (1) Includes shares issued in November 2020 for fiscal year 2019 under performance share units ("PSUs") to be paid during fiscal year 2021. See above for a description of the material terms of the PSUs.
- (2) The amounts in this column reflect the grant date fair value for all fiscal years presented in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in footnote 2 to the Company's audited financial statements for the fiscal years ended March 31, 2020 and 2019, included in the 2020 Annual Report on Form 10-K (the "Form 10-K").
- (3) The amounts in this column reflect amounts earned under annual incentive awards. See below for a description of the material terms of the annual incentive plan for each NEO.
- (4) Includes life and disability insurance premiums paid by the Company and certain medical expenses paid by the Company for each NEO, (a) for the fiscal year ended March 31, 2019: for Mr. McGurk, \$1,107 and 42,590; for Mr. Loffredo, \$1,107 and \$42,590; and for Mr. Opeka, \$830 and \$6,706, (b) for the fiscal year ended March 31, 2020: for Mr. McGurk, \$1,104 and \$30,618; for Mr. Loffredo, \$1,104 and \$43,437; and for Mr. Opeka, \$1,104 and \$14,507, and (c) for the fiscal year ended March 31, 2021: for Mr. McGurk, \$1,094 and \$32,459; for Mr. Loffredo, \$1,094 and \$46,027; and for Mr. Opeka, \$1,094 and \$32,459.

## Employment agreements and arrangements between the Company and Named Executive Officers

**Christopher J. McGurk.** On August 22, 2013, the Company entered into a new employment agreement with Mr. McGurk (the “2013 McGurk Employment Agreement”) which superseded his initial employment agreement, pursuant to which McGurk continued to serve as the Chief Executive Officer and Chairman of the Board of the Company. The term of the 2013 McGurk Employment Agreement commenced on January 3, 2011 and ended on March 31, 2017. Pursuant to the 2013 McGurk Employment Agreement, Mr. McGurk received an annual base salary of \$600,000 subject to annual reviews and increases in the sole discretion of the Compensation Committee. Mr. McGurk was entitled to receive a bonus of \$250,000. In addition, Mr. McGurk was entitled to receive a retention bonus of \$750,000, payable in three equal installments on March 31 of each of 2015, 2016 and 2017 in cash or shares of Class A Common Stock, or a combination thereof, at the Compensation Committee’s discretion. Under the MAIP, Mr. McGurk’s target bonus for fiscal years 2015, 2016 and 2017 was \$600,000.

Also pursuant to the 2013 McGurk Employment Agreement, Mr. McGurk received a grant of non-statutory options to purchase 1,500,000 shares of Common Stock, which options have an exercise price of \$1.40 and a term of ten (10) years, and one-third (1/3) of which vested on March 31 of each of 2015, 2016 and 2017.

The 2013 McGurk Employment Agreement further provided that Mr. McGurk is entitled to participate in all benefit plans provided to senior executives of the Company. In addition, if the Company terminated Mr. McGurk’s employment without cause or he resigned with good reason, the 2013 McGurk Employment Agreement provided that he would be entitled to receive his base salary through the later of March 31, 2017 or twelve (12) months following such termination, as well as payment of any bonus earned and approved by the Compensation Committee, reimbursement of expenses incurred, and payment of benefits accrued, in each case, prior to the termination date. If such termination or resignation occurred within two years after a change in control, then in lieu of receiving his base salary as described above, Mr. McGurk would have been entitled to receive a lump sum payment equal to the sum of his then base salary and target bonus amount, multiplied by the greater of (i) two, or (ii) a fraction, the numerator of which would be the number of months remaining in the term (but no less than twelve (12)), and the denominator of which is twelve. Upon a change in control, any unvested options shall immediately vest provided that Mr. McGurk is an employee of the Company on such date.

On January 4, 2017, Mr. McGurk and the Company amended the 2013 McGurk Employment Agreement to extend the term to March 31, 2018.

On June 7, 2018, Mr. McGurk and the Company entered into an amendment (the “2018 Amendment”) to the 2013 McGurk Employment Agreement. Pursuant to the 2018 Amendment, Mr. McGurk will continue to serve as the Chief Executive Officer and Chairman of the Board of the Company through March 31, 2021. The 2018 Amendment also provides that (i) if Mr. McGurk’s employment continues after March 31, 2021 without an extension or renewal of the Employment Agreement, as amended, or entry into another employment agreement, then such employment will be at-will and, for the duration of the at-will employment, Mr. McGurk will be entitled to receive the his base salary and participate in the bonus, stock incentive, and benefit programs in effect at the expiration of the Term (as defined in the 2018 Amendment).

The 2018 Amendment also provides that Mr. McGurk is eligible for (i) under the MAIP, a target bonus opportunity percentage of 100% of the Base Salary, to be adjusted higher or lower at the sole and absolute discretion of the Compensation Committee consistent with goals established from time to time by the Compensation Committee, (ii) under the 2017 Plan, performance share units for up to 640,000 shares of Class A common stock, subject to the EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee, with 50% of such shares to vest on March 31 of each of 2019 and 2020, and (iii) under the 2017 Plan, 700,000 SARs having an exercise price of \$1.47 and a term of ten (10) years, and one-third (1/3) of which will vest on March 31 of each of 2019, 2020 and 2021.

The 2018 Amendment also provides that, in the event of a termination without Cause, Mr. McGurk shall be entitled to payment of (i) the greater of any Base Salary for the remainder of the Term or one year’s Base Salary and (ii) an amount equivalent to the average of the last three (3) bonus payments under the MAIP, if any, under the Employment Agreement. In addition, the Amendment provides that the existing severance terms in connection with a Change in Control apply if all conditions to such payment occur prior to March 31, 2020, and that if such conditions apply occur thereafter, then Mr. McGurk shall be entitled to the payments described in the first sentence of this paragraph instead.

All terms of the 2013 McGurk Employment Agreement that were not affected by the Amendment remain in full force and effect.

On November 19, 2020, the Company entered into an employment agreement with Mr. McGurk (the “2020 McGurk Employment Agreement”). The 2020 McGurk Employment Agreement took effect on April 1, 2021, after the 2013 McGurk Employment Agreement, as amended by the 2018 Amendment, terminated on March 31, 2021, and has a term ending on March 31, 2023, with a one-time automatic renewal for one year unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term. Pursuant to the 2020 McGurk Employment Agreement, Mr. McGurk will continue to serve as the Chief Executive Officer and Chairman of the Board of the Company.

The 2020 McGurk Employment Agreement provides that Mr. McGurk will receive an annual base salary of \$650,000 and will be eligible for (i) under the Company’s Management Annual Incentive Plan, a target bonus opportunity of \$650,000 (the “Target Bonus”) consistent with goals established annually by the Compensation Committee, (ii) under the Company’s 2017 Plan, performance share units for up to 250,000 shares of Class A common stock, subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and such other terms as the Compensation Committee shall determine, and (iii) under the 2017 Plan, 2,500,000 SARs having an exercise price of \$.54 and a term of ten (10) years, one-half (1/2) of which vested on November 19, 2020 and one-half (1/2) of which will vest on March 31, 2023. Mr. McGurk will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2020 McGurk Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2020 McGurk Employment Agreement) or a resignation for Good Reason (as defined in the 2020 McGurk Employment Agreement), Mr. McGurk shall be entitled to payment of (i) the greater of any Base Salary for the remainder of the Term or eighteen (18) months’ Base Salary at the time of termination and (ii) an amount equivalent to one and one-half (1.5) times the average of the last two (2) bonus payments under the MAIP, if any, under the Employment Agreement. In the event of, on or after April 1, 2020 and within two (2) years after a Change in Control (as defined in the 2017 Plan), a termination without Cause (other than due to Mr. McGurk’s death or disability) or a resignation for Good Reason, then in lieu of receiving the amounts described above, Mr. McGurk would be entitled to receive a lump sum payment equal to three (3) times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus for the year of termination.

On December 10, 2020, the Company entered into an amended employment agreement, effective as of November 19, 2020, with Mr. McGurk (the “2020 A&R McGurk Employment Agreement”). The 2020 A&R McGurk Employment Agreement restated the 2020 McGurk Employment Agreement, except that in the event of, on or after April 1, 2020 and within two (2) years after a Change in Control (as defined in the 2017 Plan), a termination without Cause (other than due to Mr. McGurk’s death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the McGurk Employment Agreement), then in lieu of receiving the amounts for severance other than in connection with a Change in Control, Mr. McGurk would be entitled to receive a lump sum payment equal to three (3) times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus (as defined in the 2020 A&R McGurk Employment Agreement) for the year of termination.

**Gary S. Loffredo.** On October 13, 2013, the Company entered into an employment agreement with Mr. Loffredo (the “2013 Loffredo Employment Agreement”). Pursuant to the 2013 Loffredo Employment Agreement, Loffredo served as the Executive Vice President, Business Affairs, General Counsel and Secretary of the Company and President of Digital Cinema Operations. The 2013 Loffredo Employment Agreement ended on October 3, 2015, and upon such expiration, Mr. Loffredo became an at-will employee. Pursuant to the 2013 Loffredo Employment Agreement, Mr. Loffredo received an annual base salary of \$340,000 subject to increase at the discretion of the Compensation Committee. In addition, Mr. Loffredo was eligible for a target bonus equal to 50% of his base salary for each fiscal year, payable based on Company performance with goals to be established annually by the Compensation Committee.

Also pursuant to the 2013 Loffredo Employment Agreement, Mr. Loffredo received a grant of non-statutory options to purchase 350,000 shares of Common Stock, one-third (1/3) of which vested on March 31 of each of the first three anniversaries of the grant date.

The 2013 Loffredo Employment Agreement further provided that if the Company terminated Mr. Loffredo’s employment without cause or he resigned with good reason, he would be entitled to receive his base salary for the longer of the remainder of the term or the (twelve) 12 months following the termination, as well as payment of salary and bonus(es) earned, reimbursement of expenses incurred, and payment of benefits accrued, in each case, prior to the termination date. If such termination or resignation occurs within two years after a change in control, then in lieu of receiving his base salary as described above, Mr. Loffredo would be entitled to receive a lump sum payment equal to two times the sum of his then base salary and target bonus amount.

On February 28, 2019, in connection with Mr. Loffredo's promotion to Chief Operating Officer, Mr. Loffredo's annual base salary was increased to \$425,000 and he became eligible for a target bonus equal to 60% of his base salary under the MAIP, consistent with goals established annually by the Compensation Committee.

On December 23, 2020, the Company entered into a new employment agreement with Mr. Loffredo (the "2020 Loffredo Employment Agreement"), which replaced the surviving terms of the 2013 Loffredo Employment Agreement, took effect on January 1, 2021 and has a term ending on March 31, 2023, with a one-time automatic renewal for one year unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term. Pursuant to the 2020 Loffredo Employment Agreement, Mr. Loffredo serves as President, and continues to serve as the Chief Operating Officer, General Counsel and Secretary, of the Company.

The 2020 Loffredo Employment Agreement provides that Mr. Loffredo will receive an annual base salary of \$460,000 (as subject to adjustment, the "Loffredo Base Salary") and will be eligible for (i) under the Company's Management Annual Incentive Plan, a target bonus opportunity of \$322,000 (the "Loffredo Target Bonus") consistent with goals established annually by the Compensation Committee, (ii) under the 2017 Plan, performance share units for up to 150,000 shares of the Company's Class A common stock, subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and such other terms as the Compensation Committee shall determine, and (iii) under the Plan, 1,200,000 SARs having an exercise price of \$.64 and a term of ten (10) years, and vesting as follows: 500,000 SARs vest on March 31, 2022, 500,000 SARs vest on March 31, 2023, and 200,000 SARs vest on June 30, 2023. Mr. Loffredo will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2020 Loffredo Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2020 Loffredo Employment Agreement) or a resignation for Good Reason (as defined in the 2020 Loffredo Employment Agreement), Mr. Loffredo shall be entitled to payment of twelve (12) months' Loffredo Base Salary at the time of termination. In the event, within two (2) years after a Change in Control (as defined in the Plan), of a termination without Cause (other than due to Mr. Loffredo's death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the Loffredo Employment Agreement), then in lieu of receiving the amounts described above, Mr. Loffredo would be entitled to receive a lump sum payment equal to two (2) times the sum of (a) his then-current annual Loffredo Base Salary and (b) the Loffredo Target Bonus for the year of termination.

**Erick Opeka**, On September 15, 2018, the Company entered into an employment agreement with Mr. Opeka (the "2018 Opeka Employment Agreement"), pursuant to which Mr. Opeka served as President Networks of the Company. The term of the 2018 Opeka Employment Agreement is from September 15, 2018 through September 15, 2021 and upon such expiration Mr. Opeka will become an at-will employee. As outlined in the 2018 Opeka Employment Agreement, Mr. Opeka will receive an annual base salary of \$325,000 subject to annual reviews and increase for subsequent years in the sole discretion of the Compensation Committee, and Mr. Opeka shall participate in the MAIP with a target bonus equal to 35% of his base salary.

Pursuant to the 2018 Opeka Employment Agreement, on September 28, 2018 Mr. Opeka was granted 355,000 SARs. Each SAR entitles the participant to receive, upon exercise, an amount equal to the excess of the market price per share of the Class A common stock on the exercise date, over \$1.16, being not less than the market price per share of the Class A common stock on the grant date, in cash, common stock, or a combination of both cash and common stock, at the option of the Company. These SARs expire ten years from the grant date and vest 118,333 shares on each of March 31, 2019 and March 31, 2020, and 118,334 shares on March 31, 2021.

On December 23, 2020, the Company entered into an employment agreement with Mr. Opeka (the "2020 Opeka Employment Agreement"), which replaced the 2018 Opeka employment Agreement, took effect on January 1, 2021 and has a term ending on September 15, 2023, with a one-time automatic renewal for one year unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term. Pursuant to the 2020 Opeka Employment Agreement, Mr. Opeka will serve as Chief Strategy Officer of the Company and continue to serve as President of Cinedigm Networks.

The 2020 Opeka Employment Agreement provides that Mr. Opeka will receive an annual base salary of \$400,000 (as subject to adjustment, the “Opeka Base Salary”) and will be eligible for (i) under the MAIP, a target bonus opportunity of \$240,000 (the “Opeka Target Bonus”) consistent with goals established annually by the Compensation Committee, (ii) under the Plan, performance share units for up to 150,000 shares of Class A common stock, subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and such other terms as the Compensation Committee shall determine, and (iii) under the Plan, 1,200,000 SARs having an exercise price of \$.64 and a term of ten (10) years, and vesting as follows: 500,000 SARs vest on March 31, 2022, 500,000 SARs vest on March 31, 2023, and 200,000 SARs vest on December 31, 2023. Mr. Opeka will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2020 Opeka Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2020 Opeka Employment Agreement) or a resignation for Good Reason (as defined in the 2020 Opeka Employment Agreement), Mr. Opeka shall be entitled to payment of twelve (12) months’ Opeka Base Salary at the time of termination. In the event, within two (2) years after a Change in Control (as defined in the Plan), of a termination without Cause (other than due to Mr. Opeka’s death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the Opeka Employment Agreement), then in lieu of receiving the amounts described above, Mr. Opeka would be entitled to receive a lump sum payment equal to two (2) times the sum of (a) his then-current annual Opeka Base Salary and (b) the Opeka Target Bonus for the year of termination.

### Equity Compensation Plans

The following table sets forth certain information, as of March 31, 2021, regarding the shares of Cinedigm’s Class A common stock authorized for issuance under Cinedigm’s equity compensation plan.

<b>Plan</b>	<b>Number of shares of Class A common stock issuable upon exercise of outstanding options, warrants or rights (1)</b>	<b>Weighted average of exercise price of outstanding</b>	<b>Number of shares of Class A common stock remaining available for future issuance</b>
Cinedigm Second Amended and Restated 2000 Equity Incentive Plan (“the 2000 Plan”) approved by shareholders	261,587	\$ 14.99	—
Cinedigm 2017 Equity Incentive Plan (the “2017 Plan”)	9,154,933	1.04	1,359,416
Cinedigm compensation plans not approved by shareholders (2)	12,500	\$ 17.50	—

(1) Shares of Cinedigm Class A Common Stock

(2) Reflects stock options which were not granted under the 2000 Plan or the 2017 Plan.

## The 2000 Plan

Our Board originally adopted the 2000 Plan on June 1, 2000 and our shareholders approved the 2000 Plan by written consent in July 2000. Certain terms of the Plan were last amended and approved by our shareholders in September 2016. Under the 2000 Plan, we may grant incentive and non-statutory stock options, stock, restricted stock, restricted stock units (RSUs), stock appreciation rights, and performance awards to our employees, non-employee directors and consultants. The primary purpose of the 2000 Plan is to enable us to attract, retain and motivate our employees, non-employee directors and consultants. The term of the 2000 Plan expires on June 1, 2020. The 2000 Plan has been replaced by the 2017 Plan, and no new awards will be granted from the 2000 Plan; however, the adoption of the 2017 Plan did not affect awards already granted under the 2000 Plan.

Options granted under the 2000 Plan expire ten years following the date of grant (or such shorter period of time as may be provided in a stock option agreement or five years in the case of incentive stock options granted to stockholders who own greater than 10% of the total combined voting power of the Company) and are subject to restrictions on transfer. Options granted under the Plan generally vest over periods of up to three or four years. The 2000 Plan is administered by the Compensation Committee, and may be amended or terminated by the Board, although no amendment or termination may adversely affect the right of any individual with respect to any outstanding option without the consent of such individual. The 2000 Plan provides for the granting of incentive stock options with exercise prices of not less than 100% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive stock options granted to stockholders of more than 10% of the total combined voting power of the Company must have exercise prices of not less than 110% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive and non-statutory stock options granted under the 2000 Plan are subject to vesting provisions, and exercise is generally subject to the continuous service of the optionee, except for consultants. The exercise prices and vesting periods (if any) for non-statutory options may be set at the discretion of the Board or the Compensation Committee. Upon a change of control of the Company, all options (incentive and non-statutory) that have not previously vested will vest immediately and become fully exercisable. Options covering no more than 50,000 shares may be granted to one participant during any calendar year unless pursuant to a multi-year award, in which case no more than options covering 50,000 shares per year of the award may be granted, and during which period no additional options may be granted to such participant.

Grants of restricted stock and restricted stock units are subject to vesting requirements, generally vesting over periods up to three years, determined by the Compensation Committee and set forth in notices to the participants. Grants of stock, restricted stock and restricted stock units shall not exceed 40% of the total number of shares available to be issued under the 2000 Plan.

SARs consist of the right to the monetary equivalent of the increase in value of a specified number of shares over a specified period of time. Upon exercise, SARs may be paid in cash or shares of Class A common stock or a combination thereof. Grants of SARs are subject to vesting requirements, similar to those of stock options, determined by the Compensation Committee and set forth in agreements between the Company and the participants. RSUs shall be similar to restricted stock except that no Class A common stock is actually awarded to the Participant on the grant date of the RSUs and the Compensation Committee shall have the discretion to pay such RSUs upon vesting in cash or shares of Class A common stock or a combination thereof.

Performance awards consist of awards of stock and other equity-based awards that are valued in whole or in part by reference to, or are otherwise based on, the market value of the Class A Common Stock, or other securities of the Company, and may be paid in shares of Class A Common Stock, cash or another form of property as the Compensation Committee may determine. Grants of performance awards shall entitle participants to receive an award if the measures of performance established by the Committee are met. Such measures shall be established by the Compensation Committee but the relevant measurement period for any performance award must be at least 12 months. Grants of performance awards shall not cover the issuance of shares that would exceed 20% of the total number of shares available to be issued under the 2000 Plan, and no more than 50,000 shares pursuant to any performance awards shall be granted to one participant in a calendar year unless pursuant to a multi-year award. The terms of grants of performance awards would be set forth in agreements between the Company and the participants.

## The 2017 Plan

Our Board adopted the 2017 Plan on August 7, 2017 and our stockholders approved the 2017 Plan on August 31, 2017. Under the 2017 Plan, we may grant incentive and non-statutory stock options, stock, restricted stock, restricted stock units (RSUs), stock appreciation rights, performance awards and other equity-based awards to our employees, non-employee directors and consultants. The primary purpose of the 2017 Plan is to enable us to attract, retain and motivate our employees, non-employee directors and consultants.

