

REFINITIV

DELTA REPORT

10-Q

CNVS - CINEVERSE CORP.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2747

■ CHANGES	187
■ DELETIONS	613
■ ADDITIONS	1947

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal period ended: **December 31, 2023** **June 30, 2024**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: **001-31810**

Cineverse Corp.
(Exact name of registrant as specified in its charter)

Delaware	22-3720962
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
224 W. 35th St., Suite 500 #947, New York, NY 10001	10001
(Address of principal executive offices)	(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
CLASS A COMMON STOCK, PAR VALUE \$0.001 PER SHARE	CNVS	The Nasdaq Stock Market

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 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 Accelerated filer Non-accelerated 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 is a shell company (as defined in Rule 12b-2 of the Act). Yes No
As of **February 7, 2024** **August 7, 2024**, **13,327,960** **15,706,341** shares of Class A Common Stock, \$0.001 par value, were outstanding.

Cineverse Corp.
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

Cineverse Corp.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	As of	
	December 31,	March 31,
	2023	2023
	(Unaudited)	

ASSETS			
Current Assets			
Cash and cash equivalents	\$ 5,539	\$ 7,152	
Accounts receivable	16,416	20,846	
Unbilled revenue	2,454	2,036	
Employee retention tax credit	1,672	2,085	
Content advances	8,477	3,724	
Other current assets	1,678	1,734	
Total current assets	36,236	37,577	
Equity investment in Metaverse, a related party, at fair value	1,276	5,200	
Property and equipment, net	2,065	1,833	
Intangible assets, net	18,727	19,868	
Goodwill	20,824	20,824	
Content advances, net of current portion	3,153	1,421	
Other long-term assets	943	1,265	
Total Assets	\$ 83,224	\$ 87,988	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	\$ 26,987	\$ 34,531	
Line of credit, including unamortized debt issuance costs of \$69 and \$76, respectively	4,931	4,924	
Current portion of deferred consideration on purchase of business	3,954	3,788	
Current portion of earnout consideration on purchase of business	110	1,444	
Operating lease liabilities	440	418	
Current portion of deferred revenue	246	226	
Total current liabilities	36,668	45,331	
Deferred consideration on purchase of business, net of current portion	2,639	2,647	
Operating lease liabilities, net of current portion	531	863	
Other long-term liabilities	59	74	
Total Liabilities	39,897	48,915	
Commitments and contingencies (see Note 6)			
Stockholders' Equity			
Preferred stock, 15,000,000 shares authorized; Series A 10% - \$0.001 par value per share; 20 shares authorized; 7 shares issued and 7 shares outstanding at December 31, 2023 and March 31, 2023.	3,559	3,559	
Common Stock, \$0.001 par value; Class A Stock: 275,000,000 shares authorized as of December 31, 2023, and March 31, 2023; 13,553,767 and 9,413,597 shares issued, with 13,265,214 and 9,347,805 shares outstanding as of December 31, 2023, and March 31, 2023, respectively.	192	185	
Additional paid-in capital	542,482	530,998	
Treasury stock, at cost: 288,554 and 65,792 shares at December 31, 2023 and March 31, 2023, respectively.	(11,978)	(11,608)	
Accumulated deficit	(489,341)	(482,395)	
Accumulated other comprehensive loss	(417)	(402)	
Total stockholders' equity of Cineverse Corp.	44,497	40,337	
Deficit attributable to noncontrolling interest	(1,170)	(1,264)	
Total equity	43,327	39,073	
Total Liabilities and Equity	\$ 83,224	\$ 87,988	
As of			
	June 30, 2024	March 31, 2024	

	(Unaudited)		
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 3,955	\$ 5,167	
Accounts receivable, net of allowance for credit losses of \$114 and \$269, respectively	9,262	8,667	
Unbilled revenue	4,596	6,439	
Employee retention tax credit	79	1,671	
Content advances	12,226	9,345	
Other current assets	1,413	1,432	
Total current assets	31,531	32,721	
Property and equipment, net	2,722	2,276	
Intangible assets, net	18,238	18,328	
Goodwill	6,799	6,799	
Content advances, net of current portion	1,655	2,551	
Other long-term assets	1,397	1,703	
Total Assets	\$ 62,342	\$ 64,378	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	\$ 20,247	\$ 20,817	
Line of credit, including unamortized debt issuance costs of \$127 and \$81, respectively	4,690	6,301	
Current portion of deferred consideration on purchase of business	3,539	3,114	
Term Loan, including unamortized debt issuance costs of \$131 and \$0, respectively	3,103	—	
Earnout consideration on purchase of business	180	180	
Current portion of operating lease liabilities	338	401	
Deferred revenue	332	436	
Total current liabilities	32,429	31,249	
Deferred consideration on purchase of business, net of current portion	—	457	
Operating lease liabilities, net of current portion	418	462	
Other long-term liabilities	58	59	
Total Liabilities	32,905	32,227	
Commitments and contingencies (see Note 6)			
Stockholders' Equity			
Preferred stock, 15,000,000 shares authorized; Series A 10% - \$0.001 par value per share; 20 shares authorized; 7 shares issued and 7 shares outstanding at June 30, 2024 and March 31, 2024	3,559	3,559	
Common Stock, \$0.001 par value; Class A Stock: 275,000,000 shares authorized as of June 30, 2024, and March 31, 2024; 16,081,458 and 15,985,620 shares issued, with 15,608,410 and 15,699,135 shares outstanding as of June 30, 2024 and March 31, 2024, respectively	194	194	
Additional paid-in capital	546,554	545,996	
Treasury stock, at cost; 473,049 and 288,554 shares at June 30, 2024 and March 31, 2024, respectively	(12,166)	(11,978)	
Accumulated deficit	(507,315)	(504,153)	
Accumulated other comprehensive loss	(290)	(345)	
Total stockholders' equity of Cineverse Corp.	30,536	33,273	
Deficit attributable to noncontrolling interest	(1,099)	(1,122)	
Total equity	29,437	32,151	
Total Liabilities and Equity	\$ 62,342	\$ 64,378	

See accompanying Notes to Condensed Consolidated Financial Statements

Cineverse Corp.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,		Three Months Ended June 30,	
	2023	2022	2023	2022	2024	2023
	Revenues	\$ 13,276	\$ 27,882	\$ 39,268	\$ 55,478	\$ 9,127
Costs and expenses						
Direct operating	5,464	14,411	17,097	29,859	4,479	6,987
Selling, general and administrative	6,373	9,107	21,088	29,016	6,563	7,888
Depreciation and amortization	1,012	924	2,787	2,908	863	822
Total operating expenses	12,849	24,442	40,972	61,783	11,905	15,697
Operating income (loss)	427	3,440	(1,704)	(6,305)		
Operating loss	(2,778)	(2,717)				
Interest expense	(291)	(367)	(781)	(880)	(431)	(295)
Loss from equity investment in Metaverse, a related party	(3,043)	—	(3,761)	(1,828)		
Employee retention tax credit	—	2,025	—	2,475		
Other income (expenses), net	147	(76)	(331)	(82)		
Net (loss) income before income taxes	(2,760)	5,022	(6,577)	(6,620)		
Income tax benefit (expense)	24	—	(12)	—		
Net (loss) income	(2,736)	5,022	(6,589)	(6,620)		
Gain from equity investment in Metaverse, a related party	3	—				
Other income (expense), net	163	(504)				
Net loss before income taxes	(3,043)	(3,516)				
Income tax expense	(7)	(20)				
Net loss	(3,050)	(3,536)				
Net income attributable to noncontrolling interest	(41)	(8)	(94)	(35)	(23)	(14)
Net (loss) income attributable to controlling interests	(2,777)	5,014	(6,683)	(6,655)		
Net loss attributable to controlling interests	(3,073)	(3,550)				
Preferred stock dividends	(87)	(88)	(263)	(264)	(89)	(88)
Net (loss) income attributable to common stockholders	\$ (2,864)	\$ 4,926	\$ (6,946)	\$ (6,919)		
Net (loss) income per share attributable to common stockholders:	—	—	—	—	—	—
Net loss attributable to common stockholders	\$ (3,162)	\$ (3,638)				
Net loss per share attributable to common stockholders:						
Basic	\$ (0.22)	\$ 0.55	\$ (0.59)	\$ (0.78)	\$ (0.20)	\$ (0.37)

Diluted	\$ (0.22)	\$ 0.55	\$ (0.59)	\$ (0.78)	\$ (0.20)	\$ (0.37)
Weighted average shares of Common Stock outstanding:						
Basic	12,828	8,945	11,678	8,854	15,702	9,879
Diluted	12,828	8,945	11,678	8,854	15,702	9,879

See accompanying Notes to Condensed Consolidated Financial Statements

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Cineverse Corp.						
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME						
(Unaudited)						
(In thousands)						
			Nine Months			
			Ended			
			December 31,		December 31,	
			2023	2022	2023	2022
			2024	2023		
Net (loss) income	\$ (2,736)	\$ 5,022	\$ (6,589)	\$ (6,620)		
Net loss	\$ (3,050)	\$ (3,536)				
Other comprehensive (loss) income:						
Foreign exchange translation	(3)	88	(15)	(226)	55	(78)
Net income attributable to noncontrolling interest	(41)	(8)	(94)	(35)	(23)	(14)
Comprehensive (loss) income	\$ (2,780)	\$ 5,102	\$ (6,698)	\$ (6,881)		
Comprehensive loss	\$ (3,018)	\$ (3,628)				

See accompanying Notes to Condensed Consolidated Financial Statements

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Cineverse Corp.						
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS						
(Unaudited)						
(In thousands)						
			Nine Months Ended		Three Months Ended	
			December 31,		Ended June 30,	
			2023	2022	2024	2023
Cineverse Corp.						
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS						
(Unaudited)						
(In thousands)						
			Nine Months Ended		Three Months Ended	
			December 31,		Ended June 30,	
			2023	2022	2024	2023
Cash flows from operating activities:						
Net loss						
Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation and amortization	2,787	2,908				
Provision for doubtful accounts	—	54				

Changes in fair value of equity investment in Metaverse	3,761	1,828		
Provision for credit losses	(155)	—		
Amortization of debt issuance costs	103	138	97	44
Stock-based compensation	1,092	3,855	470	409
Interest expense for deferred consideration and earnouts	381	743	62	181
Capitalized content	(1,371)	—		
Change in estimated earnout consideration	(682)	—		
Non-monetary sale of content licenses	—	(1,022)		
Interest expense for term loan	144	—		
Barter-related non-cash expenses	256	—	85	85
Other	395	102	35	374
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	3,815	5,795	(440)	5,656
Other current and long-term assets	449	(2,215)	14	(2,333)
Content advances	(6,485)	1,104	(1,985)	(182)
Employee retention tax credit	—	(2,475)	1,592	312
Accounts payable, accrued expenses, and other liabilities	(6,802)	(11,972)	(513)	(4,680)
Unbilled revenue	(418)	(332)		
Capitalized content	(674)	(196)		
Unbilled Revenue	1,844	(211)		
Deferred revenue	20	208	(104)	(5)
Net cash used in operating activities	\$ (9,287)	\$ (7,901)	\$ (1,714)	\$ (3,260)
Cash flows from investing activities:				
Expenditures for long-lived assets	(641)	(429)	(624)	(272)
Sale of equity investment securities	159	—	201	—
Net cash used in investing activities	\$ (482)	\$ (429)	\$ (423)	\$ (272)
Cash flows from financing activities:				
Proceeds from line of credit, net of debt issuance costs	28,565	19,469	16,278	8,761
Payments on line of credit	(28,565)	(14,469)	(17,947)	(8,761)
Payment of earnout consideration	(291)	(665)		
Financing fees for line of credit	(96)	(271)		
Payment of deferred consideration	(95)	—		
At-the-market issuance fees	(41)	—		
Cost to acquire treasury shares	(188)	—		
Proceeds from the issuance of a term loan, net of debt issuance costs	2,918	—		
Issuance of Class A common stock, net of issuance costs	8,542	—	—	8,509
Net cash provided by financing activities	\$ 8,156	\$ 4,064	\$ 925	\$ 8,509
Net change in cash and cash equivalents	(1,613)	(4,266)	(1,212)	4,977
Cash and cash equivalents at beginning of period	7,152	13,062	5,167	7,152
Cash and cash equivalents at end of period	\$ 5,539	\$ 8,796	\$ 3,955	\$ 12,129

See accompanying Notes to Condensed Consolidated Financial Statements

Cineverse Corp.
SUPPLEMENTAL CASH FLOW INFORMATION AND DISCLOSURE OF NON-CASH INVESTING AND
FINANCING ACTIVITY
(Unaudited)
(In thousands)

	Nine Months Ended December 31,		Three Months Ended June 30,	
	2023	2022	2024	2023
	\$ 233	\$ 58	\$ 235	\$ 121
Cash interest paid				
Lease liability related payments	\$ 333	\$ -	\$ 115	\$ 109
Income taxes paid	\$ 49	\$ -	\$ 46	\$ 12
Noncash investing and financing activities:				
Issuance of Class A common stock for payment of accrued employee bonuses	\$ 1,203	\$ -		
Treasury shares acquired for withholding taxes	\$ 370	\$ -		
Earnout liability settled in stock	\$ 392	\$ 238		
Bonus liability settled in stock	\$ 40	\$ —		
Accrued dividends on preferred stock	\$ 263	\$ 88	\$ 89	\$ 88
Issuance of Class A common stock for payment of accrued preferred stock dividends	\$ 263	\$ 264	\$ 89	\$ 88
Earnout consideration adjustment	\$ -	\$ 80		
Issuance of common stock for Board of Director compensation	\$ -	\$ 3		

See accompanying Notes to Condensed Consolidated Financial Statements

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CINEVERSE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Cineverse Corp.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(In thousands)

Preferred Stock	Common Stock	Treasury	Accumulated						Preferred Stock	Common Stock	Treasury	Additional		
			Additional	Other	Total	Non	Stockholders'	Controlling					Paid-In	Accumulated

	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity	Interest	Total	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit
Balances as of March 31, 2023 (Audited)	1	\$ 3,559	9,348	\$ 185	66	\$ (11,608)	\$ 530,998	\$ (482,395)	\$ (402)	\$ 40,337	\$ (1,264)	\$ 39,073								
Balances as of March 31, 2024	1	\$ 3,559	15,699	\$ 194	289	\$ (11,978)	\$ 545,996	\$ (504,153)	\$ (345)	\$ 33,273	\$ (1,122)	\$ 32,151								
Foreign exchange translation	—	—	—	—	—	—	—	—	(78)	(78)	—	(78)	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	409	—	—	409	—	409	—	—	—	—	—	—	470	—
Issuance of Class A common stock in connection with ATM raises, net	—	—	177	4	—	—	1,065	—	—	1,069	—	1,069								
Issuance of Class A common stock in connection with direct equity offering	—	—	2,150	2	—	—	7,437	—	—	7,439	—	7,439								
Treasury stock acquired	—	—	(184)	—	184	(188)	—	—	—	(188)	—	(188)								
Fees incurred in connection with ATM offering	—	—	—	—	—	—	(42)	—	—	(42)	—	(42)								
Issuance of common stock for acquiree consideration	—	—	29	—	—	—	41	—	—	41	—	41								
Preferred stock dividends paid in stock	—	—	10	—	—	—	88	—	—	88	—	88	—	—	64	—	—	—	89	—
Preferred stock dividends accrued	—	—	—	—	—	—	—	(88)	—	(88)	—	(88)	—	—	—	—	—	—	—	(89)
Net loss	—	—	—	—	—	—	(3,550)	—	(3,550)	14	(3,536)	—	—	—	—	—	—	—	—	(3,073)
Balances as of June 30, 2023	1	\$ 3,559	11,685	\$ 191	66	\$ (11,608)	\$ 539,997	\$ (486,033)	\$ (480)	\$ 45,626	\$ (1,250)	\$ 44,376								

Foreign exchange translation	—	—	—	—	—	—	—	—	66	66	—	66
Stock-based compensation	—	—	—	—	—	—	499	—	—	499	—	499
Issuance of Class A common stock in connection with employee bonuses	—	—	725	1	—	—	1,203	—	—	1,203	—	1,203
Estimated fee decrease associated with equity issuance	—	—	—	—	—	—	33	—	—	33	—	33
Issuance in connection with the exercise of warrants	—	—	517	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock for earnout commitment	—	—	41	—	—	—	392	—	—	392	—	392
Treasury stock in connection with taxes withheld from employees	—	—	(223)	—	223	(370)	—	—	—	(370)	—	(370)
Preferred stock dividends paid in stock	—	—	46	—	—	—	88	—	—	88	—	88
Preferred stock dividends accrued	—	—	—	—	—	—	(87)	—	(87)	—	(87)	—
Net loss	—	—	—	—	—	—	(357)	—	(357)	40	(317)	—
Balances as of September 30, 2023	1	\$ 3,559	12,791	\$ 192	289	\$ (11,978)	\$ 542,212	\$ (486,477)	\$ (414)	\$ 47,093	\$ (1,210)	\$ 45,883
Foreign exchange translation	—	—	—	—	—	—	—	—	(3)	(3)	—	(3)
Stock-based compensation	—	—	—	—	—	—	98	—	—	98	—	98

Issuance of common stock for Board of Director compensation	—	—	400	—	—	—	85	—	—	85	—	85
Preferred stock dividends	—	—	74	—	—	—	87	—	—	87	—	87
paid in stock Preferred stock dividends	—	—	—	—	—	—	—	(87)	—	(87)	—	(87)
accrued Net loss	—	—	—	—	—	—	(2,777)	—	(2,777)	41	(2,736)	—
Balances as of December 31, 2023	1	\$ 3,559	13,265	\$ 192	289	\$ (11,978)	\$ 542,482	\$ (489,341)	\$ (417)	\$ 44,497	\$ (1,170)	\$ 43,327
Balances as of June 30, 2024	1	\$ 3,559	15,608	\$ 194	473	\$ (12,166)	\$ 546,554	\$ (507,315)	\$ (290)	\$ 30,536	\$ (1,099)	\$ 29,437

See accompanying Notes to Condensed Consolidated Financial Statements

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Cineverse Corp. CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited) (In thousands)

	Accumulated												Additional											
	Preferred Stock		Common Stock		Treasury		Additional		Other		Total		Non		Preferred Stock		Common Stock		Treasury		Additional			
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In	Accumulated	Comprehensive	Stockholders'	Controlling	Interest	Total	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit			
Balances as of March 31, 2022 (Audited)	1	\$ 3,559	8,766	\$ 174	66	\$ (11,608)	\$ 522,601	\$ (472,310)	\$ (163)	\$ 42,253	\$ (1,303)	\$ 40,950												
Balances as of March 31, 2023 (Audited)	1	\$ 3,559	9,348	\$ 185	66	\$ (11,608)	\$ 530,998	\$ (482,395)	\$ (402)	\$ 40,337	\$ (1,264)	\$ 39,073												
Foreign exchange translation	—	—	—	—	—	—	—	—	—	48	48	—	48	—	—	—	—	—	—	—	—	—	—	

Stock-based compensation	—	—	—	—	—	—	980	—	—	—	980	—	980	—	—	—	—	—	409	—
Issuance of Class A common stock in connection with ATM raises, net	—	—	177	4	—	—	1,065	—	—	—	1,069	—	1,069	—	—	—	—	—	—	—
Issuance of Class A common stock in connection with direct equity offering	—	—	2,150	2	—	—	7,437	—	—	—	7,439	—	7,439	—	—	—	—	—	—	—
Preferred stock dividends paid in stock	—	—	5	—	—	—	88	—	—	—	88	—	88	—	—	10	—	—	—	88
Preferred stock dividends accrued	—	—	—	—	—	—	—	(88)	—	—	(88)	—	(88)	—	—	—	—	—	—	(88)
Net loss	—	—	—	—	—	—	—	(6,005)	—	—	(6,005)	18	(5,987)	—	—	—	—	—	—	(3,550)
Balances as of June 30, 2022	1	\$ 3,559	8,771	\$ 174	66	\$ (11,608)	\$ 523,669	\$ (478,403)	\$ (115)	\$ 37,276	\$ (1,285)	\$ 35,991								
Foreign exchange translation	—	—	—	—	—	—	—	—	(362)	(362)	—	(362)	—	—	—	—	—	—	—	
Stock-based compensation	—	—	—	—	—	—	791	—	—	—	791	—	791	—	—	—	—	—	—	
Preferred stock dividends paid in stock	—	—	9	—	—	—	88	—	—	—	88	—	88	—	—	—	—	—	—	
Issuance of Class A common stock in connection with employee bonuses	—	—	103	2	—	—	871	—	—	—	873	—	873	—	—	—	—	—	—	
Issuance of Class A common stock for earnout commitment	—	—	17	—	—	—	238	—	—	—	238	—	238	—	—	—	—	—	—	
Preferred stock dividends accrued	—	—	—	—	—	—	—	(88)	—	—	(88)	—	(88)	—	—	—	—	—	—	

Net loss	—	—	—	—	—	—	(5,664)	—	(5,664)	9	(5,665)	
Balances as of September 30, 2022												
Foreign exchange translation	—	—	—	—	—	—	—	88	88	—	88	
Stock-based compensation	—	—	—	—	—	—	657	—	—	657	—	657
Preferred stock dividends paid in stock	—	—	11	—	—	—	88	—	—	88	—	88
Issuance of common stock for Board of Director compensation	—	—	34	1	—	—	—	—	—	1	—	1
Preferred stock dividends accrued	—	—	—	—	—	—	—	(88)	—	(88)	—	(88)
Net income	—	—	—	—	—	—	—	5,014	—	5,014	8	5,022
Balances as of December 31, 2022												
Balances as of June 30, 2023	1	\$ 3,559	8,945	\$ 177	66	\$ (11,608)	\$ 526,402	\$ (479,229)	\$ (389)	\$ 38,912	\$ (1,268)	\$ 37,644

See accompanying Notes to Condensed Consolidated Financial Statements

CINEVERSE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS AND LIQUIDITY

Cineverse Corp. ("Cineverse", "us", "our", "we", and "Company" refers to Cineverse Corp. and its subsidiaries unless the context otherwise requires) was incorporated in Delaware on March 31, 2000. Since our inception, we have played a significant role in the digital distribution revolution that continues to transform the media and entertainment landscape. Cineverse is a premier streaming technology and entertainment company with its core business operating as (i) a portfolio of owned and operated enthusiast streaming channels with enthusiast fan bases; (ii) a large-scale global aggregator and full-service distributor of feature films and television programs; and (iii) a proprietary technology software-as-a-service platform for over-the-top ("OTT") app development and content distribution through subscription video on demand ("SVOD"), dedicated ad-supported ("AVOD"), ad-supported streaming linear ("FAST") channels, social video streaming services, and audio podcasts.

Our streaming channels reach audiences in several distinct ways: direct-to-consumer, through these major application platforms, and through third party distributors of content on platforms.

The Company's streaming technology platform, known as MatchpointTM, is a software-based streaming operating platform which provides clients with AVOD, SVOD, transactional video on demand ("TVOD") and linear capabilities, automates the distribution of content, and features a robust data analytics platform.

We distribute products for major brands such as Hallmark, ITV, Nelvana, ZDF, Konami, NFL and Highlander, 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 Apple iTunes, Amazon Prime, Netflix, Hulu, Xbox, Pluto, and Tubi, as well as (ii) physical goods, including DVD and Blu-ray Discs.

We played a pioneering role in transitioning approximately 12,000 movie screens from traditional analog film prints to digital distribution, and at the end of our fiscal year 2023, the Company's cinema equipment business concluded its active operations, as its contracts reached maturity. The Company no longer manages cinema equipment separately, and with the run-off of its operations, no longer presents this part of the business as a separate segment. All prior period reporting within this report reflect this change.

Our Class A common stock, par value \$0.001 per share (the "Common Stock") is listed on The Nasdaq Capital Market ("Nasdaq") under the symbol "CNVS." The

On July 10, 2024, the Company has maintained its compliance with received a letter from the \$1.00 Nasdaq Listing Qualifications staff indicating that, based upon the closing bid price of the Common Stock for the last 30 consecutive business days, the Company no longer meets the requirement for continued listing on The Nasdaq Capital Market and remains subject to maintain a one-year "Panel Monitor" minimum bid price of \$1 per share, as that term is defined by set forth in Nasdaq Listing Rule 5815(d)(4)(A) through June 30, 2024 5550(a)(2).

In accordance with Nasdaq Listing Rules 5810(c)(3)(A), the Company has been provided a period of 180 calendar days, or until January 6, 2025, in which to regain compliance with the deficiency. In order to regain compliance with the minimum bid price requirement, the closing bid price of the Common Stock must be at least \$1 per share for a minimum of ten consecutive business days during this 180-day period. If the Company does not regain compliance with this requirement by January 6, 2025, the Company may be eligible for an additional 180 calendar day compliance period provided that it meets certain continued listing standards, and provides the Staff with written notice of its intention to cure the deficiency.

CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Financial Condition and Liquidity

We have a history of net losses, and for the nine three months ended December 31, 2023 June 30, 2024, we had a net loss attributable to common stockholders Common Stockholders in the amount of \$6.93.2 million. We may continue to generate net losses for the foreseeable future. As of December 31, 2023 June 30, 2024, the Company has an accumulated deficit of \$489.3 507.3 million and negative working capital of \$0.40.9 million. Net cash used in operating activities for the nine three months ended December 31, 2023 June 30, 2024 was \$9.3 1.7 million which included \$6.5 2.0 million of incremental investment in our content portfolio via advances or minimum guarantee payouts.

The Company is party to a Loan, Guaranty, and Security Agreement, as amended to date, with East West Bank ("EWB") providing for a revolving line of credit (the "Line of Credit Facility") of \$5.0 7.5 million, guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and such subsidiaries' assets. The line of credit expires on September 15, 2024. The Line of Credit Facility bears interest at a rate equal to 1.5% above the prime rate, equal to 10.00% as of December 31, 2023 June 30, 2024. The term of the Line of Credit Facility has been extended to September 15, 2025. As of December 31, 2023 June 30, 2024, \$5.0 4.8 million was outstanding on the Line of Credit Facility, net of unamortized issuance costs of \$69 127 thousand.

On February 9, 2024 April 5, 2024, Cineverse Terrier LLC ("T3 Borrower"), a wholly-owned subsidiary of the Company expanded entered into a Loan and Security Agreement with Bondit LLC ("T3 Lender") and the Line Company, as a guarantor (the "T3 Loan Agreement"). The T3 Loan Agreement provides for a term loan with a principal amount not to exceed \$3,666,000 (the "T3 Loan"), and a maturity date of Credit Facility April 1, 2025, unless extended for 120 days under certain conditions. The T3 Loan bears no interest until the maturity date other than an interest advance equal to \$7.5 576,000 million paid at the same closing of the T3 Loan on April 5, 2024. After the principal of the T3 Loan is paid in full, T3 Lender will be entitled to receive 15% of all royalties earned by the Company on the film titled *Terrier 3* (the "Film") under its distribution agreements for the Film until T3 Lender has received 1.75 times the full commitment amount of \$3,666,000, consisting of the principal amount plus interest rate and with the same maturity date, fees advanced to T3 Borrower, plus any extension interest. See Note 5 - Debt, for further information.

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 was able to 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 shelf registration statement, for an aggregate offering price of up to \$30 million. For the three twelve months ended December 31, 2023, the Company did not sell any shares under this agreement. For the

CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

nine months ended December 31, 2023 March 31, 2024, the Company sold 177 thousand shares for \$1.1 million in net proceeds, respectively, after deduction of commissions and fees. The ATM Sales Agreement has expired in fiscal year 2024 in accordance with its terms.

On May 3, 2024, the Company entered into a sales agreement (the "2024 Sales Agreement") with A.G.P./Alliance Global Partners and The Benchmark Company, LLC (collectively, the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock. Shares of Common Stock may be offered and sold for an aggregate offering price of up to \$15 million. The Sales Agents' obligations to sell shares under the 2024 Sales Agreement are subject to satisfaction of certain conditions, including the continuing effectiveness of the Registration Statement on Form S-3 (Registration No. 333-273098) (the "Registration Statement") filed by the Company with the U.S. Securities and Exchange Commission (the "SEC") on June 30, 2023 and declared effective by the SEC on January 25, 2024, and other customary closing conditions. The Company will pay the Sales Agents a commission of 3.0% of the aggregate gross proceeds from each sale of shares and has agreed to provide the Sales Agents with customary indemnification and contribution rights. The Company has also agreed to reimburse the Sales Agents for certain specified expenses. The Company is not obligated

to sell any shares under the 2024 Sales Agreement and has not sold any shares through the date of this report.

On June 16, 2023, the Company closed on the sale of 2,150 thousand shares of Common Stock, 517 thousand pre-funded warrants, and warrants to purchase up to 2,667 thousand shares of Common Stock at a combined public offering price of \$3.00 per share and accompanying warrant for aggregate gross proceeds of approximately \$7.4 million, after deducting placement agent fees and other offering expenses in the amount of \$0.6 million. The warrants had an exercise price of \$3.00 per share, were exercisable immediately and will expire five years from the issuance. The Company received \$2.999 per share for the pre-funded warrants, with the remaining \$0.001 due at the time of exercise. All **\$16,667** **517 thousand** pre-funded warrants were subsequently exercised in July 2023 for total proceeds of \$0.5 thousand.

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CINEVERSE CORP.

In addition, the Company remains authorized to purchase up to an aggregate of **NOTES TO
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

500 thousand shares of its outstanding Common Stock, following the announcement of a stock
repurchase program on March 1, 2023. (Unaudited)

The Company will continue to invest in content development and acquisition, from which it believes it will obtain an appropriate return on its investment. As of **December 31, 2023** **June 30, 2024** and **March 31, 2023** **March 31, 2024**, short term content advances were **\$8.5** **12.2** million and **\$3.7** **9.3** million, respectively, and content advances, net of current portion were, **\$3.2** **1.7** million and **\$1.4** **2.6** million, respectively.

Our capital requirements will depend on many factors, and we may need to use existing capital resources and/or undertake equity or debt offerings, if necessary and opportunistically available, for further capital needs. We believe our cash and cash equivalents and our credit facility, equivalent balances as of **December 31, 2023**, **June 30, 2024** will be sufficient to support our operations for at least twelve months from the filing of this report. The Company may also undertake equity or debt offerings, if necessary and opportunistically available, for further capital needs.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The accompanying interim Condensed Consolidated Financial Statements of Cineverse Corp. have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") and are consistent in all material respects with those applied in the Company's Annual Report on Form 10-K for the year ended **March 31, 2023** **March 31, 2024** filed with the Securities and Exchange Commission (the "SEC") on **June 29, 2023** **July 1, 2024**. These Condensed Consolidated Financial Statements are unaudited and have been prepared by the Company following the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted as permitted by such rules and regulations; however, the Company believes the disclosures are adequate to make the information presented not misleading. Certain columns and rows may not add foot due to the use of rounded numbers.

The interim financial information is unaudited, but reflects all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. The interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and related notes included in the Company's Annual Report on Form

10-K for the year ended **March 31, 2023** **March 31, 2024**. Interim results are not necessarily indicative of the results for a full year.

The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and judgments that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Significant items subject to such estimates and assumptions include revenue recognition, allowance for credit losses, returns and recovery reserves, goodwill and intangible asset impairments, share-based compensation expense, valuation allowance for deferred income taxes and amortization of intangible assets. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. On a regular basis, the Company evaluates the assumptions, judgments and estimates. Actual results may differ from these estimates.

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

We own an 85% interest in CON TV, LLC ("CONtv"), 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. We evaluated the investment under the voting interest entity model and determined that the entity should be consolidated as we have a controlling financial interest in the entity through our ownership of outstanding voting shares, and that other equity holders do not have substantive voting, participating or liquidation rights.

Accounting Policies

There have been no material changes in the Company's significant accounting policies as compared to the significant accounting policies described in the Company's Annual Report on Form 10-K for the year ended **March 31, 2023** **March 31, 2024**.

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Segment Reporting

Beginning in fiscal year 2024, following the run-off of the Company's digital cinema operations, the Company now manages its operations and manages its business in one reporting segment. Earlier periods presented herein have been presented to conform to this reportable segment composition.

Reclassifications

Certain amounts have been reclassified to conform to the current presentation.

Cash and Cash Equivalents

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.

