



Cinedigm Closes \$7.0 Million Registered Direct Offering and Plans to Use a Portion of the Proceeds to Retire All Remaining Second Lien Debt

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Offering Proceeds Will Also be used for Content and Streaming Channel Acquisitions

LOS ANGELES, CA / ACCESSWIRE / February 5, 2021 / Cinedigm Corp. (NASDAQ:CIDM) ("Cinedigm" or the "Company"), announced today that it has consummated the sale of 5,600,000 shares of its Class A common stock at a purchase price of \$1.25 per share in a registered direct offering to a single institutional investor.

The Company plans to use the proceeds from the sale to retire the remainder of approximately \$3.2 million in second lien debt and for content and streaming channel acquisitions, in addition to other general corporate uses. Following the retirement of the remaining second lien debt, the Company's only recourse debt will be its revolving credit facility with East West Bank, an asset-backed loan that currently has a balance of less than \$3 million and an interest rate of 3.75 percent.

This reduction in second lien loans is the latest step in Cinedigm's initiative to dramatically reduce its debt and interest expense. Since December 31, 2019, the Company has reduced overall debt by \$35.0 million, or 68%. Over this period, the Company converted \$15 million in convertible notes to equity at \$1.50 per share, reduced second lien loans from \$8.1 million to zero, reduced our asset-based revolving loan by \$13.5 million, or 85%, to \$2.7 million, and reduced non-recourse legacy cinema equipment business debt by \$523 thousand to the current balance of \$12 million.

The proceeds of this offering will also be used to accelerate Cinedigm's streaming acquisition roll up strategy. This follows closely on the heels of Cinedigm's recent acquisitions of **Fandor**, the leading global independent film subscription streaming service with the largest collection of independent films, documentaries, and international features in the market and called "The Netflix for Indie Film" by The Wall Street Journal. At the end of December 2020, the Company also acquired **The Film Detective**, a leading content distributor and streaming channel focused on classic film and television programming. The Company plans to continue to execute this roll-up strategy utilizing this new funding, acquiring additional enthusiast-supported streaming channels that can immediately benefit from Cinedigm's scale, content library, distribution footprint, infrastructure and technical prowess.

"Following this registered direct offering and planned retirement of all remaining second lien debt, our balance sheet will be stronger than ever," said Gary Loffredo, Cinedigm President and COO. "We will be virtually debt-free now with a small revolving credit facility with a very favorable interest rate. Just as important, we will have the cash and balance sheet firepower to continue the rapid execution of our streaming roll-up strategy, with more impactful, accretive and cash-positive acquisition targets like **The Film Detective** and **Fandor** that will immediately benefit from Cinedigm's market leading streaming technology, distribution reach, infrastructure and digital content library."

About Cinedigm

Since inception, Cinedigm (CIDM) has been a leader at the forefront of the digital transformation of content distribution. Adapting to the rapidly transforming business needs of today's entertainment landscape, Cinedigm remains a change-centric player focused on providing content, channels and services to the world's largest media, technology and retail companies. Cinedigm's Content and Networks groups provide original and aggregated programming, channels and services that entertain consumers globally across hundreds of millions of devices. For more information, visit www.cinedigm.com.

Cinedigm uses, and will continue to use, its website, press releases, SEC filings, and various social media channels, including Twitter (<https://twitter.com/cinedigm>), LinkedIn (<https://www.linkedin.com/company/cinedigm/>), Facebook (<https://facebook.com/Cinedigm>), StockTwits (<https://stocktwits.com/CinedigmCorp>) and the Company website (www.cinedigm.com) as additional means of disclosing public information to investors, the media and others interested in the Company. It is possible that certain information that the Company posts on its website, disseminated in press releases, SEC filings, and on social media could be deemed to be material information, and the Company encourages investors, the media and others interested in the Company to review the business and financial information that the Company posts on its website, disseminates in press releases, SEC filings and on the social media channels identified above, as such information could be deemed to be material information. For more information, visit <http://www.cinedigm.com>.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements. For example, Cinedigm is using forward-looking statements in this press release when it discusses expected timing of the closing of the offering. Because such statements deal with future events and are based on Cinedigm's current expectations, they are subject to various risks and uncertainties, and actual results, performance or achievements of Cinedigm could differ materially from those described in or implied by the statements in this press release.

The forward-looking statements contained or implied in this press release are subject to other risks and uncertainties, including those discussed under the heading "Risk Factors" in Cinedigm's annual report on Form 10-K filed with the SEC on July 6, 2020, and in any subsequent filings with the SEC. Except as otherwise required by law, Cinedigm undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect

events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. References and links to websites have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release. Cinedigm is not responsible for the contents of third-party websites.

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