Options granted under the 2017 Plan expire ten years following the date of grant (or such shorter period of time as may be provided in a stock option agreement, or five years in the case of incentive stock options granted to stockholders who own greater than 10% of the total combined voting power of the Company) and are subject to restrictions on transfer. The 2017 Plan is administered by the Compensation Committee, and may be amended or terminated by the Committee, although no amendment or termination may have a material adverse effect on the rights of any individual with respect to any outstanding option, without the consent of such individual. The exercise prices of stock options granted must be not less than 100% of the fair market value of the Company's Class A Common Stock on the date of grant. Incentive stock options granted to stockholders of more than 10% of the total combined voting power of the Company must have exercise prices of not less than 110% of the fair market value of the Company's Class A common stock on the date of grant. Incentive and non-statutory stock options granted under the 2017 Plan may be subject to vesting provisions, and exercise is generally subject to the continuous service of the optionee, except for consultants. The exercise prices and vesting periods (if any) for non-statutory options may be set at the discretion of the Board or the Compensation Committee. Upon a change of control of the Company, where the Class A common stock does not continue to be publicly traded, unless replacement awards are issued in connection with the transaction, all options (incentive and non-statutory) that have not previously vested will vest immediately and become fully exercisable. SARs consist of the right to the monetary equivalent of the increase in value of a specified number of shares over a specified period of time. Upon exercise, SARs may be paid, at the discretion of the Compensation Committee, in cash or shares of Class A common stock or a combination thereof. Grants of SARs are subject to terms determined by the Compensation Committee and set forth in agreements between the Company and the participants.

Grants of restricted stock and restricted stock units are subject to vesting requirements, generally vesting over periods up to three years, determined by the Compensation Committee and set forth in notices to the participants.

RSUs shall be similar to restricted stock except that no Class A Common Stock is actually awarded to the Participant on the grant date of the RSUs and the Compensation Committee shall have the discretion to pay such RSUs upon vesting in cash or shares of Class A common stock or a combination thereof.

Performance awards consist of awards of stock and other equity-based awards that are valued in whole or in part by reference to, or are otherwise based on, the market value of the Class A common stock, or other securities of the Company, and may be paid in shares of Class A common stock, cash or another form of property as the Compensation Committee may determine. Grants of performance awards shall entitle participants to receive an award if the measures of performance established by the Committee are met. Such measures shall be established by the Compensation Committee but the relevant measurement period for any performance award must be at least 12 months. The terms of grants of performance awards would be set forth in agreements between the Company and the participants.

With respect to limits on Award grants under the 2017 Plan, aggregate shares granted to non-employee directors in any year may not exceed 300,000.

Our Class A common stock is listed for trading on the Nasdaq under the symbol "CIDM".

The following table sets forth certain information concerning outstanding equity awards of the Company's NEOs at the end of the Last Fiscal Year. All outstanding stock awards reported in this table represent restricted stock that vests in equal annual installments over three years. At the end of the Last Fiscal Year, there were no unearned equity awards under performance-based plans.

**OUTSTANDING EQUITY AWARDS AT MARCH 31, 2021**

Name	OPTION AWARDS (1)				STOCK AWARDS	
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
<b>Christopher J. McGurk</b>	150,000(2)	—	14.00	8/22/2023	—	—
	700,000(3)	—	1.47	6/7/2028	—	—
	1,250,000(4)	—	0.54	11/19/2030	—	—
<b>Gary S. Loffredo</b>	22,500(5)	—	14.90	8/16/2021	—	—
	7,500(6)	—	30.00	8/16/2021	—	—
	35,000(7)	—	15.40	10/13/2023	—	—
	271,740(8)	135,870(8)	1.47	12/10/2028	—	—
		1,200,000(9)	0.64	12/23/2030	—	—
<b>Erick Opeka</b>	4,000(10)	—	15.10	4/20/2022	—	—
	8,000(11)	—	18.10	9/2/2024	—	—
	355,000(3)	—	1.16	9/28/2028	—	—
		1,200,000(12)	0.64	12/23/2030	—	—

- (1) Reflects stock options granted under the 2000 Plan and SARs granted under the 2017 Plan.
- (2) Of such total options, 1/3 vested on March 31 of each 2015, 2016 and 2017.
- (3) Consists of stock appreciation rights which vested as to 1/3 on March 31 of each of 2019, 2020 and 2021.
- (4) Consists of stock appreciation rights of which 1,250,000 vested on November 19, 2020, and 1,250,000 will vest on March 31, 2023.
- (5) Such options vested on August 17, 2012.
- (6) Of such total options, 1/4 vested on August 17 of each 2012, 2013, 2014 and 2015.
- (7) Of such total options, 1/3 vested on October 13 of each 2014, 2015 and 2016.
- (8) Consists of stock appreciation rights which vest as to 1/3 on December 10 of each of 2019, 2020 and 2021.
- (9) Consists of stock appreciation rights which vest as to 500,000, on March 31, 2022, as to 500,000, on March 31, 2023, and as to 200,000, on June 30, 2023.
- (10) 1,000 of such options vested on April 20 of each of 2013, 2014, 2015 and 2016.
- (11) 2,000 of such options vested on September 2 of each of 2015, 2016, 2017 and 2018.
- (12) Consists of stock appreciation rights which vest as to 500,000, on March 31, 2022, as to 500,000, on March 31, 2023, and as to 200,000, on December 31, 2023.



## Directors

The following table sets forth certain information concerning compensation earned by the Company's non-employee directors for services rendered as a director during the Last Fiscal Year.

Name	Cash Fees Earned (\$)	Stock Awards (\$)	Total (\$)
Peter C. Brown	\$ 61,250	\$ 50,000	\$ 111,250
Tom Bu	53,750	50,000	103,750
Patrick W. O'Brien (Lead Independent Director)	72,750	62,000	134,750
Peixin Xu	52,500	50,000	102,500
Zvi M. Rhine (1)	37,500	25,000	62,500

(1) Resigned from the Board on November 3, 2020.

In the past, each director who is not an employee of the Company was compensated for services as a director by receiving an annual cash retainer for Board service of \$50,000, payable quarterly in arrears, and an annual stock grant of restricted shares of Class A common stock equal in value to \$50,000 as of the last day of the fiscal quarter during which the Company's annual meeting occurs, which restricted shares shall vest on a quarterly basis during the year of service. In addition to the cash and stock retainers paid to all non-employee Directors for Board service, the Lead Independent Director received a fixed amount to be determined by the Nominating and Governance Committee. The directors may elect to receive any annual cash retainer in shares of vested Class A common stock, in lieu of cash, based on the stock price as of the date of the cash payment. The Company requires that Directors agree to retain 100% of their net after tax shares received for board service until separation from the Company. In addition, the Directors are reimbursed by the Company for expenses of traveling on Company business, which to date has consisted of attending Board and Committee meetings.

In February 2021, the Board amended the compensation package to non-employee directors. Commencing the quarter ended March 31, 2021, the annual cash retainer amount increased to \$60,000, and commencing with the shares to be issued in connection with the Company's 2021 annual meeting of stockholders, the annual stock grant of restricted shares of Class A common stock amount will increase to \$90,000 based on the trailing 20-day volume weighted average price ("VWAP") of the Class A common stock as of the date of the most recent prior annual shareholder's meeting. In addition, non-employee directors receive annual committee fees of \$15,000 for service as a committee chair and of \$5,000 for service on a committee (other than as chair). In addition to the cash and stock retainers paid to all non-employee directors for Board service, the Lead Independent Director receives an annual cash fee of \$20,000. Finally, new non-employee directors will receive a grant of restricted stock valued at \$180,000 based on the trailing 20-day VWAP of the Class A common stock as of the grant date (the director joins the Board), and such shares will vest in three equal installments on the first three anniversaries of the date of grant.

The Company has adopted Stock Ownership Guidelines for its non-employee directors as discussed in Part III, Item 10 of this Report on Form 10-K.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

As of July 23, 2021, the Company's directors, executive officers, and principal stockholders beneficially own, directly or indirectly, in the aggregate, approximately 15.8% of its outstanding Class A common stock. These stockholders have significant influence over the Company's business affairs, with the ability to control matters requiring approval by the Company's stockholders.

The following table sets forth as of July 23, 2021, certain information with respect to the beneficial ownership of the Class A common stock as to (i) each person known by the Company to beneficially own more than 5% of the outstanding shares of the Class A common stock, (ii) each of the Company's directors, (iii) each of the Company's Chief Executive Officer and its two other most highly compensated individuals who were serving as executive officers at the end of the Last Fiscal Year, for services rendered in all capacities during the Last Fiscal Year (the "Named Executive Officers"), and (iv) all of the company's directors and executive officers as a group.

### CLASS A COMMON STOCK

Name (a)	Shares Beneficially Owned (b)	
	Number	Percent
Christopher J. McGurk	3,584,073(c)	2.1%
Gary S. Loffredo	537,537(d)	*
Erick Opeka	513,965(e)	*
Peter C. Brown	345,086(f)	*
Tom Bu	113,257	*
Patrick W. O'Brien	378,327	*
Peixin Xu	21,723,009(g)	12.8%
Mingtai Investment LP	9,005,772(h)	5.4%
All directors and executive officers as a group (7 persons)	27,195,254(i)	15.8%

- (a) Unless otherwise indicated, the business address of each person named in the table is c/o Cinedigm Corp., 237 West 35th Street, Suite 605, New York, New York 10001.
- (b) Applicable percentage of ownership is based on 167,800,341 shares of Class A Common Stock outstanding as of July 23, 2021 together with all applicable options, warrants and other securities convertible into shares of our Class A Common Stock for such stockholder. Beneficial ownership is determined in accordance with the rules of the SEC, and includes voting and investment power with respect to shares. Shares of Class A Common Stock subject to options, warrants or other convertible securities exercisable within 60 days after July 23, 2021 are deemed outstanding for computing the percentage ownership of the person holding such options, warrants or other convertible securities, but are not deemed outstanding for computing the percentage of any other person. Except as otherwise noted, the named beneficial owner has the sole voting and investment power with respect to the shares of Class A Common Stock shown. Certain information is based on the numbers of shares reported in the most recent Schedule 13D or Schedule 13G, as amended, as applicable, filed by stockholders with the SEC through July 23, 2021 and information provided by holders or otherwise known to the Company.
- (c) Includes (i) 150,000 shares of Class A common stock underlying currently exercisable options and (ii) 1,950,000 shares of Class A common stock underlying currently exercisable stock appreciation rights.
- (d) Includes 65,000 shares of Class A common stock underlying currently exercisable options and 271,740 shares of Class A common stock underlying currently exercisable stock appreciation rights.
- (e) Includes (i) 12,000 shares of Class A common stock underlying currently exercisable options and (ii) 355,000 shares of Class A common stock underlying currently exercisable stock appreciation rights.
- (f) Includes 92,067 shares owned by Grassmere Partners LLC, of which Mr. Brown is Chairman. Mr. Brown disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.
- (g) Includes (i) 152,255 shares of Class A Common Stock owned directly, (ii) 1,400,000 shares of Class A Common Stock subject to issuance upon exercise of currently exercisable warrants held by Bison Entertainment and Media Group ("BEMG"), (iii) 9,005,772 shares of Class A Common Stock held by Mingtai Investment LP ("Mingtai"), (iv) 3,898,615 shares of Class A Common Stock held by Antai Investment LP ("Antai"), and (v) 7,266,367 shares of Class A Common Stock held by Shangtai Asset Management LP ("Shangtai"). BEMG is wholly-owned by Bison Capital Holding Company Limited. Mr. Xu's spouse, Fengyun Jiang, is the sole owner of Bison Capital Holding Company Limited. Mingtai is indirectly managed by a subsidiary of Bison Finance Group Limited ("BFGL"), which is controlled by Mr. Xu. Shangtai is indirectly managed by a subsidiary of BFGL. Mr. Xu controls the manager of the general partner of Antai. The business address of Mr. Xu is 609-610 21st Century Tower, No. 40 Liangmaqiao Road, Chaoyang District, Beijing, China, 100016.
- (h) The business address of Mingtai Investment LP is 609-610 21st Century Tower, No. 40 Liangmaqiao Road, Chaoyang District, Beijing, China, 100016.
- (i) Includes a total of 4,194,740 shares that are not currently outstanding, consisting of (i) 227,000 shares of Class A common stock underlying currently exercisable options, (ii) 2,567,740 shares of Class A common stock underlying currently exercisable stock appreciation rights, and (iii) 1,400,000 shares of Class A common stock subject to issuance upon exercise of currently exercisable warrants.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Related Party Transactions

The Audit Committee, pursuant to its charter, is responsible for the review and oversight of all related party transactions and other potential conflict of interest situations, by review in advance or ratification afterward. The Audit Committee charter does not set forth specific standards to be applied; rather, the Audit Committee reviews each transaction individually on a case-by-case, facts and circumstances basis.

On July 12, 2019, the Company issued the Bison Convertible Note to Bison Global Investment SPC for and on behalf of Global Investment SPC-Bison Global No. 1 (“Bison Global”), pursuant to which the Company borrowed from Bison Global \$10.0 million. On April 15, 2020, the Company executed a letter amendment to the Bison Convertible Note, which, among other things, amended the Bison Convertible Note, effective as of March 4, 2020, to change the maturity date to March 4, 2021. During the fiscal year ended March 2021, with respect to the Bison Convertible Note, (i) the largest aggregate amount of principal outstanding was \$10.0 million, (ii) no principal was paid, and (iii) no interest was paid. On September 11, 2020, the Bison Convertible Note was converted into 6,666,667 shares of Class A common stock in accordance with its terms, and as of March 31, 2021, no principal amount was outstanding. A subsidiary of Bison Finance Group Limited (“BFGL”), which is controlled by Peixin Xu, one of our directors, acts as manager of Bison Global.

On October 9, 2018, the Company issued the Convertible Note to Mingtai. On October 9, 2019, the Company exercised its option to extend the Convertible Note held by Mingtai for an additional year to October 9, 2020. During the fiscal year ended March 2020, with respect to the Convertible Note, (i) the largest aggregate amount of principal outstanding was \$5,000,000, (ii) no principal was paid, and (iii) no interest was paid. On September 11, 2020, the Convertible Note was converted into 3,333,333 shares of Class A common stock in accordance with its terms, and as of March 31, 2021, no principal amount was outstanding. Mingtai is indirectly managed by a subsidiary of BFGL, which is controlled by Peixin Xu, one of our directors.

On April 10, 2020, the Company entered into the April Stock Purchase Agreement with Bison Global, Huatai Investment LP (“Huatai”), Antai, Mingtai and Shangtai, to buy an aggregate of 223,380,000 outstanding Starrise ordinary shares from them and for the Company to issue to them an aggregate of 29,855,081 shares of Common Stock in consideration therefor. On April 15, 2020, this transaction was consummated. Mingtai is indirectly managed by a subsidiary BFGL, which is controlled by Peixin Xu, one of our directors. BFGL’s subsidiary acts as manager of Bison Global. Shangtai and Huatai are indirectly managed by a subsidiary of BFGL. Peixin Xu controls the manager of the general partner of Antai.

### Director Independence

Please see the discussion of director independence under “MATTERS RELATING TO OUR GOVERNANCE, Board of Directors” starting on page 47 above.

## **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

### **REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Form 10-K, including a discussion of the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed and discussed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited financial statements with the standards of the Public Company Accounting Oversight Board, the matters required to be discussed by Statements on Auditing Standards (SAS 61), as may be modified or supplemented, and their judgments as to the acceptability of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under the standards of the Public Company Accounting Oversight Board.

In addition, the Audit Committee has discussed with the independent registered public accounting firm their independence from management and the Company, including receiving the written disclosures and letter from the independent registered public accounting firm as required by the Independence Standards Board Standard No. 1, as may be modified or supplemented, and has considered the compatibility of any non-audit services with the auditors' independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved, that the audited financial statements be included in the Form 10-K for the year ended March 31, 2021 for filing with the SEC.

Respectfully submitted,

The Audit Committee of the Board of Directors

Peter C. Brown, Chairman  
Tom Bu  
Patrick W. O'Brien

THE FOREGOING AUDIT COMMITTEE REPORT SHALL NOT BE "SOLICITING MATERIAL" OR BE DEEMED "FILED" WITH THE SEC, NOR SHALL SUCH INFORMATION BE INCORPORATED BY REFERENCE INTO ANY FILING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE EXCHANGE ACT, EXCEPT TO THE EXTENT THE COMPANY SPECIFICALLY INCORPORATES IT BY REFERENCE INTO SUCH FILING.

EisnerAmper LLP served as the independent registered public accounting firm to audit the Company's consolidated financial statements since the fiscal year ended March 31, 2005 and the Board has appointed EisnerAmper LLP to do so again for the fiscal year ending March 31, 2022.

The Company's Audit Committee has adopted policies and procedures for pre-approving all non-audit work performed by EisnerAmper LLP for the fiscal years ended March 31, 2021 and 2020. In determining whether to approve a particular audit or permitted non-audit service, the Audit Committee will consider, among other things, whether the service is consistent with maintaining the independence of the independent registered public accounting firm. The Audit Committee will also consider whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service to our Company and whether the service might be expected to enhance our ability to manage or control risk or improve audit quality. Specifically, the Audit Committee has pre-approved the use of EisnerAmper LLP for detailed, specific types of services within the following categories of non-audit services: acquisition due diligence and audit services; tax services; and reviews and procedures that the Company requests EisnerAmper LLP to undertake on matters not required by laws or regulations. In each case, the Audit Committee has required management to obtain specific pre-approval from the Audit Committee for any engagements.

The aggregate fees billed for professional services by EisnerAmper LLP for these various services were:

<b>Type of Fees</b>	<b>For the fiscal years ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
(1) Audit Fees	\$ 492,000	\$ 315,000
(2) Audit-Related Fees	—	—
(3) Tax Fees	—	—
(4) All Other Fees	—	—
	<u>\$ 492,000</u>	<u>\$ 315,000</u>

In the above table, in accordance with the SEC’s definitions and rules, “audit fees” are fees the Company paid EisnerAmper LLP for professional services for the audit of the Company’s consolidated financial statements for the fiscal years ended March 31, 2021 and 2020 included in Form 10-K and review of consolidated financial statements incorporated by reference into Form S-3 and Form S-8 and included in Form 10-Qs and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements; “audit-related fees” are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s consolidated financial statements; “tax fees” are fees for tax compliance, tax advice and tax planning; and “all other fees” are fees for any services not included in the first three categories. All of the services set forth in sections (1) through (4) above were approved by the Audit Committee in accordance with the Audit Committee Charter.

For the fiscal years ended March 31, 2021 and 2020, the Company retained a firm other than EisnerAmper LLP for tax compliance, tax advice and tax planning.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a)(1) Financial Statements

See Index to Financial Statements on page 42 herein.

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

The exhibits are listed in the Exhibit Index beginning on page 70 herein.