Employee Retention Tax Credit

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention tax credit ("ERTC") which was a refundable tax credit against certain employment taxes. The Consolidated Appropriations Act (the "Appropriations Act") extended and expanded the availability of the employee retention credit through December 31, 2021. The Appropriations Act amended the employee retention credit to be equal to 70% of qualified wages paid to employees during the 2021 fiscal year. The Company qualified for the employee retention credit beginning in June 2020 for qualified wages through September 2021 and filed a cash refund claim during the fiscal year ended March 31, 2023 in the amount of \$2.5 million in the Employee retention tax credit line on the Company's Condensed Consolidated Statements of Operations, of which \$2.0 million was recognized during the three months ended December 31, 2022, million. As of December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024, the tax credit receivable of \$1.7 0.1 and \$2.1 1.7 million, respectively, has been included in the Employee retention tax credit line on the Company's Condensed Consolidated Balance Sheet. The Company has received notification during the second quarter of fiscal year 2024 that its ERTC claim is under examination with the Internal Revenue Service ("IRS"). As of the date of this report, the examination is ongoing, and In April 2024, the Company is responding to audit requests as they arise. received a letter from the IRS indicating that its claim had been accepted and \$1.7 million was received in June 2024, inclusive of interest.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Property and Equipment, Net

Property and equipment, net 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	3 - 5 years
Machinery and equipment	3 - 10 years
Furniture and fixtures	2 - 7 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, net 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. We amortize internal-use software over its estimated useful life on a straight-line basis.

CINEVERSE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Intangible Assets, Net

Intangible assets are stated at cost less accumulated amortization. For intangible assets that have finite lives, the assets are amortized using the straight-line method over the estimated useful lives of the related assets. For intangible assets with indefinite lives, the assets are tested annually for impairment or sooner if a triggering event occurs.

Amortization lives of intangible assets are as follows:

Content Library	3 – 20 years
Tradenames, Trademarks and Patents	2 – 15 years
Customer Relationships	5 – 13 years
Advertiser Relationships and Channel	2 – 13 years
Software	10 years
Capitalized Content	3 years
Supplier Agreements	2 years

The Company's intangible assets included the following (in thousands):

	As of December 31, 2023			As of June 30, 2024		
	Cost Basis	Accumulated Amortization	Net	Cost Basis	Accumulated Amortization	Net
Content Library	\$ 24,096	\$ (21,378)	\$ 2,718	\$ 24,154	\$ (21,547)	\$ 2,607
Advertiser Relationships and Channel	12,604	(2,132)	10,472	12,604	(2,951)	9,653
Customer Relationships	8,690	(7,804)	886	8,690	(7,940)	750
Software	3,200	(800)	2,400	3,200	(960)	2,240
Trademark and Tradenames	4,026	(3,056)	970			
Trademarks, Trademarks and Patents	3,922	(3,088)	834			
Capitalized Content	1,371	(90)	1,281	2,496	(342)	2,154
Total Intangible Assets	\$ 53,987	\$ (35,260)	\$ 18,727	\$ 55,066	\$ (36,828)	\$ 18,238
As of March 31, 2024						
	Accumulated Amortization					
		d				
Content Library	\$ 24,133	\$ (21,492)	\$ 2,641			
Advertiser Relationships and Channel	12,603	(2,541)	10,062			
Customer Relationships	8,690	(7,872)	818			
Software	3,200	(880)	2,320			
Trademark and Tradenames	3,914	(3,059)	855			
Capitalized Content	1,822	(190)	1,632			
Total Intangible Assets	\$ 54,362	\$ (36,035)	\$ 18,328			

During the three months ended June 30, 2024 and June 30, 2023, the Company had amortization expense of \$0.7 million and \$0.7 million, respectively.

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CINEVERSE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	As of March 31, 2023		
	Accumulated		
	Cost Basis	Amortization	Net
Content Library	\$ 23,970	\$ (21,126)	\$ 2,844
Advertiser Relationships and Channel	12,604	(1,062)	11,542
Customer Relationships	8,690	(7,600)	1,090
Trademark and Tradenames	4,026	(2,274)	1,752
Software	3,200	(560)	2,640
Total Intangible Assets	\$ 52,490	\$ (32,622)	\$ 19,868

During the three and nine months ended December 31, 2023, the Company had amortization expense of \$879 thousand and \$2,381 thousand, respectively. During the three and nine months ended December 31, 2022, the Company had amortization expense of \$712 thousand and \$2,193 thousand, respectively.

As of December 31, 2023 June 30, 2024, amortization expense is expected to be (in thousands):

	Total	Total
In-process intangible assets	\$ 411	\$ 469
Remainder of fiscal year 2024	1,254	
2025	3,264	3,286
2026	3,001	3,149
2027	1,772	2,124
2028	1,246	1,413
2029	1,356	
Thereafter	7,779	6,441
Total	\$ 18,727	
	\$ 18,238	

Capitalized Content

The Company capitalizes direct costs incurred in the production of content from which it expects to generate a return over the anticipated useful life and the Company's predominant monetization strategy informs the method of amortizing these deferred costs. The determination of the predominant monetization strategy is made at commencement of the production or license period and the classification of the monetization strategy as individual or group only changes if there is a significant change to the title's monetization strategy relative to its initial assessment. The costs are capitalized to the Capitalized Content costs within Intangible Assets and are amortized as a group within Depreciation and Amortization within the Condensed Consolidated Statements of Operations.

Impairment of Long-lived and Finite-lived Intangible 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. There were no impairment charges recorded for long-lived and finite-lived intangible assets during the three and nine months ended December 31, 2023 June 30, 2024 and 2022, 2023.

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.

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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 Company annually assesses goodwill for potential impairment during its fourth fiscal quarter, or sooner if event occurs events occur or circumstances would indicate it would be more likely than not that fair value would be reduced below its carrying amount. For the year ended, March 31, 2024, the Company recognized a goodwill impairment charge of \$14.0 million. No goodwill impairment charge was recorded in the three and nine months ended December 31, 2023 June 30, 2024 and 2022, 2023.

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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)

The following tables summarize the levels of fair value measurements of our financial assets and liabilities (in thousands):

	As of December 31, 2023				As of June 30, 2024			
	Level	Level	Level	Total	Level	Level	Level	Total
	1	2	3		1	2	3	
Assets:								
Equity investment in Metaverse, at fair value	\$ 1,276	\$ —	\$ —	\$ 1,276	\$ 162	\$ —	\$ —	\$ 162
	<u>\$ 1,276</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,276</u>	<u>\$ 162</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 162</u>
Liabilities:								

Current portion of earnout consideration on purchase of a business	\$ —	\$ —	\$ 110	\$ 110	\$ —	\$ —	\$ 180	\$ 180
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 180</u>	<u>\$ 180</u>
As of March 31, 2024								
	Level 1	Level 2	Level 3	Total				
Assets:								
Equity investment in Metaverse, at fair value	\$ 362	\$ —	\$ —	\$ 362				
	<u>\$ 362</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 362</u>				
Liabilities:								
Current portion of earnout consideration on purchase of a business	\$ —	\$ —	\$ 180	\$ 180				
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 180</u>	<u>\$ 180</u>				

Equity Investment in Metaverse

	As of March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity investment in Metaverse, at fair value		\$ —	\$ 5,200	\$ 5,200
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,200</u>	<u>\$ 5,200</u>
Liabilities:				
Current portion of earnout consideration on purchase of a business	\$ —	\$ —	\$ 1,444	\$ 1,444
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,444</u>	<u>\$ 1,444</u>

The Company has an **equity** investment in A Metaverse Company ("Metaverse" ("Metaverse") (SEHK:

1616) accounted for under the **equity** method of accounting as the Company can exert significant influence over Metaverse with its direct

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CINEVERSE CORP.

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(Unaudited)

ownership of approximately 15% and affiliation with the Company's largest shareholder. The Company has also made an irrevocable election to apply the fair value option under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825-10, *Financial Instruments*, as it relates to its equity investment in Metaverse. Changes in a publicly traded Chinese entertainment company, formerly Starrise Media Holdings Limited, whose ordinary shares are listed on the investment's fair value are recognized within the "Loss from equity investment in Metaverse, a related party" line item within the Condensed Consolidated Statements of Operations.

Following the halting of Metaverse stock trading on The Stock Exchange of Hong Kong Limited on April 1, 2022, Kong.

After a period of time when trading in Metaverse's ordinary shares had been halted, the Company valued our equity investment in Metaverse using a market approach and the investment was categorized as a Level 3 valuation based on unobservable inputs. As such, as of March 31, 2023, the Company estimated the fair value of Metaverse based the last known enterprise value, adjusting for trends in enterprise

valuations and market capitalization for comparable companies with a resulting fair value was \$5.2 million.

On November 6, 2023, Metaverse's stock resumed trading on The Stock Exchange of Hong Kong Limited. During the quarter ended December 31, 2023, the Company sold 30 million of the 362 million shares held as of September 30, 2023, which resulted in a realized loss of \$131 thousand during the three months ended December 31, 2023. The resumption of active trading status in November 2023 represented renewed availability of quoted, unadjusted prices in active markets for identical assets, upon which the Company can execute a sale and readily access pricing information at the measurement date. Accordingly, the Company has presented the fair value of its Metaverse shares held as of December 31, 2023 March 31, 2024 within the Level 1 grouping. The fair value of the shares held is presented within Other long term assets and as of December 31, 2023 June 30, 2024 and March 31, 2024 was \$1.30.2 million with associated unrealized losses and \$0.4 million, respectively.

CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Earnout consideration on purchase of \$3.6 million business

The Prior to the completion of the earnout period at the end of fiscal year 2024, the Company estimated the fair value of its earnout consideration liability using contractual inputs from the related business combination, which established specific fiscal year revenue growth, profitability and EBITDA targets. The Company utilizes the most up to date forecast to estimate the outcome against these targets to determine the ultimate estimated payout. During the nine months ended December 31, 2023 As of June 30, 2024, the Company estimated a \$682 thousand decrease balance which is classified as short term in nature remains unchanged from the estimated ultimate earnout payments based on Bloody Disgusting's performance, made cash payments of \$291 thousand, and issued equity to settle earnout liability of \$392 thousand, and accrued interest of \$29 thousand. balance March 31, 2024.

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 Condensed Consolidated Balance Sheets. consolidated balance sheets. The estimated fair values of these financial instruments approximate their carrying amounts because of their short-term nature.

Content Advances

Content advances represents represent amounts prepaid to studios or content producers for which we provide content distribution services. We evaluate advances regularly for recoverability and record a provision for amounts that we expect may not be recoverable. Amounts which are expected to be recovered in more than 12 months are classified as long term and presented within content advances, net of current portion, which were \$3.21.7 million and \$1.42.6 million as of December 31, 2023 June 30, 2024, and March 31, 2023 March 31, 2024, respectively. For the nine three months ended December 31, 2023, June 30, 2024 and 2023, the Company recorded a recognized an increase and reduction in our reserve for the recovery of advances in the provision for advances amount of \$0.557 million thousand and \$172 thousand, respectively.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (in thousands):

	As of		As of	
	December 31, 2023	March 31, 2023	June 30, 2024	March 31, 2024
Accounts payable	\$ 6,568	\$ 15,042	\$ 6,000	\$ 5,804
Amounts due to producers	15,553	13,114	9,647	9,889
Accrued compensation and benefits	1,209	2,532	961	1,119
Accrued other expenses	3,657	3,843	3,639	4,005
Total accounts payable and accrued expenses	\$ 26,987	\$ 34,531		
Total Accounts Payable and Accrued Expenses	\$ 20,247	\$ 20,817		

Compared to March 31, 2023, the decrease in accounts payable was primarily attributable to an \$8.3 million decrease from the run-off of the Company's digital cinema operations, and the decrease in accrued compensation and benefits was driven by a decrease of \$1.2 million due to a reduced bonus accrual.

Deferred Consideration

The Company has recognized liabilities related to deferred consideration arrangements related to the acquisition of FoundationTV ("FTV") and Digital Media Rights ("DMR"). These payments are fixed in nature and are due to the sellers of the respective companies. The Company initially recognized the liability at fair value at the time of acquisition and has since **recognizes** **recognized** interest expense related to accretion in advance of the ultimate settlement of these liabilities. Amounts due within 12 months under the terms of the agreements are classified as current within the Condensed Consolidated Balance Sheets.

The deferred consideration related to the acquisition of DMR is payable in either **Class A common** shares of **the Company stock** **Common Stock** or cash, at the Company's discretion and subject to certain conditions. **Payments** A payment of \$3.0 million and \$2.4 million are due in March 2024 and March 2025, respectively. 2025.

The deferred consideration related to the FTV acquisition is payable in the amount of \$238 thousand in **each of June 2024 and December 2024**, and \$464 thousand in June 2025. There is \$617 **618** thousand presently due and payable. The Company has the right to pay up to 25% of post-close purchase price in **equity** shares of **Common Stock**.

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CINEVERSE CORP.

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(Unaudited)

Revenue Recognition

Payment terms and conditions vary by customer and typically provide net **30 to 90** 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.

The following tables present the Company's disaggregated revenue by source (in thousands):

	Three Months Ended		Nine Months Ended		Three Months Ended June 30,	
	December 31,		December 31,		2024	
	2023	2022	2023	2022	2023	2023
Streaming and digital	\$ 9,537	\$ 11,598	\$ 29,006	\$ 31,375	\$ 7,703	\$ 10,114
Podcast and other	1,043	429				
Base distribution	2,811	8,121	4,529	11,145	351	1,158
Podcast and other	864	977	1,953	1,740		
Other non-recurring	64	7,186	3,780	11,218	30	1,279
Total revenue	\$ 13,276	\$ 27,882	\$ 39,268	\$ 55,478		
Total Revenue	\$ 9,127	\$ 12,980				

The Company's Streaming and digital revenue pertains to its OTT business, including the licensing, service, advertising, and subscription revenue related to the Company's streaming business and partnerships. Base

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

distribution revenue relates to non-streaming revenue, including Theatrical revenue and the sale of DVD's. Podcast and other revenue primarily relates to the Company's Bloody Disgusting Podcast Network. As the Company satisfies its performance obligations from these revenue sources, whether relating to the delivery of digital content, physical goods, or licensing, revenue is generally measured at a point in time.

Other non-recurring revenue relates to the Company's legacy digital cinema operations, whose operations have run-off, still may generate non-recurring revenue from the sale of cinema assets or the recognition of variable consideration as the associated uncertainty associated with the revenue is resolved.

The Company follows the five-step model established by ASC 606, *Revenue from contracts with customers* ("ASC 606") when preparing its assessment of revenue recognition.

Principal Agent Considerations

Revenue earned from the delivery of digital content and physical goods may be recognized gross or net depending on the terms of the arrangement. 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.

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 direct operating expenses because we are responsible for delivery of the product to our customers prior to transfer of control to the customer.

Credit Losses

We maintain reserves for expected credit losses on accounts receivable primarily on a specific identification basis. 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.

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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We recognize accounts receivable, net of an estimated allowance for product returns and customer chargebacks, at the time that we recognize revenue from a sale. Reserves for product returns and other allowances ~~is are~~ 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.

During the three ~~and nine~~ months ended December 31, 2023, we did not recognize any credit losses as part of our ongoing operations or reversals of previously recorded provisions. During June 30, 2024 and 2023, the three ~~and nine~~ months ended December 31, 2022, we ~~Company~~ recognized a reduction in its provision for credit losses of \$70.2 thousand ~~million~~ and \$54.0 thousand, respectively.

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, such as the sale of DVDs with future release dates, even if amounts are refundable. Amounts recorded as contract liabilities are generally not long-term in nature.

The ending deferred revenue balance, including current and non-current balances as of December 31, 2023 ~~June 30, 2024~~ and March 31, 2023 ~~March 31, 2024~~, was ~~and \$0.2~~ 0.3 million and ~~\$0.2~~ 0.4 million, respectively. In each period, the additions to our deferred revenue balance are due to cash payments received or due in advance of satisfying performance

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CINEVERSE CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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obligations, while the reductions are due to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

Participations and royalties payable

When we use ~~third-parties~~ ~~third parties~~ to distribute ~~company owned~~ ~~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.

Concentrations

For the three ~~and nine~~ months ended December 31, 2023, June 30, 2024 and 2023 one customer represented ~~26~~ 39% and ~~23~~ 26% of consolidated revenues, respectively. For the three months

ended December 31, 2022, one customer represented approximately 16% of consolidated revenues and another customer represented 14% of consolidated revenues, respectively. For the nine months ended December 31, 2022, one customer represented 11% of consolidated revenues.

Direct Operating Expenses

Direct operating expenses consist of cost of revenue, fulfillment expenses, shipping costs, property taxes and insurance on systems, royalty expenses, reserves against 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, restricted stock units, stock appreciation rights ("SARs") and performance stock units ("PSUs"). 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 Condensed 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 or nonemployee is required to provide service in exchange for the award. The fair values of options and SARs are calculated as of the date of grant using the Black-Scholes option pricing model based on key assumptions such as stock price, expected volatility, risk-free rate 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. Forfeitures are recognized as they occur.

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(Unaudited)

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. basis.

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 and India.

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

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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 had no uncertain tax positions as of December 31, 2023 June 30, 2024 and March 31, 2023 March 31, 2024.

Earnings per Share

Basic net income (loss) per share is computed based on the weighted average number of shares of Common Stock outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) available to common stockholders Common Stockholders by the weighted-average number of common shares outstanding and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares include stock options and warrants outstanding during the period, using the treasury stock method. Potentially dilutive common shares are excluded from the computations of diluted income (loss) per share if their effect would be anti-dilutive. A net loss available to common stockholders Common Stockholders causes all potentially dilutive securities to be anti-dilutive and are not included.

Basic and diluted net loss per share are computed as follows (in thousands, except share and per share data):

	Nine Months				Three Months Ended June 30,	
	Three Months Ended December 31,		Ended December 31,			
	2023	2022	2023	2022	2024	2023
Basic net income (loss) per share:						
Net income (loss) attributable to common stockholders	\$ (2,864)	4,926	\$ (6,946)	\$ (6,919)		
Basic net loss per share:						
Net loss attributable to Common Stockholders	\$ (3,162)	\$ (3,638)				
Shares used in basic computation:						
Weighted-average shares of Common Stock outstanding	12,828	8,945	11,678	8,854	15,702	9,879
Basic net income (loss) per share	<u>\$ (0.22)</u>	<u>\$ 0.55</u>	<u>\$ (0.59)</u>	<u>\$ (0.78)</u>		
Basic Net Loss Per Share	<u>\$ (0.20)</u>	<u>\$ (0.37)</u>				
Shares used in diluted computation:						
Weighted-average shares of Common Stock outstanding	12,828	8,945	11,678	8,854	15,702	9,879
Stock options and SARs	—	—	—	—	—	—
Weighted-average number of shares	12,828	8,945	11,678	8,854	15,702	9,879
Diluted net income (loss) per share	<u>\$ (0.22)</u>	<u>\$ 0.55</u>	<u>\$ (0.59)</u>	<u>\$ (0.78)</u>		
Diluted Net Loss Per Share	<u>\$ (0.20)</u>	<u>\$ (0.37)</u>				

The calculation of diluted net loss per share for the three and nine months ended December 31, 2023 June 30, 2024 and 2023 does not include the impact of 798 5,199 thousand and 763 3,601 thousand anti-dilutive shares, respectively. The calculation first quarter of diluted net loss per share for fiscal 2024 includes a weighted 1.8 million of a total 2.4 million restricted stock units and awards which were issued during the three and nine months ended December 31, 2022 does not include June 30, 2024 and vest

over a three-year term from the **impact date** of issuance. 674 thousand and 640 thousand potentially anti-dilutive shares, respectively.

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Recently Issued Accounting Pronouncements

The Company evaluates all Accounting Standard Updates ("ASUs") issued but not yet effective by FASB for consideration of their applicability. ASU's not included in the Company's disclosures were assessed and determined to be not applicable and material to the Company's consolidated financial statements or disclosures.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures." The update requires disclosure of incremental segment information, including significant segment expenses, on an annual and interim basis, and would apply to single segment companies. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 with early adoption is permitted. The Company is required to apply the updates retrospectively. The Company is assessing the impact of ASU 2023-07 on its consolidated financial statements.

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In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740)—Improvements to Income Tax Disclosures" On an annual basis, this update requires the disclosure of specific tax categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The amendments are effective for annual periods beginning after December 15, 2024. Prospective and retrospective adoption is permitted. The Company is still evaluating its method of adoption and assessing the impact of ASU 2023-09 on the disclosures within its consolidated financial statements.

3. 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 ASC 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.

As of **December 31, 2023** **June 30, 2024** and **March 31, 2023** **March 31, 2024**, 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

\$0.00 million and \$0.5 million as of December 31, 2023 both June 30, 2024 and March 31, 2023, respectively, which are March 31, 2024 included in accounts receivable, net on the accompanying Condensed Consolidated Balance Sheets.

The accompanying Condensed Consolidated Statements of Operations includes digital cinema servicing revenue from CDF2 Holdings in the amount of \$0.00 for both the three and nine months ended December 31, 2023, respectively, June 30, 2024 and \$0.1 and \$0.2 million for the three and nine months ended December 31, 2022, respectively, June 30, 2023.

Total Stockholders' Deficit of CDF2 Holdings at December 31, 2023 both June 30, 2024 and March 31, 2023 March 31, 2024 was \$59.2 million and \$59.2 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 December 31, 2023 both June 30, 2024 and March 31, 2023 March 31, 2024 is carried at \$0.

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Investment in Roundtable

On March 15, 2022, the Company entered into a stock purchase agreement with Roundtable Entertainment Holdings, Inc. ("Roundtable") pursuant to which the Company purchased 0.5 thousand shares of Roundtable Series A Preferred Stock and warrants to purchase 0.1 thousand shares of Roundtable Common Stock common stock (together, the "Roundtable Securities"). The Company paid the purchase price for the Roundtable Securities by issuing 16 thousand shares of Common Stock to Roundtable. The Company recorded \$0.2 million for the purchase of the Roundtable Securities which is included in other long-term assets on the accompanying Consolidated Balance Sheets. The investment in the Roundtable Securities was made in connection with a proposed collaboration with Roundtable regarding production and distribution of streaming content including the launch of high profile branded enthusiast streaming channels. The Roundtable investment was accounted for using the cost method of accounting as we own less than 20% of Roundtable and do not exert a significant influence over their operations. Our President and Chief Strategy Officer is on the Roundtable Board of Directors.

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4. STOCKHOLDERS' EQUITY

COMMON STOCK

As of December 31, 2023 June 30, 2024 and 2022, March 31, 2023, the number of shares of Common Stock authorized for issuance was 275,000,000 shares.

During the three months ended December 31, 2023 June 30, 2024, the Company issued 0.593 million thousand shares of Common Stock. This was comprised of 74.64 thousand shares for preferred stock dividends, and 400.29 thousand shares for Board payment of Director compensation. compensation to former owners of an acquired entity.

During the nine three months ended December 31, 2023 June 30, 2023, the Company issued 3.92,337 million thousand shares of Common Stock. In addition to the activity cited for three months ended

December 31, 2023, this **This** was comprised of 517 thousand shares issued in conjunction with the exercise of pre-funded warrants issued, 502 shares issued in connection with employee bonuses, 56 thousand shares for preferred stock dividends, 41 thousand to satisfy earnout-related liabilities, 2,150 thousand shares **were** issued through a **June 16, 2023** direct offering, and 177 thousand issued in connection with ATM sales, **during the first fiscal quarter**, and 10 thousand issued in payment of preferred stock dividends. In addition, the Company sold 517 thousand pre-funded warrants, and issued common warrants to purchase up to 2,667 thousand shares of Common Stock in conjunction with its direct offering on **June 16, 2023**. All pre-funded and common warrants were issued as immediately exercisable. All common warrants remain exercisable and remained outstanding as of **December 31, 2023** **June 30, 2023**.

During the three months ended December 31, 2022, the Company issued 45 thousand shares. This was comprised of All pre-funded warrants were subsequently exercised in July 2023 for total proceeds of \$11.05 thousand shares for preferred stock dividends and 34 thousand shares for Board of Director compensation.

During the nine months ended December 31, 2022, the Company issued 179 thousand shares. In addition to the activity cited during the three months ended December 31, 2022, this was comprised of 14 thousand shares for preferred stock dividends, 103 thousand shares for employee bonuses, and 17 thousand shares to satisfy earnout-related liabilities.

PREFERRED STOCK

Cumulative dividends in arrears on Series A Preferred Stock were \$87.89 thousand and \$88 thousand as of **December 31, 2023** **June 30, 2024** and **2022**, respectively. During the three and nine months ended **December 31, 2023** **June 30, 2024** and **2022**, the Company paid preferred stock dividends in arrears for the same amount of \$89 thousand and \$88 thousand in the form of shares of Common Stock, Stock, respectively. The Company has the right to pay preferred stock dividends in cash or stock, at the Company's discretion.

TREASURY STOCK

We have treasury stock, at cost, consisting of 289,473 thousand and 66,289 thousand shares of Common Stock at **December 31, 2023** **June 30, 2024** and **March 31, 2023** **March 31, 2024**, respectively. During the nine three months ended **December 31, 2023** **June 30, 2024**, the Company acquired 223,184 thousand shares of Common Stock withheld in connection treasury stock, repurchased through a Rule 10b5-1 trading plan with employee bonuses that the Company elected to settle in shares of Common Stock. B. Riley Securities, Inc.

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EQUITY INCENTIVE PLANS

Stock Based Compensation Awards

The Company has issued awards under two plans, the 2000 Equity Incentive Plan (the "2000 Plan") and the 2017 Equity Incentive Plan (the "2017 Plan").

Awards issued under our 2000 Plan were permitted to be issued to employees, outside directors or consultants in any of the following forms (or a combination thereof) (i) stock option awards; (ii) SARs; (iii) stock or restricted stock or restricted stock units; or (iv) performance awards. The 2000 Plan provided for the granting of incentive stock options ("ISOs") with exercise prices not less than the fair market value of our 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 Common Stock on the date of grant. ISOs and non-statutory stock options granted under the 2000 Plan were 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 were set at the discretion of our compensation committee. On November 1, 2017, upon the consummation of the initial equity investment in Cineverse by Bison Entertainment Investment Limited, 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 August 2017, the Company adopted the 2017 Plan. Equity Incentive Plan (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 provides for the issuance of up to 905,205 thousand shares of Common Stock as of December 8, 2023, in the form of various awards, including stock options, SARs, stock appreciation rights, stock, restricted stock, restricted stock units, PSUs performance awards and cash awards.

For both the three and nine months ended December 31, 2023, June 30, 2024 and three months ended June 30, 2023, the Company incurred stock-based compensation expenses of \$0.2 million, and of which \$1.1 million, respectively. Of these amounts, \$0.1 million and \$0.3 million related to Board of Director compensation respectively.

For the three and nine months ended December 31, 2022, the Company incurred stock-based compensation expenses of \$0.7 million and \$3.9 million, respectively. Of these amounts, \$0.1 million and \$0.3 million related to Board of Director compensation, respectively, in both periods as well. Share-based compensation expense is reported within Selling, General and Administrative expenses.

5. DEBT

5. LINE OF CREDIT FACILITY

The Company is party to a Loan, Guaranty, and Security Agreement, as amended to date, with East West Bank ("EWB" ("EWB")) providing for a revolving line of credit (the "Line of Credit Facility") of \$5.0 million, guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and such subsidiaries' assets. The Line of Credit Facility bears an interest at a rate equal to 1.5% above the prime rate, and was equal to 10.00% as of December 31, 2023, June 30, 2024. As of December 31, 2023 and March 31, 2023, a balance of \$5.0 million was outstanding on the line. The term of the Line of Credit Facility gross of unamortized issuance costs of \$ has been extended to 69 September 15, 2025 thousand and \$76 thousand, respectively. Under the Line of Credit Facility, the Company is subject to certain financial and nonfinancial covenants which require the Company to maintain certain metrics and ratios, maintain certain minimum cash on hand and to report financial information to our lender on a periodic basis. The Line of Credit Facility matures June 30, 2024, \$4.8 million was outstanding on September 15, 2024. On February 9, 2024, the Company expanded the Line of Credit Facility, to net of unamortized issuance costs of \$7.5127 million at the same interest rate and with the same maturity date thousand.

During the three and nine months ended December 31, 2023, June 30, 2024 and 2023, the Company had interest expense, including cash interest and amortization, of \$0.2 million and \$0.4 million related to its Line of Credit Facility, respectively.

TERM LOAN

On April 5, 2024, T3 Borrower, a wholly-owned subsidiary of the Company, entered into a Loan and Security Agreement with T3 Lender and the Company, as guarantor, to the T3 Loan Agreement. The T3 Loan Agreement provides for the T3 Loan with a principal amount not to exceed \$3,666 thousand and a maturity date of April 1, 2025, with a permitted extension of the term for 120 days under certain conditions. The T3 Loan bears no interest until the maturity date other than an interest advance of \$576 thousand at the closing of the T3 Loan on April 5, 2024. The interest advance was recorded as a discount on the T3 Loan at inception and will be amortized to interest expense and increase the amount over its term. If the T3 Loan is extended as noted above, the T3 Loan will bear interest at 1.44% per month. T3 Borrower may prepay the obligations under the T3 Loan, in full or in part, without penalty or premium. The proceeds under the T3 Loan Agreement are being used for the funding of the Company's distribution arrangements for the film titled *Terrier 3* (the "Film"). The T3 Loan Agreement contains customary covenants, representation and warranties and events of default. The T3 Loan is presented as current within the Company's Condensed Consolidated Balance Sheets and has a balance of \$3.1 million as of June 30, 2024.

After the principal of the T3 Loan is paid in full, T3 Lender will be entitled to receive 15% of all royalties earned by the Company on the Film under its distribution agreements for the Film until T3 Lender has received 1.75 times the full commitment amount of \$3,666 thousand, consisting of the principal amount plus interest and fees advanced to T3 Borrower, plus any extension interest. The T3 Loan is secured by a first priority interest in all of T3 Borrower's rights and interest in the Film and the distribution agreements, including the proceeds to T3 Borrower from the distribution of the Film.

The Company entered into a Guaranty Agreement pursuant to which it provided a guarantee of the T3 Loan (the "Guarantee") which is capped at obligations not exceeding \$1,500 thousand (the "T3 Credit Agreement"). The Guarantee is subordinated in payment and performance to the Line of Credit Agreement pursuant to an intercreditor agreement between EWB and the T3 Lender, and acknowledged by the Company and the T3 Borrower. In connection with the T3 Loan Agreement, the Company entered into Amendment No. 3 to the Amended and Restated Loan, Guaranty and Security Agreement dated September 15, 2022 with East West Bank and the Guarantors named therein, as amended to date (the "EWB Amendment") to facilitate the T3 Loan and the Guarantee.

6. COMMITMENTS AND CONTINGENCIES

LEASES

Cineverse is a virtual company with one domestic operating lease, acquired through the acquisition of DMR which property is subleased to a third party. The Company has not been relieved of the original lease obligation and therefore recognizes both a lease liability and right-of-use asset as part of the arrangement. The end of both the original lease and sublease's term is January 2025. In addition, the Company has two operating leases related to its Cineverse India operations, with expiration dates in 2027. Expenses related to these leases were \$109 thousand and \$337 thousand during the three and nine months ended December 31, 2023 and \$94 thousand and \$242 thousand during the three and nine months ended December 31, 2022, respectively.

The Company has recognized \$45 thousand and \$135 thousand of income related to its subleasing arrangement during three and nine months ended December 31, 2023, respectively. The Company has recognized \$44 thousand and \$71 thousand of income related to its subleasing arrangement for the three and nine months ended December 31, 2022 and three months ended June 30, 2024, respectively.

(Unaudited)

The table below presents the lease-related assets and liabilities recorded on our Consolidated Balance Sheets (in thousands):

	December 31, 2023		March 31, 2023	
	Classification on the Balance Sheet	2023	Classification on the Balance Sheet	2024
	March 31, 2024		31, 2024	
Assets				
Noncurrent	Other long-term assets	\$ 943	\$ 1,265	Other long-term assets \$ 729
Liabilities				
Current	Operating leases liabilities	440	418	Operating leases liabilities 338
Noncurrent	Operating leases liabilities, net of current portion	531	863	Operating leases liabilities, net of current portion 413
	Total operating lease liabilities	\$ 971	\$ 1,281	
	Total Operating Lease Liabilities	\$ 756	\$ 863	

The table below presents the annual gross undiscounted cash flows related to the Company's operating lease commitments (in thousands):

Fiscal year ending March 31,	Operating Lease Commitments	Operating Lease Commitments
2024	\$ 115	
2025	376	\$
2026	247	
2027	210	
2028	72	
Thereafter	—	
Total lease payments	\$ 1,020	\$
Less imputed interest	(49)	
Total	\$ 971	\$

For leases which have a term of twelve months or less and do not contain an option to extend which the Company is reasonably certain to extend the term, the Company has elected to not apply the related provisions of ASC 842 and recognizes these expenses on a straight-line basis over the term of the agreement.

