



Cinedigm Announces Overall Corporate Debt Reduction of \$44.2 Million

May 7, 2021

89% Reduction in Debt since March 31, 2020 Delevers Balance Sheet to Support Streaming M&A Strategy

LOS ANGELES, CA / ACCESSWIRE / May 7, 2021 / Cinedigm Corp. (NASDAQ:CIDM) announced today that over the past twelve months, the Company has reduced its total outstanding debt balance by \$44.2 million or 89% to a current balance of \$5.7 million from \$49.9 million at March 31, 2020.

The Company achieved this significant debt reduction milestone by converting \$15.0 million in convertible notes to equity, retiring \$8.2 million of second lien debt, repaying \$8.7 million of Digital Cinema non-recourse debt and \$14.4 million in revolver debt. These actions have significantly reduced the Company's annual interest expense.

The Company continues to improve its balance sheet with a current total debt balance of \$5.7 million which includes a PPP loan of \$2.1 million, for which the Company has submitted its application for forgiveness, \$3.5 million in non-recourse debt in the legacy Digital Cinema business and a revolving credit facility with East West Bank, that currently has a balance of \$0.1 million.

In addition, a portion of Cinedigm's recent \$10.8 million sale of digital cinema projection systems to American Multicinema Inc. (AMC) announced on March 26, 2021, will be utilized to eliminate the remaining \$3.5 million equipment debt balance in non-recourse Digital Cinema debt. Under the terms of the AMC deal, the equipment will be sold over time and the consideration will be payable in portions upon each separate sale which will occur at various dates through January 2023.

Following the equipment sale to AMC, Cinedigm continues to own an additional 1,000 projection systems that the company is exploring opportunities to lease or sell to theatrical exhibitors.

"Cinedigm is at a pivotal moment as we invest in high growth digital streaming assets while also monetizing our digital cinema assets," said Gary Loffredo, President and COO of Cinedigm. "We have been successful at completely changing the complexion of our balance sheet, adding significant cash and eliminating over \$44 million of debt since March 31, 2020. We intend to continue to reduce the relatively small remaining debt balances in this fiscal year."

He continued, "This progress is important because it shows we are executing against our strategy including our goal to significantly delever and reduce interest expense. With our balance sheet strengthened, we have positioned the Company to acquire additional high potential streaming growth assets beyond the five acquisitions we have made since October 2020, where we picked up four new streaming channels, approximately 15,000 films and TV episodes, a streaming technology Company and a base of future operations in South Asia. By becoming a leader in the streaming content business, we are enabling the Company to earn a significantly higher multiple of revenue in the capital markets."

About Cinedigm

For more than twenty years, Cinedigm (NASDAQ:CIDM) has led the digital transformation of the entertainment industry. Today, Cinedigm entertains hundreds of millions of consumers around the globe by providing premium content, enthusiast streaming channels and technology services to the world's largest media, technology and retail companies.

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 receipt of residuals and repayment of non-recourse debt related to the Digital Cinema business. 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

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Contact for CIDM:

DKC Public Relations

cinedigm@dkcnews.com

Investors

High Touch Investor Relations

Cinedigm@htir.net

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