## EXHIBIT INDEX

Exhibit Number	Description of Document
3.1	- <a href="#">Fifth Amended and Restated Certificate of Incorporation of the Company. (46)</a>
3.2	- <a href="#">Amended and Restated Bylaws of the Company, as amended. (19)</a>
4.1	- <a href="#">Specimen certificate representing Class A common stock. (1)</a>
4.2	- <a href="#">Specimen certificate representing Series A Preferred Stock. (7)</a>
4.3	- <a href="#">Limited Recourse Pledge Agreement, dated as of February 28, 2013, made by Cinedigm Digital Cinema Corp. in favor of Prospect Capital Corporation, as Collateral Agent. (16)</a>
4.4	- <a href="#">Guaranty, Pledge and Security Agreement, dated as of February 28, 2013, made by Cinedigm DC Holdings, LLC, Access Digital Media, Inc. and Access Digital Cinema Phase 2, Corp., in favor of Prospect Capital Corporation, as Collateral Agent. (16)</a>
4.5	- <a href="#">Limited Recourse Guaranty Agreement, dated as of February 28, 2013, made by Cinedigm Digital Cinema Corp. in favor of Prospect Capital Corporation, as Collateral Agent and as Administrative Agent. (16)</a>
4.6	- <a href="#">Promissory Note dated April 10, 2020. (58)</a>
4.7	- <a href="#">Note issued on October 9, 2018. (37)</a>
4.8	- <a href="#">Guaranty Agreement, dated as of July 14, 2016, among the Guarantors and in favor of Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (24)</a>
4.9	- <a href="#">Second Lien Security Agreement, dated as of July 14, 2016, among the Company, Loan Parties signatory thereto, certain Subsidiaries of the Company and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (24)</a>
4.10	- <a href="#">Warrant issued on July 14, 2016. (24)</a>
4.11	- <a href="#">Security Agreement, dated as of October 18, 2011, among CDF2 Holdings, LLC and each Grantor from time to time party thereto and Société Générale, New York Branch, as Collateral Agent for CHG-Meridian U.S. Finance, Ltd. And any other CHG Lease Participants. (14)</a>
4.12	- <a href="#">Form of Warrant issued on December 23, 2016. (26)</a>
4.13	- <a href="#">Warrant issued on December 29, 2017. (33)</a>
4.14	- <a href="#">Trademark Security Agreement dated as of March 30, 2018 by and between the Company and East West Bank. (34)</a>
4.15	- <a href="#">Trademark Security Agreement dated as of March 30, 2018 by and between Cinedigm Entertainment Corp. and East West Bank. (34)</a>
4.16	- <a href="#">Trademark Security Agreement dated as of March 30, 2018 by and between Vistachiara Productions, Inc. and East West Bank. (34)</a>
4.17	- <a href="#">Copyright Security Agreement dated as of March 30, 2018 by and between the Company and East West Bank. (34)</a>
4.18	- <a href="#">Copyright Security Agreement dated as of March 30, 2018 by and between Cinedigm Home Entertainment, LLC and East West Bank. (34)</a>
4.19	- <a href="#">Copyright Security Agreement dated as of March 30, 2018 by and between Cinedigm Entertainment Corp. and East West Bank. (34)</a>
4.20	- <a href="#">Copyright Security Agreement dated as of March 30, 2018 by and between Vistachiara Productions, Inc. and East West Bank. (34)</a>
4.21	- <a href="#">Patent Security Agreement dated as of March 30, 2018 by and between the Company and East West Bank. (34)</a>
4.22	- <a href="#">Description of Securities*</a>
4.23	- <a href="#">Convertible Subordinated Promissory Note dated July 12, 2019. (39)</a>
4.23.1	- <a href="#">Letter Amendment dated April 15, 2020 by and between Bison Global Investment SPC for and on behalf of Global Investment SPC-Bison Global No. 1 SP and Cinedigm Corp. (43)</a>
4.24	- <a href="#">Trademark Security Agreement dated as of July 3, 2019 by and between Comic Blitz II LLC and East West Bank. (39)</a>
10.1	- <a href="#">Second Lien Loan Agreement, dated as of July 14, 2016, among the Company, the lenders party thereto and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (24)</a>
10.1.1	- <a href="#">First Amendment to Second Lien Loan Agreement, dated as of August 4, 2016, among the Company, the lender party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent. (23)</a>
10.1.2	- <a href="#">Second Amendment to Second Lien Loan Agreement, dated as of October 7, 2016, among the Company, the lenders party thereto and Cortland Capital Market Services LLC, as Administrative and Collateral Agent. (20)</a>
10.1.3	- <a href="#">Third Amendment to Second Lien Loan Agreement, dated as of March 31, 2017, among the Company, the lenders party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent. (28)</a>

<b>Exhibit Number</b>	<b>Description of Document</b>
10.1.4	- <a href="#">Consent dated June 28, 2019 to Second Lien Loan Agreement among the Company, the lenders party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent. (39)</a>
10.1.5	- <a href="#">Consent dated June 26, 2020 to Second Lien Loan Agreement among the Company, the lenders party thereto and Cortland Capital Market Services Inc. as Administrative and Collateral Agent. (49)</a>
10.2†	- <a href="#">Second Amended and Restated 2000 Equity Incentive Plan of the Company. (3)</a>
10.2.1†	- <a href="#">Amendment dated May 9, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (5)</a>
10.2.2†	- <a href="#">Form of Notice of Restricted Stock Award. (3)</a>
10.2.3†	- <a href="#">Form of Non-Statutory Stock Option Agreement. (4)</a>
10.2.4†	- <a href="#">Form of Restricted Stock Unit Agreement (employees). (5)</a>
10.2.5†	- <a href="#">Form of Stock Option Agreement. (2)</a>
10.2.6†	- <a href="#">Form of Restricted Stock Unit Agreement (directors). (5)</a>
10.2.7†	- <a href="#">Amendment No. 2 dated September 4, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (6)</a>
10.2.8†	- <a href="#">Amendment No. 3 dated September 30, 2009 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (8)</a>
10.2.9†	- <a href="#">Amendment No. 4 dated September 14, 2010 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (12)</a>
10.2.10†	- <a href="#">Amendment No. 5 dated April 20, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (13)</a>
10.2.11†	- <a href="#">Amendment No. 6 dated September 12, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (15)</a>
10.2.12†	- <a href="#">Amendment No. 7 dated September 16, 2014 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (18)</a>
10.2.13†	- <a href="#">Amendment No. 8 dated September 8, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (21)</a>
10.2.14†	- <a href="#">Amendment No. 9 dated September 27, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (22)</a>
10.3†	- <a href="#">Cinedigm Corp. Management Incentive Award Plan. (9)</a>
10.4†	- <a href="#">Form of Indemnification Agreement for non-employee directors. (10)</a>
10.5†	- <a href="#">2017 Equity Incentive Plan of the Company. (29)</a>
10.5.1†	- <a href="#">Form of Notice of Incentive Stock Option Grant. (30)</a>
10.5.2†	- <a href="#">Form of Notice of Option Grant. (30)</a>
10.5.3†	- <a href="#">Form of Notice of Restricted Stock Award. (30)</a>
10.5.4†	- <a href="#">Form of Notice of Restricted Stock Unit Award. (30)</a>
10.5.5†	- <a href="#">Form of Notice of Performance-Based Restricted Stock Award. (32)</a>
10.5.6†	- <a href="#">Form of Notice of Stock Appreciation Right Grant (revised). (36)</a>
10.5.7†	- <a href="#">Amendment No. 1 to the 2017 Equity Incentive Plan. (42)</a>
10.5.8†	- <a href="#">Amendment No. 2 to the 2017 Equity Incentive Plan. (54)</a>
10.5.9†	- <a href="#">Amendment No. 3 to the 2017 Equity Incentive Plan. (55)</a>
10.6	- <a href="#">Registration Rights Agreement, dated as of August 4, 2016, among the Company and the holders party thereto. (23)</a>
10.7	- <a href="#">Term Loan Agreement, dated as of February 28, 2013, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., the Guarantors party thereto, the Lenders party thereto and Prospect Capital Corporation as Administrative Agent and Collateral Agent. (16) (Confidential treatment granted under Rule 24b-2 as to certain portions which are omitted and filed separately with the SEC.)</a>
10.7.1	- <a href="#">Amendment No. 1, dated as of August 12, 2013, to Term Loan Agreement dated February 28, 2013 by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., the Guarantors party thereto, the Lenders party thereto and Prospect Capital Corporation as Administrative Agent and Collateral Agent.*</a>
10.7.2	- <a href="#">Omnibus Joinder, Amendment No. 2 to Term Loan Agreement and Amendment No. 1 to Guaranty, Pledge and Security Agreement, dated as of July 12, 2017, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., Christie/AIX, Inc., Cinedigm Digital Funding I, LLC, the Lenders party thereto and Prospect Capital Corporation as Administrative Agent and Collateral Agent.*</a>
10.7.3	- <a href="#">Amendment No. 3, dated as of March 4, 2021, to Term Loan Agreement dated February 28, 2013 by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp., the Guarantors party thereto, the Lenders party thereto and Prospect Capital Corporation as Administrative Agent and Collateral Agent.*</a>



<b>Exhibit Number</b>	<b>Description of Document</b>
10.8	- <a href="#">Equipment Purchase Agreement dated March 26, 2021 between Cinedigm Digital Funding I, LLC and American Multi-Cinema, Inc.*</a>
10.9	- <a href="#">Equipment Purchase Agreement dated March 26, 2021 between Access Digital Cinema Phase 2, Corp., Access Digital Cinema Phase 2 B/AIX Corp. and American Multi-Cinema, Inc.*</a>
10.10	- <a href="#">Strategic Advisor Agreement between Cinedigm Corp. and Ronald L. Chez dated as of April 3, 2017. (27)</a>
10.11	- <a href="#">Lease for 15301 Ventura Boulevard, Sherman Oaks, CA, dated as of January 4, 2017 between Douglas Emmett 2016 and Cinedigm Corp. (28)</a>
10.12†	- <a href="#">Amended and Restated Employment Agreement between Cinedigm Digital Cinema Corp. and Christopher J. McGurk dated as of August 22, 2013. (17)</a>
10.12.1†	- <a href="#">Amendment to Amended and Restated Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of January 4, 2017. (25)</a>
10.12.2†	- <a href="#">Amendment No. 2 to Amended and Restated Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of June 7, 2018. (35)</a>
10.12.3†	- <a href="#">Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of November 19, 2020. (47)</a>
10.12.4†	- <a href="#">Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of December 10, 2020. (48)</a>
10.13†	- <a href="#">Stock Option Agreement between Cinedigm Digital Cinema Corp. and Christopher J. McGurk dated as of December 23, 2010. (11)</a>
10.14	- <a href="#">Multiparty Agreement, dated as of October 18, 2011, among Cinedigm Digital Funding 2, LLC, as Borrower, Access Digital Cinema Phase 2, Corp., CDF2 Holdings, LLC, Cinedigm Digital Cinema Corp., CHG-MERIDIAN U.S. Finance, Ltd., Société Générale, New York Branch, as Senior Administrative Agent and Ballantyne Strong, Inc., as Approved Vendor. (14)</a>
10.15	- <a href="#">Master Equipment Lease No. 8463, effective as of October 18, 2011, by and between CHG- MERIDIAN U.S. Finance, Ltd. And CDF2 Holdings, LLC. (14)</a>
10.16	- <a href="#">Master Equipment Lease No. 8465, effective as of October 18, 2011, by and between CHG-MERIDIAN U.S. Finance, Ltd. And CDF2 Holdings, LLC. (14)</a>
10.17	- <a href="#">Sale and Leaseback Agreement, dated as of October 18, 2011, by and between CDF2 Holdings, LLC and CHG-MERIDIAN U.S. Finance, Ltd. (14)</a>
10.18	- <a href="#">Registration Rights Agreement, dated as of November 1, 2017, between the Company and the purchasers listed on Schedule I therein. (31)</a>
10.19	- <a href="#">Form of Voting Agreement. (31)</a>
10.20	- <a href="#">Loan, Security and Guaranty Agreement, dated as of March 30, 2018, by and between the Company, East West Bank and the Guarantors named therein. (34)</a>
10.20.1	- <a href="#">Amendment No. 2 to Loan, Guaranty and Security Agreement dated as of July 3, 2019 by and between the Company, East West Bank and the Guarantors named therein. (39)</a>
10.20.2	- <a href="#">Amendment No. 3 to Loan, Guaranty and Security Agreement dated as of July 31, 2019 by and among the Company, East West Bank and the Guarantors named therein. (41)</a>
10.20.3	- <a href="#">Amendment No. 4 to Loan, Guaranty and Security Agreement dated as of June 25, 2020 by and between the Company, East West Bank and the Guarantors named therein. (49)</a>
10.21†	- <a href="#">Employment Agreement between Cinedigm Corp. and Gary S. Loffredo dated as of October 13, 2013. (38)</a>
10.21.1†	- <a href="#">Letter of Promotion between Cinedigm Corp. and Gary S. Loffredo dated as of February 28, 2019.(40)</a>
10.21.2†	- <a href="#">Employment Agreement between Cinedigm Corp. and Gary S. Loffredo dated as of December 23, 2020. (50)</a>
10.22†	- <a href="#">Employment Agreement between Cinedigm Corp. and Erick Opeka dated as of September 15, 2018. (40)</a>
10.22.1†	- <a href="#">Employment Agreement between Cinedigm Corp. and Erick Opeka dated as of December 23, 2020. (50)</a>
10.23	- <a href="#">Securities Purchase Agreement dated February 2, 2021 between Cinedigm Corp. and Ionic Ventures, LLC. (51)</a>
10.24	- <a href="#">Support Letter dated July 10, 2019 from Bison Entertainment and Media Group. (40)</a>
10.25	- <a href="#">Exchange Agreement dated as of January 21, 2021 between Cinedigm Corp. and Wolverine Flagship Fund Trading Limited. (52)</a>
10.26	- <a href="#">Exchange Agreement dated as of December 4, 2020 among Cinedigm Corp. and Byline Bank f/k/a First Bank &amp; Trust as Custodian of the Ronald L. Chez IRA #1073. (53)</a>
10.27	- <a href="#">Stock Purchase Agreement dated April 10, 2020, among Cinedigm Corp., Bison Global Investment SPC - Bison Global No. 1 SP, Huatai Investment LP, Antai Investment LP, Mingtai Investment LP and Shangtai Asset Management LP (43)</a>

<b>Exhibit Number</b>	<b>Description of Document</b>
10.28	- <a href="#">Securities Purchase Agreement dated May 20, 2020. (44)</a>
10.29	- <a href="#">Support Letter dated June 29, 2020 from Bison Entertainment and Media Group. (49)</a>
10.30	- <a href="#">Exchange Agreement dated as of June 24, 2020 among Cinedigm Corp. and BlueMountain Global Volatility Master Fund L.P., BlueMountain Logan Opportunities Master Fund L.P., Blue Mountain Credit Alternatives Master Fund L.P., BlueMountain Monteners Master Fund SCA SICAV-SIF, and BlueMountain Foinaven Master Fund L.P. (45)</a>
10.31	- <a href="#">Exchange Agreement dated as of December 4, 2020 among Cinedigm Corp., Lotus Investors LLC, Hedy Klineman Marital Trust, UVE Partners, LLC, and Hudson Asset Partners LLC. (53)</a>
10.32	- <a href="#">Securities Purchase Agreement dated July 16, 2020 among Cinedigm Corp., Anson Investments Master Fund LP, Anson East Master Fund LP and CVI Investments, Inc. (56)</a>
10.33	- <a href="#">Sales Agreement, dated July 6, 2020, by and between Cinedigm Corp., A.G.P./Alliance Global Partners and B. Riley FBR, Inc. (57)</a>
21.1	- <a href="#">List of Subsidiaries.*</a>
23.1	- <a href="#">Consent of EisnerAmper LLP.*</a>
24.1	- <a href="#">Powers of Attorney.* (Contained on signature page)</a>
31.1	- <a href="#">Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</a>
31.2	- <a href="#">Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</a>
32.1	- <a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>
32.2	- <a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>

\* Filed herewith.

† Management compensatory arrangement.

Documents Incorporated Herein by Reference:

- (1) Previously filed with the Securities and Exchange Commission on November 4, 2003 as an exhibit to the Company's Amendment No. 3 to Registration Statement on Form SB-2 (File No. 333-107711).
- (2) Previously filed with the Securities and Exchange Commission on April 25, 2005 as an exhibit to the Company's Registration Statement on Form S-8 (File No. 333-124290).
- (3) Previously filed with the Securities and Exchange Commission on September 24, 2007 as an exhibit to the Company's Form 8-K (File No. 000-51910).
- (4) Previously filed with the Securities and Exchange Commission on April 3, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
- (5) Previously filed with the Securities and Exchange Commission on May 14, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
- (6) Previously filed with the Securities and Exchange Commission on September 10, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
- (7) Previously filed with the Securities and Exchange Commission on February 9, 2009 as an exhibit to the Company's Form 8-K (File No. 000-51910).
- (8) Previously filed with the Securities and Exchange Commission on October 6, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (9) Previously filed with the Securities and Exchange Commission on October 27, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).

- (10) Previously filed with the Securities and Exchange Commission on September 21, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (11) Previously filed with the Securities and Exchange Commission on January 3, 2011 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (12) Previously filed with the Securities and Exchange Commission on September 16, 2010 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (13) Previously filed with the Securities and Exchange Commission on April 24, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (14) Previously filed with the Securities and Exchange Commission on October 24, 2011 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (15) Previously filed with the Securities and Exchange Commission on September 14, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (16) Previously filed with the Securities and Exchange Commission on March 4, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (17) Previously filed with the Securities and Exchange Commission on August 28, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (18) Previously filed with the Securities and Exchange Commission on September 17, 2014 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (19) Previously filed with the Securities and Exchange Commission on August 12, 2015 as an exhibit to the Company's Form 10-Q for the quarter ended June 30, 2015 (File No. 001-31810).
- (20) Previously filed with the Securities and Exchange Commission on November 7, 2016 as an exhibit to the Company's Registration Statement on Form S-1 (File No. 333-214486).
- (21) Previously filed with the Securities and Exchange Commission on September 8, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (22) Previously filed with the Securities and Exchange Commission on September 28, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (23) Previously filed with the Securities and Exchange Commission on August 15, 2016 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
- (24) Previously filed with the Securities and Exchange Commission on July 19, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (25) Previously filed with the Securities and Exchange Commission on January 10, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (26) Previously filed with the Securities and Exchange Commission on December 23, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (27) Previously filed with the Securities and Exchange Commission on April 7, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).

- (28) Previously filed with the Securities and Exchange Commission on June 29, 2017 as an exhibit to the Company's Form 10-K (File No. 001-31810).
- (29) Previously filed with the Securities and Exchange Commission on September 1, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (30) Previously filed with the Securities and Exchange Commission on October 2, 2017 as an exhibit to the Company's Registration Statement on Form S-8 (File No. 333-220773).
- (31) Previously filed with the Securities and Exchange Commission on November 6, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (32) Previously filed with the Securities and Exchange Commission on November 16, 2017 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
- (33) Previously filed with the Securities and Exchange Commission on January 2, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (34) Previously filed with the Securities and Exchange Commission on April 4, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (35) Previously filed with the Securities and Exchange Commission on June 11, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (36) Previously filed with the Securities and Exchange Commission on December 7, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (37) Previously filed with the Securities and Exchange Commission on October 12, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (38) Previously filed with the Securities and Exchange Commission on October 17, 2013 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (39) Previously filed with the Securities and Exchange Commission on July 15, 2019 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (40) Previously filed with the Securities and Exchange Commission on July 16, 2019 as an exhibit to the Company's Form 10-K (File No. 001-31810).
- (41) Previously filed with the Securities and Exchange Commission on August 26, 2019 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (42) Previously filed with the Securities and Exchange Commission on December 5, 2019 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (43) Previously filed with the Securities and Exchange Commission on April 16, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (44) Previously filed with the Securities and Exchange Commission on May 21, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (45) Previously filed with the Securities and Exchange Commission on June 26, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (46) Previously filed with the Securities and Exchange Commission on November 16, 2020 as an exhibit to the Company's Form 10-Q (File No. 001-31810).

- (47) Previously filed with the Securities and Exchange Commission on November 23, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (48) Previously filed with the Securities and Exchange Commission on December 16, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (49) Previously filed with the Securities and Exchange Commission on July 6, 2020 as an exhibit to the Company's Form 10-K (File No. 001-31810).
- (50) Previously filed with the Securities and Exchange Commission on December 30, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (51) Previously filed with the Securities and Exchange Commission on February 3, 2021 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (52) Previously filed with the Securities and Exchange Commission on February 22, 2021 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
- (53) Previously filed with the Securities and Exchange Commission on December 7, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (54) Previously filed with the Securities and Exchange Commission on September 4, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (55) Previously filed with the Securities and Exchange Commission on October 26, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (56) Previously filed with the Securities and Exchange Commission on July 16, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
- (57) Previously filed with the Securities and Exchange Commission on July 6, 2020 as an exhibit to the Company's Registration Statement on Form S-3 (File No. 333-239710).
- (58) Previously filed with the Securities and Exchange Commission on August 14, 2020 as an exhibit to the Company's Form 10-Q (File No. 001-31810).

## 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.

### CINEDIGM CORP.

Date: July 29, 2021

By: /s/ Christopher J. McGurk  
Christopher J. McGurk  
Chief Executive Officer and  
Chairman of the Board of Directors  
(Principal Executive Officer)

Date: July 29, 2021

By: /s/ Gary S. Loffredo  
Gary S. Loffredo  
President, Chief Operating Officer,  
General Counsel and Secretary  
(Principal Financial Officer)

### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Christopher J. McGurk and Gary S. Loffredo, and each of them individually, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments to this Report together with all schedules and exhibits thereto, (ii) act on, sign and file with the Securities and Exchange Commission any and all exhibits to this Report and any and all exhibits and schedules thereto, (iii) act on, sign and file any and all such certificates, notices, communications, reports, instruments, agreements and other documents as may be necessary or appropriate in connection therewith and (iv) take any and all such actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, and hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact, any of them or any of his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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.

<u>SIGNATURE(S)</u>	<u>TITLE(S)</u>	<u>DATE</u>
<u>/s/ Christopher J. McGurk</u> Christopher J. McGurk	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	July 29, 2021
<u>/s/ Gary S. Loffredo</u> Gary S. Loffredo	President, Chief Operating Officer, General Counsel and Secretary (Principal Financial Officer and Principal Accounting Officer)	July 29, 2021
<u>/s/ Peter C. Brown</u> Peter C. Brown	Director	July 29, 2021
<u>Tom Bu</u>	Director	
<u>/s/ Patrick O'Brien</u> Patrick O'Brien	Director	July 29, 2021
<u>Peixin Xu</u>	Director	

## DESCRIPTION OF SECURITIES

**Authorized and Outstanding Capital Stock**

The following description of Cinedigm Corp.'s common stock and provisions of our certificate of incorporation and bylaws are summaries and are qualified by reference to our certificate of incorporation and bylaws, which have been incorporated by reference as exhibits to the Annual Report on Form 10-K to which this Description of Securities is an exhibit.