The table below presents the annual gross undiscounted cash flows related to the Company's operating lease subleasing arrangements (in thousands):

Fiscal year ending March 31,	Sublease Payments
2025	\$
Thereafter	
Total	\$

CINEVERSE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Fiscal year ending March 31,	Sublease Pa
2024	\$
2025	
2026	
2027	
2028	
Thereafter	
Total	\$

7. INCOME TAXES

We calculate income tax expense based upon an annual effective tax rate forecast, which includes estimates and assumptions. We recognized income tax (benefit) expense of approximately \$(\$(thousand and \$12.20 thousand for the three and nine months ended December 31, 2023, June 30 and 2023, respectively. We recognized \$0 for both the three and nine months ended December 31, 2022, and June 30, 2024. The Company's annual income tax expense is attributable to taxable income earned in India related to transfer pricing.

We have not recorded tax benefits on our loss before income taxes because we have provided a valuation allowance that offsets potential deferred tax assets resulting from net operating loss carry forwards, reflecting our inability to use such loss carry forwards.

Our effective tax rate was (0.9%) and 0.2% and (0.6)% for the three and nine months ended December 31, 2023, respectively, June 30, 2024 and 0% and 0% for the three and nine months ended December 31, 2022, 2023, respectively.

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ITEM 2. 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 Condensed 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 statements about our expectations, beliefs, intentions or strategies for the future, which are indicated by phrases such as "believes," "anticipates," "expects," "intends," "plans," "will," "estimates," and similar 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 results to differ materially from those expressed or implied by such forward-looking statements.

Business Overview

Cineverse Corp. ("Cineverse", "us", "our", "we", and "Company" refers to Cineverse Corp. and its subsidiaries (unless the context otherwise requires) was incorporated in Delaware on March 31, 2000. Since our incorporation, we have played a significant role in the digital distribution revolution that continues to transform the media and entertainment landscape.

The Company has a long legacy in using technology to transform the entertainment industry and play a pioneering role in transitioning movie screens from traditional analog film prints to digital distribution. For several years, Cineverse has transformed itself from being a digital cinema equipment and physical distributor to a leading independent streaming company, and we continue to push the bounds of our innovative technology offerings.

Cineverse is a premier streaming technology and entertainment company with its core business operating across a portfolio of owned and operated enthusiast streaming channels with enthusiast fan bases; (i) a scale global aggregator and full-service distributor of feature films and television programs; and (iii) a technology software-as-a-service platform for over-the-top ("OTT") app development and content distribution through subscription video on demand ("SVOD"), dedicated ad-supported ("AVOD"), ad-supported streaming ("FAST") channels, social video streaming services, and audio podcasts. Our streaming channels reach in several distinct ways: direct-to-consumer, through these major application platforms, and through third-party distributors of content on platforms.

The Company's streaming technology platform, known as MatchpointTM, is a software-based streaming platform which provides clients with AVOD, SVOD, transactional video on demand ("TVOD") and live streaming, automates the distribution of content, and features a robust data analytics platform.

We distribute products for major brands such as Hallmark, ITV, Nelvana, ZDF, Konami, NFL and High 8 as leading international and domestic content creators, movie producers, television producers and other digital content producers. We collaborate with producers, major brands and other content owners to curate and distribute quality content to targeted audiences through (i) existing and emerging digital distribution platforms, including but not limited to Apple iTunes, Amazon Prime, Netflix, Hulu, Xbox, Tubi, as well as (ii) physical goods, including DVD and Blu-ray Discs.

We played a significant role in the digital distribution revolution that continues to transform the media industry, playing a pioneering role in transitioning approximately 12,000 movie screens from traditional analog to digital distribution, and at the end of our fiscal year 2023, the Company's cinema equipment business ceased active operations, as its contracts reached maturity. The Company no longer manages cinema equipment separately, and with the run-off of its operations, no longer presents this part of the business as a separate segment. All prior period reporting within this report reflects this change.

Financial Condition and Liquidity

As of December 31, 2023 June 30, 2024, the Company has an accumulated deficit of \$489.3 million and negative working capital deficit of \$0.4 million \$0.9 million. For the three and nine months ended December 31, 2023 June 30, 2024, the Company had a net loss attributable to the Company's common stockholders, \$0.001 per share (the "Common Stock") holders of \$(2,864) thousand and \$(6.9) million, respectively. Net cash used in operating activities for the nine three months ended December 31, 2023 June 30, 2024 was \$9.3 million \$1.7 million, which included \$6.5 million \$2.0 million of incremental investment in our portfolio via advances or minimum guarantee payouts. We may continue to generate net losses for the future.

The Company is party to a Loan, Guaranty, and Security Agreement, as amended to date, with East West Bancorp ("EWB") providing for a revolving line of credit (the "Line of Credit Facility") of \$5.0 million \$7.5 million by substantially all of our material subsidiaries and secured by substantially all of our and such subsidiary's assets. The line of credit expires on September 15, 2024. The Line of Credit Facility bears interest at a rate equal to 10.00% as of December 31, 2023 June 30, 2024. The term of the Line of Credit Facility has been extended to September 15, 2025. As of December 31, 2023 June 30, 2024, \$5.0 million was outstanding on the Line of Credit Facility, gross of issuance costs of \$(69) \$127 thousand. On February 9, 2024 April 5, 2024, T3 Borrower, a wholly-owned subsidiary of the Company, expanded a Loan and Security Agreement with T3 Lender and the Line Company, as guarantor, to the T3 Loan. The T3 Loan Agreement provides for the T3 Loan with a principal amount not to exceed \$3,666 thousand.

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Facility has been extended to September 15, 2025. As of December 31, 2023 June 30, 2024, \$5.0 million was outstanding on the Line of Credit Facility, gross of issuance costs of \$(69) \$127 thousand. On February 9, 2024 April 5, 2024, T3 Borrower, a wholly-owned subsidiary of the Company, expanded a Loan and Security Agreement with T3 Lender and the Line Company, as guarantor, to the T3 Loan. The T3 Loan Agreement provides for the T3 Loan with a principal amount not to exceed \$3,666 thousand.

maturity date of Credit Facility April 1, 2025, with a permitted extension of the term for 120 days under conditions. The T3 Loan bears no interest until the maturity date other than an interest advance equal to \$576 thousand at the same closing of the T3 Loan on April 5, 2024. The interest advance was a discount on the T3 Loan at inception and will be amortized to interest expense and increase the loan over its term. If the T3 Loan is extended as noted above, the T3 Loan will bear interest at a rate of 1.44%. The Borrower may prepay the obligations under the T3 Loan, in full or in part, without penalty or premium under the T3 Loan Agreement. The funds used for the funding under the Company's distribution arrangement for the film titled Terrifier 3 (the "Film"). The T3 Loan Agreement contains customary covenants, representations and warranties and events of default. The T3 Loan is presented as current within the same maturity date. Company's Condensed Consolidated Balance Sheets and has a balance of \$3.1 million as of June 30, 2024. After the principal of the T3 Loan is paid in full, T3 Lender will be entitled to receive 15% of all royalties paid to the Company on the Film under its distribution agreements for the Film until T3 Lender has received a full commitment amount of \$3,666 thousand, consisting of the principal amount plus interest and fees paid by the T3 Borrower, plus any extension interest. The T3 Loan is secured by a first priority interest in all of T3's rights and interest in the Film and the distribution agreements, including the proceeds to T3 Borrower from the distribution of the Film.

In July 2020, we entered into an At-the-Market sales agreement (the "ATM Sales Agreement") with A Global Partners ("A.G.P.") and B. Riley FBR, Inc. ("B. Riley" and, together with A.G.P., the "Sales Agents").

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pursuant to which the Company may be able to 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 shelf registration statement, for an aggregate amount of up to \$30 million. During the first quarter of the fiscal year, twelve months ended March 31, 2024, the Company sold 177 thousand shares under the ATM Sales Agreement for \$1.1 million in net proceeds, respectively, after deduction of commissions and fees. The ATM Sales Agreement has expired in fiscal year 2024 in accordance with its terms.

On June 16, 2023, the Company closed on the sale of 2,150 thousand shares of Common Stock, 517 thousand pre-funded warrants, and warrants to purchase up to 2,667 thousand shares of Common Stock at a public offering price of \$3.00 per share and accompanying warrant for aggregate gross proceeds of a \$7.4 million, after deducting placement agent fees and other offering expenses in the amount of \$0.6 million. The pre-funded warrants had an exercise price of \$3.00 per share, were exercisable immediately and will expire five years from the date of issuance. The Company received \$2.999 per share for the pre-funded warrants, with the remaining \$0.001 per share being paid at the time of exercise. All 516,667 517 thousand pre-funded warrants were subsequently exercised in full, resulting in total proceeds of \$0.5 thousand.

In addition, the Company remains authorized to purchase up to an aggregate of 500 thousand shares of outstanding Common Stock, following the announcement of a stock repurchase program on March 1, 2024.

The Company will continue to invest in content development and acquisition, from which it believes it will achieve an appropriate return on its investment. As of June 30, 2024 and March 31, 2024, short term content advances were \$12.2 million and \$9.3 million, respectively, and content advances, net of current portion were, \$1.7 million and \$1.4 million, respectively.

Our capital requirements will depend on many factors, and we may need to use existing capital resources or undertake equity or debt offerings, if necessary and opportunistically available, for further capital needs. Our cash and cash equivalents and our credit facility, equivalent balances as of December 31, 2023, J

will be sufficient to support our operations for at least twelve months from the filing of this report. The company also undertake equity or debt offerings, if necessary and opportunistically available, for further capital

Critical Accounting Estimates

Our 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 estimates and assumptions about future events and apply judgments that affect the reported amount 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 the Condensed Consolidated Financial Statements are prepared. On a regular basis, management reviews its accounting policies, assumptions, estimates and judgments to ensure that our financial statements are prepared 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 have a material impact on our financial statements.

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Our significant accounting policies are discussed in Note 2 – *Basis of Presentation and Summary of Critical Accounting Policies*, of the Notes to the Condensed Consolidated Financial Statements, included in the *Condensed Consolidated Financial Statements (Unaudited)*, of this Quarterly Report on Form 10-Q. I believe that these policies are the most critical to aid in fully understanding and evaluating our reported results, and they require management's most difficult, subjective or complex judgments, resulting from estimates about the effect of matters that are inherently uncertain. Management has reviewed its accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

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Results of Operations for the Three Months Ended December 31, 2023 June 30, 2024, and 2022 (in thousands):

Revenues

	For the Three Months Ended December 31,				For the Three Months Ended June 30			
			\$	%			\$	%
	2023	2022	Change	Change	2024	2023	Change	Change
Streaming and digital	\$ 9,537	\$ 11,598	\$ (2,061)	(18)%	\$ 7,703	\$ 10,114	\$ (2,411)	(24)%
Podcast and other	1,043	429	614	143%	12%	3%		
Base distribution	2,811	8,121	(5,310)	(65)%	351	1,158	(807)	(74)%
Podcast and other	864	977	(113)	(12)%				

Other non-recurring	64	7,186	(7,122)	(99)%	30	1,279	(1,249)	(99)%
Total Revenue	\$13,276	\$27,882	\$ (14,606)	(52)%	\$ 9,127	\$ 12,980	\$ (3,853)	(36)%

For the three months ended December 31, 2023 June 30, 2024, total revenue declined by \$14.6 million or 52% 30% as compared to three months ended December 31, 2022 June 30, 2023. During this time and Digital digital revenue for three months ended December 31, 2023 June 30, 2024, decreased by \$2.4 million, driven by a \$1.9 million decline in the Company's AVOD digital distribution revenue from the impact of \$1.7 million due to continued headwinds content release timing in the broader current relative to the first quarter in fiscal 2024, as well as the recent change in and build-out of the Company's advertising market sales team. This decrease was partially offset by a \$0.5 million \$0.2 million increase in revenue.

Podcast and other revenue as increased by \$0.6 million, or 143%, due to the Company continues to see the benefits from its acquisitions which have contributed value-accretive libraries, distribution platform technologies, such as Screambox, Company's Bloody Disgusting podcast content.

The Company's \$5.3 million \$0.8 million decline in Base Distribution distribution revenue for the three months ended December 31, 2023 June 30, 2024 as compared to the three months ended December 31, 2022 June 30, 2023, primarily driven by a \$3.8 million decline in theatrical revenue, in part due to the Terrifier 2 success in 2023, a decline of \$1.1 million in barter-related licensing deal in the third quarter of fiscal 2023, as well as a \$1.4 million decline in DVD-related sales and related physical distribution revenue, as the Company's focus shifts from physical sales.

Other non-recurring revenue is related to the Company's legacy cinema equipment as its operations. Following the completion of cost recoupment, the expiration of the exhibitor master license agreement to this line of revenue, and the recognition of all remaining constrained variable consideration, revenue declined by \$7.1 million. In the third first quarter of fiscal 2024, \$0.1 million the Company recognized \$1.2 million in cinema system sales and variable consideration; however, in the first quarter of remaining fiscal year, legacy systems sales were recognized, have decreased, and the Company anticipates this trend will continue. Direct Operating Expenses

	For the Three Months Ended December			\$ Change	%
	2023	2022	\$ Change		
Direct operating expenses	\$ 5,464	\$ 14,411	\$ (8,947)		

	For the Three Months Ended June 30,			As a % of
	2024	2023	\$ Change	
Direct operating expenses	\$ 4,479	\$ 6,987	\$ (2,508)	(36)% 49%

The \$8.9 million \$2.5 million decrease in Direct Operating Expenses operating expenses for the three months ended December 31, 2023 is June 30, 2024 was primarily driven by the variable costs associated with a 52% decline in comparative quarterly revenue, including reduced licensing, royalty and participation expenses of \$1.7 million; reduced manufacturing, freight, and fulfillment charges of \$3.4 million. In addition, related to the decline of physical sales, and the Company's reserve against advances provided to partners decreased increased by \$1.1 million \$0.2 million relative to the three months ended December 31, 2023, a \$1.4 million increase in acquired content-related preparation costs capitalized as a result of the Company's investment initiative, June 30, 2023.

Selling, General and Administrative Expenses

	For the Three Months Ended December 31,				Three Months Ended June 30,			
			\$	%			\$	%
	2023	2022	Change	Change	2024	2023	Change	Change
Compensation expense	\$ 4,336	\$ 5,217	\$ (881)	(17)%	\$ 4,051	\$ 4,406	\$ (355)	(8)%
Corporate expenses	796	1,780	(984)	(55)%	1,012	1,701	(689)	(41)%
Share-based compensation	183	658	(475)	(72)%	470	409	61	15%
Other operating expenses	1,058	1,452	(394)	(27)%	1,030	1,372	(342)	(25)%
Selling, General and Administrative	\$ 6,373	\$ 9,107	\$ (2,733)	(30)%	\$ 6,563	\$ 7,888	\$ (1,325)	(17)%

Selling, general and administrative expenses for the three months ended December 31, 2023 June 30, decreased by \$2.7 million \$1.3 million. In comparison to the three months ended December 31, 2022 2023, compensation expenses decreased by \$0.9 million.

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million due to \$0.4 million driven a \$0.7 million reduction change in bonus accrual attributable to fiscal performance, the Company's employment mix, as a decrease result of a greater investment in recurring associated taxes of \$0.7 million, partially offset by a \$0.2 million increase in severance expense. Cine Services India.

Corporate expenses decreased by \$1.0 million \$0.7 million primarily related to a reduction of \$0.6 million in other consulting service providers, \$0.2 million in legal fees, and \$0.4 million \$0.1 million in consulting and service providers, public relations fees, as a result of the Company's savings initiatives.

Share-based compensation has decreased by \$0.5 million, as a result of forfeitures associated with a workforce reduction, a decline in stock price, and a relatively higher number of award tranches fully vested. Other operating expenses decreased by \$0.4 million \$0.3 million, primarily driven by reductions in marketing and related the provision for credit losses of \$0.2 million and a decrease in advertising barter costs of \$0.3 million. result of spending controls put into place. \$0.2 million.

Depreciation and Amortization Expense

	For the Three Months Ended December 31,				For the Three Months Ended June 30,			
			\$	%			\$	%
	2023	2022	Change	Change	2024	2023	Change	Change
Amortization of intangible assets	\$ 879	\$ 712	\$ 167	23%	\$ 709	\$ 698	\$ 11	2%

Depreciation of property and equipment	133	211	(78)	(37)%	154	124	30	24%
Depreciation and Amortization	\$ 1,012	\$ 924	\$ 88	10%	\$ 863	\$ 822	\$ 41	5%

Amortization expense **has continued to increase** and depreciation expense **has continued to remain consistent** for three months ended June 30, 2024, compared to **decrease as a result of the Company's shift from the physical business to its focus on content-related spend during the three months ended December 31, 2023, June 30, 2023**, as the Company's intangible focused investment mix has remained consistent **over the year**.

Interest expense, net

For the three months ended **December 31, 2023** June 30, 2024, interest expense **decreased** **increased** thousand \$0.1 million from \$367 thousand \$0.3 million to \$291, \$0.4 million, primarily as a result of a \$ decrease in deferred consideration amortization.

Results of Operations for the nine months ended December 31, 2023 and 2022 (in thousands):

Revenues

	For the Nine Months Ended December 31			%
	2023	2022	\$ Change	
Streaming and digital	\$ 29,006	\$ 31,375	\$ (2,369)	
Base distribution	4,529	11,145	(6,616)	
Podcast and other	1,953	1,740	213	
Other non-recurring	3,780	11,218	(7,438)	
Total Revenue	\$ 39,268	\$ 55,478	\$ (16,210)	

For the nine months ended December 31, 2023, the Company's revenue declined by \$16.2 million. This was driven by a \$6.6 million decline in the Company's base distribution, driven by a \$3.7 million decline in revenue following fiscal year 2023's theatrical success with films such as *Terrier 2*, and a \$2.4 million decline in DVD and related supply chain costs, as the Company has shifted its focus away from the physical business. Streaming and digital revenue decreased by \$2.4 million, driven by a \$6.2 million decrease in AVOD headwinds faced in the advertising market, partially offset by a \$2.6 million increase in SVOD and a \$1.2 million increase from digital revenue as the Company continued to see the benefits from recent years' acquisitions of DMR, Fandor and Bloody Disgusting, which have contributed value-accretive libraries, distribution and technologies.

The decrease in Other non-recurring revenue decline was related to the run-off of the Company's legacy cinema business, whose active operations ran-off at the end of fiscal year 2023. For the nine months ended December 31, 2023, variable consideration from these operations had decreased by \$5.8 million and decreased by \$1.5 million.

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December 31, 2023, variable consideration from these operations had decreased by \$5.8 million and decreased by \$1.5 million.

Direct Operating Expenses

	For the Nine Months Ended December 31			%
	2023	2022	\$ Change	
Direct operating expenses	\$ 17,097	\$ 29,859	\$ (12,762)	

For the nine months ended December 31, 2023, the Company's direct operation expense decreased by \$12.7 million. The decrease was primarily driven by \$4.3 million in fulfillment and manufacturing costs associated with

in the Company's physical distribution business, a \$2.5 million decrease in licenses, royalties, and paid expenses, a \$2.2 million decrease in the Company's costs associated with the Company's reserves and advances to partners, a \$1.6 million reduction in SaaS related costs as a result of internalizing services performed by third parties and cost savings synergies, and \$0.7 million related to a decrease in an estimated Bloody Disgusting earnout liability based on fiscal year 2024 performance to-date.

Selling, General and Administrative Expenses

	For the Nine Months Ended December		
	2023	2022	\$ Change
Compensation expense	\$ 13,369	\$ 16,361	\$ (2,992)
Corporate expenses	3,092	5,193	(2,101)
Share-based compensation	1,092	3,855	(2,763)
Other operating expenses	3,535	3,607	(72)
Selling, General and Administrative	\$ 21,088	\$ 29,016	\$ (7,928)

During the nine months ended December 31, 2023, the Company's SG&A decreased by \$7.9 million. For the nine months ended December 31, 2022, compensation related costs primarily decreased due to a reduction in stock-based compensation expense of \$2.2 million and an increase in capitalized labor of \$0.5 million from the development of the Company's Matchpoint software.

Corporate expenses declined by \$2.1 million primarily decreased due to a corporate focus on reducing legal costs in the amount of \$1.5 million and a decline of \$0.6 million in other consulting and service fees due to the Company's cost-saving initiatives.

Share-based compensation also decreased by \$2.8 million, as a result of the US-based workforce reduction in stock price, and a relatively higher number of awards tranches fully vesting.

Depreciation and Amortization Expense

	For the Nine Months Ended December		
	2023	2022	\$ Change
Amortization of intangible assets	\$ 2,381	\$ 2,193	188
Depreciation of property and equipment	406	715	(309)
Depreciation and Amortization	\$ 2,787	\$ 2,908	(121)

Depreciation expense decreased primarily due to the remainder of our digital cinema assets reaching the conclusion of their ten-year useful lives during the fiscal year ended March 31, 2023. Amortization expense continued to increase as a result of the Company's shift away from the physical business to its focus on related spend.

Interest expense, net Terrifier 3 term loan interest of \$0.1 million.

For the nine months ended December 31, 2023 relative to the nine months ended December 31, 2022, interest expense decreased by \$99 thousand from \$880 thousand to \$781, primarily as a result of a \$233 thousand decrease.

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in deferred consideration amortization, partially offset by a \$182 thousand increase in line of credit related costs, which was entered into in September 2022.

Adjusted EBITDA

We define Adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, stock compensation expense, merger and acquisition costs, restructuring, transition and acquisitions expense, goodwill impairment and certain other items.

Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to 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 to the performance of its fundamental business activities. For this reason, we believe Adjusted EBITDA is useful to others, including our stockholders, as a valuable financial metric.

We present Adjusted EBITDA because we believe that Adjusted EBITDA is a useful supplement to net income (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 by comparing our performance with that of our competitors. We also use Adjusted EBITDA for planning purposes to evaluate our financial performance because Adjusted EBITDA excludes certain incremental expenses and non-cash items, such as stock-based compensation charges, that we believe are not indicative of our ongoing performance.

We believe that Adjusted EBITDA is a performance measure and not a liquidity measure, and therefore the reconciliation between net income (loss) from continuing operations and Adjusted EBITDA has been provided. Adjusted EBITDA should not be considered as an alternative to net income (loss) from continuing operations as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of liquidity. Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income 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 only be read in conjunction with our Condensed Consolidated Financial Statements prepared in accordance with GAAP.

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Following is the reconciliation of our consolidated net (loss) income to Adjusted EBITDA (in thousand US dollars):

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,		For the Year Ended December 31, 2024
	2023	2022	2023	2022	
	Net income (loss)	\$ (2,736)	\$ 5,022	\$ (6,589)	\$ (6,620)
Net loss	\$ (3,050)		\$ (3,536)		
<u>Add Back:</u>					
Income tax (benefit) expense	(24)	—	12	—	
Income tax expense	7	20			
Depreciation and amortization	1,012	924	2,787	2,908	863
Interest expense	291	367	781	880	431
Loss from equity investment in Metaverse	3,043	—	3,761	1,828	3
Provision for doubtful accounts	—	7	—	54	

Stock-based compensation	183	658	1,092	3,855	470
Employee retention tax credit	—	(2,025)		(2,475)	
Other (income) expense, net	(147)	76	2	82	(163)
Net income attributable to noncontrolling interest	(41)	(8)	(94)	(35)	(23)
Transition-related costs	259	15	1,094	371	27
Mergers and acquisition costs	—	—	—	207	
Adjusted EBITDA	<u>\$ 1,840</u>	<u>\$ 5,036</u>	<u>\$ 2,846</u>	<u>\$ 1,056</u>	<u>\$ (1,435)</u>

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Cash Flow

Changes in our cash flows were as follows (in thousands):

	For the Nine Months Ended December 31,		For the Three Months Ended January 31,
			2024
	2023	2022	2024
Net used in operating activities	(9,287)	\$ (7,901)	(1,714)
Net cash used in investing activities	(482)	(429)	(423)
Net cash provided by financing activities	8,156	4,064	925
Net change in cash and cash equivalents	\$ (1,613)	\$ (4,266)	
Net Change In Cash and Cash Equivalents	\$ (1,212)	\$ 4,977	

For the **nine** three months ended **December 31, 2023** **June 30, 2024**, net cash used in operating activities was primarily driven by loss from operations, excluding non-cash expenses such as depreciation, amortization, stock-based compensation, and other changes in working capital. Specifically, the adjustments are primarily driven by net cash outflows related to content advances made to partners for which initial expenditures are recovered within six to twelve months and **increases in accounts payable, accrued expenses, and other liabilities**, **operating prepayments**, partially offset by a decrease in **accounts receivable and unbilled revenue** and **unrealized loss from collection of the Company's investment in ERTC**, and an increase in **Metaverse stock, accounts payable and accrued expenses**. Operating cash flows are typically seasonally lower in the second and third fiscal quarters and higher during our fiscal third and fourth quarters, resulting from revenues earned during the holiday season.

Cash used in investing activities was used in the expenditures towards long-lived intangible assets and property, plant, and equipment assets, as well as the receipt from the return of investment from the sale of equity securities.

Cash provided by financing activities pertained to the **draw and receipt of funds from the Company's related term loan**, repayment of the Company's line of credit, payment of **earnout** **deferred consideration** and **issuance of company equity, net payment of financing fees**.

For the **nine** **three** months ended **December 31, 2022** **June 30, 2023**, net cash used in operating activities was primarily driven by loss from operations, excluding non-cash expenses such as depreciation, amortization, and impairment of long-lived assets, and for doubtful accounts and stock-based compensation, including capitalized content spend and other costs. The decrease in net cash used in operating activities was driven by a decrease in working capital. Additionally, during the **nine** **three** months ended **December 31, 2022** **June 30, 2023**, decreased accounts payable by **\$11.8 million** **\$4.7 million** to vendors. Cash received from operating activities was typically seasonally lower during the first two fiscal quarters and higher during our fiscal third and fourth quarters. The decrease in accounts payable was primarily driven by a decrease in virtual print fees ("VPFs"), from our legacy digital cinema business, decreased from revenue recognized during the previous period in alignment with the decrease in eligible VPF systems. Prepaid and other assets increased by **\$2.7 million** **holiday season**. In addition, we made **\$1.1 million in net** advances of **\$2.2 million** to our **nine** **three** months ended **December 31, 2022**.

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Cash used in financing was used **June 30, 2023**, as part of the advances we make on theatrical releases and certain home entertainment distribution clients for the purchase of long-lived fixed assets. Net cash provided by financing activities was driven by the net receipt of **\$5 million** from the Company's credit facility, partially offset by the Company's deferred consideration and debt issuance costs, which initial payments are generally recovered within six to twelve months.

Off-balance sheet arrangements

We are not a party to any off-balance sheet arrangements other than as discussed in Note 2 – *Basis of Presentation and Summary of Significant Accounting Policies, Basis of Presentation and Consolidation of Other Interests* to the Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q, 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.

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Item 4. 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 Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in the Exchange Act), as of **December 31, 2023** **June 30, 2024**. Based on such evaluation, our principal executive officer and principal financial and accounting officer have concluded that, as of

such period, the Company's disclosure controls and procedures were effective to provide reasonable that information required to be disclosed by the Company in the reports that it files or submits under 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 Financial Officer, as appropriate, to allow timely decisions regarding required disclosures as of **December 31, 2023** **June 30, 2024**.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended **December 31, 2023** **June 30, 2024** that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors disclosed in Item 1A of our Annual Report for the fiscal year ended **March 31, 2023** and each Item 1A of our Quarterly Reports on Form 10-Q for the fiscal years ended **June 30, 2023** and **September 30, 2023** **March 31, 2024**.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None. Shares issued to Acquiree

On February 27, 2023, the Company, together with its subsidiary Dove Family Channel, entered into a purchase agreement with Christian Cinema LLC and Dove Movies LLC (together, "Christian Channel") to substantially all of the assets of Christian Channel. On April 1, 2024, the Company issued 29,741 shares of Common Stock as a deferred payment of consideration for the acquisition, pursuant to Section 4(a)(2) of the Securities Act.

Information on Share Repurchases

The following table outlines the open market repurchases of Class A common Shares made under the approved Rule 10b-18 plan:

Period	(a) Total		(c) Total		(d) Number of Shares Purchased as Part of pu
	Number of Shares Purchased	(b) Average Price Paid Per Share	Number of Shares	Price Paid	
May 2024 (5/1/2024 - 5/31/2024)	184,495	\$ 1.02	184,495	\$ 1.02	184,495
Total	184,495	\$ 1.02	184,495	\$ 1.02	184,495

1. On March 4, 2024, the Company announced that on February 29, 2024, the Board approved the renewal of the previously approved stock repurchase program to purchase up to an aggregate of 500,000 shares of its outstanding Common Stock. Acquisitions pursuant to the stock repurchase program may be made through a combination of open market repurchases, tender offers, or otherwise, in accordance with Rule 10b-18 promulgated under the Securities Exchange Act of 1934, as amended, privately negotiated transactions, or otherwise, at the Company's discretion. The stock repurchase program, which is subject to certain consents, will expire in 2025 unless otherwise modified by the Board at any time in its sole discretion.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits are listed in the Exhibit Index beginning on the following page herein.

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EXHIBIT INDEX

Exhibit Number	Description of Document
4.1	Guaranty Agreement dated as of April 5, 2024 by Cineverse Corp. to Bondit, LLC.
10.1	Loan and Security Agreement dated as of April 5, 2024 by and among Cineverse Terrific LLC, and the Guarantors named therein.**
10.2	Amendment no. 2 No. 3 to Amended and Restated Loan, Guaranty and Security Agreement of February 9, 2024 by and between Cineverse Corp., September 15, 2022 with East West the Guarantors named therein, therein.
31.1	Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
31.2	Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omission is not material and would likely cause competitive harm to the registrant if publicly disclosed.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CINEVERSE CORP.

Date: **February 14, 2024** August 14, 2024

By: /s/ Christopher J. McGurk

Christopher J. McGurk
Chief Executive Officer and
Chairman of the Board of I
(Principal Executive Officer)

Date: February 14, 2024 August 14, 2024

By: /s/ Mark Lindsey
Mark Lindsey
Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (the "Guaranty Agreement"), is made April 5, 2024 by Cineverse Corp., a Delaware corporation ("Guarantor") to Bond California limited liability company ("Lender").

WITNESSETH:

WHEREAS, subject to various terms and conditions, including, without limitation, Lender and Guarantor entering into this Guaranty Agreement, Lender is prepared to provide a certain loan (the "Loan") to Cineverse Terrifier LLC ("Borrower"), for use in the payment of Borrower's fully recoupable advance to Terrifier 3 LLC for the motion picture presently entitled "Terrifier 3" (the "Picture") and other expenses as set forth more fully in the Loan Agreement (as defined herein);

WHEREAS, the Loan is evidenced by that certain Loan and Security Agreement between Lender and Borrower dated on or about the date of this Guaranty Agreement and which agreement is to be entered into contemporaneously herewith ("Loan Agreement");

WHEREAS, pursuant to the terms of the Loan Agreement, Borrower and other parties are required to execute and/or deliver various agreements, documents and instruments to or for the benefit of Lender, including, without limitation, various security and lien instruments, and various company resolutions, all as described and referenced in further detail in the Loan Agreement (collectively with this Agreement, the "Loan Documents"); capitalized terms used but not defined herein have the meaning given to them in the Loan Documents;

WHEREAS, Lender is not prepared to provide the Loan unless, among other things, Guarantor enters into this unsecured Guaranty Agreement;

WHEREAS, Borrower and Guarantor have agreed that Guarantor will provide the guaranty set forth in this Guaranty Agreement for the benefit of Lender as an inducement for Lender to provide the Loan, and, further, Lender is willing to extend the Loan only on the condition that Guarantor, irrevocably and unconditionally, guarantees to Lender full, faithful and prompt payment when due of all amounts and payable by Borrower pursuant to the Loan Agreement and the other documents referred to herein;

Documents, together with any other amounts payable pursuant to the terms of the Guaranty Agreement (the "Indebtedness"), up to a total amount of One Million One Hundred Thousand United States Dollars (US\$1,500,000.00) (collectively the "Guarantee Cap"), and all as if Guarantor were the primary obligor with respect to the Indebtedness and all of the guarantee obligations pursuant to this Guaranty Agreement;

WHEREAS, it will be of substantial economic benefit to the Guarantor and Borrower to enter into the Loan and for Guarantor to enter into this Guaranty Agreement; and

WHEREAS, pursuant to the Loan Agreement, the outstanding balance of the Indebtedness shall be due and payable by no later than April 1, 2025 (or the Extension Period [as defined in the Loan Agreement], as applicable) (as such date may be accelerated by Lender pursuant to the Loan Agreement or any other of the other Documents, the "Maturity Date").

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WHEREAS, Guarantor is willing to irrevocably and unconditionally fully guarantee the Indebtedness up to the Guarantee Cap as more specifically provided herein.