Our authorized capital stock consists of 200,000,000 shares of Class A common stock, par value \$0.001 per share (the "Class A common stock"), and 15,000,000 shares of preferred stock, par value \$0.001 per share, of which 20 shares are authorized as Series A 10% Non-Voting Cumulative Preferred Stock (the "Series A Preferred Stock").

As of March 31, 2021, there were 166,228,220 shares of Class A common stock outstanding, and 7 shares of Series A Preferred Stock were outstanding.

**Description of Common Stock**

*Voting Rights.* Holders of Class A common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders.

Holders of a majority of our outstanding shares of Class A common stock present or represented by proxy at any meeting of our stockholders constitute a quorum.

*Dividends; Liquidation; Preemptive Rights.* Holders of Class A common stock are entitled to receive dividends only if, as and when declared by our board of directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding-up, holders of Class A common stock are entitled, subject to any priorities due to any holders of our preferred stock, ratably to share in all assets remaining after payment of our liabilities. Holders of Class A common stock have no preemptive rights nor any other rights to subscribe for shares or securities convertible into or exchangeable for shares of Class A common stock.

Our Class A common stock is traded on Nasdaq under the symbol "CIDM."

**Description of Warrants**

The following table presents information on outstanding warrants to purchase shares of our Class A common stock as of March 31, 2021. All of the outstanding warrants are fully vested and exercisable.

	<b>Amount Outstanding</b>	<b>Expiration</b>	<b>Exercise Price Per Share</b>
Warrants issued to a strategic management service provider	35,000	July 2021	\$ 17.30
	17,500	July 2021	\$ 30.00
Warrants issued in connection with exchanges of convertible notes	246,019	December 2021	\$ 1.30
Warrants issued in connection with a term loan agreement	1,400,000	December 2022	\$ 1.80

All of such warrants provide for adjustment upon a stock split, stock dividend, or stock reclassification. The warrants expiring in December 2021 provide for customary anti-dilution rights.

## **Preferred Stock**

Our Board of Directors is authorized, subject to any limitations prescribed by law, without further stockholder approval, to issue from time to time up to an aggregate of 15,000,000 shares of our preferred stock, in one or more series. The Series A Preferred Stock may be redeemed by the Company at any time after the second anniversary of the date such shares were issued in cash or, at the Company's option if certain conditions are met, in shares of Class A common stock. The holders of Series A Preferred Stock are entitled to receive cumulative dividends from the date of issuance at an annual rate of 10% of the original issue price. Such dividends shall be payable in arrears in cash or, at the Company's option, in shares of Class A common stock if certain conditions are met, quarterly on the last day of each calendar quarter, until such shares of Preferred Stock are redeemed.

Each other series of preferred stock to be issued, if any, will have such number of shares, designations, preferences, powers and qualifications and special or relative rights or privileges as will be determined by our board of directors, which may include, among others, dividend rights, voting rights, redemption and sinking fund provisions, liquidation preferences, conversion rights and preemptive rights. The rights of the holders of our common stock will be subject to the rights of holders of any preferred stock outstanding and issued in the future. The issuance of preferred stock, while providing desirable flexibility in connection with the possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of our outstanding voting stock.

## **Anti-Takeover Effects of Delaware Law; Our Certificate of Incorporation and Our Bylaws**

Delaware law, our certificate of incorporation and our bylaws contain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board.

*No Cumulative Voting.* Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our Fifth Amended and Restated Certificate of Incorporation does not grant shareholders the right to vote cumulatively.

*Blank Check Preferred Stock.* We believe that the availability of the preferred stock under our Fifth Amended and Restated Certificate of Incorporation provides us with flexibility in addressing corporate issues that may arise. Having these authorized shares available for issuance will allow us to issue shares of preferred stock without the expense and delay of a special stockholders' meeting. The authorized shares of preferred stock, as well as shares of Class A common stock, will be available for issuance without further action by our stockholders, with the exception of any actions required by applicable law or the rules of any stock exchange on which our securities may be listed. Our Board of Directors will have the power, subject to applicable law, to issue classes or series of preferred stock that could, depending on the terms of the class or series, impede the completion of a merger, tender offer or other takeover attempt.

*Stockholder Action by Written Consent.* Our Fifth Amended and Restated Certificate of Incorporation provides that any action required or permitted to be taken at any annual or special meeting of our stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, are signed by the holders of outstanding capital stock of having not less than the minimum number of votes necessary to authorize such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted.

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## AMENDMENT NO. 1 TO TERM LOAN AGREEMENT

AMENDMENT NO. 1 TO TERM LOAN AGREEMENT dated as of August 12, 2013 (this "Amendment") among CINEDIGM DC HOLDINGS, LLC, a Delaware limited liability company (the "Borrower"), ACCESS DIGITAL MEDIA, INC., a Delaware corporation ("Access"), ACCESS DIGITAL CINEMA PHASE 2, CORP., a Delaware corporation ("Access Phase 2," and together with Access, the "Guarantors"), the Lenders, and PROSPECT CAPITAL CORPORATION, a Maryland corporation ("Prospect"), as Administrative Agent and Collateral Agent. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement (as defined below).

WHEREAS, the Borrower, the Guarantors, the Lenders (including Prospect), and Prospect as Administrative Agent and as Collateral Agent, entered into the Term Loan Agreement dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Loan Agreement") and have agreed that the Loan Agreement shall be amended as set forth herein.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1 Amendments. The Loan Agreement is hereby amended as follows:

(a) Section 1.01 of the Loan Agreement is hereby amended by adding thereto the following defined terms in their proper alphabetical places:

"Alternate Rate" means the sum of the Prime Rate plus the Margin, minus the lesser of (x) one percent (1.00%) and (y) the difference between the Prime Rate and the last available LIBOR Rate.

"Prime Rate" means the prime rate of interest that under current practice is listed as such under the heading "Money Rates" in the Eastern Edition of *The Wall Street Journal*.

(b) Section 2.05(a)(i) of the Loan Agreement is hereby amended by deleting it in its entirety, and replacing it with the following in lieu thereof:

"(i) the greater of (x) the Fixed Rate and (y) the LIBOR Rate in effect hereunder from time to time, in each case plus the Margin; plus"

(c) Section 2.06(a) of the Loan Agreement is hereby amended by deleting from the final paragraph thereof the words "Fixed Rate", and replacing them with the words "Alternate Rate" in lieu thereof.

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(d) Clause (B) of Section 7.01(c) of the Loan Agreement is hereby amended by inserting at the present end thereof the following proviso:

“; except that, for the Fiscal Year ended March 31, 2013, such Consolidated Financial Statements, to be furnished not later than September 1, 2013 or such other date acceptable to the Administrative Agent in its sole discretion, shall consist only of (1) the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such Fiscal Year, prepared in accordance with GAAP, together with a certification by the Accountants that (i) such Consolidated balance sheet fairly presents in all material respects the Consolidated financial position of the Borrower and its Subsidiaries as at the dates indicated and for the periods indicated therein in accordance with GAAP without qualification as to the scope of the audit or as to going concern and without any other similar qualification and (ii) in the course of the regular audit of the businesses of the Borrower and its Subsidiaries, which audit was conducted in accordance with the standards of the United States’ Public Company Accounting Oversight Board (or any successor entity), such Accountants have obtained no knowledge that a financial related Default has occurred and is continuing or, if in the opinion of the Accountants such a Default has occurred and is continuing, a statement as to the nature thereof (which certification with respect to clause (ii) may be limited or omitted to the extent required by accounting rules or guidelines) and (2) the Consolidated unaudited statements of income and cash flow of the Borrower and its Subsidiaries for the period beginning March 1, 2013 and ending March 31, 2013, in each case certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the results of operations and cash flow of the Borrower and its Subsidiaries as at the dates indicated and for the period indicated in accordance with GAAP (subject to the absence of footnote disclosure and normal year-end audit adjustments).”

(e) Section 7.13(a) of the Loan Agreement is hereby amended by inserting in the first sentence thereof the phrase “or by such later date as determined by the Administrative Agent in its sole discretion” after the phrase “Closing Date”.

(f) Section 7.16(b)(i) of the Loan Agreement is hereby amended by deleting the second to last sentence thereof in its entirety, and replacing it with the following in lieu thereof:

“No more than thirty (30) days after the Closing Date or by such later date as determined by the Administrative Agent in its sole discretion, the Borrower shall enter into an Account Control Agreement with the applicable Deposit Bank and the Collateral Agent which provides for the Collateral Agent’s exclusive control over all cash collections and deposits received in the Borrower Collection Account upon delivery to the Deposit Bank of a Notice of Exclusive Control.”

(g) Section 7.16(b)(ii) of the Loan Agreement is hereby amended by deleting the fourth to last sentence thereof in its entirety, and replacing it with the following in lieu thereof:

“No more than thirty (30) days after the Closing Date or by such later date as determined by the Administrative Agent in its sole discretion, the Borrower shall enter into an Account Control Agreement with the applicable Deposit Bank and the Collateral Agent which provides for the Collateral Agent’s exclusive control over all cash collections and deposits received in the Borrower Operating Account upon delivery to the Deposit Bank of a Notice of Exclusive Control.”

(h) Section 7.16(c) of the Loan Agreement is hereby amended by inserting in the second sentence thereof the phrase “or by such later date as determined by the Administrative Agent in its sole discretion” after the phrase “Closing Date”.

SECTION 2 Limitation of Amendments. The amendments contained in Section 1 hereof are each effective only for the express purposes set forth therein, shall be limited precisely as written, shall not be deemed to be a waiver, amendment or other modification of any other term or condition of the Loan Agreement or any other Loan Document, and shall not prejudice any right or remedy which any Agent or any Lender may now have or may have in the future under or in connection with the Loan Agreement or any other Loan Document.

SECTION 3 Loan Agreement in Full Force and Effect. Except as otherwise expressly provided in this Amendment, the Loan Agreement and the other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed in all respects. From and after the date hereof, each reference in the Loan Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import, and each reference to the Loan Agreement in any other Loan Document shall mean and be a reference to the Loan Agreement to the extent modified by this Amendment.

SECTION 4 Representations and Warranties. The Borrower and each of the Guarantors hereby represents and warrants to the Agents and the Lenders as follows: (i) each such Person is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (ii) the execution, delivery and performance of this Amendment by each such Person are within such Person’s corporate, company or similar powers, have been duly authorized by all necessary corporate or similar action, and do not (w) contravene its Constituent Documents, (x) violate any Applicable Law, (y) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material Contractual Obligation other than those that would not, in the aggregate, have a Material Adverse Effect, or (z) require any Permit of, or filing with, any Governmental Authority or any consent of, or notice to, any Person; (iii) this Amendment has been duly executed and delivered by such Person; and (iv) this Amendment constitutes such Person’s legal, valid and binding obligation, enforceable against such Person in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and the effects of general principles of equity.

SECTION 5 Reaffirmations.

(a) The Borrower hereby (i) agrees that, except as expressly provided herein, this Amendment shall not limit or diminish the obligations of the Borrower under the Loan Agreement or any other Loan Document, (ii) reaffirms its obligations under the Loan Agreement (as expressly modified hereby) and each of the Loan Documents to which it is a party, (iii) agrees that the Loan Agreement (as expressly modified hereby) and each such Loan Document (including, without limitation, the Security Agreement) remains in full force and effect and is hereby ratified and confirmed, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Borrower's liability to repay the Obligations or to seek affirmative relief or damages of any kind or nature from any Secured Party.

(b) Each Guarantor (i) reaffirms its obligations under the Security Agreement and each of the other Loan Documents to which it is a party, (ii) acknowledges and agrees that the Security Agreement and each of the other Loan Documents to which it is a party is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Obligations guaranteed by the Guarantors in the Security Agreement, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Obligations guaranteed by the Guarantors in the Security Agreement or to seek affirmative relief or damages of any kind or nature from any Secured Party.

SECTION 6 Miscellaneous.

(a) This Amendment may be executed in any number of counterparts (including by facsimile or other electronic means of transmission), and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument but all of which together shall constitute one and the same agreement.

(b) The descriptive headings of the various sections of this Amendment are inserted for convenience of reference only and shall not affect the meaning or construction of any of the provisions hereof or thereof.

(c) This Amendment may not be changed, amended, restated, waived, supplemented, discharged, canceled, terminated or otherwise modified orally or by any course of dealing or in any manner other than as provided in the Loan Agreement with respect to Loan Documents generally. This Amendment shall be considered a "Loan Document" for all purposes under the Loan Agreement and the other Loan Documents.

(d) This Amendment, the Loan Agreement and the other Loan Documents constitute the final, entire agreement and understanding among the parties with respect to the subject matter hereof and thereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements between the parties, and shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and thereto. There are no unwritten oral agreements between the parties with respect to the subject matter hereof and thereof.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE CHOICE OF LAW PROVISIONS SET FORTH IN SECTION 11.13 OF THE LOAN AGREEMENT. ARTICLE XII OF THE LOAN AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE, AND SHALL APPLY TO THIS AMENDMENT *MUTADIS MUTANDIS* AS IF FULLY SET FORTH HEREIN.

(f) This Amendment shall be binding upon the parties hereto and their respective successors and assigns. Neither the Borrower nor the Guarantors may assign, delegate or transfer this Amendment or any of their respective rights or obligations hereunder. No rights are intended to be created under this Amendment for the benefit of any third party.

[signatures begin on next page]

IN WITNESS WHEREOF, each of the parties has duly executed this Amendment as of the day and year first above written.

BORROWER:

CINEDIGM DC HOLDINGS, LLC

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

GUARANTORS:

ACCESS DIGITAL MEDIA, INC.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

ACCESS DIGITAL CINEMA PHASE 2, CORP.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

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ADMINISTRATIVE AGENT AND COLLATERAL AGENT:

PROSPECT CAPITAL CORPORATION

By /s/ M. Grier Eliasek

Name: M. Grier Eliasek

Title: President and Chief Operating Officer

LENDER:

PROSPECT CAPITAL CORPORATION

By /s/ M. Grier Eliasek

Name: M. Grier Eliasek

Title: President and Chief Operating Officer

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Acknowledgement of the Parent:

By signing below, CINEDIGM DIGITAL CINEMA CORP., a Delaware corporation, (i) reaffirms its obligations under the Limited Recourse Guaranty and each of the other Loan Documents to which it is a party, (ii) acknowledges and agrees that the Limited Recourse Guaranty and each of the other Loan Documents to which it is a party is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Obligations guaranteed in the Limited Recourse Guaranty, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Obligations guaranteed by it in the Security Agreement or to seek affirmative relief or damages of any kind or nature from any Secured Party.

CINEDIGM DIGITAL CINEMA CORP.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: SVP-General Counsel

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OMNIBUS JOINDER, AMENDMENT NO. 2 TO TERM LOAN AGREEMENT AND  
AMENDMENT NO. 1 TO GUARANTY, PLEDGE AND SECURITY AGREEMENT

This OMNIBUS JOINDER, AMENDMENT NO. 2 TO TERM LOAN AGREEMENT AND AMENDMENT NO. 1 TO GUARANTY, PLEDGE AND SECURITY AGREEMENT, dated as of July 12, 2017 (this "Omnibus Amendment") among CINEDIGM DC HOLDINGS, LLC, a Delaware limited liability company (the "Borrower"), ACCESS DIGITAL MEDIA, INC., a Delaware corporation ("Access"), ACCESS DIGITAL CINEMA PHASE 2, CORP., a Delaware corporation ("Access Phase 2"), and together with Access, the "Existing Guarantors", and each, an "Existing Guarantor", CHRISTIE/AIX, INC., a Delaware corporation ("Christie"), CINEDIGM DIGITAL FUNDING I, LLC, a Delaware limited liability company ("CDFI"), and together with Christie, the "New Guarantors", and each, a "New Guarantor"; the Borrower, each New Guarantor and each Existing Guarantor, collectively, the "Loan Parties" and individually, a "Loan Party", the Lenders, and PROSPECT CAPITAL CORPORATION, a Maryland corporation ("Prospect"), as Administrative Agent and Collateral Agent. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement (as defined below).

WHEREAS, the Borrower, the Existing Guarantors, the Lenders, and Prospect as Administrative Agent and as Collateral Agent, entered into the Term Loan Agreement dated as of February 28, 2013 (as amended by the Amendment No. 1 to Term Loan Agreement dated as of August 12, 2013 and as further amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Loan Agreement") and have agreed that the Loan Agreement shall be amended as set forth herein, subject to the satisfaction of the conditions set forth herein;

WHEREAS, the Borrower and the Existing Guarantors entered into the Guaranty, Pledge and Security Agreement dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Security Agreement") in favor of the Collateral Agent and have agreed that the Security Agreement shall be amended as set forth herein, subject to the satisfaction of the conditions set forth herein;

WHEREAS, the Borrower, the Existing Guarantors, the Lenders, Prospect as Administrative Agent and as Collateral Agent, and the New Guarantors have agreed that each New Guarantor shall become a party to the Loan Agreement and the Security Agreement as a Guarantor and a Loan Party thereunder, subject to the satisfaction of the conditions set forth herein; and

WHEREAS, each of the New Guarantors will materially benefit directly and indirectly from the Term Loans already made available to the Borrower by the Lenders under the Loan Agreement and from the Intercompany Indemnity and Contribution Agreement referred to herein;

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NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

SECTION 1 Amendments to Loan Agreement. Subject to the satisfaction of the conditions to effectiveness set forth in Section 6 hereof, and in reliance upon the representations and warranties made by the Loan Parties in Section 5 hereof, the Loan Agreement is hereby amended as follows:

(a) Section 1.01 of the Loan Agreement is hereby amended by amending and restating the following definitions in their entirety and in their appropriate alphabetical order as follows:

“‘Assignment of Phase I MSA’ means that certain Assignment of Phase I MSA, substantially in the form of Exhibit C, made by the Borrower in favor of the Collateral Agent, pursuant to which the Borrower will collaterally assign and grant a Lien in the Phase I MSA, as set forth therein (as amended, restated, supplemented or otherwise modified, renewed or replaced from time to time).”

“‘Parent’ means Cinedigm Corp., a Delaware corporation.”

“‘Phase I MSA’ means that certain Second Amended and Restated Management Services Agreement, dated as of July 12, 2017, between the Borrower, as manager, and CDF1 in form and substance reasonably satisfactory to the Administrative Agent under which the Borrower, as manager, has agreed to provide certain management services and accounting, technical, operational, general and administrative services for the Phase I Group Members (as amended, restated, supplemented or otherwise modified, renewed or replaced from time to time).”

“‘Replacement Phase I MSA’ means, that certain Third Amended and Restated Management Services Agreement, to be entered into between the Borrower, as manager, and CDF1 in the form of the attached Exhibit Q.”

(b) Section 12.01(e) of the Loan Agreement is hereby amended by deleting it in its entirety, and replacing it with the following in lieu thereof:

“(e) No provision of, nor the exercise of any rights under, Section 12.01(a) or (b) above shall limit the right of either Agent or any Lender (i) to foreclose against any real or personal property collateral through judicial foreclosure, by the exercise of a power of sale under a deed of trust, mortgage or other security agreement or instrument, pursuant to applicable provisions of the UCC, or otherwise pursuant to Applicable Law, (ii) to exercise self help remedies including but not limited to set-off and repossession, or (iii) to request and obtain from a court having jurisdiction before, during or after the pendency of any arbitration provisional or ancillary remedies and relief including but not limited to injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies or exercise of self help remedies shall not constitute a waiver of any rights of an Agent or a Lender.”

(c) Exhibit C of the Loan Agreement is hereby amended and restated in its entirety and replaced by Annex C attached hereto.

(d) Exhibit Q of the Loan Agreement is hereby amended and restated in its entirety and replaced by Annex D attached hereto.

(e) Schedules 6.07, 6.13, 6.17, 6.22 and 6.23 of the Loan Agreement are hereby amended and restated in their entirety to read as set forth in Annex A attached hereto.

SECTION 2 Amendments to Security Agreement. Subject to the satisfaction of the conditions to effectiveness set forth in Section 6 hereof, and in reliance upon the representations and warranties made by the Loan Parties in Section 5 hereof, the Security Agreement is hereby amended as follows:

(a) Section 1.1 of the Security Agreement is hereby amended by deleting clauses (d)(i) and (d)(ii) of the definition of “Excluded Property” in their entirety and renumbering the clauses that follow and any references thereto accordingly.

(b) Schedules 1, 2, 3 and 4 of the Security Agreement are hereby amended and restated in their entirety to read as set forth in Annex A attached hereto.

SECTION 3 Joinder of New Guarantors.

(a) By executing and delivering this Omnibus Amendment, each New Guarantor hereby becomes a party to each of the Loan Agreement and the Security Agreement as a Guarantor and a Loan Party thereunder with the same force and effect as if originally named as a Guarantor and a Loan Party therein. Without limiting the generality of the foregoing, each New Guarantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations (as defined in the Security Agreement) of each New Guarantor, hereby mortgages, pledges and hypothecates to the Collateral Agent for the benefit of the Secured Parties, and grants to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in, all of its right, title and interest in, to and under the Collateral (as defined in the Security Agreement) of each New Guarantor and expressly assumes all obligations and liabilities of a Loan Party thereunder. Each New Guarantor hereby agrees to be and is hereby, without further action, bound as a Loan Party for the purposes of each of the Loan Agreement and the Security Agreement and any of the other Loan Documents.

(b) By executing and delivering this Omnibus Amendment, Borrower and, each New Guarantor hereby agrees that such New Guarantor’s Pledged Collateral listed on Annex B to this Omnibus Amendment shall automatically, and without further action, be and become part of the Collateral referred to in the Security Agreement and shall secure all Secured Obligations of such New Guarantor.

SECTION 4 No Other Modification. The amendments set forth in Section 1 and Section 2 are effective only for the express purposes set forth herein, shall be limited precisely as written, and except as expressly set forth herein, shall not (a) constitute or be deemed to constitute (i) an amendment, waiver or modification of, or consent to any deviation from, the terms and conditions of the Loan Agreement or the Security Agreement or any other Loan Documents or (ii) an agreement by any Agent or any Lender to consent to any future amendment, waiver, modification or consent with respect to any provision of the Loan Agreement, the Security Agreement or any other Loan Document or any rights or remedies arising in favor of any Agent or any Lender under or with respect to any such documents, (b) operate as a waiver of any right, power or remedy, or prejudice any right, power or remedy which either Agent or any Lender may now have or may have in the future under or in connection with the Loan Agreement, the Security Agreement or any other Loan Document, as the same may be amended, restated, supplemented, or otherwise modified from time to time or (c) serve to effect a novation of the Obligations. Except as expressly set forth herein, the Loan Agreement, the Security Agreement and each other Loan Document shall remain in full force and effect and each is hereby confirmed and ratified in all respects, including, without limitation, with respect to any security interest or Lien granted to the Collateral Agent pursuant to the terms of the Loan Documents. Each Existing Guarantor and each New Guarantor acknowledges and agrees that (a) notwithstanding the conditions to effectiveness set forth in this Omnibus Amendment, the consent of such Existing Guarantor or New Guarantor to the amendments set forth in Section 1 and Section 2 is not required for such effectiveness by the terms of the Loan Agreement, the Security Agreement or any other Loan Document, and (b) except as expressly set forth in the Loan Documents, nothing in the Loan Agreement, the Security Agreement, this Omnibus Amendment or any other Loan Document shall be deemed to require the consent of such Existing Guarantor or New Guarantor as a condition to the effectiveness to any future waivers, consents or amendments to the Loan Agreement.

SECTION 5 Representations and Warranties. Each of the Loan Parties represents and warrants to each Lender and the Agents that, as of the date, and upon the effectiveness, of this Omnibus Amendment: (a) both immediately before and after giving effect to the amendments set forth in Section 1 and Section 2 of this Omnibus Amendment, no Default or Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents; (b) each Loan Party has the requisite power and authority to enter into, deliver and perform its obligations under this Omnibus Amendment and has taken all necessary action to authorize the execution, delivery and performance by it of this Omnibus Amendment; (c) this Omnibus Amendment has been duly executed and delivered on behalf of each Loan Party; (d) this Omnibus Amendment constitutes a legal, valid and binding obligation of each Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); (e) the execution, delivery and performance by each Loan Party of this Omnibus Amendment do not and will not (i) conflict with, contravene or violate any provision of any Applicable Law or (ii) conflict with, result in a breach of or constitute a default under the Constituent Documents or any Permit of any Loan Party, other than in the case of Permits breaches or defaults that would not, in the aggregate, have a Material Adverse Effect; (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person (other than the filings required to perfect the Liens created by the Loan Documents in the Collateral of the New Guarantors being granted pursuant to this Omnibus Amendment), and no consent or approval under any contract or instrument (other than those that have been duly obtained or made and which are in full force and effect and are not subject to suspension, revocation or termination) is required for the execution, delivery and performance by each Loan Party of this Omnibus Amendment; and (g) the representations and warranties of the Loan Parties set forth in the Loan Agreement and each other Loan Document (i) that are qualified as to materiality or Material Adverse Effect are true and correct in all respects on and as of the date hereof, and (ii) that are not qualified as to materiality or Material Adverse Effect are true and correct in all material respects on and as of the date hereof, in each case, except to the extent that any such representation or warranty is expressly stated to have been made as of an earlier date, in which case, such representation or warranty shall be true and correct in all respects or in all material respects, as applicable, as of such earlier date.

SECTION 6 Conditions to Effectiveness. This Omnibus Amendment shall become effective only upon satisfaction in full of the following conditions precedent, in a manner satisfactory to the Administrative Agent (such date, the "Effective Date"):

(a) Execution. The Administrative Agent shall have received counterparts of this Omnibus Amendment duly executed by each Loan Party, the Administrative Agent, the Collateral Agent, and the Lenders in accordance with Section 11.10 of the Loan Agreement;

(b) Acknowledgement. The Administrative Agent shall have received the attached "Acknowledgement of the Parent" duly executed by Parent in accordance with Section 11.10 of the Loan Agreement;

(c) Representations and Warranties. The representations and warranties contained in this Omnibus Amendment, in the Loan Agreement, in the Security Agreement, and in the other Loan Documents, applicable to each Loan Party, shall be true and correct on and as of the Effective Date, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date, in which event they shall be true and correct on and as of such earlier date);

(d) No Default. No Default or Event of Default shall have occurred and be continuing;

(e) Pledges. All Stock of each New Guarantor shall have been pledged, and the Collateral Agent shall have received all certificates representing such Stock (and all such Stock of each New Guarantor shall be certificated) accompanied by instruments of transfer and undated stock powers executed in blank;

(f) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of counsel to the Loan Parties and the Parent, which legal opinion shall be addressed to the Administrative Agent and the Lenders and shall be in form and substance satisfactory to the Administrative Agent and its legal counsel;

(g) Secretary's Certificates. The Administrative Agent shall have received a certificate for each of the New Guarantors, dated the Effective Date, duly executed and delivered by the secretary or assistant secretary, other Authorized Officer, managing member or general partner of such New Guarantor, as applicable, as to:

(i) such Person's Constituent Documents, as amended, modified or supplemented as of Effective Date, certified by the appropriate officer or official body of the jurisdiction of organization of such Person;

(ii) resolutions of each such Person's Board then in full force and effect expressly and specifically authorizing, to the extent relevant, all aspects of this Omnibus Amendment and the Loan Documents applicable to such Person and the execution, delivery and performance of this Omnibus Amendment and each other Loan Document, in each case to be executed by such Person; and

(iii) the incumbency and specimen signatures of its Authorized Officers and any other of its officers, managing member or general partner, as applicable, authorized to act with respect to this Omnibus Amendment and each Loan Document to be executed by such Person, and a list of all officers and directors of the New Guarantors.

Each such certificate shall provide that each Secured Party may conclusively rely thereon until such Secured Party shall have received a further certificate of the secretary, assistant secretary, managing member or general partner, as applicable, of such Person canceling or amending the prior certificate of such Person as provided in Section 7.01(e) of the Loan Agreement;

(h) Other Documents and Certificates. The Administrative Agent shall have received originals of the following documents and certificates, each of which shall be dated the Effective Date and duly executed by an Authorized Officer of each Loan Party, as applicable, in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) a certificate of Authorized Officers of the Parent and the Borrower, certifying as to such items as reasonably requested by the Administrative Agent, including, without limitation, the following:

(A) that both before and after giving effect to this Omnibus Amendment on the Effective Date, no Default or Event of Default has occurred and no default or event of default under any Material Contract of the Loan Parties has occurred;

(B) the representations and warranties contained in this Omnibus Amendment, in the Loan Agreement, in the Security Agreement, and in the other Loan Documents shall be true and correct in all material respects on and as of the Effective Date, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date);

(C) that all the conditions listed in this Section 6 have been fully satisfied or, if applicable, waived in writing by the Administrative Agent; and

(ii) a Perfection Certificate of each New Guarantor;

(iii) certificates of good standing with respect to each New Guarantor, each dated as of a date no more than thirty (30) days prior to the Effective Date, such certificates to be issued by (i) the appropriate officer or official body of the jurisdiction of organization of such New Guarantor and (ii) the appropriate officer or official body of the other jurisdictions where such New Guarantor is qualified to do business as a foreign entity, each of which certificates shall indicate that such New Guarantor is in good standing in the applicable jurisdiction.

(i) Solvency. The Administrative Agent shall be satisfied, based on financial statements (actual and pro forma), projections and other evidence provided by the Parent and the Borrower, that the Borrower and each of the other Loan Parties and their Subsidiaries are and, after the Effective Date and after giving effect to the incurrence of the guarantee indebtedness under the Loan Agreement and the Security Agreement by each of the New Guarantors, will be, Solvent, and the Administrative Agent shall have received a Solvency Certificate duly executed by the chief financial officer of the Borrower confirming the Solvency of the Borrower and each of the other Loan Parties and their Subsidiaries, individually and collectively, after giving effect to this Omnibus Amendment;

(j) Insurance. The Collateral Agent shall have received updated certificates of insurance, together with endorsements thereto, reflecting each of the New Guarantors as insureds under the Loan Parties' insurance policies and naming the Secured Parties as additional insureds and naming the Collateral Agent on behalf of the Secured Parties as loss payee, in each case with regard to the insurance required by Section 7.03 of the Loan Agreement, in form and substance satisfactory to the Collateral Agent;

(k) Material Adverse Effect. The Administrative Agent shall be satisfied that, since March 31, 2016, no event, development, change, circumstance, condition or effect has occurred that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(l) No New Information. The Administrative Agent shall not have discovered or otherwise become aware of any information, circumstance, development or other matter not previously disclosed to the Administrative Agent that the Administrative Agent believes to be inconsistent in a material and adverse manner with its understanding, based on the information provided to the Administrative Agent prior to the Effective Date, of (a) the business, assets, liabilities, operations, condition (financial or otherwise), prospects, operating results or the Projections of the Borrower and its Subsidiaries taken as a whole or (b) the transactions contemplated by the Loan Agreement (as expressly modified hereby);

(m) Payment of Fees and Expenses. The Agents shall have received payment of all costs, fees and expenses (together with the fees and disbursements of counsel to the Agents) due and owing to the Agents as of the date hereof in accordance with Section 11.05 the Loan Agreement;

(n) Patriot Act Compliance and Reference Checks. The Administrative Agent shall have received completed background and reference checks with respect to each New Guarantor's senior management and any required Patriot Act compliance, in each case the results of which are satisfactory to Administrative Agent in its sole discretion;

(o) Banking Moratorium. No banking moratorium has been declared by either federal or state authorities;

(p) No Injunctions. No injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the transactions contemplated by this Omnibus Amendment shall have been issued and remain in force by any Governmental Authority against the Loan Parties, any Agent or any Lender;

(q) No Adverse Actions. There shall be no order or injunction or pending litigation in which there is a reasonable possibility of a decision that could reasonably be expected to have a Material Adverse Effect on the Loan Parties, or on the Loan Parties and their Subsidiaries taken as a whole. There shall be no pending litigation seeking to prohibit, enjoin or prevent any of the transactions contemplated by this Omnibus Amendment;

(r) Lien Searches; Filings.

(i) The Collateral Agent shall have received the results of a search of the UCC filings (or equivalent filings), tax Liens, judgment Liens, bankruptcies and litigations made with respect to each New Guarantor, together with copies of the financing statements and other filings (or similar documents) disclosed by such searches, and accompanied by evidence satisfactory to the Collateral Agent that the Liens indicated in all such financing statements and other filings (or similar document) either are Permitted Liens or have been released or will be released on the Effective Date.

(ii) The Collateral Agent shall have received appropriate UCC (or equivalent) financing statements suitable for filing in such office or offices as may be necessary or, in the reasonable opinion of Collateral Agent, desirable, to perfect and evidence the Collateral Agent's Liens in and to the Collateral.

(s) Management Services Agreement. The Administrative Agent shall have received the Second Amended and Restated Management Services Agreement by and among CDF1 and Borrower, in a form satisfactory to the Administrative Agent and duly executed by an Authorized Officer of each of CDF1 and Borrower;

(t) Assignment of Phase I MSA. The Administrative Agent shall have received an assignment of the Phase I MSA by and between the Borrower and Collateral Agent, in a form satisfactory to the Administrative Agent and the Collateral Agent and duly executed by an Authorized Officer of each party thereto;

(u) Intellectual Property Security Agreements. The Collateral Agent shall have received in form and substance reasonably acceptable to the Collateral Agent and suitable for (i) filing in the Applicable IP Office (as defined in the Security Agreement) the short-form intellectual property security agreements in the form attached to the Security Agreement as Annex 3 for all Copyrights, Trademarks, Patents and IP Licenses of each New Guarantor and (ii) recording with the appropriate Internet domain name registrar, a duly executed form of assignment for all Internet Domain Names of each New Guarantor (together with appropriate supporting documentation as may be requested by the Collateral Agent);

(v) Indemnity and Guaranty Agreement. The Administrative Agent shall have received the Indemnity and Guaranty Agreement (the "Indemnity and Guaranty Agreement"), by and among the Borrower and each Guarantor, in a form satisfactory to the Administrative Agent and duly executed by an Authorized Officer of each of the parties thereto; and

(w) Other Documents. The Agents shall have received such other documents, instruments, certificates and agreements as the Agents may reasonably request, each of which shall be in form and substance satisfactory to the Agents.

SECTION 7 Covenants. Within forty-five (45) days after the Effective Date, the Loan Parties shall cause each account listed on Schedule 6.23 of the Loan Agreement (as expressly modified hereby) to be subject to an Account Control Agreement to the extent required pursuant to Section 7.13 of the Loan Agreement.

SECTION 8 Reaffirmations.

(a) The Borrower hereby (i) agrees that, except as expressly provided herein, this Omnibus Amendment shall not limit or diminish the obligations of the Borrower under the Loan Agreement or any other Loan Document, (ii) reaffirms its obligations under the Loan Agreement (as expressly modified hereby) and each of the Loan Documents (including, without limitation, the Security Agreement (as expressly modified hereby)) to which it is a party, (iii) agrees that the Loan Agreement (as expressly modified hereby) and each such Loan Document (including, without limitation, the Security Agreement (as expressly modified hereby)) remains in full force and effect and is hereby ratified and confirmed, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Borrower's liability to repay the Obligations or to seek affirmative relief or damages of any kind or nature from any Secured Party.

Each Existing Guarantor (i) reaffirms its obligations under the Security Agreement (as expressly modified hereby) and each of the other Loan Documents to which it is a party, (ii) acknowledges and agrees that the Security Agreement (as expressly modified hereby) and each of the other Loan Documents to which it is a party is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Obligations guaranteed by the Existing Guarantors in the Security Agreement, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Obligations guaranteed by the Existing Guarantors in the Security Agreement or to seek affirmative relief or damages of any kind or nature from any Secured Party.

SECTION 9 Loan Document; Successors and Assigns. This Omnibus Amendment is a Loan Document for all purposes of the Loan Agreement and the other Loan Documents. This Omnibus Amendment is binding upon the Borrower, the Guarantors, any other Loan Parties, the Lenders, the Agents and each of their respective successors and permitted assigns and shall inure to the benefit of the respective successors and permitted assigns of the parties hereto and any other indemnified parties hereunder and their respective successors, permitted assigns and representatives.

SECTION 10 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The Agents and the Lenders expressly reserve any and all rights, remedies, powers and privileges under the Loan Agreement, the Security Agreement, the other Loan Documents and Applicable Laws at any time with respect to any Default or Event of Default that has occurred and is continuing or may hereafter occur and be continuing. A Secured Party's failure to insist at any time upon strict compliance with this Omnibus Amendment or any other Loan Document or any continued course of such conduct on its part will not constitute or be considered a waiver by such Secured Party of any of its rights or privileges. A waiver or consent, express or implied, of or to any breach or default by any party in the performance by that party of its obligations with respect to this Omnibus Amendment is not a waiver of consent of or to any other breach or default in the performance by that party of the same or any other obligations of that party.

SECTION 11 Fees and Expenses. The Loan Parties agree and acknowledge that all fees and expenses incurred by the Agents in connection with this Omnibus Amendment, including without limitation the costs, fees and disbursements of counsel to the Agents, for which the Borrower and the Guarantors are liable in accordance with and pursuant to Section 11.05 of the Loan Agreement shall be paid by the Borrower and the Guarantors to the Administrative Agent in accordance with said Section 11.05.

SECTION 12 Release. In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, each of the Borrower and the Guarantors, for itself and its successors, assigns, parents, subsidiaries, affiliates, predecessors, employees, agents, heirs and executors, as applicable (collectively, the "Releasors"), jointly and severally with each other Loan Party, releases, remises, acquits and forever discharges each Agent and each Lender and each of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, predecessors, successors and assigns, both present and former (collectively, the "Released Parties") of and from any and all manner of actions, causes of action, torts, suits, debts, controversies, damages, judgments, executions, claims and demands whatsoever, asserted or unasserted, in law or in equity, that exist or have occurred on or prior to the date of this Omnibus Amendment, arising out of or relating to this Omnibus Amendment or any other Loan Document which the Releasors ever had or now have against any of the Released Parties, including any presently existing claim whether or not presently suspected, contemplated or anticipated. To the fullest extent permitted under Applicable Laws, the foregoing release applies to all Releasor claims, whether based in contract, tort or any other theory, and such release shall extend to each Released Party notwithstanding the sole or concurrent negligence of every kind or character whatsoever, whether active or passive, whether an affirmative act or an omission, including without limitation, all types of negligent conduct identified in the Restatement (Second) of Torts, of one or more of the Released Parties or by reason of strict liability imposed without fault on any one or more of the Released Parties. Furthermore, each of the Borrower and the Guarantors hereby covenants and agrees not to bring, commence, prosecute, maintain, or cause or permit to be brought, commenced, prosecuted or maintained, any suit or action, either in law or equity, in any court or before any other administrative or judicial authority, regarding any claim or cause of action such Person may have against any Agent or any Lender arising on or prior to the date hereof out of, in connection with or in any way relating to any of the Loan Documents or otherwise.



SECTION 13 Miscellaneous: Incorporation by Reference. The terms and provisions of Sections 11.01(c), 11.02, 11.03, 11.04, 11.05, 11.06, 11.10, 11.11, 11.12, 11.13, 11.14, 11.16, 11.21 and 11.22 of the Loan Agreement are hereby incorporated herein by reference and shall apply to this Omnibus Amendment *mutatis mutandis* as if fully set forth herein.

(a) The descriptive headings of the various sections of this Omnibus Amendment are inserted for convenience of reference only and shall not affect the meaning or construction of any of the provisions hereof or thereof. The interpretive provisions of Section 1.02 of the Loan Agreement are incorporated herein by this reference, *mutatis mutandis*, and shall apply to this Omnibus Amendment as if fully set forth herein.

(b) This Omnibus Amendment may not be changed, amended, restated, waived, supplemented, discharged, canceled, terminated or otherwise modified orally or by any course of dealing or in any manner other than as provided in the Loan Agreement with respect to Loan Documents generally, as set forth in 11.01 thereof, which is incorporated herein by reference, *mutatis mutandis*, and shall apply to this Omnibus Amendment as if fully set forth herein.

SECTION 14 Governing Law: Consent to Jurisdiction: WAIVER OF JURY TRIAL.

(a) This Omnibus Amendment and the validity, interpretation, construction, and performance hereof shall be governed by and construed and enforced in accordance with, and any claim by any party hereto against any other party hereto (including any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest) shall be determined in accordance with, the internal laws of the State of New York for contracts made and to be performed wholly within the State of New York, without regard to principles of conflicts of laws requiring application of the law of any other jurisdiction.

(b) Article XII of the Loan Agreement (as amended hereby, in the case of Section 12.01) is hereby incorporated herein by reference and applies to this Amendment *mutatis mutandis* as if fully stated herein.

(c) EACH OF THE BORROWER AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS OMNIBUS AMENDMENT, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS OMNIBUS AMENDMENT, AND AGREES THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE AGENTS AND THE LENDERS EXECUTING AND DELIVERING THIS OMNIBUS AMENDMENT AND GRANTING ANY FINANCIAL ACCOMMODATIONS TO THE LOAN PARTIES.