NOW, THEREFORE, in consideration of the foregoing premises and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Guarantor hereby covenants and agrees as follows:

1. Guarantor hereby irrevocably, absolutely and unconditionally, fully guarantees to Lender: (a) subject to the Guarantee Cap, the full and prompt payment when due, whether pursuant to the terms of the Loan Agreement or any other of the other Documents, or whether by lapse of time, declaration, acceleration or otherwise at all times thereafter, of any and all of the Indebtedness, and the prompt payment by Lender of all costs and expenses (including reasonable outside attorneys' fees and other disbursements) incurred by Lender in collection of the foregoing or in enforcement of this Guaranty Agreement against Guarantor; and (b) subject to the Guarantee Cap, the performance by Borrower of its obligation to duly, prominently and punctually observe, perform and discharge each and every obligation, covenant and agreement of the Loan Agreement and other Loan Documents with respect to the Indebtedness, including, without limitation, Borrower's repayment thereof. Guarantor agrees that if any of the Indebtedness is not paid accordingly as and when due, by acceleration or otherwise, Guarantor shall immediately pay all of the Indebtedness up to an amount not to exceed the Guarantee Cap, as if the Indebtedness constituted the direct and primary obligation of Guarantor. Notwithstanding the satisfaction of Guarantor of any liability hereunder, Guarantor shall not have any right of subrogation, reimbursement or indemnity whatsoever or any right of recourse to or with respect to the assets or property of Borrower or to any collateral for the Loan Document, until Lender has received full payment of all principal, interest and other amounts payable to Lender under each of the Loan Documents. Guarantor understands and acknowledges that by virtue of this Guaranty Agreement it has specifically assumed all risks of a bankruptcy or reorganization case or proceeding affecting Borrower and, as an example and not by way of limitation, a subsequent modification of the Indebtedness.

the Loan Documents in any reorganization case concerning Borrower shall not affect the obligations of Guarantor hereunder.

2. This Guaranty Agreement shall be in full force and effect from the date of execution and until the date the Indebtedness has been fully repaid ("Termination Date"). Effective immediately on the Termination Date, this Guaranty Agreement and the obligations of Guarantor shall automatically and unconditionally cease to be of any further force and effect. Guarantor shall be deemed to be fully and completely released of any further liability or obligations to the Lender pursuant to this Guaranty Agreement and the other Loan Documents.

3. Guarantor grants Lender, in Lender's sole and absolute discretion and at any time and from time to time, notice to Guarantor, the power and authority to deal in any lawful manner with the Indebtedness and, without limiting the generality of the foregoing, further power and authority, from time to time:

- (a) to renew, compromise, extend, accelerate or otherwise change the place of payment of or to otherwise change the terms of the Indebtedness or of any document relating thereto;

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- (b) to modify or to waive any of the terms of any agreement pertaining to the Indebtedness;

- (c) to take and hold security for the payment of the Indebtedness and to exchange, enforce, waive or release any such security;

- (d) to direct the order or manner of sale of any such security as Lender may determine; and/or

- (e) to grant any indulgence, forbearance, waiver or release to the Borrower.

The liability of Guarantor shall not be terminated, affected, impaired or reduced in any way by any action taken by Lender under the foregoing provisions or any provision hereof or by any delay, failure or refusal of Lender to exercise any remedy Lender may have against Borrower or any other person, including any co-guarantors, if any, liable for all or any part of the obligations guaranteed by Guarantor.

4. Satisfaction by Guarantor of any liability hereunder incident to a payment in respect of a default under any of the Loan Documents or otherwise shall not discharge Guarantor from liability hereunder except for the default satisfied, it being the intent hereof that this Guaranty Agreement and the obligations of Guarantor hereunder shall be irrevocable until the Termination Date. Further, if at any time all or any part of any payment received by Lender from Guarantor under or with respect to this Guaranty Agreement is or must be rescinded or returned for any reason whatsoever (including, but not limited to, the insolvency, bankruptcy or reorganization of Guarantor), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have never been in existence, notwithstanding such previous receipt of payment by Lender. Guarantor's obligations hereunder shall continue to be effective or be reinstated.

case may be, as to such payment, all as though such previous payment to Lender had never been made.

5. Guarantor hereby waives notice of acceptance of this Guaranty Agreement. Lender, and this Guaranty Agreement shall immediately be binding upon Guarantor.

6. To the extent permitted by law, Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Lender to proceed against the estate or any other person or to proceed against or exhaust any security held by Lender at any time or to pursue any other remedy in Lender's power before proceeding against Guarantor hereunder; (b) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Indebtedness or the performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of incapacity, lack of authority, death or disability of any other person or person failing to appear; (d) failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons; (e) presentment for payment, notice of non-payment, protest, notice of protest and notices of any kind, including, without limiting the generality of the foregoing, notice of the existence, creation or incurring of any new or additional indebtedness or obligations or of any action or non-action on the part of Borrower, Lender, any endorser or co-signer of Borrower or of Guarantor or of other guarantors or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Lender as collateral or in any other manner.

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connection with the Indebtedness or other obligations hereby guaranteed; (e) defense based upon an election of remedies by Lender which destroys or otherwise impairs any or all of the subrogation rights, if any, of Guarantor, the right of Guarantor to proceed against Borrower or any other person for reimbursement, or any claim or defense of Borrower or any other person against Lender; (f) all duty or obligation on Lender's part to perfect, protect, retain or defend any security for the payment of the Indebtedness; (g) any principle or provision of law, statutory or otherwise, which is or might be in conflict with the terms and provisions of this Guaranty Agreement; and (h) any duty on the part of Lender to disclose to Guarantor any facts Lender may now or hereafter know about Borrower or any other person, regardless of whether or not Lender has reason to believe that any such facts would materially increase the risk beyond that which Guarantor intends to assume or that Lender has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Borrower and all other persons and of any and all circumstances bearing on the risk that liability may be incurred by Guarantor hereunder. Without limiting the generality of the foregoing, scope or meaning of any of the foregoing or any other provision of this Guaranty Agreement, Guarantor:

- (a) acknowledges that Guarantor is authorized to and under the terms of this Guaranty Agreement waives all rights of subrogation and reimbursement, and all other rights and defenses available to guarantors under applicable law;

(b) hereby waives any and all defenses which Guarantor may have to any disability of Borrower or any other release or termination of the Borrower and agrees that by doing so Guarantor even if Borrower had no liability at the time of execution of documents referenced herein, e.g., in the event of rescission of any of the Loan Documents. Guarantor hereby waives all defenses under law or equity which provides that the liability of the principal or surety may not exceed the liability of the principal that by doing so Guarantor's liability may be larger in amount than that of Borrower but in no event larger than the Guarantee Cap, and Guarantor waives all rights to require Lender or any other creditor to pursue remedies against principal in any respect. Guarantor further waives any such defenses and benefits that may be derived from law or equity jurisdiction;

(c) Upon the occurrence and during the continuation of an Event of Default by Borrower under the Loan Documents, Lender in its sole discretion may elect to: (i) file a suit or take other action judicially or nonjudicially against any real or personal property of Borrower or any other person which may hold pursuant to or in connection with the Loan Documents; (ii) accept a transfer of any such security in lieu of full or partial compromise or adjustment of the Indebtedness or any part of the same or any other accommodation with Borrower or Guarantor or any other person; (iii) exercise any other remedy available to Lender under the Loan Documents or (iv) exercise any other remedy available to Lender or any other creditor against Borrower or any other person in connection with such action.

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by Lender shall release or limit the liability of Guarantor, who shall remain liable under this Guaranty after the action, even if the effect of the action is to deprive Guarantor of any subrogation rights, rights of indemnity, rights to collect reimbursement from Borrower or any other person, or rights to receive sums paid to Lender, whether contractual or arising by operation of law or otherwise. Guarantor expressly agrees that under no circumstances shall it be deemed to have any right, title, interest or claim in or to any personal property to be held by Lender or any third party as a result of foreclosure or transfer in lieu of foreclosure of any security for repayment of the Indebtedness;

(d) waives all rights and defenses arising out of an election by Lender, even though the election of remedies, such as foreclosure with respect to security for a guaranteed obligation, may have destroyed Guarantor's rights of subrogation and reimbursement against Borrower or any other person. Guarantor further waives any right to a public or private hearing to determine the size of any deficiency owing to Lender (the amount of which Guarantor would be liable hereunder) following a non-judicial sale;

- (e) waives all rights and defenses that Guarantor may have to assert against Borrower's debt is secured by collateral owned by Borrower among other things:
 - (i) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower, including, without limitation, Borrower; and
 - (ii) If Lender forecloses on any collateral pledged by Borrower, including without limitation Borrower:
 - (A) The amount of the debt may be reduced only to the extent that the collateral is sold at the foreclosure sale for an amount which is less than the amount of the debt; and
 - (B) Lender may collect from Guarantor even if Lender forecloses on the collateral, has destroyed or damaged the collateral, or has otherwise failed to collect from Borrower. Guarantor may have to collect from Borrower or another person.
- (f) By executing this Guaranty Agreement, Guarantor to the full extent permitted by law, waives and relinquishes any defense or right of setoff, including, without limitation, any defense or right based on any right of subrogation, reimbursement, contribution, indemnification or any other suretyship defenses it otherwise might have or would have under California law or other applicable law or judicial decisions to require Lender to proceed against Borrower or to exhaust any security held by Lender at any time or to pursue any other remedy in Lender's power before proceeding against Borrower.

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Guarantor and agrees that it will be fully liable under this Guaranty Agreement up to the Guarantee Cap even though Lender foreclose on any collateral or assets or otherwise enforce any rights and remedies under the Loan Documents;

- (g) Guarantor waives all rights, benefit and protections Guarantor may have pursuant to each of the forgoing California Statutes, including, without limitation, the California Civil Code Sections 2787 to 2855 (including, in particular, Sections 2809, 2810, 2845, 2849 and 2850), and Code of Civil Procedure Section 580a, 580b and 726.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because any of the debts, including those owing from Borrower, are secured by collateral. These rights and defenses include, but are not limited to, any defenses based upon any provision of law or equity.

7. With or without notice to Guarantor, Lender, in Lender's sole discretion, may at any time and from time to time and in such manner and upon such terms as Lender deems fit, may: (a) apply any or all payments or recoveries from Borrower or from any other guarantor or endorser under any other instrument or realized from any sale of collateral in such manner and order of priority as provided in the Loan Agreement, to the indebtedness of Borrower to Lender, whether or not such indebtedness is guaranteed by Guarantor.

hereby or is otherwise secured or is due at the time of such application; or (b) if Borrower any payment received by Lender in repayment of the Indebtedness guaranteed without affecting in any way Guarantor's obligation or liability hereunder payment of the Indebtedness.

8. The amount of Guarantor's liability and all rights, powers and remedies hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Lender or under the Loan Agreement or any of the other Loan Documents or any other document. This Guaranty Agreement is in addition to and separate and apart from the guaranty of any other guarantor of the Indebtedness or of any other indebtedness or obligation.

9. The liability of Guarantor under this Guaranty Agreement shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collection; provided however, notwithstanding anything to the contrary contained in any provision of this Guaranty Agreement or any of the other Loan Documents, the maximum aggregate liability of Guarantor under this Guaranty Agreement is limited to, and shall not exceed in the aggregate, the sum equal to the Guarantee Cap. The obligations of Guarantor hereunder are independent of the obligations of Borrower or any other person and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Borrower or any other person is joined therein or a separate action or actions are brought against Borrower or any other person. Lender may maintain successive actions for other defaults continuing beyond any applicable cure period. Lender's rights hereunder shall not be exhausted by the exercise of any of its rights or remedies or by any such action or by any number of successive actions. The dissolution of any Guarantor shall not terminate this Guaranty Agreement with respect to the assets of the Guarantor.

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10. In the event of the dissolution, liquidation or insolvency (however evidenced) of, or the institution of bankruptcy or receivership proceedings against Borrower, or its beneficiary(ies), if any, or the inability of Borrower or the beneficiary(ies) to pay debts as they mature, Guarantor shall pay to Lender upon demand, the amount which would be payable hereunder by Guarantor up to the Guarantee Cap, if all Indebtedness were then due and payable without regard to whether or not any events shall occur at a time when any of the Indebtedness may not then be payable. Upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Borrower, Guarantor will not seek or cause Borrower or any other person or entity to seek a supplemental stay or other relief, whether injunctive or otherwise, pursuant to any provision of the applicable bankruptcy act, as amended, or any other debtor relief law, (whether statutory, common law, case law or otherwise) or jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any claim against Guarantor by virtue of this Guaranty Agreement or otherwise.

11. Notwithstanding the fact that Borrower may be a trust, a corporation, a limited liability company, a joint venture or a partnership, Lender does not have to commence an action to inquire into the powers of Borrower, or Borrower's beneficiary(ies), directors,

members, joint venturers, partners, associates or other agents acting or purp act on Borrower's behalf, Guarantor hereby representing that such powers e monies in fact advanced by Lender in connection with the Loan Docume agreements entered into with Borrower or other documents executed by Borrow professed exercise of such powers shall be deemed to form a part of the l guaranteed, even though the borrowing or obtaining of such monies or ente such agreements are in excess of the powers of any such party or defective or in any way.

12. It is expressly understood that the obligations of Guarantor hereunder additional and cumulative benefit given to Lender as an inducement for Lender into the Loan Agreement and other Loan Documents and in order to induce any or persons who may be and become a holder of the Indebtedness to accept the including, without limitation, any assignee of the Loan Agreement or any successor-in-interest to Lender.

13. All payments hereunder shall be made in lawful money of the United States of America. No delay in making demand on Guarantor for satisfaction of its obligations hereunder shall prejudice Lender's rights to enforce such liabilities.

14. Guarantor shall pay to Lender, without demand, reasonable outside attorney fees and disbursements and all documented, out-of-pocket, third party costs and expenses which Lender expends or incurs in collecting or compromising the Indebtedness or in enforcing this Guaranty Agreement against Guarantor whether a suit is filed, including, without limitation, all documented, out-of-pocket, third party reasonable outside attorneys' fees and expenses incurred by Lender in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding involving Borrower or Guarantor which in any way affect the exercise by Lender of its rights and remedies hereunder.

15. Any provision of this Guaranty Agreement which is unenforceable, illegal or contrary to law, or the inclusion of which would affect the validity, legality or enforceability of this

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Guaranty Agreement shall be of no effect, and in such case, all the remaining terms and provisions of this Guaranty Agreement shall subsist and shall be fully effective according to the terms of this Guaranty Agreement, the same as though a provision had not been included herein.

16. No provision of this Guaranty Agreement or right of Lender hereunder may be waived nor can Guarantor be released from Guarantor's obligations hereunder by a writing duly executed by Lender. This Guaranty Agreement may not be revised, amended, revised, revoked, terminated, changed or varied in any way which is not in accordance with the express terms of a writing duly executed by Lender and Guarantor.

17. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall

any individual, company, firm, association, limited liability company, partnership, corporation, trust or other legal entity of any kind whatsoever.

18. This Guaranty Agreement is a general guaranty agreement and is as with any and/or all of the Indebtedness which it guarantees and when so a Guarantor shall be bound as above to the assignee(s) without in any manner, limit or affect the liability of the Guarantor hereunder.

19. The validity of this Guaranty Agreement and the obligations of Guarantor hereunder shall in no way be terminated, affected, impaired or reduced by reason of any conveyance, transfer, sale, assignment, exchange or lease of Lender's collateral or any part thereof or any interest therein, to any other person or by reason of the encumbering of Lender's collateral or any part thereof (it being strictly understood, however, that the provisions of this paragraph are not deemed to be a waiver of any restrictions of such acts contained in any agreement to which Lender is a party in connection with the Loan Agreement, or to constitute consent to any such acts).

20. This Guaranty Agreement, and each and every part hereof, shall be binding upon Guarantor and upon the heirs, administrators, legal representatives, successors and assigns of Guarantor.

21. This Guaranty Agreement shall be construed for all purposes and in accordance with the laws of the State of California. Without limiting the right of Guarantor to bring any action or proceeding against Guarantor or against property of Guarantor or any other party arising out of or relating to this Guaranty Agreement (an "Action"), Guarantor hereby irrevocably submits to the jurisdiction of any California state court sitting in Los Angeles County, California or any federal court for the Central District of California sitting in Los Angeles, California. Guarantor hereby irrevocably agrees that any Action may be heard and determined in any such state court or federal court. Guarantor hereby irrevocably waives any right to assert that such state courts or federal courts provide either an inconvenient venue or forum. Guarantor irrevocably waives, to the fullest extent possible, the defense or assertion of any inconvenient forum to the maintenance of any Action in any jurisdiction. Guarantor hereby irrevocably designates Gary Loffredo, 10000 Westwood Blvd., #779, Los Angeles, CA 90064, Email: gloffredo@cineverse.com as designee and agent of the Guarantor (the "Process Agent") to receive, for and on behalf of Guarantor, service

of process in any legal action or proceeding with respect to this Guaranty Agreement. Service of process to be effectuated in any manner consistent with California law. Service of process upon Guarantor hereunder shall preclude service of process upon Guarantor's duly appointed representative or agent. Without limiting the foregoing, Guarantor irrevocably waives all requirements of the Hague Service Convention. **GUARANTOR AND LENDER HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCESSION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT.** Guarantor represents and warrants that it has been provided reasonable opportunity to obtain and have obtained the advice of its own legal counsel with respect to the provisions of this Section 21.

22. Any notice request or demand to be given hereunder shall be in writing and shall be deemed to have been given when personally delivered, deposited for delivery with an overnight courier service such as Federal Express, or placed in the United States mail, with proper registered or certified postage prepaid, return receipt requested, addressed to the party concerned at the address shown below and effective the date of mailing:

To Lender:

Bondit LLC
1639 11th Street, Unit #160
Santa Monica, CA 90404
Attn: Matthew Helderman
Email: matthewhelderman@bondit.us
With Mandatory Copy to:
Ramo Law PC
315 South Beverly Drive
Suite 210
Beverly Hills, CA 90212
Attn: Zev Raben, Esq.
Email: zev@ramolaw.com

To Guarantor:

Cineverse Corp.
244 Fifth Avenue, Suite M28
New York, NY 10001
Attn: Chris McGurk
Email: _____
With Mandatory Copy to:
Gary Loffredo
244 Fifth Avenue, Suite M28
New York, NY 10001
Email: gloffredo@cineverse.com

provided, however, that each of the foregoing addresses for notice may be changed from time to time by notice given to the other party, in the manner herein provided.

23. This Guaranty Agreement shall constitute the entire agreement of Guarantor with Lender with respect to the subject matter hereof and supersedes all contemporaneous agreements or understandings among them with respect to the subject matter hereof. Guarantor and Lender each acknowledges that in entering into this Guaranty Agreement it has not relied upon any representation, understanding, promise, condition or warranty not expressly set forth in this Guaranty Agreement. This Guaranty Agreement, and all other documents, instruments and agreements delivered or to be delivered pursuant hereto may not be modified, amended or terminated except with the written consent of all parties hereto. This Guaranty Agreement may be executed in counterparts and electronic signatures shall have the same force and effect as original signatures.

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24. Any non-recourse provisions contained in the Loan Agreement or other documents are in no event to be construed as inconsistent with or contrary to the terms and provisions of this Guaranty Agreement and in the event of any inconsistency between said non-recourse provisions and the provisions of this Guaranty Agreement, the provisions of this Guaranty Agreement shall control.

25. Notwithstanding any payments made by or for the account of Guarantor pursuant to this Guaranty Agreement, until Lender has received full and independent payment of the Indebtedness as well as any amounts due under this Guaranty Agreement, Guarantor shall not be subrogated to any rights of Lender and, at the same time, Guarantor hereby waives all rights of subrogation, indemnity, contribution, exoneration, reimbursement or other claim which Guarantor now or may hereafter

or claim against Borrower or any other person liable in any way with respect to the Indebtedness.

26. Subject to all of the other terms and provisions of this Guaranty Agreement, in the event of default by Borrower or any other person pursuant to the Loan Agreement or any of the other Loan Documents or any of the other documents relating to the Loan Agreement and the institution of foreclosure proceedings and/or security enforcement proceedings by Lender pursuant to any of the foregoing documents as a result of such default, Guarantor shall continue to be liable to Lender for the payment to Lender of the Indebtedness, if any, by which the Indebtedness at the time of the foreclosure or security enforcement sale by Lender shall exceed the actual net cash received by Lender from any connection with such foreclosure or security enforcement sale, but subject to the Guarantee Cap. The preceding sentence shall not in any event be construed to require Lender to refund to Guarantor any amounts which were paid by Guarantor pursuant to this Guaranty Agreement prior to the acceleration of the Indebtedness and which were properly due and payable by Guarantor at the time said payments were made.

27. The introductory paragraph(s) and recitals set forth in the Credit Agreement are incorporated herein by this reference.

28. This Guaranty Agreement shall be subject to the terms and provisions of the certain Intercreditor Agreement dated as of the date hereof (the "Intercreditor Agreement"), by and among the Lender, the Borrower, the Guarantor and each of the Banks, and in the event of a conflict between the terms of this Guaranty Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall govern.

[Signatures on next page.]

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IN WITNESS WHEREOF, Guarantor has executed this Guaranty Agreement on the day and year first above written.

CINEVERSE CORP.
By: /s/ Gary S. Loffredo
Name: Gary S. Loffredo
Title: Authorized Signatory

[Signature Page to Guaranty Agreement – Cineverse Corp. and Bondit LLC]

**Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation FD. The omitted information is not material and would likely cause competitive harm if publicly disclosed.

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT ("Agreement") is made and entered into on April 5, 2024 (the "Effective Date") by and between Cineverse Terrifier LLC, a limited liability company organized and existing under the laws of the State of Delaware ("Borrower", on one hand, and BondIt LLC, a limited liability company organized and existing under the laws of the State of California ("Lender"), on the other hand.

Reference is hereby made to the following:

A. Borrower or its Affiliate intends to provide a fully recoupable advance (the "Advance") to T3LLC (as defined below) pursuant to the Distribution Agreement (as defined below) in connection with a theatrical, feature-length motion picture currently entitled "The Devil's Third" (or whatever title such motion picture is now or may hereafter be known, the original screenplay for which is based on the original screenplay by the same name written by Damien Leone (the original screenplay and all prior and future drafts of which being draft #10). Said screenplay and all prior and future drafts and thereof, are herein referred to as the "Screenplay."

B. Borrower has requested that Lender lend and advance senior secured funds in the amount of Three Million Dollars (\$3,000,000) (the "Loan") for use in the payment of the Cineverse Advance for the Picture, with the aggregate principal amount not to exceed Three Million Six Hundred Sixty Six Thousand Dollars (\$3,666,000) (inclusive of the amount and any other amounts advanced to Borrower hereunder, the "Contract Amount"), which amount is inclusive of the Loan plus the Interest Fee and Expenses (defined below).

C. Lender is willing to provide the Loan upon the terms and conditions herein contained, in consideration of the agreements, representations and warranties of Borrower set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1.1 DEFINITIONS.

1.2 The following terms used in this Agreement, the Promissory Note (as defined below) or any certificate, report or other document or instrument made or delivered pursuant to this Agreement shall have the following meanings:

1.3 "Account Manager" means Freeway CAM B.V. or any other collection manager approved by Borrower and Lender.

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1.4 "Actor Agreement" means the fully executed agreements for the acting of Alexa Blair to play the role of "Mia," Bryce Johnson to play the role of "Greg," Eliott Johnson to play the role of "Jonathan," Lauren LaVera to play the role of "Sienna Shaw," and Howard Thornton to play the role of "Art the Clown" in form and substance acceptable to Lender.

1.5"Affiliate / Affiliated Person" means any Person (as defined below) which indirectly controls, is controlled by or is under common control with Borrower. For the terms of this definition, "control" (including with corresponding meanings, the terms "control" and "under common control with"), as applied to any Person, means the possession indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

1.6"Agreement" means this Loan and Security Agreement as originally executed and from time to time amended, supplemented, modified and renewed or replaced.

1.7 "Assignment(s) of Proceeds" means a notice of assignment or direction between Borrower and Lender, and a notice of assignment or direction to pay between Borrower, and each of Borrower's sub-distributors (if any), in form and substance acceptable to Lender, in its sole discretion, substantially in a form as set forth in Exhibit "A", attached and incorporated herein by this reference.

1.8"Borrower" has the meaning specified in the introductory Section hereof.

1.9"Borrower Account" collectively means account number _____, I West Bank, ACH # 322070381, ABA # 026002561, SWIFT Code EWBKUS6 account name of EWB ITF CEC, and any other account maintained by Borrower and into which the Loan for the Picture is to be advanced for the benefit of Borrower. Borrower gives Lender prior written notice. The proceeds of the Loan made hereunder, as otherwise provided in this Agreement, shall first be credited, in accordance with applicable Borrowing Certificate, into the Borrower Account set forth on such Certificate.

1.10"Borrowing Certificate" has the meaning specified in Section 2.3 hereof.

1.11"Budget" means the production budget for the Picture in the amount of Three Million Four Hundred Ninety Eight Thousand Two Hundred Eighty Thirty (\$3,498,283), or as otherwise approved by Lender, attached hereto as Exhibit _____, incorporated herein by this reference.

1.12"Business Day" means any day other than a Saturday, Sunday or holiday, as defined by law for commercial banking institutions in the City of Los Angeles, California.

1.13"CAMA" means the collection account management agreement, [date to be determined hereof], among Lender, Borrower and Account Manager.

1.14"Cash Flow Schedule" means the cash flow schedule for the Picture as agreed to by Lender.

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1.15"Certificate of Incumbency" has the meaning specified in Section 6.2.8 hereof.

1.16"Chain-of-Title" means those documents which demonstrate ownership right of T3LLC to produce, distribute, market and otherwise exploit the Picture and all allied rights thereto throughout the universe in all media now existing or later developed (except for rights expressly reserved by third parties and approved by Lender).

discretion) and to grant the rights and evidence the rights to be granted to Borrower Representative, licensees, sub-distributors, and others.

1.17 "Cineverse Distribution Agreement" means the domestic distribution among Borrower, Sales Representative, and T3LLC, dated as of June 28, 2023, a time to be amended, amended and restated, supplemented or otherwise modified (amendments or modifications shall be subject to Lender approval).

1.18 "Collateral" has the meaning specified in Section 4.1 hereof.

1.19 "Collection Account" means account number _____, held at C Bank, 400 North Roxbury Drive, 4th Floor, Beverly Hills, CA 90212, ABA # 122 016 0 Code CINAUS6L, in the name of Stichting Freeway Custody RE: Terrifier 3. The Account shall be managed by the CAMA.

1.20 "Commitment Amount" has the meaning specified in Recital B hereof.

1.21 "Condition(s) Precedent" has the meaning specified in Section 6 hereof.

1.22 "Copyright Mortgage(s)" means, collectively and individually, each mortgage and assignment, executed, notarized and delivered by Borrower (and applicable) in favor of Lender in accordance with the terms of this Agreement, in form as set forth on Exhibit "C", attached hereto and incorporated herein by this reference.

1.23 "Corporate Financial Documents" means the audited financial statements for each of the fiscal years ending March 31, 2022 and March 31, 2023.

1.24 "Default Interest" has the meaning specified in Section 2.8.1.

1.25 "Delivery" shall mean the delivery to the Distributor of all physical elements of the Picture subject to the terms of the Distribution Agreement.

1.26 "Director Agreement" means the executed agreement for the directing Damien Leone ("Director") in form and substance approved by Lender.

1.27 "Distribution Agreement(s)" means, collectively and individually, the Distribution Agreement and each sub-distribution agreement in the Domestic between Parent and a sub-distributor, now or hereafter entered into, pursuant to which Borrower has been granted by Lessor, sold, conveyed, licensed, sub-licensed, leased, or otherwise transferred rights with respect to the distribution, sub-distribution, rental, lease, sub-lease, licensing, sub-licensing,

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exhibition, telecast, broadcast, transmission (including, without limitation, by way of cable) or other use, exploitation or disposition of the Picture or any elements thereof, copyright in any of the foregoing or any part thereof in any media existing now or in the future and in any territory specified therein (including, without limitation, motion picture "home video" and all other audio-visual device rights, merchandising and commercial novelization and publishing rights, trailer rights, and all other allied, incidental, and subsidiary rights), and any permitted amendments, modifications and supplements.

1.28 "Distributor(s)" shall mean Borrower and any of its sub-distributors.

1.29"Dollars" or "\$" means the legal currency of the United States.

1.30"Domestic Territory" shall mean the United States of America and Canada and their respective territories, possessions, commonwealths, protectorates, trustee states (including, without limitation, Puerto Rico, the U.S. Virgin Islands, Guam, Saipan, American Samoa and the Caroline Islands, Micronesia, Palau, Midway Islands, Marshall Islands, Northern Marianas, Wake Island), all diplomatic posts and government installations flying the flag of the foregoing territories, wherever located, excluding all airlines, ships and oil rigs worldwide.

1.31"Event of Default" has the meaning specified in Section 9.1 hereof.

1.32"Excluded Taxes" means (a) Taxes imposed on Lender's income or margin on the overall net income or gross receipts of Lender, (b) franchise Taxes imposed by jurisdiction under the laws of which Lender is organized or any political subdivision, (c) U.S. federal withholding Taxes imposed on amounts payable to Lender for the account of others, except to the extent that, pursuant to Section 3.5, amounts with respect to such Taxes are payable either to Lender's assignor immediately before Lender became a party hereof.

1.33"Expiration Date" has the meaning specified in Section 2.5 hereof.

1.34"Extension Interest" has the meaning specified in Section 2.8.1 hereof.

1.35"Extension Period" has the meaning specified in Section 2.7 hereof.

1.36"Governmental Authority" means the government of the United States or of any other nation, or of any political subdivision thereof, whether state or local, and any authority, instrumentality, regulatory body, court, central bank or other entity executive, legislative, judicial, taxing, regulatory or administrative powers or functions pertaining to government (including, without limitation, any supranational bodies such as the European Union or the European Central Bank).

1.37"Gross Receipts" has the meaning specified in Section 4.1.1 hereof.

1.38"Guild(s)" means SAG-AFTRA.

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1.39"Indebtedness" means all Obligations, contingent and otherwise, of Lender hereunder, under the Promissory Note and under the other Loan Documents (as defined below), including, without limitation, the Loan, without duplication any funding advanced by Lender to Borrower in connection with the Loan (such amounts advanced in Lender's sole discretion), the Interest Fee, the Extension Interest, the Set Up Fee, interest on any additional funding advanced hereunder, the Default Fee, all of the foregoing (if any), and all other unpaid fees, accrued interest, costs and expenses that Borrower is obligated to pay Lender hereunder or thereunder, and any other amounts secured by the Promissory Note.

1.40"Indemnified Taxes" means Taxes other than Excluded Taxes.

1.41"Intercreditor Agreement" means that certain intercreditor agreement, dated the date hereof, among Parent, Borrower, Lender, and East West Bank granting Lender

priority security interest in the Collateral and the consent from East West Bank Borrower entering into this Agreement and related matters.

1.42"Interest Fee" has the meaning specified in Section 2.8.1.

1.43[Reserved].

1.44"Legal Fee" has the meaning specified in Section 2.4 hereof.

1.45"Lender" has the meaning specified in the introductory paragraph hereof.

1.46"Lender Account" means account number _____, held at V Bank, 1300 4th St. – 1st Floor. Santa Monica, CA 90401, ABA # 121000248, SWIFT: WFBUS6S, in the name of BondIt LLC, and any other bank account of Lender provided by Lender to Borrower from time to time in writing.

1.47"Lender Royalties" has the meaning specified in Section 2.9 hereof.

1.48"Licensor" means collectively T3LLC and Sales Representative.

1.49"Limited Guaranty" means the Limited Guaranty, dated as of the date herein between Parent and Lender pursuant to which Parent shall guarantee up to a total of One Million Five Hundred Thousand Dollars (US\$1,500,000) of the Obligations (without avoidance of doubt, shall not include Royalties Payments which may become due under Section 2.9 following the Payment in Full of the Obligations), in a subordination position, subject to the occurrence of certain conditions set forth therein.

1.50"Literary Property" shall have the meaning specified in Section 4.1.1.1.

1.51"Loan" has the meaning specified in Recital B.

1.52"Loan Documents" means, collectively, this Agreement, the Limited Guaranty, the Promissory Note, the Power of Attorney, the Assignment(s) of Proceeds, the Mortgage, the

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Borrowing Certificate, a UCC-1 Financing Statement, the Intercreditor Agreement, and all other documents, instruments and agreements entered into in connection with this Agreement, all as amended, restated, amended and restated, modified, supplemented and extended from time to time.