SECTION 15 References. From and after the Effective Date and the satisfaction of the conditions precedent listed in Section 6 of this Omnibus Amendment, (a) each reference in the Loan Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import, and all references to the Loan Agreement in any and all agreements, instruments, certificates and other documents, shall be deemed to mean the Loan Agreement as modified and amended by this Omnibus Amendment and as the same may be further amended, modified or supplemented in accordance with the terms thereof and (b) each reference in the Security Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import, and all references to the Security Agreement in any and all agreements, instruments, certificates and other documents, shall be deemed to mean the Security Agreement as modified and amended by this Omnibus Amendment and as the same may be further amended, modified or supplemented in accordance with the terms thereof.

SECTION 16 Collateral Assignment of Indemnity and Guaranty Agreement.

(a) Each Loan Party does hereby collaterally assign to the Collateral Agent such Loan Party’s rights (but, for the avoidance of doubt, not such Loan Party’s obligations or liabilities) under the Indemnity and Guaranty Agreement as collateral security for the performance and payment in full of all Obligations.

(b) Each Loan Party hereby acknowledges and agrees that the Indemnity and Guaranty Agreement shall not be changed, amended, restated, waived, supplemented, discharged, canceled, terminated or otherwise modified orally or by any course of dealing or in any manner without the consent of the Administrative Agent and the Collateral Agent. Failure by the Loan Parties to comply with this Section 16(b) shall constitute an immediate Event of Default.

[signatures begin on next page]

IN WITNESS WHEREOF, each of the parties has duly executed this Omnibus Amendment as of the day and year first above written.

BORROWER:

CINEDIGM DC HOLDINGS, LLC

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: Secretary

EXISTING GUARANTORS:

ACCESS DIGITAL MEDIA, INC.

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

ACCESS DIGITAL CINEMA PHASE 2, CORP.

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

NEW GUARANTORS:

CHRISTIE/AIX, INC.

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

CINEDIGM DIGITAL FUNDING I, LLC

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

[Signature Page to Omnibus Joinder, Amendment No. 2 to Term Loan Agreement and Amendment No. 1 to Guaranty, Pledge and Security Agreement]

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ADMINISTRATIVE AGENT AND COLLATERAL AGENT:

PROSPECT CAPITAL CORPORATION

By: /s/ M. Grier Eliasek

Name: M. Grier Eliasek

Title: President and Chief Operating Officer

LENDER:

PROSPECT CAPITAL FUNDING LLC

By: /s/ M. Grier Eliasek

Name: M. Grier Eliasek

Title: Vice President

[Signature Page to Omnibus Joinder, Amendment No. 2 to Term Loan Agreement and Amendment No. 1 to  
Guaranty, Pledge and Security Agreement]

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Acknowledgement of the Parent:

By signing below, CINEDIGM CORP., a Delaware corporation, (i) reaffirms its obligations under the Limited Recourse Guaranty and the Limited Recourse Pledge Agreement, (ii) acknowledges and agrees that each of the Limited Recourse Guaranty and the Limited Recourse Pledge Agreement is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Obligations guaranteed in the Limited Recourse Guaranty, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Obligations guaranteed by it in the Security Agreement or to seek affirmative relief or damages of any kind or nature from any Secured Party.

CINEDIGM CORP.

By: /s/ Gary S. Loffredo  
Name: Gary S. Loffredo  
Title: President, Digital Cinema, General Counsel and  
Secretary

[Signature Page to Acknowledgement of the Omnibus Joinder, Amendment No. 2 to Term Loan Agreement and  
Amendment No. 1 to Guaranty, Pledge and Security Agreement]

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ANNEX A

**Schedule 6.07 to the Loan Agreement**

Subsidiaries

Entity Name	Jurisdiction of Organization	Authorized Shares/ Membership Interest	Shares / Membership Interest Outstanding (By Class)	Number of shares or membership interests owned by Borrower	% Ownership by Borrower	% Ownership by Parent
Cinedigm DC Holdings, LLC	Delaware	N/A	N/A	N/A	0%	100%
Access Digital Media, Inc.	Delaware	50,000,000	24,586,169	All shares	100%	0%
Christie/AIX, Inc.	Delaware	1,000	188,96525	N/A	0%	0%
Cinedigm Digital Funding 1, LLC	Delaware	100%	100%	N/A	0%	0%
Cinedigm Digital Funding 2, LLC	Delaware	N/A	N/A	N/A	0%	0%
CDF2 Holdings, LLC	Delaware	N/A	N/A	N/A	0%	0%
Access Digital Cinema Phase 2, Corp.	Delaware	1,000	100	N/A	0%	100%
Access Digital Cinema Phase 2 B/AIX, Corp.	Delaware	1,000	1,000	N/A	0%	0%
Cinedigm Digital Cinema Australia Pty Ltd	Victoria (Australia)	N/A <sup>1</sup>	100	N/A	0%	100%

<sup>1</sup> The entity can issue as many shares as the directors decide to issue. There is no limit in Australia and no concept of 'authorized share capital'.

**Schedule 6.13 to the Loan Agreement**

Real Property

None.

Annex A -2

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## Schedule 6.17 to the Loan Agreement

### Security Documents and Perfection Matters

#### Limited Recourse Pledge Collateral

1. Sixty-six ordinary shares of Cinedigm Digital Cinema Australia Pty Ltd represented by certificate No. 2, accompanied by share transfer form in blank (perfection by possession and by registration in Personal Property Securities Register in Australia).
2. All of the membership interests in Cinedigm DC Holdings, LLC represented by certificate No. 1, accompanied by stock powers in blank (perfection by possession).
3. One hundred shares of common stock of Access Digital Phase 2, Corp., par value \$0.01 represented by certificate No. 2, accompanied by stock powers in blank (perfection by possession).
4. Twenty-four million five hundred eighty-six thousand one hundred sixty-nine shares of common stock, par value \$0.001 per share of Access Digital Media, Inc. represented by certificate No. 3, accompanied by stock powers in blank (perfection by possession).
5. One hundred eighty eight and 96/100 shares of common stock, par value \$.01 per share of Christie/AIX, Inc. represented by certificate no. 11, accompanied by stock powers in blank (perfection by possession).
6. All of the membership interests of Christie/AIX, Inc. in Cinedigm Digital Funding 1, LLC represented by certificate number 1, accompanied by stock powers in blank (perfection by possession).
7. Secured Promissory Note dated as of February 28, 2013, made by Cinedigm Digital Cinema Australia Pty Ltd (“Maker”) to the order of Cinedigm DC Holdings, LLC (“Payee”) for all amounts from time to time payable to Payee pursuant to the Management Services Agreement dated as of February 28, 2013, by and between the Maker and the Payee, accompanied by an Allonge executed in blank.

#### Security Agreement Collateral

1. UCC-1 financing statement filed with the Secretary of State of the State of Delaware naming Cinedigm DC Holdings, LLC, as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “all personal property” excluding any Excluded Property (as defined in the Term Loan Agreement dated as of February 28, 2013, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp. and each other Guarantor that is a party thereto, the Lenders party thereto, and Prospect, in its separate capacities as Administrative Agent and Collateral Agent).

2. UCC-1 financing statement filed with the Secretary of State of the State of Delaware naming Access Digital Media, Inc., as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “all personal property” excluding any Excluded Property (as defined in the Term Loan Agreement dated as of February 28, 2013, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp. and each other Guarantor that is a party thereto, the Lenders party thereto, and Prospect, in its separate capacities as Administrative Agent and Collateral Agent).
3. UCC-1 financing statement filed with the Secretary of State of the State of Delaware naming Access Digital Cinema Phase 2, Corp., as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “all personal property” excluding any Excluded Property (as defined in the Term Loan Agreement dated as of February 28, 2013, by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp. and each other Guarantor that is a party thereto, the Lenders party thereto, and Prospect, in its separate capacities as Administrative Agent and Collateral Agent).
4. UCC-1 financing statement filed with the Secretary of State of the State of Delaware naming Cinedigm DC Holdings, LLC, as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “(1) Any and all shares, shareholder’s or stockholder’s interests, partnership interests, partner’s interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Cinedigm DC Holdings, LLC, whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

Issuer	Class of Shares	Certificate Number	% of Shares Owned/ % of Shares Pledged
Access Digital Media, Inc.	Common	3	100%/100%

(2) The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013, made by (i) Cinedigm DC Holdings, LLC, a Delaware limited liability company, (ii) Access Digital Media, Inc., a Delaware corporation, (iii) Access Digital Cinema Phase 2, Corp., a Delaware corporation and (iv) each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.”



5. UCC-1 financing statement filed with the Secretary of State of the State of Delaware naming Cinedigm Digital Cinema Corp. as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “(1) The shares set forth below owned by Cinedigm Digital Cinema Corp., any other Pledged Stock or Pledged Property (as each such term is defined and used in the Pledge Agreement defined below):

Issuer	Class of Shares	Certificate Number	% of Shares Owned/ % of Shares Pledged
Cinedigm DC Holdings, LLC	N/A	1	100%/100%
Access Digital Cinema Phase 2, Corp.	Common	2	100%/100%
Cinedigm Digital Cinema Australia Pty Ltd	Ordinary	2	100%/66%

(2) The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement (the “Pledge Agreement”), dated as of February 28, 2013, made by (i) Cinedigm DC Holdings, LLC, a Delaware limited liability company, (ii) Access Digital Media, Inc., a Delaware corporation, (iii) Access Digital Cinema Phase 2, Corp., a Delaware corporation and (iv) each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.”

6. UCC-1 financing statement to be filed with the Secretary of State of the State of Delaware naming Access Digital Media, Inc., as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “(1) Any and all shares, shareholder’s or stockholder’s interests, partnership interests, partner’s interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Access Digital Media, Inc., whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

Issuer	Class of Shares	Certificate Number	% of Shares Owned/ % of Shares Pledged
Christie/AIX, Inc.	Common	11	100%/100%

(2) The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), made by (i) Cinedigm DC Holdings, LLC, a Delaware limited liability company, (ii) Access Digital Media, Inc., a Delaware corporation, (iii) Access Digital Cinema Phase 2, Corp., a Delaware corporation and (iv) each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.”

7. UCC-1 financing statement to be filed with the Secretary of State of the State of Delaware naming Christie/AIX, Inc., as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “all personal property” excluding any Excluded Property (as defined in the Term Loan Agreement dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp. and each other Guarantor that is a party thereto, the Lenders party thereto, and Prospect Capital Corporation, in its separate capacities as Administrative Agent and Collateral Agent).

8. UCC-1 financing statement to be filed with the Secretary of State of the State of Delaware naming Christie/AIX, Inc., as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “(1) Any and all shares, shareholder’s or stockholder’s interests, partnership interests, partner’s interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Christie/AIX, Inc., whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

Issuer	Class of Shares	Certificate Number	% of Shares Owned/ % of Shares Pledged
Cinedigm Digital Funding I, LLC	N/A	1	100%/100%

(2) The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), made by (i) Cinedigm DC Holdings, LLC, a Delaware limited liability company, (ii) Access Digital Media, Inc., a Delaware corporation, (iii) Access Digital Cinema Phase 2, Corp., a Delaware corporation and (iv) each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.”

9. UCC-1 financing statement to be filed with the Secretary of State of the State of Delaware naming Cinedigm Digital Funding I, LLC, as debtor and Prospect Capital Corporation as Collateral Agent and as secured party for “all personal property” excluding any Excluded Property (as defined in the Term Loan Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, Access Digital Media, Inc., Access Digital Cinema Phase 2, Corp. and each other Guarantor that is a party thereto, the Lenders party thereto, and Prospect Capital Corporation, in its separate capacities as Administrative Agent and Collateral Agent).

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**Schedule 6.22 to the Loan Agreement**

Existing Indebtedness

Phase 1 Group Members:

None.

Phase 2 Group Members:

1. Credit Agreement dated as of October 18, 2011, by and among Cinedigm Digital Funding 2, LLC, the Lenders party thereto, and Société Générale, New York Branch, as Administrative Agent and Collateral Agent.
  - a. Corrective Amendment to Credit Agreement, dated as of February 29, 2012 by and between Cinedigm Digital Funding 2, LLC, and Société Générale, New York Branch, as Administrative Agent and Collateral Agent.
  - b. Amendment No. 1 to Credit Agreement, dated as of March 28, 2012 by and among Cinedigm Digital Funding 2, LLC, the Lenders party thereto, and Société Générale, New York Branch.
  - c. Corrective Amendment to Credit Agreement, dated as of May 31, 2012, but effective as of December 31, 2011 by and between Cinedigm Digital Funding 2, LLC, and Société Générale, New York Branch, as Administrative Agent and Collateral Agent.
  - d. Amendment No. 2 and Consent to Credit Agreement, dated as of October 19, 2012, by and between Cinedigm Digital Funding 2, LLC and Société Générale, New York Branch, as Administrative Agent with the consent of the Required Lenders.
  - e. Amendment No. 3 to Credit Agreement and Waiver, dated as of March 31, 2013, by and between Cinedigm Digital Funding 2, LLC and Société Générale, New York Branch, as Administrative Agent with the consent of the Required Lenders.
  - f. Amendment No. 4 to Credit Agreement and Waiver, dated as of August 14, 2013, by and between Cinedigm Digital Funding 2, LLC and Société Générale, New York Branch, as Administrative Agent with the consent of the Required Lenders.
  - g. Amendment No. 5 to Credit Agreement and Waiver, dated as of June 23, 2014, by and among Cinedigm Digital Funding 2, LLC, Access Cinema Digital Phase 2, Corp., CDF2 Holdings, LLC and Société Générale, New York Branch, as Administrative Agent with the consent of the Required Lenders.

2. Guaranty and Security Agreement, dated as of October 18, 2011, by Cinedigm Digital Funding 2, LLC, and each of the other Grantors, in favor of Société Générale, New York Branch, as collateral agent for the Lenders and each other Secured Party.
3. Credit Facility Agreement, \$11,424,760, between Access Digital Cinema Phase 2 B/AIX Corp. and KBC Bank NV, Bank, dated as of May 31st 2011.
4. Credit Facility Agreement, \$13,311,800, between Access Digital Cinema Phase 2 B/AIX Corp. and KBC Bank NV, dated as of May 3rd 2010.
5. Credit Facility Agreement, \$22,335,993, between Access Digital Cinema Phase 2 B/AIX Corp. and KBC Bank NV, dated as of May 6th 2010.
6. Credit Facility Agreement, \$6,450,000, between Access Digital Cinema Phase 2 B/AIX Corp. and KBC Bank NV, Bank, dated as of January 20th 2011.
7. Security Agreement between Access Digital Cinema Phase 2, B/AIX Corp. and KBC Bank NV, Bank, dated as of February 8, 2010.
8. Security Agreement between Access Digital Cinema Phase 2, B/AIX Corp. and KBC Bank NV, Bank, dated as of January 20, 2011.
9. Security Agreement between Access Digital Cinema Phase 2, B/AIX Corp. and KBC Bank NV, Bank, dated as of May 31, 2011.
10. Security Agreement between Access Digital Cinema Phase 2, B/AIX Corp. and KBC Bank NV, Bank, dated as of May 6, 2010.
11. Security Agreement between Access Digital Cinema Phase 2, B/AIX Corp. and KBC Bank NV, Bank, dated as of November 25, 2008.
12. Security Agreement between Access Digital Cinema Phase 2 B/AIX Corp., and KBC Bank NV, dated as of April 28, 2010.
13. Cinedigm Installation Note dated as of October 18, 2011, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
14. Delayed Draw Term Loan Note dated as of October 18, 2011, executed by Cinedigm Digital Funding 2, LLC in favor of TD Bank, N.A.
15. Vendor Note dated as of October 18, 2011, executed by CDF2 Holdings, LLC in favor of Cinedigm Ballantyne Strong, Inc.
16. SG Advisory Fee Note dated as of October 18, 2011, executed by Cinedigm Digital Funding 2, LLC in favor of Société Générale, New York Branch.
17. Subordinated Promissory Note, dated as of January 16, 2013, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.

18. Subordinated Promissory Note, dated as of January 16, 2013, executed by CDF2 Holdings, LLC in favor of Barco, Inc.
19. Subordinated Promissory Note, dated as of January 16, 2013, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
20. Subordinated Promissory Note, dated as of January 16, 2013, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
21. Subordinated Promissory Note, dated as of December 19, 2012, executed by CDF2 Holdings, LLC in favor of Moving Image Technologies, LLC.
22. Subordinated Promissory Note, dated as of December 19, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
23. Subordinated Promissory Note, dated as of December 19, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
24. Subordinated Promissory Note, dated as of December 19, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
25. Subordinated Promissory Note, dated as of October 24, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
26. Subordinated Promissory Note, dated as of October 24, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
27. Subordinated Promissory Note, dated as of October 24, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
28. Subordinated Promissory Note, dated as of October 16, 2012, executed by CDF2 Holdings, LLC in favor of Moving Image Technologies, Inc.
29. Subordinated Promissory Note, dated as of October 16, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
30. Subordinated Promissory Note, dated as of August 31, 2012, executed by CDF2 Holdings, LLC in favor of Barco, Inc.
31. Subordinated Promissory Note, dated as of August 31, 2012, executed by CDF2 Holdings, LLC in favor of Moving Image Technologies, LLC.
32. Subordinated Promissory Note, dated as of August 31, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
33. Subordinated Promissory Note, dated as of July 31, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.

34. Subordinated Promissory Note, dated as of July 31, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
35. Subordinated Promissory Note, dated as of July 31, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
36. Subordinated Promissory Note, dated as of June 29, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
37. Subordinated Promissory Note, dated as of June 29, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
38. Subordinated Promissory Note, dated as of June 29, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
39. Subordinated Promissory Note, dated as of April 30, 2012, executed by CDF2 Holdings, LLC in favor of Barco, Inc.
40. Subordinated Promissory Note, dated as of April 30, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
41. Subordinated Promissory Note, dated as of April 30, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
42. Subordinated Promissory Note, dated as of April 30, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
43. Subordinated Promissory Note, dated as of March 30, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
44. Subordinated Promissory Note, dated as of March 30, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
45. Subordinated Promissory Note, dated as of March 30, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
46. Subordinated Promissory Note, dated as of February 29, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
47. Subordinated Promissory Note, dated as of February 29, 2012, executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
48. Subordinated Promissory Note, dated as of February 29, 2012, executed by CDF2 Holdings, LLC in favor of Barco, Inc.
49. Subordinated Promissory Note, dated as of February 29, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.
50. Subordinated Promissory Note, dated as of January 31, 2012 executed by CDF2 Holdings, LLC in favor of Ballantyne Strong, Inc.
51. Subordinated Promissory Note, dated as of January 31, 2012, executed by CDF2 Holdings, LLC in favor of NEC Display Solutions of America, Inc.
52. Subordinated Promissory Note, dated as of January 31, 2012, executed by CDF2 Holdings, LLC in favor of Cinedigm Digital Cinema Corp.

**Schedule 6.23 to the Loan Agreement**

Deposit Accounts and Securities Accounts

Cinedigm Digital Funding I, LLC

<u>Institution Name and Address</u>	<u>Account Number</u>	<u>Name of Account Owner</u>
JPMorgan Chase Bank, N.A.		Cinedigm Digital Funding I, LLC

Cinedigm DC Holdings, LLC

<u>Institution Name and Address</u>	<u>Account Number</u>	<u>Name of Account Owner</u>
TD Bank NA, 222 Madison Ave, Morristown NJ 07960		Cinedigm DC Holdings, LLC
TD Bank NA, 222 Madison Ave, Morristown NJ 07960		Cinedigm DC Holdings, LLC
TD Bank NA, 222 Madison Ave, Morristown NJ 07960		Cinedigm DC Holdings, LLC

Access Digital Cinema Phase 2, Corp.

<u>Institution Name and Address</u>	<u>Account Number</u>	<u>Name of Account Owner</u>
TD Bank NA, 222 Madison Avenue, Morristown, NJ 07960		Access Digital Cinema Phase 2, Corp.
TD Bank NA, 222 Madison Avenue, Morristown, NJ 07960		Access Digital Cinema Phase 2, Corp.

Access Digital Media, Inc.

None.

**ANNEX B**

**Schedule 1 to the Security Agreement**

**Commercial Tort Claims**

None.



**Schedule 2 to the Security Agreement**

**Loan Party Information**

<b><u>Loan Party's Name</u></b>	<b><u>Loan Party's Jurisdiction of Organization</u></b>	<b><u>Location of Loan Party's Chief Executive Office</u></b>	<b><u>Loan Party's Tax Identification Number</u></b>	<b><u>Loan Party's Organizational Number</u></b>
Cinedigm DC Holdings, LLC	Delaware	902 Broadway, 9th Floor, New York, New York 10010	46-2100494 (Federal EIN)	5290958 (File Number in Delaware)
Access Digital Media, Inc.	Delaware	902 Broadway, 9th Floor, New York, New York 10010	20-0037764 (Federal EIN)	3621753 (File Number in Delaware)
Access Digital Cinema Phase 2, Corp.	Delaware	902 Broadway, 9th Floor, New York, New York 10010	26-1444888 (Federal EIN)	4443030 (File Number in Delaware)
Christie/AIX, Inc.	Delaware	902 Broadway, 9th Floor, New York, New York 10010	20-3133713 (Federal EIN)	3980067 (File Number in Delaware)
Cinedigm Digital Funding I, LLC	Delaware	902 Broadway, 9th Floor, New York, New York 10010	27-2336070 (Federal EIN)	4809809 (File Number in Delaware)

**Schedule 3 to the Security Agreement**

**Pledged Collateral**

Cinedigm DC Holdings, LLC

1. Any and all shares, shareholder's or stockholder's interests, partnership interests, partner's interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Cinedigm DC Holdings, LLC, whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

<u>Issuer</u>	<u>Class of Shares</u>	<u>Certificate Number</u>	<u>% of Share Interest owned/% of Share Interest Pledged</u>
Access Digital Media, Inc.	Common	3	100%/100%

2. The collateral shall not include "Excluded Property," as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

3. All personal property and other assets of the debtor, wherever located, whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof, excluding the "Excluded Property" as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

Access Digital Media, Inc.

1. Any and all shares, shareholder's or stockholder's interests, partnership interests, partner's interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Access Digital Media, Inc., whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

<u>Issuer</u>	<u>Class of Shares</u>	<u>Certificate Number</u>	<u>% of Share Interest owned/% of Share Interest Pledged</u>
Christie/AIX, Inc.	Common	11	100%/100%

2. The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

3. All personal property and other assets of the debtor, wherever located, whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof, excluding the “Excluded Property” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

Cinedigm Corp. (f/k/a Cinedigm Digital Cinema Corp.)

1. The shares set forth below owned by Cinedigm Corp., any other Pledged Stock or Pledged Property (as each such term is defined and used in the Pledge Agreement defined below):

Issuer	Class of Share/ Membership Interest	Certificate Number	% of Share/Membership Interest owned/% of Share/Membership Interest Pledged
Cinedigm DC Holdings, LLC	N/A	1	100%/100%
Access Digital Cinema Phase 2, Corp.	Common	2	100%/100%
Cinedigm Digital Cinema Australia Pty Ltd	Ordinary	2	100%/66%

2. The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

Access Digital Cinema Phase 2, Corp.

1. All personal property and other assets of the debtor, wherever located, whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof, excluding the “Excluded Property” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation, and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

Christie/AIX, Inc.

4. Any and all shares, shareholder’s or stockholder’s interests, partnership interests, partner’s interests, limited liability company interests, or other equity interests, whether owned directly or indirectly, in part or in whole, by Christie/AIX, Inc., whether now owned or subsequently acquired and all proceeds of the foregoing, including, without limitation, the shares set forth below:

<u>Issuer</u>	<u>Class of Shares</u>	<u>Certificate Number</u>	<u>% of Share Interest owned/% of Share Interest Pledged</u>
Cinedigm Digital Funding I, LLC	N/A	1	100%/100%

5. The collateral shall not include “Excluded Property,” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

6. All personal property and other assets of the debtor, wherever located, whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof, excluding the “Excluded Property” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

Cinedigm Digital Funding I, LLC

1. All personal property and other assets of the debtor, wherever located, whether now owned or existing or hereafter acquired or arising, together with all proceeds thereof, excluding the “Excluded Property” as such term is defined in and used pursuant to the terms of that certain Guaranty, Pledge and Security Agreement, dated as of February 28, 2013 (as amended, supplemented or otherwise modified, renewed or replaced from time to time), by and among Cinedigm DC Holdings, LLC, a Delaware limited liability company, Access Digital Media, Inc., a Delaware corporation, Access Digital Cinema Phase 2, Corp., a Delaware corporation, and each other guarantor from time to time party thereto in favor of Prospect Capital Corporation, a Maryland corporation, as collateral agent for the secured parties.

**Schedule 4 to the Security Agreement**

**Intellectual Property**

Access Digital Media, Inc. is the registered owner of trademark entitled "THE COURIER FOR THE DIGITAL ERA" (Serial No. 78-323372, Registration No. 3,151,575).

## AMENDMENT NO. 3 TO TERM LOAN AGREEMENT

This AMENDMENT NO. 3 TO TERM LOAN AGREEMENT, dated as of March 3, 2021 (this "Amendment") among CINEDIGM DC HOLDINGS, LLC, a Delaware limited liability company (the "Borrower"), ACCESS DIGITAL MEDIA, INC., a Delaware corporation ("Access"), ACCESS DIGITAL CINEMA PHASE 2, CORP., a Delaware corporation ("Access Phase 2"), CHRISTIE/AIX, INC., a Delaware corporation ("Christie"), CINEDIGM DIGITAL FUNDING I, LLC, a Delaware limited liability company ("CDF1"), and together with Christie, Access and Access Phase 2, the "Guarantors", and each, a "Guarantor"; the Borrower and each Guarantor, collectively, the "Loan Parties" and individually, a "Loan Party", the Lenders, and PROSPECT CAPITAL CORPORATION, a Maryland corporation ("Prospect"), as Administrative Agent and Collateral Agent. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Loan Agreement (as defined below).

WHEREAS, the Borrower, the Guarantors, the Lenders (including Prospect), and Prospect as Administrative Agent and as Collateral Agent, entered into the Term Loan Agreement dated as of February 28, 2013 (as amended by the Amendment No. 1 to Term Loan Agreement dated as of August 12, 2013 and the Omnibus Joinder, Amendment No. 2 to Term Loan Agreement and Amendment No. 1 to Guaranty, Pledge and Security Agreement dated as of July 12, 2017, and as further amended, supplemented or otherwise modified, renewed or replaced from time to time, the "Loan Agreement") and have agreed that the Loan Agreement shall be amended as set forth herein, subject to the satisfaction of the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

SECTION 1 Amendments to Loan Agreement. Subject to the satisfaction of the conditions to effectiveness set forth in Section 4 hereof, and in reliance upon the representations and warranties made by the Loan Parties in Section 3 hereof, the Loan Agreement is hereby amended as follows:

(a) Section 1.01 of the Loan Agreement is hereby amended by amending and restating the definition of "Maturity Date" in its entirety as follows:

“Maturity Date” means March 31, 2022.”

SECTION 2 No Other Modification. The amendment set forth in Section 1 is effective only for the express purposes set forth herein, shall be limited precisely as written, and except as expressly set forth herein, shall not (a) constitute or be deemed to constitute (i) an amendment, waiver or modification of, or consent to any deviation from, the terms and conditions of the Loan Agreement or any other Loan Documents or (ii) an agreement by any Agent or any Lender to consent to any future amendment, waiver, modification or consent with respect to any provision of the Loan Agreement or any other Loan Document or any rights or remedies arising in favor of any Agent or any Lender under or with respect to any such documents, (b) operate as a waiver of any right, power or remedy, or prejudice any right, power or remedy which either Agent or any Lender may now have or may have in the future under or in connection with the Loan Agreement or any other Loan Document, as the same may be amended, restated, supplemented, or otherwise modified from time to time or (c) serve to effect a novation of the Obligations. Except as expressly set forth herein, the Loan Agreement and each other Loan Document shall remain in full force and effect and each is hereby confirmed and ratified in all respects, including, without limitation, with respect to any security interest or Lien granted to the Collateral Agent pursuant to the terms of the Loan Documents. Each Guarantor acknowledges and agrees that (a) notwithstanding the conditions to effectiveness set forth in this Amendment, the consent of such Guarantor to the amendment set forth in Section 1 is not required for such effectiveness by the terms of the Loan Agreement or any other Loan Document, and (b) except as expressly set forth in the Loan Documents, nothing in the Loan Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor as a condition to the effectiveness to any future waivers, consents or amendments to the Loan Agreement.

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SECTION 3 Representations and Warranties. Each of the Loan Parties represents and warrants to each Lender and the Agents that, as of the date, and upon the effectiveness, of this Amendment: (a) both immediately before and after giving effect to the amendment set forth in Section 1 of this Amendment, no Default or Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents; (b) each Loan Party has the requisite power and authority to enter into, deliver and perform its obligations under this Amendment and has taken all necessary action to authorize the execution, delivery and performance by it of this Amendment; (c) this Amendment has been duly executed and delivered on behalf of each Loan Party; (d) this Amendment constitutes a legal, valid and binding obligation of each Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); (e) the execution, delivery and performance by each Loan Party of this Amendment does not and will not (i) conflict with, contravene or violate any provision of any Applicable Law or (ii) conflict with, result in a breach of or constitute a default under the Constituent Documents or any Permit of any Loan Party, other than in the case of Permits breaches or defaults that would not, in the aggregate, have a Material Adverse Effect; (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person, and no consent or approval under any contract or instrument (other than those that have been duly obtained or made and which are in full force and effect and are not subject to suspension, revocation or termination) is required for the execution, delivery and performance by each Loan Party of this Amendment; and (g) the representations and warranties of the Loan Parties set forth in the Loan Agreement and each other Loan Document (i) that are qualified as to materiality or Material Adverse Effect are true and correct in all respects on and as of the date hereof, and (ii) that are not qualified as to materiality or Material Adverse Effect are true and correct in all material respects on and as of the date hereof, in each case, except to the extent that any such representation or warranty is expressly stated to have been made as of an earlier date, in which case, such representation or warranty shall be true and correct in all respects or in all material respects, as applicable, as of such earlier date.

SECTION 4 Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full of the following conditions precedent, in a manner satisfactory to the Administrative Agent (such date, the “Effective Date”):

(a) Execution. The Administrative Agent shall have received counterparts of this Amendment duly executed by each Loan Party, the Administrative Agent, the Collateral Agent, and the Lenders in accordance with Section 11.10 of the Loan Agreement;

(b) Acknowledgement. The Administrative Agent shall have received the attached “Acknowledgement of the Parent” duly executed by Parent in accordance with Section 11.10 of the Loan Agreement;

(c) Representations and Warranties. The representations and warranties contained in this Amendment, in the Loan Agreement and in the other Loan Documents, applicable to each Loan Party, shall be true and correct on and as of the Effective Date, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date, in which event they shall be true and correct on and as of such earlier date);

(d) No Default. No Default or Event of Default shall have occurred and be continuing;

(e) Legal Opinions. The Administrative Agent shall have received an executed legal opinion of counsel to the Loan Parties and the Parent, which legal opinion shall be addressed to the Administrative Agent and the Lenders and shall be in form and substance satisfactory to the Administrative Agent and its legal counsel;

(f) Secretary’s Certificates. The Administrative Agent shall have received a certificate for each of the Loan Parties, dated the Effective Date, duly executed and delivered by the secretary or assistant secretary, other Authorized Officer, managing member or general partner of such Loan Party, as applicable, as to:

(i) (A) such Person’s Constituent Documents, as amended, modified or supplemented as of Effective Date, certified by the appropriate officer or official body of the jurisdiction of organization of such Person or (B) no changes to such Person’s Constituent Documents delivered to the Administrative Agent on the Closing Date (or the date of the most recent certificate of the secretary, assistant secretary, managing member or general partner, as applicable, of such Person delivered pursuant to Section 7.01(e) of the Loan Agreement);

(ii) resolutions of each such Person’s Board then in full force and effect expressly and specifically authorizing, to the extent relevant, all aspects of this Amendment and the Loan Documents applicable to such Person and the execution, delivery and performance of this Amendment and each other Loan Document, in each case to be executed by such Person; and

(iii) (A) the incumbency and specimen signatures of its Authorized Officers and any other of its officers, managing member or general partner, as applicable, authorized to act with respect to this Amendment and each Loan Document to be executed by such Person, and a list of all officers and directors of such Person or (B) no changes to the incumbency of its Authorized Officers and any other of its officers, managing member or general partner, as applicable, authorized to act with respect to this Amendment and each Loan Document, or the list of all officers and directors of such Person delivered to the Administrative Agent on the Closing Date (or the date of the most recent certificate of the secretary, assistant secretary, managing member or general partner, as applicable, of such Person delivered pursuant to Section 7.01(e) of the Loan Agreement).



Each such certificate shall provide that each Secured Party may conclusively rely thereon until such Secured Party shall have received a further certificate of the secretary, assistant secretary, managing member or general partner, as applicable, of such Person canceling or amending the prior certificate of such Person as provided in Section 7.01(e) of the Loan Agreement;

(g) Officer's Certificate. The Administrative Agent shall have received an original of a certificate of Authorized Officers of the Parent and the Borrower, dated the Effective Date, in form and substance satisfactory to the Administrative Agent and its legal counsel, certifying as to such items as reasonably requested by the Administrative Agent, including, without limitation, the following:

(i) that both before and after giving effect to this Amendment on the Effective Date, no Default or Event of Default has occurred and no default or event of default under any Material Contract of the Loan Parties has occurred;

(ii) the representations and warranties contained in this Amendment, in the Loan Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the Effective Date, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date); and

(iii) that all the conditions listed in this Section 4 have been fully satisfied or, if applicable, waived in writing by the Administrative Agent;

(h) Good Standing Certificates. The Administrative Agent shall have received certificates of good standing with respect to each Loan Party, each dated as of a date no more than thirty (30) days prior to the Effective Date, such certificates to be issued by the appropriate officer or official body of the jurisdiction of organization of such Loan Party;

(i) Solvency. The Administrative Agent shall be satisfied, based on financial statements (actual and pro forma), projections and other evidence provided by the Parent and the Borrower, that the Borrower and each of the other Loan Parties and their Subsidiaries are and, after the Effective Date, will be, Solvent, and the Administrative Agent shall have received a Solvency Certificate duly executed by the chief financial officer of the Borrower confirming the Solvency of the Borrower and each of the other Loan Parties and their Subsidiaries, individually and collectively, after giving effect to this Amendment;

(j) Principal Payment. The Administrative Agent shall have received from the Borrower a principal payment of \$3,500,000 in immediately available funds for the account of all of the Lenders and for application to the Obligations to reduce the outstanding principal amount of the Term Loans;

(k) Material Adverse Effect. The Administrative Agent shall be satisfied that, since March 31, 2020, no event, development, change, circumstance, condition or effect has occurred that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(l) No New Information. The Administrative Agent shall not have discovered or otherwise become aware of any information, circumstance, development or other matter not previously disclosed to the Administrative Agent that the Administrative Agent believes to be inconsistent in a material and adverse manner with its understanding, based on the information provided to the Administrative Agent prior to the Effective Date, of (i) the business, assets, liabilities, operations, condition (financial or otherwise), prospects, operating results or the Projections of the Borrower and its Subsidiaries taken as a whole or (ii) the transactions contemplated by the Loan Agreement (as expressly modified hereby);

(m) Payment of Fees and Expenses. The Agents shall have received payment of all costs, fees and expenses (together with the fees and disbursements of counsel to the Agents) due and owing to the Agents as of the date hereof in accordance with Section 11.05 the Loan Agreement;

(n) Banking Moratorium. No banking moratorium has been declared by either federal or state authorities;

(o) No Injunctions. No injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the transactions contemplated by this Amendment shall have been issued and remain in force by any Governmental Authority against the Loan Parties, any Agent or any Lender;

(p) No Adverse Actions. There shall be no order or injunction or pending litigation in which there is a reasonable possibility of a decision that could reasonably be expected to have a Material Adverse Effect on the Loan Parties, or on the Loan Parties and their Subsidiaries taken as a whole. There shall be no pending litigation seeking to prohibit, enjoin or prevent any of the transactions contemplated by this Amendment; and

(q) Other Documents. The Agents shall have received such other documents, instruments, certificates and agreements as the Agents may reasonably request, each of which shall be in form and substance satisfactory to the Agents.

#### SECTION 5 Reaffirmations.

(a) The Borrower hereby (i) agrees that, except as expressly provided herein, this Amendment shall not limit or diminish the obligations of the Borrower under the Loan Agreement or any other Loan Document, (ii) reaffirms its obligations under the Loan Agreement (as expressly modified hereby) and each of the Loan Documents (including, without limitation, the Security Agreement) to which it is a party, (iii) agrees that the Loan Agreement (as expressly modified hereby) and each such Loan Document (including, without limitation, the Security Agreement) remains in full force and effect and is hereby ratified and confirmed, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Borrower's liability to repay the Obligations or to seek affirmative relief or damages of any kind or nature from any Secured Party.

(b) Each Guarantor (i) reaffirms its obligations under the Security Agreement and each of the other Loan Documents to which it is a party, (ii) acknowledges and agrees that the Security Agreement and each of the other Loan Documents to which it is a party is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Obligations guaranteed by the Guarantors in the Security Agreement, and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Obligations guaranteed by the Guarantors in the Security Agreement or to seek affirmative relief or damages of any kind or nature from any Secured Party.

SECTION 6 Loan Document; Successors and Assigns. This Amendment is a Loan Document for all purposes of the Loan Agreement and the other Loan Documents. This Amendment is binding upon the Borrower, the Guarantors, any other Loan Parties, the Lenders, the Agents and each of their respective successors and permitted assigns and shall inure to the benefit of the respective successors and permitted assigns of the parties hereto and any other indemnified parties hereunder and their respective successors, permitted assigns and representatives.

SECTION 7 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The Agents and the Lenders expressly reserve any and all rights, remedies, powers and privileges under the Loan Agreement, the Security Agreement, the other Loan Documents and Applicable Laws at any time with respect to any Default or Event of Default that has occurred and is continuing or may hereafter occur and be continuing. A Secured Party's failure to insist at any time upon strict compliance with this Amendment or any other Loan Document or any continued course of such conduct on its part will not constitute or be considered a waiver by such Secured Party of any of its rights or privileges. A waiver or consent, express or implied, of or to any breach or default by any party in the performance by that party of its obligations with respect to this Amendment is not a waiver of consent of or to any other breach or default in the performance by that party of the same or any other obligations of that party.

SECTION 8 Fees and Expenses. The Loan Parties agree and acknowledge that all fees and expenses incurred by the Agents in connection with this Amendment, including without limitation the costs, fees and disbursements of counsel to the Agents, for which the Borrower and the Guarantors are liable in accordance with and pursuant to Section 11.05 of the Loan Agreement shall be paid by the Borrower and the Guarantors to the Administrative Agent in accordance with said Section 11.05.

SECTION 9 Release. In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, each of the Borrower and the Guarantors, for itself and its successors, assigns, parents, subsidiaries, affiliates, predecessors, employees, agents, heirs and executors, as applicable (collectively, the “Releasors”), jointly and severally with each other Loan Party, releases, remises, acquits and forever discharges each Agent and each Lender and each of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, predecessors, successors and assigns, both present and former (collectively, the “Released Parties”) of and from any and all manner of actions, causes of action, torts, suits, debts, controversies, damages, judgments, executions, claims and demands whatsoever, asserted or unasserted, in law or in equity, that exist or have occurred on or prior to the date of this Amendment, arising out of or relating to this Amendment or any other Loan Document which the Releasors ever had or now have against any of the Released Parties, including any presently existing claim whether or not presently suspected, contemplated or anticipated. To the fullest extent permitted under Applicable Laws, the foregoing release applies to all Releasor claims, whether based in contract, tort or any other theory, and such release shall extend to each Released Party notwithstanding the sole or concurrent negligence of every kind or character whatsoever, whether active or passive, whether an affirmative act or an omission, including without limitation, all types of negligent conduct identified in the Restatement (Second) of Torts, of one or more of the Released Parties or by reason of strict liability imposed without fault on any one or more of the Released Parties. Furthermore, each of the Borrower and the Guarantors hereby covenants and agrees not to bring, commence, prosecute, maintain, or cause or permit to be brought, commenced, prosecuted or maintained, any suit or action, either in law or equity, in any court or before any other administrative or judicial authority, regarding any claim or cause of action such Person may have against any Agent or any Lender arising on or prior to the date hereof out of, in connection with or in any way relating to any of the Loan Documents or otherwise.

SECTION 10 Miscellaneous: Incorporation by Reference. The terms and provisions of Sections 11.01(c), 11.02, 11.03, 11.04, 11.05, 11.06, 11.10, 11.11, 11.12, 11.13, 11.14, 11.16, 11.21 and 11.22 of the Loan Agreement are hereby incorporated herein by reference and shall apply to this Amendment *mutatis mutandis* as if fully set forth herein.

(a) The descriptive headings of the various sections of this Amendment are inserted for convenience of reference only and shall not affect the meaning or construction of any of the provisions hereof or thereof. The interpretive provisions of Section 1.02 of the Loan Agreement are incorporated herein by this reference, *mutatis mutandis*, and shall apply to this Amendment as if fully set forth herein.

(b) This Amendment may not be changed, amended, restated, waived, supplemented, discharged, canceled, terminated or otherwise modified orally or by any course of dealing or in any manner other than as provided in the Loan Agreement with respect to Loan Documents generally, as set forth in 11.01 thereof, which is incorporated herein by reference, *mutatis mutandis*, and shall apply to this Amendment as if fully set forth herein.