1.53"Material Adverse Effect" means any change or effect that: (a) has a material adverse effect upon the operations, business, properties, assets, liabilities (contingent), financial conditions or prospects of Lender and/or its respective Affiliates; (b) materially impairs the legal right, power or authority of Lender and/or its respective Affiliates to perform their respective obligations under this Agreement or the Loan Documents to which they are a party; (c) materially impairs the ability of Lender and/or its respective Affiliates to perform their respective obligations under this Agreement or any Loan Document to which they are a party; (d) materially impairs the legality, validity, binding effect or enforceability of this Agreement or any of the Loan Documents; (e) materially impairs the rights, remedies and benefits available to Lender under this Agreement or any of the Loan Documents; (f) has a material adverse effect on the amount of revenue to be received by the Borrower (or the anticipated time of receipt of such revenue) to

satisfy the Obligations in an amount that materially and adversely affects the ability of the Borrower to repay the Obligations when due; (f) results in the Security Interest not being a priority, perfected Lien in the Collateral subject only to Permitted Encumbrances; or (g) would reasonably be expected to have, as determined in Lender's reasonable belief, a material adverse effect on (1) the truth of Borrower's representations and warranties hereunder, (2) the satisfaction of any Condition Precedent, or (3) Borrower's ability to use or exploit the Picture in accordance with the Cineverse Distribution Agreement or the requirements of any Distribution Agreement.

1.54"Maturity Date" has the meaning specified in Section 2.7 hereof.

1.55[Reserved].

1.56"Notice to Insurer" means a Notice to Insurer of even date herewith from time to time in a form approved by Lender, pursuant to which the insurance companies identified in the Notice receive notice of Lender's security interest in the insurance policies obtained by Lender or Licensors pursuant to Section 7.10 hereof.

1.57"Obligations" means all present and future loans, advances, liabilities, covenants, duties, and indebtedness owing by Borrower or any of its assignees, in connection with the Picture, whether arising under this Agreement or any of the Documents, whether or not evidenced by any note, or other instrument or document, arising from an extension of credit, indemnification or otherwise, whether direct or absolute or contingent, due or to become due, primary or secondary, as principal or as a surety, and including, without limitation, all principal, interest (including interest which accrues after the date of the instrument creating the obligation and after the initiation of insolvency proceedings, whether or not allowed), reasonable expenses, fees and outside attorneys' fees, filing fees, all amounts owing to Lender under a swap, interest rate swap, foreign exchange contract, interest rate agreement, currency swap, interest rate cap, collar, option, or any other similar interest rate agreement or arrangement between Borrower and Lender (or any of their Affiliates), Lender ceases to be a party to this Agreement or not), on the other hand, any agreements heretofore or hereafter entered into between Borrower and Lender (or their Affiliates), and any other sums chargeable to Borrower hereunder or under any of the Loan Documents.

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1.58"Paid in Full" or "Payment in Full" means the indefeasible payment in full of the Obligations (other than any inchoate Obligations).

1.59"Parent" means Cineverse Corp.

1.60"Payment Cap" has the meaning specified in Section 2.9 hereof.

1.61"Permitted Encumbrances" means (1) with regard to Borrower: (a) the liens under this Agreement and the other Loan Documents, and (b) the first position in the West Bank, subject to the Intercreditor Agreement; and (2) with regard to the Collateral: (a) any claim, charge, encumbrance, or lien of a laboratory provided for in a lab pledgeholder agreement applicable to the Picture (in form and substance approved by Lender), provided such liens, charges and encumbrances (i) occur in the course of making the Picture, (ii) are for an aggregate amount which does not

exceed the sum of Twenty Five Thousand Dollars (US\$25,000), and (iii) are amounts that, at the time the lien is granted, are not yet due and payable or contested in good faith, (b) the rights granted to the Guilds pursuant to any agreements (in which Lender agrees to subordinate its lien and rights in the Picture to the Guilds, respectively, pursuant to the terms thereof), and (c) mechanics, materialman's and repairmen's liens, provided such liens (i) arise from claims in the ordinary course of business, (ii) are for an aggregate amount which does not exceed the sum of Twenty Five Thousand Dollars (US\$25,000), and (iii) arise in which are not in default or are being contested in good faith.

1.62"Person" means any natural person, entity, corporation, company, partnership, limited liability company, joint venture, association, joint stock unincorporated organization, trust, individual (including personal representatives and heirs of a deceased individual), nation, state, government (including government agencies, departments, bureaus, boards, divisions and instrumentalities thereof), receiver or liquidator.

1.63"Physical Property" shall have the meaning specified in Section 4.1.1.2.

1.64"Picture" has the meaning specified in Recital A hereof.

1.65"Power of Attorney" means the power of attorney, dated as of the date hereof, executed, notarized and delivered by Borrower in favor of Lender in accordance with this Agreement.

1.66"Proceeds" means all sums payable to or for the benefit of Borrower, including, without limitation, proceeds derived from licensing, sale and exploitation of the domestic distribution rights and other related rights of the Picture granted to the Cineverse Distribution Agreement.

1.67"Producer Agreements" means the agreements for the producing services of the producers for the Picture.

1.68"Production Schedule(s)" means, collectively and individually, the pre-production, and post-production schedule(s) for the Picture, in form and substance acceptable to Lender.

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1.69"Promissory Note" has the meaning specified in Section 2.6 hereof.

1.70"Royalties" means the Net Proceeds (as such term is defined in the Cineverse Distribution Agreement) retained by Borrower pursuant to the Cineverse Distribution Agreement or any other agreement related to the Picture.

1.71"SAG-AFTRA" means the Screen Actors Guild-American Federation of Television and Radio Artists.

1.72"Sales Representative" means The Coven, a French SASU, or any other sales agent.

1.73 "Sales Representation Agreement" means that certain sales representation agreement between T3LLC and Sales Representative with respect to the sale of the

1.74 "Screenplay" has the meaning specified in Recital A hereof.

1.75 "Security Interest" means a valid first priority security interest in the subject to the Permitted Encumbrances.

1.76 "Set Up Fee" has the meaning in Section 2.2 hereof.

1.77 "Taxes" has the meaning set forth in Section 3.5.1.

1.78 "T3LLC" means Terrifier 3 LLC.

1.79 "UCC" means the Uniform Commercial Code as in effect from time to State of California or any other state the laws of which are required to be applied in with the issue and perfection of the Security Interest. Terms defined in the UCC with otherwise defined in this Agreement are used herein as defined in the UCC.

1.80 "Uniform Commercial Code Financing Statement" has the meaning in Section 4.2 hereof.

2. AGREEMENT TO LEND; LENDER SERVICES.

2.1 Commitment. Subject to the terms and conditions of this Agreement, execution and delivery of the Loan Documents to Lender, and the satisfaction of the Precedent (as defined below), and further subject to there not existing any uncured Default (as defined below), Lender hereby agrees to advance the Loan to the Account maintained by Borrower in an amount equal to the Loan in accordance with 2.3 hereof within one (1) Business Day of (a) full execution of all Loan Documents and Lender's approval of all Conditions Precedent.

2.2 Set Up Fee. Borrower shall pay to Lender a set-up fee equal to ** Dollars ("Set Up Fee"), which Set Up Fee shall be withheld from the Loan and applied to the Commitment Amount. Such Set Up Fee shall be deemed earned upon advance of any portion of the Loan.

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2.3 Borrowing Certificate. Subject to the last sentence of this Section 2.3, Borrower shall give Lender not less than three (3) Business Days prior written notice (unless otherwise agreed by Lender) of such request for disbursement, specifying in such notice the desired amount and proposed date of such disbursement of the Loan. Such notice shall be sent to Lender by first class overnight mail, messenger, or e-mail. The request for disbursement of the Loan shall be accompanied by a certificate ("Borrowing Certificate") in the form of "D", attached hereto and incorporated herein by this reference, executed by an officer of Borrower, whose signature appears on the Certificate of Incumbency. Subject to the other provisions hereof, and provided that no Event of Default has occurred hereunder and that such Event of Default has been cured within the applicable time period, if any (as permitted hereunder), the disbursement of any portion of the Loan shall be made by Lender on the date and in the amount set forth in the Borrowing Certificate by deposit of the same in the account of Borrower with Lender.

immediately available funds, into the Borrower Account (or the account of a third party approved by Lender and Borrower).

2.4 Legal Fees. Borrower shall pay Lender a legal fee deposit in the amount of Twenty Thousand Dollars (\$20,000) (the "Legal Fee"). Following the date hereof, to the extent that Borrower incurs any legal costs, fees, or expenses (which in each case shall be reasonable and necessary), such amounts shall be immediately payable by Borrower upon request of Lender or Lender may, at Lender's discretion and with Borrower's prior approval, advance such additional costs, fees, or expenses by way of additional funding, or include such excess Legal Fee as an obligation. Such Legal Fee is in addition to any other payments to Lender expressly provided for hereunder and shall not be credited against or applied to any other sums payable hereunder or under any other Loan Document.

2.5 [Reserved]

2.6 Promissory Note. Upon closing of the Loan and prior to Lender's disbursement any portion of the Loan to Borrower hereunder, as a condition thereto, Borrower shall execute in favor of Lender and deliver to Lender a promissory note (the "Note"), in the form of Exhibit "E" hereto, in the principal sum equal to the Commitment. Lender shall maintain an account or accounts evidencing the Indebtedness of Borrower to Lender hereunder, including any amounts of principal and interest payable and paid from time-to-time hereunder. The entries made in such account or accounts shall be prima facie evidence of the existence and amounts of the obligations recorded therein, absent manifest disregard or error; provided that the failure of Lender to maintain any such account or any error in such account shall not in any manner affect the obligation of Borrower to pay the Indebtedness in accordance with the terms of this Agreement.

2.7 Repayment. The Indebtedness shall be immediately due and payable on the earlier of (a) April 1, 2025 (the "Maturity Date") and (b) the date on which the Indebtedness is accelerated by Lender under the terms of this Agreement as a result of the occurrence of an Event of Default (unless such Event of Default has been cured within the applicable period, if any, expressly permitted hereunder). Notwithstanding the foregoing, if Borrower is unable to repay the Obligations in full by the Maturity Date, Lender and Borrower hereby agree to extend the Maturity Date by one hundred twenty (120) days ("Extension Period"), subject to the Extension Interest set forth in Section 2.8 below. For clarity, the Extension Period shall commence on the date on which Borrower is unable to repay the Indebtedness by the Maturity Date set forth above.

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above, the Extension Period may extend the Maturity Date up to August 1, 2026. In the avoidance of doubt, Borrower has not triggered an Event of Default for payment in full by the Maturity Date (as and if extended as set forth herein) has surpassed. The Commitment Amount shall be paid to Lender by Borrower in accordance with the Assignment and Assumption Agreement executed in connection therewith, subject to the terms thereof. For clarity, until the Commitment Amount is Paid in Full, all Proceeds received by or credited to Borrower shall be paid to the Lender's account for the benefit of Lender.

2.8 Interest on the Loan.

2.8.1 Interest Fee; Extension Interest; Default Interest Rate.

2.8.1.1 The unpaid Obligations shall bear no interest until the M
other than an interest advance equal to Five Hundred Seventy Six Thousand
(\$576,000) (the "Interest Fee"), which Interest Fee shall be deemed earned upon
advance of any portion of the Loan. In the event that the Maturity Date is extended
Section 2.7 above, from and after the original Maturity Date, the then unpaid Obligation
bear extension interest ("Extension Interest") at a rate equal to one point forty five
(1.44%) per month (compounding monthly) until earlier of (i) the full, irrevocable
the Obligations, and (ii) the end of the Extension Period. The Extension Interest
month during the Extension Period shall be considered earned on the first day of
following the Maturity Date (i.e., the first month of Extension Interest shall be owed
on May 1, 2025, with further Extension Interest being added as set forth herein on
of each subsequent month). Provided that from and after the end of the Extension
the occurrence and continuation of an Event of Default (and without constituting
such Event of Default), the unpaid Obligation shall bear interest ("Default Interest")
equal to three percent (3%) per thirty (30) days (compounding monthly) until the
Paid in Full (if after the Maturity Date) or the Event of Default has been cured, in
clarity and without limitation, compounding on any unpaid balance that begins at
any Repayment Date for any corresponding insufficient Repayment Amounts.
Interest provided for in this Section 2.8.1 is payable on demand.

2.8.2 Maximum Rate. If the provisions of this Agreement or the Promissory Note
would at any time otherwise require payment to Lender of an amount of
excess of the maximum amount then permitted by the law applicable to
("Maximum Amount"), such interest payments shall be reduced to the extent
so as to ensure that Lender shall not receive interest in excess of such
Amount.

2.9 Royalties. After the Obligations are Paid in Full, Lender shall then receive
percent (15%) of all Royalties (the "Lender Royalties") pursuant to the Cineverse
Agreement, until Lender has irrevocably received one and three fourths times
Commitment Amount plus one and three fourths times (1.75x) any Extension
applicable), the total of which, excluding Lender Royalties, shall not exceed
Obligations are repaid within sixteen 16 months (the "Payment Cap") (i.e., Lender
entitled to up to \$** in total between the Lender Royalties and Payment Cap, exclusive
Interest, if any). For the avoidance of doubt, the Payment Cap shall be inclusive
repaid Obligations including the Commitment Amount (plus any Extension
applicable). The Lender Royalties shall be paid in the same manner
contemporaneously with the Royalties as set forth in the Cineverse Distribution Agreement.
shall be paid to the Collection Account for the

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benefit of Lender. For the avoidance of doubt, Borrower's obligation to the pay
Royalties shall be contingent on Borrower's actual receipt of Royalties and
Royalties shall not be considered a portion of the Indebtedness.

2.10 Manner of Payment.

2.10.1 Time and Place of Payment; Notice of Payment. Any and all
payable by Borrower pursuant to this Agreement, the Promissory Note and

Loan Document (including, without limitation, the Commitment Amount, Interest, if any, and Default Interest, if any), shall be made to Lender in same without defense, setoff or counterclaim, to the Collection Account, for the Lender. Each payment by Borrower shall be made not later than 1:00 P.M. (F on the date such payment is due and shall be deemed to have been paid to Lender two (2) Business Days after receipt thereof into such account. A received by Lender after such time on the date payment is received shall be have been paid by Borrower to Lender three (3) Business Days after receipt such account.

2.10.2 Payments on Non-Business Days. Whenever any payment pursuant to this Agreement, the Promissory Note or any other Loan Document due on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day and such extension of time shall not be included in the computation of the payment of Default Interest pursuant to this Agreement, the Promissory Note or any other such Loan Document. In the event the day payment is due is not a Business Day, but is a day of the month after which a Business Day occurs in that month, then the due date thereof shall be the preceding Business Day.

2.10.3 Payment in Dollars. Any and all Obligations payable by Borrower to this Agreement, the Promissory Note or any other Loan Document (including, without limitation, the Commitment Amount, Extension Interest, if any, and Default Interest, if any): (i) shall be dischargeable only by payment in Dollars regardless of any regulation or statute, whether now or hereafter in existence or in effect in any jurisdiction which affects or purports to affect such obligation, and (ii) shall not be dischargeable by any tender, or any recovery pursuant to any judgment, which is in or converted by Lender to any currency other than the full amount expressed to be payable in respect of the principal, interest, fees, costs (including reasonable legal fees) and all other amounts payable by Borrower to this Agreement. The obligation of Borrower to make payments in Dollars shall be enforceable as an alternative or additional cause of action (which shall be enforceable at the termination of this Agreement) for the purpose of recovery in Dollars in (if any) by which such actual receipt shall fall short of the full amount expressed to be payable in respect of the principal, interest, fees, costs (including legal fees) and all other amounts payable by Borrower pursuant to this Agreement, and shall not be affected by judgment being obtained for any amount due under this Agreement, the Promissory Note or any other Loan Document.

2.10.4 Voluntary Prepayments. Borrower shall have the right at any time from time to time, to prepay, in full or in part, without penalty or premium, the amount of any such prepayment, which shall be given to Lender.

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Lender written notice of Borrower's intention to make the prepayment, specifying the date and amount of prepayment and the amount of the Commitment Amount to be repaid. The Obligations shall be reduced by the amount of any such prepayment hereunder, provided any such prepayment shall not waive Lender's right to receive interest on the amount so repaid.

Set Up Fee, and all interest payable through the Maturity Date advanced as Interest Fee as set forth in Section 2.8.1 above.

3. PAYMENT OF OBLIGATION.

3.1Payment of the Proceeds; Payment Under Distribution Agreements. Until the Obligations are Paid in Full, Borrower shall, and shall cause sub-distributor Proceeds derived from Distributor and the Distribution Agreement and all other amounts received by Borrower in Dollars, to the Collection Account, for the benefit of Lender. Any party shall pay any such sums derived from the Distribution Agreement and/or Territory to Borrower, Lessor or any other Person, Borrower, Lessor or such other party shall receive such sums as trustee for Lender and promptly upon receipt thereof shall such sums (or cause such sums to be remitted) to Lender. No Proceeds shall be applied against the Indebtedness until such funds are received in the Lender Account in United States Dollars.

3.2Application of Payments. Until such time as the Obligations are Paid in Full, amounts paid into the Collection Account for the benefit of Lender or otherwise paid under the terms of this Agreement or any other Loan Document shall be applied by Lender to reduce the Indebtedness in the following priority: (i) first, to the payment of amounts payable to Lender in reimbursement of its costs and expenses pursuant to Section 7.7 hereof to the extent the same are not duly and timely paid to Lender as provided in Sections 7.5 and 7.7 hereof; (ii) second, to the payment of Default Interest, if any; and (iii), the payment of the remaining Obligations to Lender.

3.3Enforcement by Borrower. Borrower, at its own expense, shall promptly commence collection, and take all reasonable legal action necessary to enforce collection, of all amounts which are due and payable from Distributor and/or sub-distributors pursuant to the Distribution Agreement and/or Distribution Agreements and shall remit all sums so collected to the Collection Account for the benefit of Lender in accordance with the terms of this Agreement.

3.4Collection Account. Borrower shall establish the CAMA for the Collection Account in connection with the Picture, and Lender and the Account Manager shall be made a party thereto, which collection account shall be pre-approved by Lender in writing.

3.5Taxes.

3.5.1Any and all payments (including payments of principal, interest and all fees) by Borrower hereunder shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, withholdings, and all liabilities with respect thereto (collectively, "Taxes"), except for Excluded Taxes. If Borrower shall be required by law to deduct any Taxes with respect of any sum payable hereunder to Lender, (i) Borrower shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law. If such Taxes

sums payable under this Section 3.5) Lender receives an amount equal to would have received had no such deductions been made.

3.5.2In addition, Borrower shall pay any present or future documentary Taxes or any other excise or property Taxes which arise payment made hereunder or from the execution, delivery or registration of, with respect to, this Agreement or any other Loan Documents (hereinafter as "Other Taxes").

3.5.3Borrower will indemnify Lender for the full amount of Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by Lender and (including penalties, interest and expenses) arising therefrom or with respect to whether or not such Indemnified Taxes were correctly or legally assessed. Indemnification shall be made within thirty (30) days from the date Lender receives written demand therefor. Lender shall, at the time of any written demand for indemnification under this Subsection 3.5.3, provide to Borrower a receipt or evidence of the payment of, the Taxes or Other Taxes for which indemnification is sought.

3.5.4Within thirty (30) days after the date of any payment, Borrower will furnish to Lender, at its address set forth on the signature page of this Agreement, the original or a certified copy of a receipt evidencing payment of Taxes are payable in respect of any payment hereunder with respect to which a claim for indemnity has been made hereunder, Borrower will furnish to Lender its address, a certificate from each appropriate taxing authority, or an opinion acceptable to Lender, in either case stating that such payment is exempt from subject to Taxes.

3.5.5Without prejudice to the survival of any other agreement or understanding between the parties hereto, the agreements and obligations of Borrower contained in this Agreement shall survive the payment in full of principal and interest hereunder.

4. SECURITY FOR LOAN.

4.1Security Interest. As security for the full, timely and indefeasible repayment of the Obligations, and for the full and timely payment, performance and discharge by Borrower of the terms and conditions of this Agreement and of the other Loan Document, Borrower hereby irrevocably, unconditionally and absolutely grants to Lender a first priority security interest pursuant to Article 9 of the California Uniform Commercial Code (which shall be subject to the Permitted Encumbrances), in and to all of Borrower's assets (now owned or hereafter acquired) in connection with the Picture (including, without limitation, all right, title and interest therein), tangible and intangible, including, without limitation, Proceeds derived from the Distribution Agreements in connection with the Picture, Borrower's right, title and interest in and to (the following collectively with all assets pursuant to the other Loan Documents, proceeds, rights, accounts receivable, cash, future proceeds, and virtually any other asset relating to the Picture collectively,

the "Collateral") including, but not limited to (in each case, solely to the extent hereafter acquired by Borrower):

4.1.1 Film Collateral. The rights of Borrower under the Distribution Agreement with respect to the Picture, and all properties and value pertaining thereto, and all products and proceeds thereof, whether existence or hereafter made, acquired or produced (as used in this Section the "Picture" shall mean and include the Picture, all of the aforesaid rights of Borrower set forth in Sections 4.1.1.1 through 4.1.1.16 below) without limitation:

4.1.1.1 All rights of every kind and nature (including limitation copyrights) in and to the literary material upon which, in part, the Picture is or may be based, or which may be or has been included in the Picture, including, without limitation, the Screenplay and scripts, scenarios, screenplays, bibles, stories, treatments, novel books, titles, concepts, manuscripts or other properties or materials of nature, in whatever state of completion and all drafts, versions and thereof (all of the foregoing herein collectively referred to as the "Property");

4.1.1.2 All physical properties of every kind or nature of or the Picture and all versions thereof, including, without limitation, properties relating to the delivery, exhibition, distribution or other exhibition of the Picture, and all versions thereof or any part thereof, including, without limitation, the Literary Property, exposed film, developed film, negatives, prints, answer prints, special effects, pre-print materials, interpositives, negatives, duplicate negatives, internegatives, color intermediates, lavenders, fine grain master prints and matrices, all forms of pre-print elements which may be necessary or useful to produce or other copies or additional pre-print elements, whether now known or devised), soundtracks, recordings, audio and video tapes and discs and gauges, cutouts, trims and any and all other physical properties of and nature relating to the Picture in whatever state of completion, duplicates, drafts, versions, variations and copies of each thereof (the foregoing herein collectively referred to as the "Physical Property");

4.1.1.3 All rights of every kind or nature in and to any and musical compositions created for, used in or to be used in connection with the Picture, including, without limitation, all copyrights therein and, to be owned or acquired by Borrower, all rights to perform, copy, record, produce, reproduce and/or synchronize any or all music and compositions, as well as all other rights to exploit such music including soundtrack recording and music publishing rights (and to the extent that are assigned to a third party, Borrower will cause such third party to deliver a non-disturbance letter in form and substance approved by Lender);

4.1.1.4 All collateral, allied, ancillary, subsidiary, publishing and merchandising rights of every kind and nature, without limitation, derived

appurtenant to or related to the Picture or the Literary Property, including without limitation, all exploitation rights by use of film, tape or any other record now known or hereafter devised, whether based upon, derived from or by the Picture, the Literary Property or any part thereof all rights to and license others to use or exploit any and all novelization, commercial tie-ups and merchandising rights of every kind and nature without limitation, all novelization, publishing, merchandising commercial tie-ups arising out of or connected with or inspired by the Literary Property, the title or titles of the Picture, the characters and the Picture or said Literary Property and/or the names or characteristics of characters, and including further, without limitation, any and all exploitation in connection with or related to the Picture and/or the Literary Property;

4.1.1.5 All rights of every kind or nature, present and future, including without limitation, all agreements relating to the exploitation of the Picture, including without limitation, all agreements for personal services, including the service of directors, cast, producers, special effects personnel, animators, camera operators, other creative artistic and technical staff and agreements for the use of space, equipment, facilities, animation services, special effects services, laboratory contracts;

4.1.1.6 All insurance and insurance policies heretofore and/or hereafter obtained in connection with the Picture obtained by Borrower or any other person or persons engaged in the exploitation of the Picture, Borrower has been named a loss payee or the insurable property and/or any person or persons engaged in the exploitation of the Picture or the proceeds thereof;

4.1.1.7 All rights to release, sell, distribute, subdistribute, sublicense, market, license, sublicense, exhibit, broadcast, reproduce, otherwise exploit the Picture as provided to Borrower in the Distribution Agreement and any and all rights therein in perpetuity, including without limitation, in any manner and in any media whatsoever throughout the world, including without limitation, by projection, radio, all forms of television, without limitation, free, pay, toll, cable, sustaining, subscription, spot, direct satellite broadcast, in theatres, non-theatrically, on cassettes, discs and other similar and dissimilar video devices, and by any and all scientific, mechanical or electronic means, methods, processes or devices known or hereafter conceived, devised or created;

4.1.1.8 All right, title and interest in and to the Distribution Agreement, and all other agreements of any kind or nature licensing, selling rights to distribute, broadcast, exhibit or otherwise exploit the Picture and any and all rights therein, including, without limitation, any and all rights to the exploitation of the Picture or any part thereof controlled by Borrower, relating to merchandising, publishing, phonorecords derived from or connected with the Picture, and the products of said agreements;

4.1.1.9 All rights of Borrower pursuant to the Cineverse Agreement of any kind or nature, direct or indirect, to release, sell, subdistribute, lease, sublease, market, license, sublicense, exhibit, transmit, reproduce,

publicize, or otherwise exploit the Picture, or any rights in the Picture without limitation, pursuant to any agreements between Borrower and the company controlling, controlled by, or under common control with Borrower (each, a "Subsidiary") which relate to the distribution of the Picture;

4.1.1.10 All contract rights and general intangibles and all and under all security agreements leases and other contracts otherwise relating to any such contract rights and general intangibles grant to any Distributor any right to acquire, release, sell, distribute, sublease, sublease, market, license, sublicense, exhibit, broadcast, reproduce, publicize, or otherwise exploit the Picture or any rights in the Picture including, without limitation, all such rights pursuant to agreements between Borrower and any Subsidiary which relate to the distribution of the Picture;

4.1.1.11 All rent, revenues, income, compensation, increases, proceeds and profits or other property obtained or to be obtained from the sale, distribution, marketing, licensing, exhibition, reproduction, exploitation or other uses or disposition of the Picture and the Literary Property (or any rights therein or part thereof) pursuant to the Cineverse Distribution Agreement, in any and all media, without limitation, the properties the Borrower may have in any collateral, allied, ancillary and subsidiary rights and any merchandising and publishing rights therein and thereto, and amounts recoverable as damages by reason of unfair competition, breach of any infringement of any rights or derived therefrom in any manner including, without limitation, all monies standing to the credit of the Account (all of the foregoing herein collectively referred to as "Receipts");

4.1.1.12 Any and all accounts of Borrower, including the Account, accounts receivable, general intangibles, contract rights, chattel documents, instruments and goods, including inventory (as those defined in the UCC), not elsewhere included in this definition, which relate in connection with the sale, distribution or exploitation of the Picture or any part thereof, including, without limitation, all general intangibles constituting or receiving the payment of money or other valuable consideration, all and all other rights to receive the payment of money including, without limitation, under present or future contracts or agreements (whether or not for performance), from the sale, distribution, exhibition, disposition, subleasing, licensing, sublicensing and other exploitation of the Picture and the Literary Property or any part thereof or any rights therein or related thereto, in any medium, whether now known or hereafter developed, by any means, process or device in any market including, without limitation, all of the right, title and interest in, to and under the Distribution Agreement, other existing or future agreements for the distribution or other exploitation of the Picture, as the same may presently exist or hereafter from time to time, in existence, be amended, renewed, modified, supplemented, extended or replaced, including Borrower's rights to receive payments thereunder and other rights to receive film rentals, license fees, distribution fees, royalties and other

amounts of every description including, without limitation, from (i) exhibitors, nontheatrical exhibitors, television networks and stations and cable television systems, pay television operators, whether on a subprogram charge basis or otherwise, and other exhibitors, (ii) subdistributors, lessees, sublessees, licensees and sublicensees (in each case, an "Affiliated Person") and (iii) any other Person or entity that distributes, exploits or otherwise uses the Picture or the Literary Property or elements or components thereof; or (iv) any other Person or entity that distributes, exploits the Picture or the Literary Property or elements or components thereof; or (v) any other Person or entity that distributes, exploits the Picture or the Literary Property or rights relating thereto;

4.1.1.13 Any and all of Borrower's documents, receipts of documents or records, including, without limitation, documents or receipts of any kind issued by any pledgeholder, warehouseman or bailee with respect to the Picture or any element thereof;

4.1.1.14 All proceeds, products, additions and accession (including insurance proceeds) of the Picture pursuant to the Cineverse Agreement, as defined and referred to in Sections 4.1.1.1 through 4.1.1.13 above;

4.1.1.15 All funds in or to be credited to the Collection Account, which the proceeds of the Loan made shall be or shall have been credited to;

4.1.1.16 All rights of any nature with regard to any and all exploitation of the Picture, and all ancillary and neighboring rights including, without limitation, in or in connection to blockchain technology, fungible tokens, and/or the metaverse;

4.1.2 Personal Property. The rights of Borrower under the Distribution Agreement with respect to the following Picture-related personal property and the proceeds thereof: (i) all of Borrower's rights in and to the title of the Picture and the exclusive use thereof including (without limitation) any and all rights pursuant to trademark, service mark, unfair competition and/or other law, principles of law or equity and (ii) all inventions, processes, formulae, licenses, patent rights, trademarks, trademark rights, service marks, service mark names, trade name rights, logos, indicia, corporate and company name, source or business identifiers and renewals and extensions thereof, domestic and foreign, relating to the Picture, and the accompanying good will and other intellectual property rights, and the right (but not the obligation) to register claim under or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in the name(s) of Borrower and/or Lender for past or future infringement of trademark or patent; and

4.1.3 Cash Equivalents. All cash and cash equivalents of Borrower from or relating to the Picture and all drafts, checks, certificates of deposit, bills of exchange and other writings which evidence a right to the payment of are not themselves security agreements or leases and are of a type which are ordinary course of business transferred by delivery with any necessary endorsement or assignment whether now owned or hereafter acquired (all such drafts, certificates of deposit, notes, bills of exchange and other writings, whenever collectively are called "Instruments"); and

4.1.4 Proceeds. The Proceeds (including all property and converted or substituted for such Proceeds); and

4.1.5 Assignment of Proceeds. Lender shall be issued an Assignment of Proceeds signed by Borrower and each sub-distributor (as applicable) covering the release of all funds herein to Lender going forward until all obligations are fully satisfied.

4.1.6 To the extent not included in the items described in Section 4.1.4 through 4.1.5 above, all accounts, contract rights, general intangibles, instruments, chattel paper, goods, inventory and equipment (as such terms are defined in the UCC) now owned or hereafter acquired by Borrower, in connection with the Picture, and the proceeds and products thereof.

4.2 Perfection of Security Interest. Concurrently with the execution of this Agreement, Borrower hereby authorizes Lender to file the appropriate financing statements in the applicable jurisdictions under the UCC ("Uniform Commercial Code Financing Statement") and Borrower shall execute and deliver or cause to be executed and delivered to Lender and all other instruments which Lender may reasonably request from time to time to perfect Lender's Security Interest hereunder and to effectuate the purposes and intent of this Agreement, including, without limitation, the Copyright Mortgage.

4.3 Permitted Encumbrances. For purposes of clarity, Lender's rights with respect to the Collateral are, and Lender hereby acknowledges that such rights are, subject to the following Encumbrances.

4.4 Release of Security Interest. At such time as the Obligations are Paid in Full, and so long as Borrower is not entitled to any further disbursements of the Loan hereunder, Lender shall, upon Borrower's request and at Borrower's expense, timely, execute and deliver to Borrower a release of the UCC-1 financing statement and Copyright Mortgage which Borrower may file with the United States Copyright Office, deliver to Borrower a form UCC-3 statement in respect of the Uniform Commercial Code Financing Statement to Borrower and execute and deliver or cause to be executed and delivered to Borrower all other instruments which Borrower may reasonably request from time to time to perfect and release Lender's Security Interest hereunder and to effectuate the purposes of this Section 4.4.

5. REPRESENTATIONS AND WARRANTIES. In order to induce Lender to enter into this Agreement, Borrower agrees, represents, warrants, and covenants to Lender as follows: The representations, warranties and covenants made by Borrower in this Agreement, representations and warranties shall survive the execution and delivery of this Agreement.

5.1 Organization, Etc. Borrower is a limited liability company in good standing, organized under the laws of the State of Delaware and has the requisite power and authority to own its properties and to transact the business in which it is engaged in all places where it operates. All actions heretofore taken and agreements heretofore entered into by Borrower in connection with the Collateral were duly authorized and constitute valid obligations of Borrower. The chief office and principal place of business of Borrower, where Borrower's books and records are maintained is located at the address set forth on the signature page to this Agreement. Borrower shall notify Lender promptly of any change in the address of its principal place of business.

upon any change in its chief office or principal place of business or of the place books and records are maintained.