SECTION 11 Governing Law; Consent to Jurisdiction; WAIVER OF JURY TRIAL.

(a) This Amendment and the validity, interpretation, construction, and performance hereof shall be governed by and construed and enforced in accordance with, and any claim by any party hereto against any other party hereto (including any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest) shall be determined in accordance with, the internal laws of the State of New York for contracts made and to be performed wholly within the State of New York, without regard to principles of conflicts of laws requiring application of the law of any other jurisdiction.

(b) Article XII of the Loan Agreement is hereby incorporated herein by reference and applies to this Amendment *mutatis mutandis* as if fully stated herein.

(c) EACH OF THE BORROWER AND THE GUARANTORS HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AMENDMENT, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AMENDMENT, AND AGREES THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE AGENTS AND THE LENDERS EXECUTING AND DELIVERING THIS AMENDMENT AND GRANTING ANY FINANCIAL ACCOMMODATIONS TO THE LOAN PARTIES.

SECTION 12 References. From and after the Effective Date and the satisfaction of the conditions precedent listed in Section 4 of this Amendment, each reference in the Loan Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import, and all references to the Loan Agreement in any and all agreements, instruments, certificates and other documents, shall be deemed to mean the Loan Agreement as modified and amended by this Amendment and as the same may be further amended, modified or supplemented in accordance with the terms thereof.

[signatures begin on next page]

IN WITNESS WHEREOF, each of the parties has duly executed this Amendment as of the day and year first above written.

BORROWER:

CINEDIGM DC HOLDINGS, LLC

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: Secretary

GUARANTORS:

ACCESS DIGITAL MEDIA, INC.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

ACCESS DIGITAL CINEMA PHASE 2, CORP.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

CHRISTIE/AIX, INC.

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

CINEDIGM DIGITAL FUNDING I, LLC

By /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

[Signature Page to Amendment No. 3 to Term Loan Agreement]

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ADMINISTRATIVE AGENT  
AND COLLATERAL AGENT:

PROSPECT CAPITAL CORPORATION

By /s/ M. Grier Eliasek  
Name: M. Grier Eliasek  
Title: President and Chief Operating Officer

LENDER:

PROSPECT CAPITAL FUNDING LLC

By /s/ M. Grier Eliasek  
Name: M. Grier Eliasek  
Title: Vice President

[Signature Page to Amendment No. 3 to Term Loan Agreement]

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Acknowledgement of the Parent:

By signing below, CINEDIGM CORP., a Delaware corporation, (i) reaffirms its obligations under the Limited Recourse Guaranty and the Limited Recourse Pledge Agreement, (ii) acknowledges and agrees that each of the Limited Recourse Guaranty and the Limited Recourse Pledge Agreement is, and shall continue to be, in full force and effect, (iii) acknowledges and agrees that all sums previously and now or hereafter advanced for, or on behalf, of the Borrower under the Loan Agreement shall constitute part of the Guaranteed Obligations (as defined in the Limited Recourse Guaranty), and (iv) acknowledges and agrees that as of the date hereof it has no defense, offset, counterclaim, cross-claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of the Guaranteed Obligations (as defined in the Limited Recourse Guaranty) or to seek affirmative relief or damages of any kind or nature from any Secured Party.

[signatures continue on next page]

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CINEDIGM CORP.

By /s/ Gary S. Loffredo  
Name: Gary S. Loffredo  
Title: President, Chief Operating Officer, General Counsel and  
Secretary

[Signature Page to Acknowledgement of Amendment No. 3 to Term Loan Agreement]

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**EQUIPMENT PURCHASE AGREEMENT**

This EQUIPMENT PURCHASE AGREEMENT (the “*Agreement*”), dated as of March 17, 2021 (the “*Effective Date*”), is made and entered into by and between **Cinedigm Digital Funding I, LLC** a Delaware limited liability company (“*CDFI*”), and **American Multi-Cinema, Inc.**, a Missouri corporation (“*AMC*”).

**RECITALS**

WHEREAS, AMC, as successor in interest, is party to certain Master License Agreements (the “*Master License Agreements*”) with CDFI pursuant to which CDFI and its affiliates deployed and licensed the use of certain equipment to AMC under the terms and conditions set forth in such Master License Agreements.

WHEREAS, CDFI has agreed to convey to AMC, and AMC has agreed to receive, the equipment described and identified on Schedule A attached hereto, together with all manufacturers’ warranties thereon, to the extent such warranties are transferable (the “*Assets*”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Subject to the terms and conditions hereafter set forth, CDFI hereby agrees to transfer, sell, convey, and deliver (the “*Sale*”) to AMC and AMC hereby agrees to accept, all of CDFI’s right, title and interest in and to the Assets for an aggregate purchase price of Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000.00) (the “*Purchase Price*”).

2. AMC shall deliver to CDFI the Purchase Price at the times and for the installment amounts set forth on Schedule A in immediately available funds in accordance with the written instructions provided by CDFI.

3. Notwithstanding anything contained herein, CDFI will retain title to each Asset until its receipt of the installment amounts of the Purchase Price related to such Asset as more specifically set forth on Schedule A (with respect to each such Asset, the “*Transfer Date*”).

4. CDFI represents and warrants that (a) it is a limited liability company, validly existing and in good standing in its jurisdiction of formation, (b) it has the power and authority to enter into this Agreement and (c) it has taken all actions necessary for the execution of this Agreement.

5. AMC represents and warrants that (a) it is a corporation validly existing and in good standing in its jurisdiction of incorporation, (b) it has the power and authority to enter into this Agreement and (c) it has taken all action necessary for the execution of this Agreement.

6. AMC acknowledges and agrees that (a) except as expressly set forth herein, AMC accepts the Assets on an “AS IS, WHERE IS” basis and (b) except for the CDFI’s representations and warranties set forth in Section 4 above, CDFI has not made and will not be deemed to have made any verbal or written representations, warranties, promises or guarantees (whether express, implied, statutory or otherwise) to AMC with respect to the Assets or in connection with the Sale.

7. AMC acknowledges and agrees that it shall arrange, at its sole cost and expense, for relocation, storage, shipment and refurbishment of the Assets, as may be necessary and assumes all risk of loss as of the Effective Date. AMC shall maintain a policy of insurance insuring the Assets for a coverage amount at least equal to the full replacement cost (at market value) of the Assets. CDFI shall be named as a loss payee, as applicable under such policy, and such policy shall provide that it may not be canceled except upon at least thirty (30) days prior written notice to CDFI (or at least ten (10) days’ prior written notice for failure to pay a premium). Upon CDFI’s request, AMC shall furnish to CDFI insurance certificates.

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8. Each party agrees to cooperate reasonably with the other party, to take such actions, to execute such further instruments, documents and agreements, and to give such further written assurances, as may be reasonably requested by the other party to evidence and reflect the transactions contemplated herein, and to carry into effect the intents and purposes of this Agreement.

9. Upon a failure to timely make any payment required under this Agreement when due, or breach of any other material term of this Agreement by AMC which is not cured within thirty (30) days following notice from CDF1 of such breach, then, in addition to any other rights or remedies that CDF1 may have at law or in equity, CDF1 shall have the right, in CDF1's sole discretion, to declare a default and retake possession of the Assets for which title has not already been conveyed pursuant to Section 3 and to reinstate and collect the fees waived under Section 15 hereof. AMC shall permit CDF1 and its agents to enter the premises where such Assets are stored or otherwise located for the purpose of inspecting, removing or selling the Assets or CDF1 may require AMC (at AMC's sole cost and expense) to assemble the Assets and make them available to CDF1 at a place to be designated by CDF1 which is reasonably convenient to CDF1 and AMC. AMC shall pay any deficiency that may remain after exercise of such rights plus expenses of retaking, holding, preparing for sale, selling or the like, and the enforcement of such rights, including CDF1's reasonable attorney's fees and expenses. All of CDF1's rights under this Agreement are cumulative and no waiver of any default shall affect any later default.

10. The representations, warranties, covenants and agreements set forth in this Agreement shall survive the execution and delivery of this Agreement.

11. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. This Agreement, together with the Schedule hereto, incorporated by this reference, constitute the entire agreement of the parties regarding the Sale. They supersede all prior or contemporaneous understandings, agreements, or other communications between the parties, oral or written, regarding such subject matter. This Agreement may not be amended or waived except in a writing executed by the party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons or entities having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person or entity under or by reason of this Agreement. The failure of a party to enforce any provision of this Agreement shall not be construed to be a waiver of the right of such party to thereafter enforce that provision or any other provision or right. If any provision of this Agreement is unenforceable or invalid under any applicable law or is so held by applicable court decision, such unenforceability or invalidity will not render this Agreement unenforceable or invalid as a whole, and such provision will be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

13. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts entered into and to be performed wholly within said state. The parties hereto hereby consent to the jurisdiction of the federal and state courts located in Los Angeles County, California and waive any objections to such courts based on venue in connection with any claim or dispute arising under this Agreement. Each of the parties hereto hereby irrevocably waives any and all right to a trial by jury in any legal proceedings arising out of or relating to this Agreement.

14. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. It shall not be necessary for any counterpart to bear the signature of all parties hereto. This Agreement and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or electronic delivery, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if were the original signed version thereof delivered in person. No party to this Agreement shall raise the use of a facsimile machine or electronic delivery to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of a facsimile machine or electronic means as a defense to the formation or enforceability of a contract and each party forever waives any such defense.

15. Effective as of each Transfer Date, and solely with respect to the Assets for which title is conveyed as of such Transfer Date, the relevant Master License Agreement shall terminate, except for provisions which by their terms expressly survive the termination of such Master License Agreement. Notwithstanding the preceding sentence, CDF1 hereby acknowledges and agrees (i) that AMC's obligation to enter into and maintain a service agreement for the maintenance of the Assets is hereby terminated effective as of the Effective Date and (ii) to waive all fees related to the Assets to which CDF1 is entitled under the Master License Agreement (including Alternative Content Fees, Advertising Fees (as such terms are defined in the respective Master License Agreement) and all fees related to offline systems).

**[SIGNATURE PAGES TO FOLLOW]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

**CINEDIGM DIGITAL FUNDING I, LLC**

By: /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Title: President

**AMERICAN MULTI-CINEMAS, INC.**

By: /s/ John McDonald

Name: John McDonald

Title: EVP US Operation

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**EQUIPMENT PURCHASE AGREEMENT**

This EQUIPMENT PURCHASE AGREEMENT (the “*Agreement*”), dated as of March 17, 2021 (the “*Effective Date*”), is made and entered into by and between **ACCESS DIGITAL CINEMA PHASE 2, CORP.**, a Delaware corporation (“*ADCP2*”), **ACCESS DIGITAL CINEMA PHASE 2 B/AIX CORP.** a Delaware corp. (“*BALX*,” and together with ADCP2, the “*Sellers*”) and American Multi-Cinema, Inc., a Missouri corporation (“*AMC*”).

**RECITALS**

WHEREAS, AMC, as successor in interest, is party to certain Master License Agreements (the “*Master License Agreements*”) with the Sellers pursuant to which Sellers deployed and licensed the use of certain equipment to AMC under the terms and conditions set forth in such Master License Agreement.

WHEREAS, Sellers have agreed to convey to AMC, and AMC has agreed to receive, the equipment described and identified on Schedule A attached hereto, together with all manufacturers’ warranties thereon, to the extent such warranties are transferable (the “*Assets*”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Subject to the terms and conditions hereafter set forth, Sellers hereby agree to transfer, sell, convey, and deliver (the “*Sale*”) to AMC and AMC does hereby accept, all of Sellers’ right, title and interest in and to the Assets for an aggregate purchase price of \$4,588,000.00 (the “*Purchase Price*”).

2. AMC shall deliver to Sellers the Purchase Price at the times and for the installment amounts set forth on Schedule A attached hereto. Payment shall be made in immediately available funds in accordance with the written instructions provided by Sellers to AMC.

3. Notwithstanding anything contained herein, Sellers will retain title to each Asset until Sellers’ receipt of the installment amounts of the Purchase Price related to such Asset as more specifically set forth on Schedule A.

4. Each of the Sellers represents and warrants that (a) it is a corporation validly existing and in good standing in its jurisdiction of incorporation, (b) it has the power and authority to enter into this Agreement and (c) it has taken all actions necessary for the execution of this Agreement.

5. AMC represents and warrants that (a) it is a corporation validly existing and in good standing in its jurisdiction of incorporation, (b) it has the power and authority to enter into this Agreement and (c) it has taken all action necessary for the execution of this Agreement.

6. AMC acknowledges and agrees that (a) except as expressly set forth herein, AMC accepts the Assets on an “AS IS, WHERE IS” basis and (b) except for Sellers’ representations and warranties set forth in Section 4 above, Sellers have not made and will not be deemed to have made any verbal or written representations, warranties, promises or guarantees (whether express, implied, statutory or otherwise) to AMC with respect to the Assets or in connection with the Sale.

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7. AMC acknowledges and agrees that it shall arrange, at its sole cost and expense, for relocation, storage, shipment and refurbishment of the Assets, as may be necessary and assumes all risk of loss as of the Effective Date. AMC shall maintain a policy of insurance insuring the Assets for a coverage amount at least equal to the full replacement cost (at market value) of the Assets. Sellers shall be named as a loss payee, as applicable under such policy, and such policy shall provide that it may not be canceled except upon at least thirty (30) days prior written notice to Sellers (or at least ten (10) days' prior written notice for failure to pay a premium). Upon Sellers' request, AMC shall furnish to Sellers insurance certificates.

8. Each party agrees to cooperate reasonably with the other party, to take such actions, to execute such further instruments, documents and agreements, and to give such further written assurances, as may be reasonably requested by the other party to evidence and reflect the transactions contemplated herein, and to carry into effect the intents and purposes of this Agreement.

9. Upon a failure to timely make any payment required under this Agreement when due, or breach of any other material term of this Agreement by AMC which is not cured within thirty (30) days following notice from Sellers of such breach, then, in addition to any other rights or remedies that Sellers may have at law or in equity, Sellers shall have the right, in Sellers' sole discretion, to declare a default and retake possession of the Assets for which title has not already been conveyed in accordance with Section 3. AMC shall permit Sellers and their agents to enter the premises where such Assets are stored or otherwise located for the purpose of inspecting, removing or selling the Assets or Sellers may require AMC (at AMC's sole cost and expense) to assemble the Assets and make them available to Sellers at a place to be designated by Sellers which is reasonably convenient to Sellers and AMC. AMC shall pay any deficiency that may remain after exercise of such rights plus expenses of retaking, holding, preparing for sale, selling or the like and the enforcement of such rights, including Sellers' reasonable attorney's fees and expenses. All of Sellers' rights under this Agreement are cumulative and no waiver of any default shall affect any later default.

10. The representations, warranties, covenants and agreements set forth in this Agreement shall survive the execution and delivery of this Agreement.

11. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. This Agreement, together with the Schedule hereto, incorporated by this reference, constitute the entire agreement of the parties regarding the Sale. They supersede all prior or contemporaneous understandings, agreements, or other communications between the parties, oral or written, regarding such subject matter. This Agreement may not be amended or waived except in a writing executed by the party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons or entities having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person or entity under or by reason of this Agreement. The failure of a party to enforce any provision of this Agreement shall not be construed to be a waiver of the right of such party to thereafter enforce that provision or any other provision or right. If any provision of this Agreement is unenforceable or invalid under any applicable law or is so held by applicable court decision, such unenforceability or invalidity will not render this Agreement unenforceable or invalid as a whole, and such provision will be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

13. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts entered into and to be performed wholly within said state. The parties hereto hereby consent to the jurisdiction of the federal and state courts located in Los Angeles County, California and waive any objections to such courts based on venue in connection with any claim or dispute arising under this Agreement. Each of the parties hereto hereby irrevocably waives any and all right to a trial by jury in any legal proceedings arising out of or relating to this Agreement.

14. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. It shall not be necessary for any counterpart to bear the signature of all parties hereto. This Agreement and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or electronic delivery, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if were the original signed version thereof delivered in person. No party to this Agreement shall raise the use of a facsimile machine or electronic delivery to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of a facsimile machine or electronic means as a defense to the formation or enforceability of a contract and each party forever waives any such defense.

**[SIGNATURE PAGES TO FOLLOW]**



IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

**ACCESS DIGITAL CINEMA PHASE 2, CORP.**

By: /s/ Gary S. Loffredo  
Name: Gary S. Loffredo  
Title: President

**ACCESS DIGITAL CINEMA PHASE 2 B/AIX, CORP.**

By: /s/ Gary S. Loffredo  
Name: Gary S. Loffredo  
Title: President

**AMERICAN MULTI-CINEMA, INC.**

By: /s/ John McDonald  
Name: John McDonald  
Title: EVP US Operations

Signature Page- Equipment Purchase Agreement

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Subsidiaries of Cinedigm Corp. (the "*Company*")

1. Access Digital Media, Inc., a Delaware corporation and a wholly-owned subsidiary of Cinedigm DC Holdings, LLC.
2. ADM Cinema Corporation d/b/a the Pavilion Theatre, a Delaware corporation and a wholly-owned subsidiary of the Company.
3. Christie/AIX, Inc., a Delaware corporation and a wholly-owned subsidiary of Access Digital Media, Inc.
4. Vistachiara Productions Inc., d/b/a The Bigger Picture, a Delaware corporation and a wholly-owned subsidiary of the Company.
5. Access Digital Cinema Phase 2, Corp., a Delaware corporation and a wholly-owned subsidiary of the Company.
6. Vistachiara Entertainment, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company.
7. Access Digital Cinema Phase 2 B/AIX Corp., a Delaware corporation and a wholly-owned subsidiary of Access Digital Cinema Phase 2 Corp.
8. Cinedigm Digital Funding 1, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Christie/AIX, Inc.
9. CDF2 Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Access Digital Cinema Phase 2 Corp.
10. Cinedigm Digital Funding 2, LLC, a Delaware limited liability company and a wholly-owned subsidiary of CDF2 Holdings, LLC.
11. Cinedigm Entertainment Corp., a New York corporation and a wholly-owned subsidiary of the Company.
12. Cinedigm Digital Cinema Australia Pty Ltd, an Australian proprietary company and a wholly-owned subsidiary of the Company.
13. Cinedigm DC Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company.
14. Cinedigm Entertainment Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company.
15. Cinedigm Home Entertainment, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm Entertainment Holdings, LLC.
16. Con TV, LLC, a Delaware limited liability company and an 85% owned subsidiary of Cinedigm Entertainment Corp.
17. Docurama, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
18. Dove Family Channel, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
19. Cinedigm OTT Holdings, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm Entertainment Corp.
20. Cinedigm Productions, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm Entertainment Corp.
21. Comic Blitz II LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
22. Viewster, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
23. C&F Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company.
24. Matchpoint Digital, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm Entertainment Corp.
25. TFD Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
26. Fandor Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
27. Screambox Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of Cinedigm OTT Holdings, LLC.
28. FoundationTV, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company.
29. Cinedigm India Private Limited, an Indian corporation, owned 99.99% by Cinedigm Corp. and .01% by FoundationTV, Inc.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements of Cinedigm Corp. on Form S-1 (No. 333-214486), Form S-3 (Nos. 333-239710 and 333-222190) and Form S-8 (Nos. 333-189898 and 333-248206) of our report dated July 29, 2021 on our audits of the consolidated financial statements as of March 31, 2021 and 2020 and for each of the years in the two-year period ended March 31, 2021, which report is included in this Annual Report on Form 10-K to be filed on or about July 29, 2021.

/s/ EISNERAMPER LLP

EISNERAMPER LLP  
Iselin, New Jersey  
July 29, 2021

## CERTIFICATION

I, Christopher J. McGurk, certify that:

1. I have reviewed this Form 10-K of Cinedigm Corp.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: /s/ Christopher J. McGurk  
Christopher J. McGurk  
Chief Executive Officer and Chairman of the Board of  
Directors  
(Principal Executive Officer)

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## CERTIFICATION

I, Gary S. Loffredo, certify that:

1. I have reviewed this Form 10-K of Cinedigm Corp.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021 By: /s/ Gary Loffredo  
Gary Loffredo  
President, Chief Operating Officer, General Counsel and Secretary

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

In connection with Form 10-K of Cinedigm Corp. (the "Company") for the period ended March 31, 2020 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

Date: July 29, 2021

By: /s/ Christopher J. McGurk  
Christopher J. McGurk  
Chief Executive Officer and Chairman of the Board  
of Directors  
(Principal Executive Officer)



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

In connection with Form 10-K of Cinedigm Corp. (the "Company") for the period ended March 31, 2020 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

Date: July 29, 2021

By: /s/ Gary Loffredo  
Gary Loffredo  
President, Chief Operating Officer, General Counsel  
and Secretary