5.2 Financial Statements. The Corporate Financial Documents are, in respects, accurate and correct, prepared in accordance with generally accepted principles and accurately represent the financial status of Parent (Borrower waives represents that no such records exist for Borrower as a newly formed entity); no adverse changes have occurred since the dates of said documents; and no material contingent or otherwise, not shown or contemplated on said documents exist. The cost reports furnished by Borrower to Lender in connection with the Picture were in good faith. Lender acknowledges that there are uncertainties inherent in attempting estimates, projections and other forecasts and plans and that Lender is familiar with uncertainties in the industry (provided that this acknowledgement shall not be a waiver of any obligations on behalf of Borrower to provide estimates, projections, forecasts and plans as accurately as reasonably possible and in good faith).

5.3 Power and Authority. Borrower has the power and authority to execute and carry out the terms and provisions of this Agreement and to execute and deliver the Promissory Note, and all other Loan Documents, and has taken all necessary corporate action to authorize the execution and delivery of this Agreement, the borrowing hereunder, the execution and delivery of the Promissory Note, and said other Loan Documents.

5.4 No Conflicts. Neither the execution and delivery of this Agreement, the Promissory Note or any other Loan Document, instrument or agreement to be executed pursuant to this Agreement, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof or with the terms and provisions of the Promissory Note or any other Loan Document: (i) will violate any provision of law or of any applicable regulation or decree of any court or Governmental Authority, (ii) will conflict or will be inconsistent with any provision of any agreement, mortgage, indenture, deed of trust, agreement or other instrument to which Borrower is or by which it may be bound or to which it may be subject, for which Borrower has obtained consent, or (iii) will violate any provision of the certificate of formation or any other organizational document of Borrower which Borrower was formed or any other organizational document thereof.

5.5 No Pending Legal Actions. There are no claims, actions, suits or proceedings pending or threatened, against, affecting or relating to, Borrower or the Collateral or any court or governmental or administrative body or agency which might result in an Adverse Effect on the business, operations, properties or assets or in the condition, otherwise, of Borrower or which would otherwise adversely affect the rights and interest granted to Lender hereunder. Borrower is not in default under any applicable rule, order or regulation of any Governmental Authority.

5.6 Binding Obligation. This Agreement, the Promissory Note, and each other Document, when executed and delivered pursuant hereto, will constitute legal binding obligations of Borrower enforceable against Borrower in accordance with the respective terms hereof and thereof (except as may be limited by bankruptcy, reorganization, or moratorium or other similar laws now or hereafter in effect relating to affecting creditors' rights generally).

5.7First Priority Security Interest. Subject to the Permitted Encumbrances, the Lender will effect (upon due execution and delivery and after the proper recordation of the documents required to be recorded) a valid first priority security interest in favor of the Lender in the Collateral (including, without limitation, the Proceeds).

5.8No Other Consent. In connection with the execution, delivery, performance and enforceability of this Agreement, and the Promissory Note or any other agreement, and document to be executed and delivered hereunder, no consent of any Governmental Authority is required, except as has already been irrevocably obtained, and no consent, license, authorization, registration or declaration with any Governmental Authority.

5.9Principal Photography. Principal photography of the Picture ("Principal Photography") commenced on or about January 22, 2024 (subject to exigencies of production or majeure events).

5.10Delivery Date. The Cineverse Distribution Agreement provides for an accepted delivery date of July 15, 2024, and Borrower shall not permit any extension of the delivery date, except as agreed by the parties to the Cineverse Distribution Agreement, subject to the consent of the Lender, which consent shall not be unreasonably delayed.

5.11Ownership. Borrower has ensured that, T3LLC currently owns or controls the picture and allied rights in and to the Screenplay and the copyright thereof, whether to a work-for-hire arrangement, assignment agreement or otherwise, as are necessary for the production, distribution, exhibition and exploitation of the Picture by all manner and in all media throughout the universe in perpetuity, including, without limitation, all rights granted to the Distributors under the Distribution Agreements, free and clear and such rights, if any, have not been pledged to any Person (subject to the Permitted Encumbrances). T3LLC currently owns or controls all rights granted to Borrower under the Cineverse Distribution Agreement, free and clear and such rights, in whole or part, including, without limitation, all rights granted to any sub-distributors under the Distribution Agreements, and such rights have not been pledged to any Person except as set forth herein (and subject to the Permitted Encumbrances).

5.12Borrower's Acts; No Encumbrance. Borrower has not performed, nor will it perform, any acts or execute any other instruments which prevent or could reasonably prevent Lender from deriving the full benefits of any of the terms or conditions of this Agreement. Borrower has verified that T3LLC has not performed, and has not restricted from T3LLC performing, any acts or execute any other instruments which could reasonably likely prevent Lender from deriving the full benefits of any of the terms or conditions of this Agreement.

5.13Third Party Rights. Except as set forth in the Distribution Agreement, Borrower has not expressly acknowledged herein, and subject to the Permitted Encumbrances: (i) (and/or others on its behalf) has not transferred, assigned, or encumbered any rights heretofore (or hereafter to be) acquired by Borrower with respect to the Collateral; (ii) no Person (other than Borrower and T3LLC) has any rights of any kind in or to the Collateral; (iii) no rights, property or interests exist or will be granted to any Person.

third party which are in any way inconsistent with or adversely affect Lender's rights or Lender's Security Interest under this Agreement.

5.14 No Litigation. No litigation, suits, proceedings or claims exist or are relating to Borrower, the Cineverse Distribution Agreement, the Picture, or any right thereto or otherwise, which would have a Material Adverse Effect on the rights and interest granted to Lender hereunder or the ability of Borrower to perform its obligations hereunder or under any other agreement to which it is a party which relates to the C

5.15 Distribution Agreements. The Distribution Agreements are in full force and effect as of the date hereof, and neither Borrower, T3LLC, nor the applicable Distributor are in default thereunder. Until such time as the Obligations are Paid in Full, including Default Interest, Lender shall be entitled to approve all Distribution Agreements.

5.16 No Pending Insolvency Proceeding. No insolvency proceedings of any kind are now pending or threatened by or against Borrower. Borrower has also ensured that no insolvency proceedings of any nature now pending or threatened by or against Lender.

5.17 Proceeds of Loan. None of the proceeds of the Loan shall be used, directly or indirectly, for any purpose other than for the payment of the Cineverse Advances, as expressly provided herein.

5.18 Representations with Respect to the Picture. Borrower shall contract with T3LLC to represent and warrant, and Borrower shall make all possible efforts to ensure that the Picture as produced: (i) will be original and will not violate or infringe any copyright or other rights whatsoever of any Person; (ii) will be produced and duly and timely delivered to the Distributors in accordance with the requirements of the Distribution Agreements; and Borrower shall acquire all such rights (including, without limitation, all rights in the music of the Picture) as may be required by the Distribution Agreements and be necessary for the Distributors to fully exercise all rights granted to them under the Distribution Agreements; (iii) shall conform to the Screenplay except for minor deviations normal to the director which do not materially change the storyline or result in an overall increase in the cost of the Picture; and (iv) shall receive an MPAA rating no more restrictive than "R".

5.19 [Reserved].

5.20 Accurate Information. No written information, exhibit, or written report or any schedule furnished by or on behalf of Borrower to Lender in connection with the Collateral, and no representation or statement made by Borrower in any Document, contains any material misstatement of fact or omits the statement of a fact necessary to make the statements contained herein or therein not misleading in the circumstances in which it was made. There is no fact presently known to Borrower which has not been disclosed to Lender which causes a Material Adverse Effect or could reasonably be expected to cause a Material Adverse Effect.

5.21 Timely Performance. Borrower will duly and timely perform all of its material obligations and agreements hereunder and under any other agreement to which it is a party and which

relates to the Picture, including, without limitation, the Cineverse Distribution Agreement and all other Distribution Agreements subject to any force majeure provisions therein contained.

5.22 Conditions Precedent. Except as waived in writing by the Lender, Borrower represents and warrants that all Conditions Precedent have been satisfied as of the date hereof.

5.23 Agreement Approval. Borrower has reviewed and accepted the terms and conditions engaged in the post-production agreements, payroll agreement, and line producer entered into by T3LLC with the relevant third parties for services in connection with the Picture.

5.24 Overage. With respect to any overages in excess of the Lender-approved amount that may arise during post-production of the Picture, Borrower agrees and acknowledges that in furtherance of its obligations under this Agreement, it shall resolve such overages, among other things, exercising all remedies available to it under the Distribution Agreement and applicable law. For the avoidance of doubt, in no event will the Borrower's resolution of such overages increase the responsibility of Lender, or have any impact on the Lender's recoupment of its Indebtedness.

6. CONDITIONS PRECEDENT. Notwithstanding anything to the contrary herein, Lender shall not be obligated to advance funds under the Loan unless all of the following conditions (each a "Condition Precedent," and collectively, the "Conditions Precedent") have been satisfied at the time of disbursement of the Loan (as specified below):

6.1 Chain-of-Title. Borrower has provided Lender with Chain-of-Title satisfactory to Lender and its counsel that T3LLC has the right to produce the Picture and such other title documentation in form and substance satisfactory to Lender and its counsel as Lender may reasonably require.

6.2 Required Documents. There shall have been delivered to Lender the following documents, instruments and agreements (such documents, instruments and agreements shall be deemed executed to the extent they can be executed) in form and substance reasonably satisfactory to Lender and to Lender's counsel:

6.2.1 Financing Statements. Uniform Commercial Code Financing Statements with respect to the Security Interest granted to Lender hereunder for all jurisdictions in which Lender, in its discretion, deems it necessary to file such Uniform Commercial Code Financing Statements to perfect the Security Interest;

6.2.2 Loan Documents. Copies of all Loan Documents duly executed by Lender and thereto, together with all exhibits, schedules, attachments and supporting documents thereto;

6.2.3 Insurance Certificates; Notice to Insurer. Insurance proposals with respect to the insurance coverages required to be obtained and maintained pursuant to the terms and conditions of the Insurance Policies set forth in Section 7.10 hereof, including, without limitation, any essential elements insurance coverage and Notice to Insurer in form and substance approved by Lender delivered to a licensed insurance provider;

6.2.4 UCC Security Search Reports. UCC report confirming that the filings of record which indicate that another Person has rights or a security interest in the Collateral hereunder, other than as expressly set forth herein, which are inconsistent with the Security Interest granted to Lender hereunder;

6.2.5 Articles of Organization and Operating Agreement; Good Standing Certificates. A current and true copy of the certificate of Formation of Borrower and articles of organization of T3LLC, together with a certificate of the date of formation and letter of good standing from the Delaware Secretary of State for Borrower and letter of good standing from New Jersey for T3LLC, each, dated as of a recent date; a fully executed copy of the operating agreement of Borrower, executed by member and manager(s) (as applicable) of Borrower; and a fully executed Operating Agreements of T3LLC;

6.2.6 Distribution Agreements. Copies of the Distribution Agreements executed by T3LLC, sub-distributors and Borrower (or Sales Representatives applicable), of which Lender shall have approval over all Distribution Agreements;

6.2.7 Cineverse Distribution Agreement. Fully executed copy of the Distribution Agreement;

6.2.8 Borrowing Resolutions; Certificate of Incumbency. Certified copies of the resolutions of the members of Borrower, authorizing, as applicable, the delivery and performance of this Agreement and the other Loan Documents for all of the transactions contemplated hereby and thereby together with an executed certificate ("Certificate of Incumbency"), dated as of a recent date, certifying the incumbency and signatures of the person(s) authorized to execute and sign the applicable Loan Documents on behalf of Borrower;

6.2.9 Budget; Cash Flow Schedule; Screenplay. A copy of the budget approved by Lender, the physical scheduling confirmations for the actors in the Agreements, Production Schedule, Cash Flow Schedule, pitch deck, and Script of the Picture, each in a form and substance approved by Lender;

6.2.10 SAG-AFTRA Residual Reserve. Lender's approval of the final payment to the SAG-AFTRA residual reserve and confirmation of deposit thereof;

6.2.11 Intercreditor Agreement. The fully executed Intercreditor Agreement;

6.2.12 Borrowing Certificate. The Borrowing Certificate duly signed by the Borrower;

6.2.13 Certificate of the Members. Duly signed certificate of the members of Borrower in form and substance satisfactory to Lender;

6.2.14 Production Agreements. Fully-executed copies of the Director, Actor Agreements, and Producer Agreements, each in form and content acceptable to Lender;

6.2.15**Guilds Clearance.** Written confirmation that the Picture had been cleared by all Guilds before commencement of principal photography;

6.2.16**Assignment of Proceeds.** A fully executed Assignment of Proceeds between Lender and Borrower and all fully executed Assignment of Proceeds between Lender, Borrower and the applicable Distributor in connection with each Agreement;

6.2.17[Reserved];

6.2.18[Reserved];

6.2.19All Corporate Financial Documents;

6.2.20A fully executed Sales Representation Agreement between Representative and T3LLC;

6.2.21A fully executed Limited Guaranty between Parent and Lender, in form and substance approved by Lender;

6.2.22[Reserved];

6.2.23[Reserved];

6.2.24**Copyright Report.** A copyright report on the Picture, dated as of the date hereof, and not earlier than four (4) weeks prior to the date hereof;

6.2.25Confirmation and proof of funding of a portion of the Cineverse Project in an amount equal to Three Million Dollars (\$3,000,000) to T3LLC pursuant to the Cineverse Distribution Agreement.

6.2.26**Miscellaneous.** Such other documents as Lender may reasonably require in order to effect fully the purposes of this Agreement and/or the other Loan Documents in form and substance approved by Lender.

6.3**No Waiver.** For the avoidance of doubt, to the extent Lender advances any portion of the Loan without requiring satisfaction of one or more of the Conditions Precedent(s) Precedent shall not be deemed waived unless expressly waived by Lender in separate writing that expressly states such waiver; absent such express writing, Borrower shall remain obligated to satisfy all such Condition(s) Precedent as a condition to the advance of any remaining portion of the applicable Loan (and as a condition to any event).

6.4**Event of Default.** At the time of disbursement of any portion of the Loan (and after giving effect thereto), there shall exist no uncured Event of Default and no event or act which with notice or lapse of time, or both, would constitute an Event of Default hereunder.

6.5 Representations and Warranties. All representations and warranties contained or otherwise made in writing in connection herewith shall be true and correct in respects with the same effect as though the representations and warranties had been made on the date of disbursement of each portion of the Loan.

6.6 Material Changes. There has been no Material Adverse Effect in connection with the Picture, including, without limitation, the Picture's Budget, Picture elements structure, timing of production (including post production) or T3LLC's key production

6.7 Production and Post-Production Accountants. Lender's due diligence and that of the production accountant and post-production accountant, approval not to be unreasonably withheld, and Lender is reasonably satisfied that the production accountant has followed reasonable reporting standards and guidelines as defined by Lender and timely provided to Borrower, and the production accountant in writing.

6.8 Financial Condition of Borrower. No Material Adverse Effect in connection with the financial condition of Borrower has occurred at the time of the requested portion of this review. It is understood that this review shall be conducted by Lender in good faith in accordance with customary practice.

6.9 Background Checks. Background checks performed on the officers of the Picture that are executing Loan Documents are reasonably satisfactory to Lender.

6.10 Confirmation by Lender. Confirmation by Lender that the funds already spent and deposited into the Borrower Account by investors equals or exceeds the total amount required to cover the delivery of the Picture per the Budget. For the avoidance of doubt, Lender will fund the Picture after all sources of funding have been deposited into the Borrower Account;

6.11 Confirmation by Lender. Confirmation by Lender that the Loan equals or exceeds the total amount required for Borrower to perform its obligations under the Cineverse Distribution Agreement;

6.12 Proof that all of Borrower's approvals and requirements included in all Agreements for the Picture have been strictly adhered to;

6.13 A fully executed CAMA, in form and substance approved by Lender.

6.14 Proof that Borrower or Parent has funded no less than Three Million (\$3,000,000) to T3LLC in accordance with the Cineverse Distribution Agreement.

7. AFFIRMATIVE COVENANTS. Borrower hereby covenants and agrees as follows:

7.1 Existence. Borrower shall do or cause to be done all things necessary to renew and keep in full force and effect its company existence and comply in respects with all laws and regulations applicable to it.

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7.2 Books and Records. Borrower shall maintain, at all times and in accordance with good and generally accepted accounting principles in the motion picture industry, the complete books and records showing the financial transactions of Borrower, its Affiliates (to the extent Borrower has access to or possession of the books and records).

Affiliate) pertaining to the Picture. Borrower shall permit Lender (or its designee) and audit the same (at Lender's sole cost and expense) for the purpose of verifying Borrower's obligations to Lender and compliance with its obligations under this Agreement upon thirty (30) Business Days' prior written notice at such time(s) during reasonable hours as Lender (or its designee) may request and to take excerpts therefrom in copies thereof only until the Obligations and Lender Royalties are Paid in Full. In the event that the audit uncovers a material discrepancy unfavorable to Lender, Borrower shall pay Lender the party out-of-pocket costs of any such audit. A discrepancy is material if the discrepancy is greater than five percent (5%) or more between the amounts owed to Lender under any Loan Document and the amounts actually paid to and received by Lender as of the date thereof. The examination and auditing rights hereunder shall extend for a period of twelve (12) months after the Payment Cap has been achieved. Until such time twelve (12) months after the Payment Cap has been achieved, all such books and records (or duplicates thereof) shall be maintained at Borrower's principal place of business, and shall not be maintained in any other place without Lender's prior written consent. Borrower shall notify Lender of the identity of the proposed post-production accountant for the Picture which shall be a regionally recognized accounting firm mutually agreed upon by Borrower and Lender.

7.3 Statements, Reports, Etc.

7.3.1 Until such time as the Obligations and Lender Royalties are Paid in Full, Borrower is not entitled to any further disbursements of the Loan hereunder, Borrower shall furnish or cause to be furnished to Lender in form reasonably satisfactory to Lender information in connection with the Picture owned, controlled by or in Borrower's possession, as Lender may reasonably request, including, but not limited to, the following:

7.3.1.1 Copies of all bank statements and other financial information with respect to the Picture received by Borrower or any Affiliated Person during the preceding financial quarter; and

7.3.1.2 Copies of all weekly production reports provided by Borrower or any Affiliated Person, if any, indicating by Budget category all expenses theretofore made by Borrower in connection with the Picture, the amount of costs incurred by Borrower for the week immediately preceding submission of such report and the estimated amount necessary to complete the Picture during the preceding financial quarter. Borrower's failure to provide such reports shall not constitute an Event of Default hereunder unless Borrower fails to provide same within ten (10) Business Days after any reasonable request therefor.

7.3.1.3 As soon as commercially practicable, status reports with reasonable detail on material production activities provided by Lessor to Borrower or any Affiliated Person, including timeline to and budget for completion of preproduction, production and post-production, as well as sales and distribution activities. This includes call-backs and discussion with third party vendors and financiers. Borrower must also provide Lessor with weekly cost reports provided by Lessor to Lessor.

Borrower or any Affiliated Person during pre-production, production and weekly cost reports provided by Lessor to Lessor during post production.

7.3.1.4 No casual or inadvertent failure to comply with the provisions set forth in this Section 7.3 shall be deemed a breach by Borrower, provided the event that Borrower fails to report in accordance with the terms of this Section 7 written notice by the Lender, and fails to cure such Event of Default after notice and opportunity to cure, then Five Hundred Dollars (US\$500) shall be added to the Obligation for each such failure. For the avoidance of doubt, Borrower's obligations set forth in the material terms of this Agreement.

7.3.2 Borrower shall furnish or cause to be furnished to Lender in form satisfactory to Lender accounting reports following the release of the Picture on a basis for the first five (5) years in which revenues are received and on a semi-annual basis thereafter at the same times and in the same manner as set forth in the Cineverse Agreement, until such time as the Payment Cap is Paid in Full to Lender.

7.4 Notice of Legal Proceedings. Borrower shall promptly, upon becoming aware of any fact or circumstance that may, in the Lender's reasonable judgment, in a material way may adversely affect Lender's rights and/or Lender's Security Interest in the Collateral or any of the rights of Borrower or T3LLC with respect thereto, give written notice to Lender of all litigation, proceedings, controversies (whether or under any documents referred to herein), material interruptions (i.e., events of force majeure), or material contract events (e.g., failure by a third party to perform requirements in the pre-production, production, post production or distribution of, or claims affecting the Collateral or any of the rights of Borrower or T3LLC with respect thereto, case only if and to the extent Borrower is actually aware or has received written notice of such fact or circumstance and, where applicable, Borrower shall appear in and defend any and all such proceedings and shall obtain and furnish to Lender from time to time, promptly upon written demand by Lender, all instruments, agreements, financial statements, releases and subordinations of claims or liens as Lender may reasonably require with respect to the Collateral under this Agreement, to maintain the priority of Lender's Security Interest in the Collateral against the demands of all other parties claiming by, through or under Borrower, and will keep the Collateral free and clear from all security interests or other encumbrances created or under Borrower, except the Security Interest created hereunder and those securities expressly permitted hereunder.

7.5 Costs and Expenses; Taxes. After the occurrence of an Event of Default not been cured by Borrower as provided herein), Borrower shall pay immediately upon demand by Lender all actual, reasonable out-of-pocket costs, expenses, and/or Taxes incurred in connection with the enforcement of the rights of Lender hereunder, including the Promissory Note or any other Loan Document or otherwise in connection with the realization upon any Collateral. Such unpaid costs, expenses, and/or Indemnity (including court costs and reasonable outside attorneys' fees) shall constitute an Obligation and shall be secured and recoverable and shall bear interest in the same manner as provided for in Section 2 hereof. Upon mutual written approval between Lender and Borrower, Lender shall have the right (and shall be authorized by Borrower) to make disbursements under the Loan for the repayment to Lender of all such amounts.

7.6 Performance; Copyright Registration. Borrower shall diligently and duly perform all the terms, covenants and conditions on its part to be performed and observed under and pursuant to the Distribution Agreements, as applicable. Borrower

commercially reasonable efforts to cause T3LLC to make (as applicable), all recordings and copyright filings with the US Copyright Office as Lender may require. Promptly upon completion of the Picture, Borrower shall notify Lender in shall use commercially reasonable efforts to cause T3LLC to register the Picture with the United States Copyright Office. Borrower shall also give Lender prompt written notice of any change in the name of the Picture. Lender may require Borrower to change the title of the Picture if at any time Borrower has actual knowledge that the Screenplay and/or the Picture may become known by a new or different name or title.

7.7 Indemnity. Borrower shall, at all times, defend, indemnify, and hold Lender and Lender's Affiliates and their respective shareholders, officers, directors, representatives and agents harmless from and against any and all liabilities, claims causes of action, losses, damages, expenses (including, without limitation, reasonable attorneys' fees), costs, settlements, judgments or recoveries (collectively, "Claims") court of competent jurisdiction determines in a final and non-appealable judgment such Claim results from Lender's gross negligence, fraud or willful misconduct, arising resulting from (i) any breach of the representations, warranties, agreements or made by Borrower and Borrower's Affiliates and their respective shareholders, directors, employees, representatives and agents herein or any other Loan Document or proceeding of any kind or nature whatsoever against Lender arising from or with the transactions contemplated by this Agreement or any of the documents, in agreements to be executed pursuant hereto or any of the rights and properties Lender hereunder directly related to the act or omissions of the Borrower, and/or duplication by Borrower of the exercise of its obligation to defend the Collateral, proceeding that Lender may deem necessary or advisable to institute, in the name of Borrower or both, against any other Person for any reason whatsoever to protect and/or the rights of Lender hereunder, or any rights granted to Lender hereunder reasonable outside attorneys' fees and court costs and all other reasonable or costs and expenses incurred by Lender in respect of its rights under this Section which shall be charged to and paid by Borrower and shall be secured by Lender's interest in the Collateral. The foregoing indemnity shall survive repayment of the and the termination of this Agreement.

7.8 [Reserved (on a non-citable, non-precedential basis)].

7.9 Notice of Events of Default. Borrower shall give Lender prompt written notice of Events of Default under any of the terms or provisions of this Agreement and of a change in management, litigation, or of any other matter which, in each case, has resulted or is likely to result in a Material Adverse Effect in connection with the financial condition or operations of Borrower.

7.10 Insurance.

7.10.1 "Producer's Package" Coverage. Borrower shall use reasonable efforts to ensure that T3LLC shall at all times hereunder at its own expense obtain and keep in full force and effect in amount, kind and form satisfactory to Lender and with insurers approved by Lender, the following insurance providing such coverage as is customarily provided by such insurance: Cast Insurance in an amount equal to at

least the Commitment Amount covering the director, the director of photo the principal cast members, among others; essential element cover applicable parties (including, without limitation, the actors engaged via Agreements and director engaged via the Director Agreement) through co principal photography; Negative Insurance in an amount equal to the am Budget and projected interest hereunder; Faulty Stock, Camera and Insurance; Props, Sets and Wardrobe Insurance; Miscellaneous Equipment Property Damage Liability Insurance; Worker's Compensation Insurance insurance coverage required by applicable collective bargaining agreements

7.10.2 Lender Named as Loss Payee. The Property Damage Liability and Borrower's corporate policy insurance shall include Lender as a loss include (i) a provision for the issuance to Lender of written notice of any cancellation or material change in such insurance coverage which written notice shall be given to Lender not less than thirty (30) Business Days (ten (10) days in the event of non-payment of premium) in advance of such cancellation or material change in insurance coverage and (ii) customary waiver of subrogation language in substance acceptable to Lender.

7.10.3 Liability Insurance. Borrower shall use commercially reasonable efforts to ensure that T3LLC shall during the term of this Agreement at its own cost obtain and keep in full force and effect and in an amount, kind and form satisfactory to Lender and with insurers approved by Lender the following liability insurance which shall provide such coverage as is customarily provided for in such types of insurance:

7.10.3.1 Errors and Omissions Insurance covering, among other things, the legal liability and defense of the producer of the Picture against lawsuits alleging the unauthorized use of title, format, ideas, characters, plagiarism, copyright infringement and unfair competition. Such insurance shall also protect against alleged libel, slander, defamation of character and invasion of privacy. The Errors and Omissions Insurance shall be in the minimum amount of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate, with a deductible of Fifty Thousand Dollars (\$50,000) per occurrence and a period of coverage of not less than three years from the date of commencement of Principal Photography of the Picture.

7.10.3.2 Comprehensive Liability Insurance covering the Picture against, among other things, all claims for bodily injury or property damage which arise in connection with the Picture, without limitation, coverage for all owned, non-owned and hired vehicles (on and off camera) with minimum liability limits of One Million Dollars (\$1,000,000) per occurrence and a period of coverage of not less than three years from the date of commencement of Principal Photography of the Picture.

7.10.4 Naming Lender as "Additional Insured". The insurance entered into under Section 7.10 shall name Lender (and their agents, officers, directors and employees) as an additional insured thereunder and shall (i) provide for the issuance of written notice of any cancellation of or material change in any such insurance coverage which written notice shall be given to Lender not less than thirty days (30) days in the case of non-payment of premium) in

advance of such cancellation of or material change in such insurance coverage, including customary waiver of subrogation language in form and substance acceptable to Lender.

7.10.5 Payment of Premiums. The policies of insurance (or the Certificate of Insurance reflecting that such coverage is in effect) referred to in this Section 7.10 shall (a) contain an endorsement which negates the "other insurance" clause in such policies and a statement that the insurance being provided is primary and any insurance provided by a Lender is neither primary nor contributory and (b) be delivered to Lender, so that Lender shall not have any liability to pay for any premiums or calls with respect to the insurance policies referred to in this Section 7.10.

7.11 Reconciliation of Statements. Upon the reasonable request of Lender, Borrower shall promptly furnish to Lender a reconciliation of information concerning any discrepancy with respect to any item in any summary or statement of revenues paid and payable by Borrower or any other Person under a Distribution Agreement, and Borrower further agrees that Lender in its good faith business judgment believes that an Event of Default has occurred, Lender shall invoke its audit rights set forth in Section 7.2 hereunder.

7.12 Legal Compliance. Borrower shall comply in all material respects with all laws with regard to the production of the Picture including, without limitation, the Motion Picture Production Standards Act.

7.13 Services. Borrower shall, at all times hereunder, maintain its corporate structure and perform its obligations under the Distribution Agreement.

7.14 Liens. Borrower shall defend the Collateral against any and all liens, encumbrances and security interests excluding only the Permitted Encumbrances. In the event of any such lien, encumbrance or security interest, Borrower shall perform, and shall use its commercially reasonable efforts to cause T3LLC to perform (as applicable), all steps reasonably requested by Lender to maintain, protect, and enforce Lender's Security Interest and lien in the Collateral hereunder or in any Loan Document, including, without limitation: (a) executing, recording, and refiling such financing statements, continuation statements, mortgages, deeds of charge, and copyright assignments, and (b) taking such other steps as Lender may deem reasonably necessary or appropriate and wherever required or permitted by law in order to perfect or preserve the Lender's first priority, where applicable, Security Interest and lien in the Collateral.

7.15 Reserved.

7.16 Payments from Distributors. At all times (including, without limitation, in the event of an Event of Default hereunder) prior to the Payment in Full of the Royalties and Lender Royalties hereunder, Borrower shall supervise and monitor the performance of payments from Distributors under the Distribution Agreements, and Borrower shall maintain full and complete books and records of such payments and of all production costs of the Picture, which books and records shall be in accordance with good and general accounting practices in the motion picture industry. Until such time as the Obligation in Full under this Agreement and the Assignment of Proceeds between Lender, Borrower and any sub-distributor have been fully executed, Borrower shall pay or cause to be paid amounts payable to Borrower under any Distribution Agreement or from any other source of the Picture in good and collected funds in Dollars, directly to the Collection Account.

the benefit of Lender. If any sub-distributor shall pay any such amounts to Borrower, Borrower shall receive such amounts as trustee for Lender and promptly upon receipt thereof shall remit such amounts (or cause such amounts to be remitted) to the Collection Account for the benefit of Lender. For clarity, Proceeds paid to the Collection Account shall not be credited to the Obligations until received by Lender in the Lender Account.

7.17 Use of Proceeds. Borrower shall use the proceeds of the Loan to Cineverse Advance pursuant to the Cineverse Distribution Agreement.

7.18 Premiere; One Sheet; Press Release. Borrower shall provide, or shall make reasonable commercial efforts to cause the applicable domestic distributor of the Picture to provide, Lender with six (6) tickets to the U.S. premiere of the Picture, if any; provided that failure to so provide such tickets shall not be a breach hereof. Borrower shall provide Lender with one (1) high quality "one-sheets" (or electronic file thereof) for the Picture, if any, which Lender may use for its own marketing purposes, subject to any third party ownership or contractual restrictions. Borrower shall use commercially reasonable good faith efforts to mention "Bondit Media Capital" as a financier and Lender's designated executive producer in any press releases regarding the Picture.

7.19 Credits.

7.19.1 In consideration of Lender's Sponsorship Activities (as set forth in Section 10 below), Lender shall, in the Domestic Territory, receive an amount of credit on screen, on all positive prints of the Picture, in the main titles of the Picture, grouped with the other logo credits, and in the opening of all trailers and in the closing credits, where any other animated logos are shown, for Bondit Media Capital; and a text credit for Lender's name in the main titles of the Picture, and in the billing blocks of all paid ads, whenever the billing block is used, substantially in the form of "In association with Bondit Media Capital," in both cases in a size of type no smaller than the size of type used to accord credit to any other financier of the Picture.

7.19.2 Lender shall receive two (2) executive producer credits by Lender in Lender's sole discretion (Matthew Helderman and Luke Hedges, as hereby approved), on screen, on all positive prints of the Picture, in the main titles of the Picture (i.e., wherever all producer credits appear), and in all paid ads, in the billing blocks, on a shared card shared only with each other and Borrower, for the respective executive producers (provided Lender's executive producers will be adjacent to each other), in each case consistent with the rights granted to Borrower in the Cineverse Distribution Agreement.

7.19.3 Borrower will use commercially reasonable good faith efforts to mention Bondit Media Capital in all social media posts, tagging "@BonditMedia" on Facebook, "@Bondit_film" on Twitter, and "@bonditmedia" on Instagram; and to mention the respective executive producers as provided in Section 7.19.3 above on such social media posts. Borrower shall use commercially reasonable good faith efforts to do so after making such best faith efforts to do so, provided, however, that failure to do so after making such best faith efforts shall be deemed a breach of this Agreement.

7.19.4 All other aspects of the above credits shall be in Borrower's discretion. No casual or inadvertent failure to comply with the credit provisions in this Section 7.19 shall be deemed a breach by Borrower provided that upon written notice from Lender of Borrower's failure to properly accord credit, herein, Borrower shall take such commercially reasonable good faith steps as reasonably practicable to cure such failure on a prospective basis except to any materials already in existence.

7.20 Legal Fee Commitment. Borrower acknowledges that, in committing to the Loan, Lender may be prevented from accepting other potential funding opportunities in the event that, through no material fault of Lender: (i) Borrower does not proceed with the Loan for any reason, then, as consideration of Lender's commitment to make the Loan, Borrower agrees to pay a fee to Lender the Twenty Thousand Dollars (\$20,000) of the Payment by Borrower hereunder shall be made concurrently with written notice that Borrower is not proceeding with the Loan or within five (5) Business Days of the date hereof.

7.21 Payment Confirmation and Acknowledgement. Borrower shall provide Lender confirmation and proof of funding of the proceeds of the Loan to finance the Advance pursuant to the Cineverse Distribution Agreement.

7.22 Copyright Mortgage. Borrower shall use good faith efforts to have Lender as a party to the joint Copyright Mortgage to be executed by Borrower and Lender. Notwithstanding the foregoing, in the event that T3LLC is unwilling to execute a joint Copyright Mortgage with Lender, Borrower shall promptly assign such Copyright Mortgage to Lender to enter into a copyright mortgage in substantially similar form as the Copyright Mortgage in the benefit of Lender.

8. NEGATIVE COVENANTS.

8.1 Written Consent. Borrower hereby covenants and agrees that, so long as this Agreement is in effect and until the Obligations hereunder are Paid in Full, Borrower will not, and will not authorize any Person (including T3LLC) to, without first having procured the written consent of Lender:

8.1.1 Terminate, amend, alter or modify, or consent to or permit the amendment, alteration or modification of any agreement referred to herein or any part of Lender's Security Interest in any manner, or enter into any other modification or other agreement, that would adversely affect or lessen any rights granted to Lender under this Agreement or any Loan Documents;

8.1.2 Wind up, liquidate or dissolve its affairs, or sell, lease, license, otherwise dispose of or grant an interest in all or a substantial part of its property or assets, or change its company or trade name or modify its company existence;

8.1.3 Create, assume or suffer to exist any security interest, mortgage, encumbrance, assignment, lien or charge of any kind upon the Collateral, without limitation, the Picture or the Proceeds (other than the Permitted Encumbrances).

8.1.4 Except as provided in Section 4 of this Agreement, and subject to Permitted Encumbrances, otherwise sell, assign, encumber, grant a security transfer or allocate any or all of the Collateral (including, without limitation, the Proceeds) to any Person other than Lender;

8.1.5 Permit any Proceeds to be applied to any tax liability for which Lender is liable; or

8.1.6 Establish any bank account owned or controlled by Borrower, in whole or in part, other than the Collection Account, as applicable.

8.2[Reserved].

9. **EVENTS OF DEFAULT.**

9.1**Specified Events of Default.** Each of the following specified events hereby and is herein referred to individually as an "Event of Default," it being understood that an Event of Default shall not be deemed to have occurred until the cure period set forth in the applicable Section below, if any, shall have expired, other than with respect to the calculation of Default Interest if such Event of Default is not cured within the applicable cure period hereunder or within the relevant agreement:

9.1.1 Borrower's failure to make (or cause to be made) any payment when due under this Agreement or any other Loan Document, including, without limitation, payment of the principal amount of the Indebtedness (including Default Interest, if any) by the Maturity Date; or

9.1.2 Borrower's interference or failure to exercise commercially reasonable efforts to cause T3LLC to maintain (or cause to be maintained) in full force and effect the policies of insurance as provided in Section 7.10 hereof for the full period required by Lender; provided, however, if a policy is terminated for some reason other than the willful default of Borrower, Borrower shall have five (5) Business Days to reinstate such policy; or

9.1.3 Except as already set forth in Section 9.1.1 and Section 9.1.2, the continuance thereof in the due and timely observance or performance of the terms, provisions, other material covenants, representations, warranties, agreements or obligations of Borrower contained in this Agreement, the Note, any Loan Documents (including, without limitation, the Copyright Mortgages) or any other agreement between Borrower and Lender, if Borrower has failed to cure such default within the earlier of five (5) Business Days after notice thereof or as otherwise specified in the applicable Loan Document after Borrower receives notice thereof from Lender or any officer of Borrower becomes aware thereof;

9.1.4 Borrower's failure to perform or observe, in a due and timely manner, any material terms, provisions, covenants, conditions, agreements, or obligations contained in the Distribution Agreements, including, without limitation, the Cineverse Agreement; or

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9.1.5 If any Uniform Commercial Code Financing Statement, Corporate Filing Statement or other document delivered by Borrower hereunder or pursuant hereto shall be false or inaccurate in any material respect on the date made; or

9.1.6 Default of any third party (including, without limitation, T3LLC) ~~h~~ observance or performance by such party of any material term, covenant, warranty or representation made or agreed to in any agreement referred to or secured by Lender's Security Interest hereunder which Lender reasonably could cause a Material Adverse Effect on the Collateral and/or Lender's Interest hereunder, including, without limitation, the Picture's production account or post-production accountant's failure to perform its obligations under the terms of the applicable agreement; or

9.1.7 Suspension by Borrower or T3LLC of its business operations; or

9.1.8 If any warrant of attachment, execution or other writ in an aggregate amount of greater than One Hundred Thousand Dollars (US\$100,000) shall be issued or issued upon the proceeds payable pursuant to any agreement referred to herein or Lender's Security Interest hereunder, and such attachment, execution or other writ shall remain undischarged and unstayed for a period in excess of thirty (30) days or shall fail to post (or cause to be posted) an indemnity bond for the maximum amount payable pursuant to any such attachment, execution or other writ; or

9.1.9 If Borrower should become insolvent; or should be unable to pay its debts as they mature (including Borrower's failure to pay the Indebtedness); or should file for an assignment for the benefit of creditors or to an agent authorized to liquidate a substantial amount of its properties or assets, or should file a voluntary petition for bankruptcy or seeking reorganization or to effect a plan or other arrangement for the benefit of its creditors; or should file an answer admitting the jurisdiction of any court and the truth and accuracy of the allegations of an involuntary petition filed pursuant to any change in law or bankruptcy or reorganization; or should join in any such petition for an adjustment or reorganization or other arrangement; or should become or be adjudged bankrupt; or should apply for or consent to the appointment of or consent that should be made appointing any receiver or trustee for itself or for any of its properties or business; or if an order should be entered pursuant to any change in law or bankruptcy or reorganization; or if a receiver or a trustee should be appointed other than upon its own application or consent for all or a substantial part of its assets or business and any such receiver or trustee so appointed is not within sixty (60) days after the date of such appointment; or if an involuntary petition should be filed and not dismissed, stayed or bonded within sixty (60) days after the filing of the petition; or

9.1.10 If there shall exist and continue, a Material Adverse Effect; or

9.1.11 If final judgment or judgments for the payment of money aggregating in excess of One Hundred Thousand Dollars (US\$100,000) shall be entered or rendered in a court against Borrower, and Borrower shall not discharge the same or pay the same or their discharge in

accordance with its or their terms or procure a stay of execution thereof with respect to such judgment or judgments for a period of at least ten (10) days from the date of entry thereof; or

9.1.12If any Loan Document shall cease to be in full force and effect as approved by Lender in writing and such termination of the Loan Document due to a default or breach thereof); or

9.1.13If Borrower shall default under any Loan Document and such default is not cured with the proscribed cure period thereunder, if any; or

9.1.14If Borrower abandons the distribution of the Picture or breaches the Cineverse Distribution Agreement, including, without limitation, failure to make the Cineverse Advance in accordance with the terms of the Cineverse Distribution Agreement; or

9.1.15To the extent Borrower possesses rights thereto, if Borrower authorizes any material change in the Budget, financing structure, timing of production, including the number of cameras, the key production team or key cast of the Picture (i.e., engaged via the Actor Agreements are no longer cast as lead actors) unless such change is approved by Lender in writing prior to such authorization; or

9.1.16Any act of Borrower which contributes to the failure of T3LLC to commence Principal Photography for the Picture in material conformity with the in-go Production Schedule, and the Lender-approved Cash Flow Schedule, on a line-item basis; or

9.1.17Borrower's failure to adhere to Lender's approval rights as expressly set forth in this Agreement, except where waived by Lender in writing in its sole discretion; or

9.1.18The failure of Borrower to effect delivery of the Picture to sub-distributors in accordance with the terms and conditions of the relevant Distribution Agreement; or

9.1.19If Borrower takes any action that shall directly cause or shall reasonably be expected to cause T3LLC's failure to fully fund the costs of production of the Picture in accordance with the Cash Flow Schedule; or

9.1.20Borrower receiving any other form of debt financing relating to the Picture without Lender's express written approval at Lender's sole discretion, provided that such debt financing is not in conflict with the Picture's Encumbrances; or

9.1.21[Reserved]; or

9.1.22Borrower's failure to pay the Lender Royalties in the same manner and at the same time as the Royalties as set forth in the Cineverse Distribution Agreement; or

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9.1.23There being any material changes to the status of any Precedent without Lender's prior written authorization.

9.2Remedies. Upon the occurrence and continuation of any of the Events of Default set forth in Section 9.1 hereof, subject to any applicable cure period, all Indebtedness

immediately become due and payable. At Lender's option, upon the occurrence of an Event of Default, and at any time thereafter if such Event of Default shall then be continuing, Lender may:

9.2.1 Unless such Event of Default is cured within the time period (if any) provided for hereunder, Lender may terminate its obligations to advance funds to Borrower and/or the Indebtedness may, without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived by Borrower, be forthwith called due and payable, if not otherwise then due and payable (anything herein or in the Note or other Loan Document contained to the contrary notwithstanding), and the Maturity Date shall be accelerated accordingly.

9.2.2 Lender may, in addition to any other rights or remedies available to Lender hereunder or under any other Loan Document (notwithstanding any requirement of law to the contrary under the UCC or any other applicable law, all of which are hereby waived by Borrower to fullest extent allowed by law), at law or in equity, take such action as Lender may reasonably deem advisable to protect and enforce the rights of Lender against Borrower and in and to the Collateral, including, but not limited to, the following actions, each of which may be pursued singly, concurrently or otherwise, and in such order as Lender may determine, in its sole discretion, without otherwise affecting any other rights and remedies of Lender hereunder, and in equity: (i) declare all or any portion of the unpaid Indebtedness to be immediately due and payable; (ii) bring an action to foreclose any Security Interest, and/or, subject to the terms of the Intercreditor Agreement, the Limited Guaranty and thereupon Lender may exercise all rights and powers of Borrower with respect to the Collateral or any part thereof, whether in the name of Borrower or otherwise; and (B) apply the receipt of the Collateral to the payment of the Indebtedness, after deducting therefrom a reasonable amount (including, without limitation, reasonable attorneys' fees and disbursements and any applicable transfer taxes) reasonably incurred in connection therewith, as well as reasonable compensation for the services of Lender's third-party agent in the Collateral or institute proceedings for the complete foreclosure of a Security Interest and/or Limited Guaranty, or take such other action as may be allowed by law or in equity (including, without limitation, all rights and remedies to a security interest under the UCC); provided, however, that the provisions of this Section 9.2 shall not be construed to extend or modify any of the notice requirements or grace periods provided for hereunder or under any of the other Loan Documents.

9.2.3 Lender may, at its option, engage other professionals or experts to assist Lender in the performance of its rights and obligations hereunder. The reasonable amount of compensation to be paid by Lender to such others by Lender shall be recoverable by Lender and secured as provided in Section 7.5 hereof.

9.2.4 The rights of Lender hereunder shall not be conditioned or contingent upon the pursuit by Lender of any other right or remedy against Borrower or any other Person liable to Lender.

Indebtedness, or against any other Person which may be or become liable in all or any part of the Indebtedness or against any other collateral security guarantee thereof or right of offset with respect thereto. Neither Lender nor nominees or designees shall be liable for any failure to demand, collect or realize all or any part of the Collateral or for any delay in doing so, nor shall they be obligated to sell or otherwise dispose of any Collateral upon the request of any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

9.2.5 Following the occurrence and during the continuance of an Event of Default, Lender may, at its election, and in addition to any other remedies available hereunder, exercise its sole and absolute discretion, no such duty being imposed hereby, pay or contest or compromise any encumbrance, charge or lien which is prior or superior to the security interest in the Collateral and pay all reasonable expenses incurred in connection therewith (any payment or expense so incurred shall be deemed a part of the Indebtedness and shall be immediately due and payable and secured hereby), all of which shall be deemed authorized by Borrower. All such expenses not paid when due shall bear interest at the Default Interest rate.

9.2.6 Any time during the continuance of an Event of Default and subject to the terms in this Agreement, Lender shall have the power to sell the Collateral or any part thereof at public auction, in such manner, at such time and place, upon such terms and conditions, and upon such public notice as Lender may deem best for the protection of Lender, or as may be required or permitted by applicable law.

9.2.7 No recovery of any judgment by Lender and no levy of an execution or garnishment upon the Collateral or upon any other property of Borrower shall affect the lien of this Agreement and the other Loan Documents upon the Collateral or any part thereof, or any liens, rights, powers or remedies of Lender hereunder. All liens, rights, powers and remedies of Lender shall continue unimpaired until the Obligations under the Promissory Note, this Agreement and the other Loan Documents are Paid in Full.

9.2.8 Following the occurrence of an Event of Default, upon the demand of Lender of any power, right, privilege, or remedy pursuant to this Agreement, Borrower agrees to execute and deliver, or will execute and deliver, all applications, certificates, instruments, assignments and other documents and papers that Lender or any purchaser of the Collateral may require to obtain for such governmental consent, approval, registration, qualification, or authorization and Lender is hereby irrevocably appointed the true and lawful attorney of Borrower (coupled with an interest), in its name and stead, to execute all applications, certificates, instruments, assignments and other documents and papers.

9.3 Attorney-in-Fact. Borrower hereby irrevocably designates, constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution and with an irrevocable power (which power shall be deemed coupled with an interest), in the name of Borrower, in the name of Lender, or in the name of both of them, at any time and from time to time in the sole discretion of Lender: (i) to take over and complete distribution of the Picture pursuant to the Cineverse Distribution.

Agreement and to lease, license, sell or otherwise dispose of the Picture and to assign, transfer, convey, lease, license, sell or otherwise dispose of the distribution rights in and to the Picture and such rights therein as have not been disposed of by Borrower prior to the date of such default by Borrower as permitted hereunder (or to engage others to do so for the reasonable costs and expenses thereof to be recoupable by Lender as provided in Sections 7.5 and 7.7 hereof); (ii) to negotiate such lease, license, sale or other agreements and to enter into such agreements on behalf of Borrower on such terms and conditions (not in conflict with the terms and conditions of such agreements consistent with this Agreement with respect to the Collateral only as have theretofore been entered into by Borrower and which have been made aware of) as Lender deems appropriate; (iii) to renegotiate the Distribution Agreements or such other agreements as Lender has a Security Interest in pursuant to Section 4 hereof as Lender in its sole and exclusive discretion deems proper; (iv) to require Borrower to collect, receive, settle, adjust, compromise and to give acquittances and receipts for payment of any and all monies payable pursuant to the Distribution Agreements or such other agreements as Lender has a Security Interest in pursuant to Section 4 hereof, including licenses and agreements as Lender may enter into as aforesaid; (v) to file any claims, proofs of claim, to commence, maintain or discontinue any actions, suits or other proceedings deemed by Lender advisable for the purpose of collecting or enforcing payment of monies against the Collateral only; (vi) to endorse any checks, drafts or other instruments for the payment of monies payable to Borrower in connection with the Collateral only which shall be issued in respect of such monies; (vii) to execute any assignments, instruments, agreements or documents consistent herewith as may be necessary in the premises, and Lender shall promptly provide copies to Borrower of such instruments, agreements or documents so executed upon written request of Borrower, provided that so provide such copies of documents shall not be a default hereunder; (viii) to receive receipts so derived as herein provided; (ix) to exercise all rights available to it under law and (x) to have a receiver appointed and to sell the Collateral at a public or private auction. Lender, however, shall not be obligated to make any demand or present or file any such action or proceeding at law or in equity against Borrower or any other party or to exercise any remedies against Borrower or any other party in respect of any other security held by Lender for the Indebtedness or any portion thereof as a condition precedent to exercising any such remedies pursuant to this Agreement or the other Loan Documents.

9.4 No Conditions Precedent to Exercise of Lender's Remedies. Borrower shall not be required to satisfy any conditions precedent to the exercise of any rights or remedies available to Lender under this Agreement or the other Loan Documents, including, without limitation, any conditions precedent to the exercise of any rights or remedies available to Lender under this Agreement or the other Loan Documents, including, without limitation, any conditions precedent to the exercise of any rights or remedies available to Lender under this Agreement or the other Loan Documents.

9.5 Proceeds of Collateral. All Proceeds of the Collateral received by Borrower shall be held by Lender in trust for the benefit of Lender until such time as Lender shall direct otherwise. Lender shall have the right to apply such Proceeds to the payment of the Indebtedness in such order and manner as Lender shall direct in its sole discretion.

9.6 Reserved.

9.7 Rights and Remedies Continue. Until the Indebtedness shall have been paid in full, all rights, powers and remedies granted to Lender under this Agreement shall continue and may be exercised by Lender at any time and from time to time irrespective of the time when the Indebtedness or any part thereof may have become barred by any statute of limitations, provided that the liability of Borrower therefor may have ceased other than as provided for herein.

9.8 Right to Terminate Proceedings. Lender may terminate or rescind any proceedings or other action brought in connection with its exercise of the remedies provided herein before the conclusion thereof, as determined in Lender's sole discretion and without notice to Borrower or to Lender.

9.9 No Waiver or Release. The failure of Lender to exercise any right, remedy or power provided in the Loan Documents shall not be deemed a waiver of such right, remedy or power or of any covenant or obligation contained in the Loan Documents. No acceptance of any payment after the occurrence of an Event of Default and no payment by Lender for any payment or obligation for which Borrower is liable hereunder shall be deemed to waive any Event of Default. No sale of all or any portion of the Collateral, no forbearance by Lender, and no extension of time for the payment of the whole or any portion of the same, or any other indulgence given by Lender to Borrower or any other Person, shall release or in any manner affect the interest of Lender in the Collateral or the right of Borrower to pay the Indebtedness. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated.

9.10 No Impairment; No Releases. The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including (a) any renewal, extension or modification which Lender may grant with respect to any of the Loan, (b) any compromise, release, renewal, extension, exchange or substitution which Lender may make with respect to the Loan Documents or any portion thereof or (c) any forbearance or indulgence granted to any maker, endorser, or surety of any of the Loan.

9.11 Interest After Default. If any amount due under the Promissory Note, this Agreement or any of the other Loan Documents is not paid within any applicable notice and grace period after same is due, whether such date is the stated due date, any accelerated due date or any other date or at any other time specified under any of the terms hereof or thereof, then, in such event, Borrower shall pay interest on the amount not so paid from and after the date when Borrower received notice that such amount became due at the Default Interest rate. Interest shall be due and payable at such rate until the earlier of the cure of a Default or the payment of the entire Indebtedness due to Lender, whether or not legal proceedings shall have been taken or proceeding commenced to recover the same or to foreclose on the Collateral under this Agreement. All unpaid and accrued interest shall be secured by this Agreement as to the Indebtedness. Nothing in this Section or in any other provision of this Agreement shall constitute an extension of the time for payment of the Indebtedness.

9.12 Cost of Defending and Upholding Lien. If any action or proceeding is commenced in which Lender is made a party relating to the Loan Documents and/or the Collateral, or in which it becomes necessary to defend or uphold the Lender's interest therein or in which it becomes necessary to defend or uphold the Lender's interest in the Collateral under this Agreement or any other Loan.

Document, Borrower shall, on demand, reimburse Lender for all expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Lender in therewith, and such sum, together with interest thereon at the Default Interest rate, shall, after such demand until fully paid, shall constitute a part of the Obligations.

9.13 Recovery of Sums Required To Be Paid. Lender shall have the right from time to take action to recover any sum or sums which constitute a part of the Indebtedness when the same become due and payable hereunder (after the expiration of any grace period, giving of any notice herein provided, if any), without regard to whether or not the basic amount of the Indebtedness shall be due, and without prejudice to the right of Lender thereafter to take any action of foreclosure, or any other action, for one or more Events of Default by Borrower, at the time such earlier action was commenced.

9.14 Control By Lender After Default. Notwithstanding the appointment of any receiver, liquidator or trustee of Borrower, or of any of its property, or of the Collateral or any part thereof, to the extent permitted by law and the terms in this Agreement, Lender shall be entitled to obtain possession and control of all Collateral.

10. LENDER SPONSORSHIP COVENANTS.

10.1 Sponsorship Activities. Lender shall sponsor Borrower's distribution of the Picture as follows:

10.1.1 Including the Picture in the email newsletter of Lender and its affiliates during Borrower's initial theatrical release of the Picture;

10.1.2 Including the Picture in Lender's website (<https://bondit.com>) and successor thereto) commencing on the start of the Picture's its initial U.S. theatrical release and continuing for twelve (12) months;

10.1.3 Issuing a joint press release with Borrower, which release shall be subject to the mutual approval of Lender and Borrower;

10.1.4 Commencing on the start of the Picture's its initial U.S. theatrical release and continuing for twelve (12) months, including the Picture in Lender's booth at film festivals and markets at which Lender has a booth; and

10.1.5 Borrower shall have the right, but not the obligation, to designate Lender as a "sponsor" of the Picture in any or all of Borrower's marketing, advertising and/or promotion of the Picture.

11. MISCELLANEOUS.

11.1 Notices. All notices, requests, demands or other communications to the parties hereto shall be in writing and shall be deemed to have been given when delivered to the party to which sent and shall be addressed to Lender or Borrower, as the case may be, at their respective addresses shown.

under their signatures hereto. A courtesy copy of each notice sent by Borrower to L be sent to Ramo Law PC, 315 S. Beverly Drive, Suite 210, Beverly Hills, CA 90 zev@ramolaw.com, Attn: Zev Raben, Esq.. A courtesy copy of each notice sent b Borrower shall be sent to Attn: Gary Loffredo, 2355 Westwood Blvd., #779, Los A 90064 and Email: gloffredo@cineverse.com. No notice to or demand on Borrower Lender may elect to give shall entitle Borrower to any further notice or demand in similar or other circumstances.

11.2 No Waiver; Amendments in Writing. Except as expressly provided herein to the contrary, no failure of, nor any delay on the part of, Lender or Borrower in exercising any power or privilege hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, shall operate as a waiver thereof, nor shall any single or successive exercise of any right, power or privilege hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, preclude other or further exercise of the exercise of any other right, power or privilege; nor shall any waiver of any right, power or privilege or default hereunder, or under any agreement, contract, indenture, document or instrument mentioned herein, constitute a waiver of any other right, power, privilege or constitute a waiver of any other default of the same or of any other term or provision of this Agreement. Any amendment, modification or other change in this Agreement must be in writing and signed by the parties hereto.

11.3 Governing Law. This Agreement and the rights and obligations of the parties hereunder and under the documents executed on or about the date hereof shall be governed by and be governed by the laws of the State of California. California law shall govern (i) the validity and interpretation of the Agreement, (ii) the performance of the parties' respective obligations hereunder, and (iii) all other causes of action (whether in contract or in tort) arising out of or relating to this Agreement or the termination of this Agreement.

11.4 Disputes and Consent to Jurisdiction. Pursuant to, and in accordance with California law (or any successor statute thereto), the Borrower and the Lender irrevocably (a) agree that any suit, action or other legal proceeding arising out of or relating to this Agreement or the other Loan Documents shall be brought and be subject to in the exclusive jurisdiction of, a court of record of the State of California located in the City and County of Los Angeles or in the United States Court for the Central District of the State of California located in the City and County of Los Angeles, (b) consent to the jurisdiction of each such court in any such suit, action or proceeding, and (c) waive any objection which it may have to the laying of venue in any such suit, action or proceeding in any of such courts and any claim that the suit, action or proceeding has been brought in an inconvenient forum. Nothing in this section shall affect the right of the Lender to bring any suit, action or proceeding against the Borrower or its property in the courts of any other jurisdiction. Borrower consents to service of process by registered mail at the address to which notices are to be given. Borrower agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of Lender. Final judgment rendered against Borrower in any such action, suit or proceeding shall be conclusive, and may be enforced in other jurisdictions (i) by suit, action or proceeding on the judgment, certified or true copy of which shall be conclusive evidence of the fact and amount of any indebtedness.

or liability of Borrower therein described or (ii) in any other manner provided pursuant to the laws of such other jurisdiction; provided, however, that Lender may at its option bring suit, or institute other judicial proceedings against Borrower in its assets in any state or Federal court of the United States or of any county or state where Borrower or such assets may be found. Borrower further covenants that so long as this Agreement shall be in effect, it shall maintain a duly authorized agent for the receipt and acceptance on its behalf of service of summons and legal processes (and Borrower hereby appoints Gary Loffredo, 2355 Westwood Boulevard, Suite #779, Los Angeles, CA 90064 and Email: gloffredo@cineverse.com, as its agent to receive service of the process in any action, suit or proceeding with which Borrower has submitted to jurisdiction, as set forth above), and upon so doing so the clerk of each court to whose jurisdiction it has submitted shall be its designated agent upon whom such process may be served on its behalf. Notification by the attorney for plaintiff, complainant or petitioner therein shall be by confirmed transmission by facsimile (with confirmation provided by the facsimile machine) or by e-mail (unless the sender has received a failure delivery and with confirmation of transmission provided by the sender's e-mail) to Borrower. The filing of such suit, action or proceeding shall be deemed sufficient notice.

11.5 Successors and Assigns. Lender may invite third parties to participate without the consent, but with notice to Borrower; provided, however, that, Borrower shall continue to make all payments due hereunder directly to Lender. Borrower may not assign any of its rights or obligations hereunder without the prior written consent of Lender. Any purported assignment shall be void and of no force or effect. This Agreement shall not be binding upon and inure to the benefit of Borrower and its permitted successors and assigns. Lender and its successors and assigns. Borrower hereby acknowledges that Lender (with the consent of Borrower (but with notice to Borrower)) may sell, transfer and otherwise dispose of all of Lender's rights in this Agreement and the other Loan Documents including, without limitation, its rights in the Collection Account and the Collateral and Borrower shall execute all documents reasonably necessary or desirable by Lender to acknowledge any such disposition. For greater certainty, in the event of any sale, transfer of assignment by Lender contemplated in this Section, Lender shall be entitled to use the Power of Attorney connection with this Agreement upon the occurrence and continuation of an Event of Default.

11.6 Severability. In case any one or more of the provisions hereof should be illegal or unenforceable in any respect, such provision(s) shall be curtailed and limited to the extent necessary to bring it within the legal requirements and the validity, enforceability of the remaining provisions contained herein shall not in any way be impaired thereby.

11.7 Waiver of Jury Trial; Waiver with Respect to Damages, Etc. To the extent permissible by law, Borrower and Lender each waives their respective rights to a trial by jury in any claim or cause of action based upon or arising out of or related to this agreement or any transaction contemplated hereby, in any action, proceeding or other litigation brought by any of the parties against any other party or any agent-related person or assignee, whether with respect to contract claims, tort claims, or otherwise. Borrower and Lender each agree that any such claim or cause of action shall be tried by a court without a jury. Without limiting the foregoing, the parties further agree that their respective rights to trial by jury is waived by operation of this Section as to any action, counterclaim or claim.

proceeding which seeks, in whole or in part, to challenge the validity or enforceability of this Agreement or any provision hereof. This waiver shall apply to any subsequent amendments, renewals, supplements or modifications to this Agreement.

Nothing in this Agreement shall be deemed to apply to or limit the Lender's rights to exercise self-help remedies such as (but not limited to) setoff, (ii) foreclose on nonjudicially against any real or personal property collateral, or to exercise nonjudicial power of sale rights, (iii) obtain from a court provisional or ancillary (including, without limitation, injunctive relief, a writ of possession, pre-judgment attachment, protective order or the appointment of a receiver), or (iv) pursue its rights against a third-party proceeding in any action brought against the Lender (including, without limitation, actions in bankruptcy court). The Lender may exercise the rights set forth in this Agreement before, during or after the pendency of any other proceeding.

THE LENDER DOES NOT HAVE A FIDUCIARY RELATIONSHIP OR FIDUCIARY DUTY TO, THE BORROWER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND THE RELATIONSHIP BETWEEN THE LENDER AND THE BORROWER IN CONNECTION THEREWITH IS SOLELY THAT OF CREDITOR AND DEBTOR.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY ASSERT, AND THE PARTIES HEREBY WAIVE, ANY CLAIMS AGAINST THE OTHER PARTY ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT, ANY FUNDAMENTAL AGREEMENTS, ANY AGREEMENT OR INSTRUMENT CONTAINED HEREBY OR THEREBY, OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREBY.

11.8 Entire Agreement; Counterparts. This Agreement, the Promissory Note and the other Loan Documents shall constitute the entire agreement between the parties with respect to the Loan and shall supersede all other agreements written or oral previously thereto, including, but not limited to, the Term Sheet between the parties dated January 2024 ("Term Sheet"). In the event of a conflict between the provisions of this Agreement and the provisions of any other Loan Document, the provisions of this Agreement shall prevail. This Agreement may be executed in two counterparts, each of which shall be an original and which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement transmitted electronically in either a Tagged Image File Format ("TIFF") or Portable Document Format ("PDF") shall be equally valid as delivery of a manually executed counterpart of this Agreement. No party has representations or warranties with respect to the electronic signature of a party to this Agreement (or any amendment or supplement to this Agreement) or any counterpart page to this Agreement shall be as valid as the electronic signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record and be maintained in the ordinary course of business and an original written record will be maintained from electronic files. Such paper copies or "printouts", if introduced as evidence in any arbitration, mediation or

administrative proceeding, will be admissible as between the parties to the same under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

11.9 Confidentiality/Non-Disparagement. The terms of this Agreement are confidential and Borrower agrees not to disclose the terms contained herein to any Person without the prior written consent of Lender, except that Borrower may disclose such information to its officers, directors, attorneys, other advisors, and governmental entities if and as required by law or legal proceeding, and other parties with a right to access such information, including the relevant industry trade associations, industry groups, and professional guilds or parties required by law. Each party agrees not to make disparaging remarks about the other, either orally or in writing to any Person that is not a party to this Agreement. For the purposes of this Agreement, the term "disparaging" means to criticize, denigrate, or cast in a negative light. The Parties agree that this non-disparagement clause is a material term of this Agreement. Nothing in the preceding disparagement provision shall affect Borrower's right in enforcing its rights under any Loan Document.

11.10 No Third Party Beneficiaries. This Agreement is not made for the benefit of any third party or parties. Without limiting the generality of the foregoing, Lender and Borrower do not intend by the inclusion of references to payments to various third persons, in the definition of Permitted Encumbrances or otherwise, to give rise to any rights as a third party in such persons herein or under any of the agreements referenced in the definition of Permitted Encumbrances or elsewhere in this Agreement, except as expressly set forth in the Intercreditor Agreement.

11.11 Relationship of Parties. The relationship between Borrower and Lender is solely that of debtor and creditor, expressly not that of joint venture or partner, and Lender has no fiduciary or other special relationship with Borrower, and no term or provision of the Loan Documents shall be construed so as to deem the relationship between Borrower and Lender, on the one hand, and Lender, on the other hand, to be other than that of debtor and creditor. Borrower acknowledges and agrees that Lender shall be entitled to transact business with any Affiliate of Lender or other third party in connection with the Loan, this Agreement, and the Loan Documents at Lender's sole discretion.

11.12 Setoff. Nothing in this Agreement shall be deemed to constitute a waiver of Lender's right of banker's lien or setoff and Borrower hereby acknowledges that Lender has such right, it being understood and agreed that Lender may use the Loan to set off against any non-Picture related obligations of Borrower to Lender. In the occurrence and continuation of an Event of Default, the Lender and its Affiliates may, at any time and from time to time, without notice to the Borrower or any other Person (such notice being expressly waived), set off and appropriate and apply, against and on account of any obligations and liabilities of the Borrower to the Lender or its Affiliates, whether arising under or connected with this Agreement or the Loan Documents and without regard to whether or not the Lender shall have made any demand therefor and although obligations and liabilities may be contingent or unmatured and regardless of current or future payment or booking office thereof, any and all deposits (general or special, including but not limited to indebtedness evidenced by certificates of deposit, but not including trust accounts and any other indebtedness or other payment).

obligation at any time held or owing by the Lender or its Affiliates to or for the account of the Borrower, whether or not arising under or connected with this Agreement or the Loan Documents, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office thereof.

11.13 Publicity. All promotional news releases, publicity or advertising by the Borrower or its Affiliates through any media intended to reach the general public shall be limited to the Loan Documents or the financing evidenced by the Loan Documents, or to the Borrower or any of its Affiliates or to Borrower and its Affiliates, without the prior written approval of the Lender. The Borrower, as applicable, in each instance, granted or withheld in the applicable sole discretion. Lender shall be authorized to provide information relating to the Company and matters relating thereto to rating agencies, underwriters, potential investors, investors and potential investors, potential purchasers of the Loan or otherwise, auditors, regulatory authorities and to any Persons which may be entitled to information by operation of law and may use basic transaction information (including, without limitation, the name of Borrower, the name and address of a project and the Loan or press releases or other marketing materials).

11.14 Exhibits and Schedules Incorporated. The information set forth on the exhibits and schedules attached hereto, are hereby incorporated as an integral part of this Agreement with the same effect as if set forth in the body hereof.

11.15 Severable Provisions. Each of the parties to this Agreement intend that the provisions in this Agreement comport with all applicable requirements of law. However, if any portion of any provision or provisions of the Loan Documents including, without limitation, the Promissory Note or this Agreement, is or are found by a court of competent jurisdiction to be in violation of any applicable statute, regulation, administrative or judicial decision or policy, and if such court should declare such portion, provision or provisions of this Agreement to be invalid, unlawful, void or unenforceable as written, then it is the express intention of the parties hereto that the obligations, rights and interests of the respective parties to the remainder of this Agreement shall continue in full force and effect and such portion or provisions which is held or determined to be invalid, unlawful, void or unenforceable as written shall, nonetheless, be enforced and binding to the fullest extent permitted, though such portion, provision or provisions had been written in such a manner and to the extent as to be valid, lawful and enforceable under the circumstances.

11.16 Further Acts, Etc. Borrower will, at Borrower's expenses (but without increasing the obligations or decrease in the rights of Borrower under the Loan Documents), do, execute, acknowledge and deliver all and every such further documents, deeds, conveyances, assignments, notices of assignments, transfers and assignments, Lender shall, from time to time, reasonably require for the better assuring, assigning, transferring, and confirming unto Lender the Security Interests, granted, sold, alienated, transferred, conveyed, confirmed, pledged, assigned and hypothecated which Borrower may be or may hereafter become bound to convey or assign to Lender, carrying out or facilitating the performance of the terms of this Agreement or registering or recording this Agreement and, on demand, will execute and deliver such documents, authorizes Lender to execute in the name of Borrower.

name of Borrower or without the signature of Borrower to the extent Lender may law one or more financing statements, chattel mortgages or comparable security ins evidence more effectively the lien hereof upon the Collateral. Without limiting the and the caveats of the foregoing, Borrower will: (i) if any Collateral shall be evid promissory note or other instrument or chattel paper, deliver and pledge to Lende such note or instrument or chattel paper duly indorsed and accompanied by du instruments of transfer or assignment, all in form and substance satisfactory Agreement; (ii) execute or authenticate and file such financing or continuation sta amendments thereto, and such other instruments or notices, as may be necessary and as Lender may request, in order to perfect and preserve the security interest purported to be granted by Borrower hereunder; (iii) take all action necessary to Lender has control of any Collateral consisting of deposit accounts, electronic ch investment property and letter-of-credit rights as provided in Sections 9-104, 9-105 9-107 of the UCC; and (iv) deliver to Lender evidence that all other action that I reasonably deem necessary or desirable in order to perfect and protect the secu granted or purported to be granted by Borrower under this Agreement has k Borrower grants to Lender an irrevocable power of attorney coupled with an inte purpose of protecting, perfecting, preserving and realizing upon the Security Inter pursuant to this Agreement and to effect the intent hereof, all as fully and ef Borrower might or could do; and Borrower hereby ratifies all that Lender shall la cause to be done by virtue hereof. Lender shall provide Borrower with five (5) day (two (2) days during exigencies) advance written notice of Lender's intent to use th attorney, provided that inadvertent failure to do so shall not be a breach of this Agr shall not invalidate or render unenforceable any actions taken by Lender purs Power of Attorney. Upon Borrower's satisfaction of all of Borrower's obligations und Documents, including but not limited to Payment in Full of the Indebtedness, th Attorney shall immediately terminate. Upon receipt of an affidavit of an officer of L the loss, theft, destruction or mutilation of the Promissory Note or any other Loan which is not of public record, and, in the case of any such mutilation, upon sui cancellation of such Promissory Note or other applicable Loan Document, Borrower in lieu thereof, a replacement Promissory Note or other applicable Loan Documen date of such lost, stolen, destroyed or mutilated Promissory Note or other Loan E the same principal amount thereof and otherwise of like tenor.

11.17 Cumulative Rights. The rights, powers and remedies of Lender Agreement shall be separate, distinct and cumulative and none shall be given e exclusion of the others. No act of Lender shall be construed as an election to pro any one provision herein to the exclusion of any other provision. Lender shall no exclusively to the rights and remedies herein stated but shall be entitled, subject t of this Agreement, to every right and remedy now or hereafter afforded by law or Documents.

11.18 Waiver of Notice. Borrower shall not be entitled to any notices of whatsoever from Lender except with respect to matters for which this Agreement and expressly provides for the giving of notice by Lender to Borrower and except to matters for which Borrower is not, pursuant to applicable legal requirements, i waive the giving of notice. Without limiting the generality of the foregoing, Borrow presentment, protest and notice of demand or dishonor

and protest as to any instrument, as well as any and all other notices to which otherwise be entitled except as provided in the previous sentence and explicitly in this Agreement.

11.19No Oral Change. This Agreement, and any provisions hereof, may not be amended, waived, extended, changed, discharged or terminated orally or by any part of Borrower or Lender, but only by an agreement in writing signed by the party to whom enforcement of any modification, amendment, waiver, extension, change, or termination is sought.

11.20Reserved.

11.21Headings; Construction of Documents, Etc. The headings and caption paragraphs of this Agreement are for convenience of reference only and are construed as defining or limiting, in any way, the scope or intent of the provisions. Borrower acknowledges that it was represented by competent counsel in connection with the negotiation and drafting of this Agreement and the other Loan Documents and that this Agreement nor the other Loan Documents shall be subject to the principle of construction against the Person who drafted same.

11.22Sole Discretion of Lender. Whenever Lender exercises any right given to Lender to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, it is the sole and reasonable discretion of Lender to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole and reasonable discretion of Lender and shall be conclusive, except as may be otherwise specifically provided herein.

11.23APPLICABLE LAW. THIS AGREEMENT WAS NEGOTIATED IN CALIFORNIA AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF CALIFORNIA (THE "STATE"), AND THE PROCEEDS OF THE PROMISSORY NOTE WILL BE DISBURSED FROM THE STATE, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERTAKING TRANSACTION EMBODIED HEREBY. IN ALL RESPECTS, INCLUDING MATTER OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND ANY OTHER LOAN DOCUMENT OTHER THAN THE UCC-1 FINANCING STATEMENT (WHICH SHALL BE GOVERNED BY THE LAW OF THE APPLICABLE STATE(S) IN WHICH IT IS FILED) AND ANY DISPUTES OR CONTROVERIES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES.

11.24Actions and Proceedings. Lender has the right to appear in and defend in any action or proceeding brought with respect to the Collateral in its own name or, if required by applicable law or, if in Lender's reasonable judgment, it is necessary, in the name on behalf of Borrower, which Lender believes will adversely affect the Collateral or this Agreement, to bring any action or proceeding, in its name or in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Promissory Note, this Agreement, and the other Loan Documents.

11.25 Usury Laws. This Agreement and the Promissory Note are subject to condition, and it is the expressed intent of the parties, that at no time shall E obligated or required to pay

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interest on the principal balance due under the Promissory Note at a rate which co the holder of the Promissory Note to either civil or criminal liability as a result excess of the maximum interest rate which Borrower is permitted by law to contract pay. If by the terms of this Agreement or the Promissory Note, Borrower is at any ti or obligated to pay interest on the principal balance due under the Promissory Note excess of such maximum rate, such rate of interest shall be deemed to be i reduced to such maximum rate and the interest payable shall be computed at such rate and all prior interest payments in excess of such maximum rate shall be applic be deemed to have been payments in reduction of the principal balance of the Note. No application to the principal balance of the Promissory Note pursuant to shall give rise to any requirement to pay any prepayment fee or charge of ar hereunder, if any.

11.26 Remedies of Borrower. In the event that a claim or adjudication is Lender has acted unreasonably or unreasonably delayed acting in any case when under the Promissory Note, this Agreement or the Loan Documents, it has an obli reasonably or promptly, Lender shall not be liable for any monetary damages, and remedies shall be limited to injunctive relief or declaratory judgment.

11.27 Offsets, Counterclaims and Defenses Upon Assignment. Any assign Agreement and the Promissory Note shall take the same free and clear of counterclaims or defenses which are unrelated to the Promissory Note or this which Borrower may otherwise have against any assignor of this Agreement or the Promissory Note and no such unrelated counterclaim or defense shall be in asserted by Borrower in any action or proceeding brought by any such assignee Agreement or the Promissory Note and any such right to interpose or assert unrelated offset, counterclaim or defense in any such action or proceeding is hereby waived by Borrower.

11.28 Restoration of Rights. In case Lender shall have proceeded to enforce under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely (except in the case of determination or order of a court of competent jurisdiction), then, in every such case and Lender shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the Security Interest hereof.

11.29 Waiver of Statute of Limitations. The pleadings of any statute of limitation defense to any and all obligations secured by this Agreement are hereby waived to the extent permitted by law.

11.30 Advances. This Agreement shall cover any and all advances made pursuant to the Loan Documents, rearrangements and renewals of the Loan or Indebtedness, extensions in the time of payment thereof, even though such advances, except renewals be evidenced by new promissory notes or other instruments hereafter executed, irrespective of whether filed or recorded. Likewise, the execution of this Agreement

impair or affect any other security which may be given to secure the payment of the Commitment Amount, and all such additional security shall be considered as cumulative. The taking of additional security, execution of partial releases of the security, or any extension of time of payment of the Indebtedness shall not diminish the force, effect or priority of this Agreement and shall not affect or impair the liability of Borrower and shall not affect the liability of any maker, surety, or endorser for the payment of the Indebtedness.

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11.31 Application of Default Rate Not a Waiver. Application of the Default Rate shall not be deemed to constitute a waiver of any Event of Default or any rights or remedies of Lender under this Agreement, any other Loan Document or applicable law, or a consent to an extension of time for the payment or performance of any obligation with respect to which the Default Interest rate may be invoked.

11.32 Reinstatement. This Agreement and each other Loan Document shall be effective or be reinstated, as the case may be, if at any time payment and performance of the Indebtedness or any part thereof, is, pursuant to applicable law, rescinded or reduced, or must otherwise be restored or returned by Borrower, whether as a result of a "novation", "novation and assignment", "novation and preference", "fraudulent conveyance", or otherwise, all as though such payment and performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Indebtedness shall be reinstated and reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11.33 Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each such duplicate original shall be deemed to be an original instrument, but one and the same instrument. This Agreement may be executed in counterparts (i.e., by different parties hereto on different counterparts), each of which shall constitute an original instrument, all of which when taken together shall constitute a single contract.

[Signatures on next page.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers as of the Effective Date:

"BORROWER" "LENDER"

Cineverse Terrifier LLC
244 Fifth Avenue, Suite M289
New York, NY 10001
Attn: Gary Loffredo

/s/ Chris McGurk /s/ Matthew Helderman
By: Chris McGurk By: Matthew Helderman

BondIt LLC
1639 11th Street, Unit 1000
Santa Monica, CA 90401
Attn: Matthew Helderman

EXHIBIT "A"

[Assignment of Proceeds]

EXHIBIT "B"

[Budget]

EXHIBIT "C"

[Copyright Mortgage]

EXHIBIT "D"

[Borrowing Certificate]

EXHIBIT "E"

[Promissory Note]

Exh

**AMENDMENT NO. 23 TO AMENDED AND RESTATED LOAN, GUARANTY
SECURITY AGREEMENT**

This Amendment No. 23 to Amended and Restated Loan, Guaranty and Agreement ("Amendment") is made and entered into as of **February 9, 2024**, by and between East West Bank ("Bank"), Cineverse Corp., a Delaware corporation (f/k/a Cinedigm Corp.) ("Borrower"), Vistachiara Productions Inc., d/b/a Bigger Picture, a Delaware corporation ("Vistachiara Productions"), Cine Entertainment Corp., a New York corporation (f/k/a Cinedigm Entertainment Holdings, LLC) ("Cineverse Entertainment Holdings"), Cineverse Entertainment Holdings, LLC, a Delaware limited liability company (f/k/a Cinedigm Entertainment Holdings, LLC) ("Cineverse Entertainment Holdings"), Cineverse Home Entertainment, LLC, a Delaware limited liability company (f/k/a Cinedigm Home Entertainment, LLC) ("Cineverse Entertainment"), Docurama, LLC, a Delaware limited liability company ("Docurama"), Dove Family Channel, LLC, a Delaware limited liability company ("Dove"), Cinedigm OTT Holdings, LLC, a Delaware limited liability company (f/k/a Cinedigm OTT Holdings) ("Cineverse OTT"), and Cinedigm Productions, LLC, a Delaware limited liability company ("Cinedigm Productions"). Cinedigm DC Holdings, LLC, a Delaware limited liability company ("Cinedigm DC Holdings"), Access Digital Media, Inc., a Delaware corporation ("Access Digital Media"), Christie/AIX, Inc., a Delaware corporation ("Christie/AIX"), Cinedigm Digital Funding I, LLC, a Delaware limited liability company ("Cinedigm Digital Funding I"), FoundationTV, Inc., a Delaware corporation ("FoundationTV"), Asian Media Rights LLC, d/b/a Digital Media Rights, a Nevada limited liability company ("Asian Media Rights"), Con TV, LLC, a Delaware limited liability company ("Con TV"), Fandor Acquisition LLC, a Delaware limited liability company ("Fandor"), TFD Acquisition LLC, a Delaware limited liability company ("TFD Acquisition"), Screambox Acquisition LLC, a Delaware limited liability company ("Screambox Acquisition"), Bloody Disgusting Acquisition LLC, a Delaware limited liability company ("Bloody Disgusting Acquisition"), Comic Blitz II LLC, a Delaware limited liability company ("Comic Blitz II"), Viewster, LLC, a Delaware limited liability company ("Viewster"), and Cinedigm India Private Limited, an Indian limited liability company ("Cinedigm India"), and Cineverse Terrifier LLC, a Delaware limited liability company ("Cineverse Terrifier"), and, together with Vistachiara Productions, Cine Entertainment, Cineverse Entertainment Holdings, Cineverse Home Entertainment, Docurama, Dove, and Cineverse OTT, Cinedigm Productions, Cinedigm DC Holdings, Access Digital Media, Christie/AIX, Cinedigm Digital Funding I, FoundationTV, Asian Media Rights, Con TV, Fandor, TFD Acquisition, Screambox Acquisition, Bloody Disgusting Acquisition, Comic Blitz II, Viewster, and Cinedigm India, the parties hereto, collectively referred to as "the parties" or "the parties hereto".

Disgusting Acquisition, Comic Blitz II and Viewster, individually and collectively the "Guarantor" and, together with the Borrower, collectively, the "Loan Parties").

RECITALS

This Amendment is entered into in reference to the following facts:

A. Bank, Borrower and Guarantor entered into an Amendment No. 1 to Amended and Restated Loan, Guaranty and Security Agreement, dated as of September 15, 2023, as further amended by that certain Amendment No. 1 to Amended and Restated Loan, Guaranty and Security Agreement

dated as of August 8, 2023, as further amended by that certain Amendment No. 1 to Amended and Restated Loan, Guaranty and Security Agreement dated as of February 9, 2024, and as further amended, amended and restated, supplemented or otherwise modified, renewed, restated or replaced from time to time, the "Agreement"). All capitalized terms used, but not defined herein, have the meaning ascribed thereto in the Agreement.

B. Borrower has requested that Bank make certain amendments to the Agreement, and Bank is willing to do so subject to the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the continued performance by the parties hereto of their respective promises and obligations under the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows.

ARTICLE 1 – AMENDMENTS

1.1 Amendments to the Agreement.

(a) Exhibit A of the Agreement is hereby amended by adding the following definition:

"Amendment No. 23 Effective Date" means the "Amendment No. 23 Effective Date" under and as defined in the Amendment No. 23 to Agreement."

“Amendment No. 23 to Agreement” means that certain Amendment N Amended and Restated Loan, Guaranty and Security Agreement dated February 9, 2024 April 5, 2024, by and among Borrower, Guarantor and E

“Unused Line Fee” means BondIt LLC, a California limited company”

“BondIt Guaranty” means that certain Guaranty Agreement dated as of 2024, made by Borrower in favor of BondIt, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.”

“BondIt Intercreditor Agreement” means that certain Intercreditor Agreement dated as of April 5, 2024, by and among Bank, BondIt, Borrower and Cineverse Terrifier, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

“BondIt Loan Agreement” means that certain Loan and Security Agreement dated as of April 5, 2024, by and between BondIt and Cineverse Terrifier, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.”

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“BondIt Loan Documents” means the BondIt Loan Agreement and all agreements, instruments and documents heretofore, now or hereafter evidencing, securing, guaranteeing, or otherwise relating to the obligations thereunder.”

“Cineverse Terrifier” means Cineverse Terrifier LLC, a Delaware limited company.”

“Loan Portfolio” has the meaning set forth in Section 2.8.2.3(e).”

“Minimum Account Balance” has the meaning set forth in Section 2.3(e).”

“Shortfall Month” has the meaning set forth in Section 2.3(e).”

(b) Exhibit A Clause (f) of the Agreement is hereby amended by amending the following definitions in their entirety:

“Adjusted EBITDA” means, without duplication, the definition of any revenue, expense, (i) EBITDA plus (ii) all stock-based compensation incurred during the applicable measurement period, plus (iii) any non-cash unrealized gains incurred during the applicable measurement period, minus (iv) any non-cash unrealized gains earned during the applicable measurement period.”

“Commitment Amount” means the maximum principal sum of Seven Million Hundred Thousand Dollars (US\$7,500,000).”

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“Revolving Line” means revolving Credit Extensions of up to Seven Million Hundred Thousand Dollars (US\$7,500,000) in aggregate principal amount outstanding.

(c) Article 2 of the Agreement is hereby amended by adding the following thereto:

“2.8 Unused Line Fee. Borrower shall pay to Bank an unused line fee 1.0% per annum (calculated on the basis of a 365 or 366 days, as the case may be, and actual days elapsed) multiplied by the actual daily unused portion of the Commitment Amount (the “Unused Line Fee”). The Unused Line Fee shall accrue at all times during the period from the Amendment No. 2 Effective Date through the Revolving Maturity Date, including at any time during which one or more of the conditions in Article 3 is not satisfied. The Unused Line Fee shall be due and payable quarterly in arrears on the last Business Day of March, June, September and December, commencing with the first such date to occur after the Amendment No. 2 Effective Date and on the Revolving Maturity Date. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.”

(d) Section 9.5 Exhibit A of the Agreement is hereby amended and restated as follows:

“9.5 Minimum Liquidity. Borrower shall at all times maintain (f) Controlled Obligations of a balance Loan Party with respect to Permitted Indebtedness. Cash (including another Loan Party, including, without limitation, the Controlled Account) in one or more accounts at Bank, Bank’s Affiliates or other institutions in Bondit Guaranty; provided, that the United States (so long as accounts are covered by a reasonably satisfactory control agreement) undrawn amounts that are available under Bondit Guaranty is subject to the Revolving Line in an aggregate amount of not less than Two Million Five Thousand Dollars (\$2,500,000.00).”

(e) Section 9.1(c) terms of the Agreement is hereby amended and restated as follows:

“(c) Concurrently with the delivery of the financial statements referred to in clauses (i) and (ii) of Section 9.1(a), Borrower shall deliver to Bank a Compliance Certificate certified as of the last day of the applicable month and signed by a Responsible Officer in substantially the form of Exhibit E hereto or the Intercreditor Agreement.”

(f) (c) Section 9.6 The definition of the Agreement is hereby amended and restated in its entirety as follows:

“9.6 Minimum Adjusted EBITDA. Borrower shall at all times after the Amendment No. 2 Effective Date maintain an Adjusted EBITDA no less than the applicable amount as set forth in the following table, for each applicable period:

Applicable Period	Minimum Adjusted EBITDA
For the twelve month period ending June 30, 2023	**

For the twelve month period ending July 31, 2023	**
For the twelve month period ending August 31, 2023	**
For the twelve month period ending September 30, 2023	**
For the twelve month period ending October 31, 2023	**
For the twelve month period ending November 30, 2023	**
For the twelve month period ending December 31, 2023	**
For the twelve month period ending January 31, 2024	**
For the twelve month period ending February 29, 2024	**
For the twelve month period ending March 31, 2024	**

For the twelve month periods ending April 30, 2024, May 31, 2024, June 30, 2024, July 31, 2024 and August 31, 2024, the minimum Adjusted EBITDA level for the prior period, and notified to the Bank in writing.

- (g) "Permitted Indebtedness" on Exhibit DA of the Agreement is hereby replaced by the following new clause (i) thereto:
 - (i) Indebtedness of Cineverse Terrifier arising under the Bondit Documents."
- (d) The definition of "Permitted Lien" on Exhibit A of the Agreement is hereby replaced by the following new clause (s) thereto:
 - (s) Liens granted by Cineverse Terrifier in favor of Bondit pursuant to the Bondit Documents; provided that such Liens are subject to the terms of the Intercreditor Agreement."
- (e) Section 2.3 of the Agreement is hereby amended by adding the following new clause (e) thereto:
 - (e) Compensating Balance. The interest rate in effect on the Advance at any time to time as indicated in paragraph (a) above is a preferred rate, based on the Borrower, the Guarantors, their subsidiaries and affiliates maintaining more non-interest bearing deposit accounts with Bank in an aggregate collected monthly balance of not less than the higher of (a) \$1,500,000 and (b) 10% of the (i) total outstanding balance, for term loans, and/or (ii) committed amount, for revolving loans, of all references loans of Borrower, the Guarantors, their subsidiaries and affiliates with Bank ("Loan Portfolio"), whether existing or in the future ("Minimum Account Balance"). Within 60 days after the Amendment No. 3 Effective Date, Borrower shall establish, and the Bank shall maintain at all times, the Minimum Account Balance with Bank based on the outstanding amounts under this Loan.

Agreement and all other notes under the Loan Portfolio are paid in full.
time, Borrower fails to \$5,000,000 therein with \$7,500,000.
maintain the Minimum Account Balance for any given month ("Shortfall Month"), the annual
interest rate on the Advances will increase without notice to a rate of 0.25% greater than
would otherwise be the case under this Agreement, effective on the next payment due date
two (2) months after the Shortfall Month."

ARTICLE 2 – REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants that the representations and warranties contained in the Agreement were true and correct in all material respects when made and, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects as of such earlier date, are true and correct in all material respects as of the date hereof. Each Loan Party hereby further represents and warrants that (a) the execution, delivery and performance by it of this Amendment are within its organizational powers and have been duly authorized by all necessary organizational action and, if required, shareholder, partner or member action, (b) this Amendment has been duly executed and delivered by such Person and constitutes a valid and binding obligation of such Person,

enforceable against such Person in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, and (c) the execution, delivery and performance by such Person of this Amendment (i) does not require any Amendment or approval of, registration or filing with, or any action by, any Governmental Authority, except those as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law applicable to such Person or any of its Subsidiaries or any judgment, order or ruling of any Governmental Authority, (iii) will not violate or result in a default under any contractual obligation of such Person or any of its Subsidiaries or any of its assets or give rise to a right thereunder to require any payment to be made by such Person or any of its Subsidiaries, (iv) will not result in the creation or imposition of any Lien on any asset of such Person or any of its Subsidiaries, except Liens (if any) created under the Loan Documents.

ARTICLE 3 – CONDITIONS

3.1 Conditions Precedent. The effectiveness of this Amendment is subject to satisfaction of each of the following conditions precedent (the “Amendment No. 23 Effective Date”):

(a) receipt by Bank of duly executed and delivered counterparts of this Amendment by each of the parties hereto;

(b) receipt by Bank of the following documentation in cash connection with the joinder of Cineverse Terrifier as a Guarantor and Loan Party to the Agreement: (i) that certain Instrument of Assumption and Joinder dated as of April 5, 2024 (the “Joinder”), by and between Cineverse Terrifier and Bank; (ii) an upfront fee officer’s certificate of Cineverse Terrifier with respect to incumbency and resolutions authorizing the Joinder, which certificate shall attach a copy of the certificate of formation and the limited liability company agreement of Cineverse Terrifier and a certificate of the Secretary of State of Delaware, dated as of a recent date, as to the good standing

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of, and if generally available in an amount equal to \$25,000; Delaware, the payment of taxes by Cineverse Terrifier; (iii) a UCC Financing Statement for Cineverse Terrifier; and (iv) such other documents or certificates as Bank may reasonably deem necessary or appropriate in connection with the Joinder;

(c) after giving effect to this Amendment, no Event of Default or Default shall have occurred and be continuing; and

(d) the representations and warranties contained in Article 2 hereof being true and correct.

3.2 Condition Subsequent.

(a) Borrower shall deliver to Bank a valuation of the Collateral as of a date not earlier than December 31, 2023, in form and substance (and using a methodology) satisfactory to Bank, by a third party valuator approved by Bank, no later than August 31, 2024. If the foregoing condition subsequent has not been satisfied by the due date therefor, then such failure shall constitute an immediate Event of Default;

(b) Within 30 calendar days from the Amendment No. 3 Effective Date, Borrower shall deliver to Bank (a) written evidence of the submission for registration or registration, as applicable, of any and all copyrights, trademarks (including trademark applications), service marks, trade names or service names of the Loan Parties for inclusion in the Collateral, to the extent such items were not included on the applicable schedules to that certain Copyright Security Agreement dated as of September 15, 2022 and that certain Trademark Security Agreement dated as of September 15, 2022, and (b) a Copyright Security Agreement Supplement relating to such copyrights or such other copyrightable interests or a Trademark Security Agreement relating to such trademarks, trade names, service marks or service names, in each case, in form and substance satisfactory to Bank and executed by the relevant Loan Party.

ARTICLE 4 –GENERAL PROVISIONS

4.1 Ratification and Incorporation of Agreement and other Loan Documents. Except as expressly modified under this Amendment, (i) each Loan Party hereby acknowledges, confirms and ratifies all of the terms and conditions set forth in, and all of its obligations under, the Agreement and the other Loan Documents to which it is a party, and (ii) all of the terms and conditions set forth in the Agreement and the other Loan Documents are incorporated herein by this reference as if set forth in full herein.

4.2 Entire Agreement. This Amendment, together with the Agreement and the other Loan Documents, is the entire agreement between the parties hereto with respect to the subject matter hereof. This Amendment supersedes all prior and contemporaneous oral and written agreements and discussions with respect to the subject matter hereof. Except as otherwise expressly modified herein, the Agreement and the other Loan Documents shall remain in full force and effect.

4.3 Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument, respectively. Delivery of any executed counterpart of this Amendment by facsimile or transmitted electronically in either a Tagged Image Format File ("TIFF") or Portable Document Format ("PDF") shall be equally effective as delivery of a manually executed counterpart of this Amendment. Any party delivering an executed counterpart by facsimile, TIFF or PDF shall also deliver a manually executed counterpart of this Amendment, but failure to do so shall not affect the validity, enforceability or binding effect of this Amendment.

4.4 Governing Law. This Amendment and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be construed in accordance with and be governed by the laws (without giving effect to the conflict of law principles thereof) of the State of California.

4.5 Effect. Upon the effectiveness of this Amendment, from and after the date hereof, each reference in the Agreement to "this Agreement," "hereunder," "hereof" or words of like import shall mean and be a reference to the Agreement as amended hereby and each reference in the other Loan Documents to the Agreement, "thereunder," "thereof," or words of like import shall mean and be a reference to the Agreement as amended hereby.

4.6 No Waiver or Representation as to Additional Accommodations. In agreeing to make the amendments set forth herein, Bank does not make any representation whatsoever that it will make any further or additional accommodations to or for the benefit of any Loan Party. Except as expressly provided in Article 1 of this Amendment, the execution, delivery, and effectiveness of this Amendment shall not (i) limit, impair, constitute a waiver of, or otherwise affect any right, power, or remedy of Bank under the

Agreement or any other Loan Document, (ii) impose any obligation on Bank to defer the enforcement of its powers, rights and privileges under the Agreement or any other Loan Document, (iii) constitute a waiver of any provision in the Agreement or any other Loan Document, or (iv) alter, modify, amend, or in any way affect any of the terms, conditions, obligations, covenants, or agreements contained in the Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

4.7 Conflict of Terms. In the event of any inconsistency between the provisions of this Amendment and any provision of the Agreement, the terms and provisions of this Amendment shall govern and control.

4.8 Loan Document. This Amendment shall constitute a Loan Document.

IN WITNESS WHEREOF, each of the parties have executed this Amendment by and through its duly authorized officer as of the date and year first-above written.

“BORROWER”
CINEVERSE CORP.

By By */s/* Gary S.
Loffredo
Name: Gary S. Loffredo
Position: Chief Legal Officer and
Secretary

“BANK”
East West Bank

By By */s/* Yang.
Song
Name: Yang
Position: Song
Position:
FVP

“GUARANTOR”
VISTACHIARA PRODUCTIONS INC.
d/b/a THE BIGGER PICTURE

By By */s/* Gary S. Loffredo
Name: Gary S. Loffredo
Position: Secretary

CINEVERSE ENTERTAINMENT CORP.

By By */s/* Gary S. Loffredo
Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

CINEVERSE ENTERTAINMENT HOLDINGS, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Secretary

CINEVERSE HOME ENTERTAINMENT, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Secretary

DOCUDRAMA, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

DOVE FAMILY CHANNEL, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

CINEVERSE OTT HOLDINGS, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

CINEDIGM PRODUCTIONS, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

CINEDIGM DC HOLDINGS, LLC

By By */s/* */s/* Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

ACCESS DIGITAL MEDIA, INC.

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

CHRISTIE/AIX, INC.

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

CINEDIGM DIGITAL FUNDING I, LLC

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

FOUNDATIONTV, INC.

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

ASIAN MEDIA RIGHTS, LLC,
d/b/a DIGITAL MEDIA RIGHTS

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: Chief Operating Officer, General Counsel and Secretary

CON TV, LLC

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: Secretary

FANDOR ACQUISITION LLC

By By /s/ /s/ Gary S. Loffredo

Name: Gary S. Loffredo

Position: President

TFD ACQUISITION LLC

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Chief Operating Officer & Secretary

SCREAMBOX ACQUISITION LLC

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Chief Operating Officer & Secretary

BLOODY DISGUSTING ACQUISITION LLC

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Chief Operating Officer & Secretary

COMIC BLITZ II LLC

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Senior Vice President & Secretary

VIEWSTER, LLC

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Chief Operating Officer

CINEDIGM INDIA PRIVATE LIMITED

By **By** **/s/** **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Authorized Person

CINEVERSE TERRIFIER LLC

By **/s/** **Gary S. Loffredo**

Name: Gary S. Loffredo

Position: Authorized Person

EXHIBIT 31.1

**CINEVERSE CORP.
CERTIFICATION**

I, Christopher J. McGurk, certify that:

1. I have reviewed this Form 10-Q of Cineverse 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
 - (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: **February 14, 2024** **August 14, 2024**

By: /s/ Christopher J. McGurk

Christopher J. McGurk
Chief Executive Officer and
Chairman of the Board of Directors
(Principal Executive Officer)

EXHIBIT 31.2

**CINEVERSE CORP.
CERTIFICATION**

I, Mark Lindsey, certify that:

1. I have reviewed this Form 10-Q of Cineverse 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
 - (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 **February** **August** 14, 2024

:

By: /s/ Mark Lindsey

Mark Lindsey

Chief Financial Officer (Principal
Financial Officer)

EXHIBIT 32.1

**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-Q of Cineverse Corp. (the "Company") for the period ended **December 31, 2023** **June 30, 2024** 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 **February** **August** 14, 2024

:

By: /s/ Christopher J. McGurk

Christopher J. McGurk
Chief Executive Officer and
Chairman of the Board of Directors
(Principal Executive Officer)

(senior officer in charge of securitization)

EXHIBIT 32.2

**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-Q of Cineverse Corp. (the "Company") for the period ended **December 31, 2023** **June 30, 2024** 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 **February 14, 2024** **August 14,**

:

2024

By: /s/ Mark Lindsey

Mark Lindsey
Chief Financial Officer
(Principal Financial Officer)

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