CINEVERSE

Dear Fellow Shareholders,

We have made significant strides in 2025, advancing our position as a next-generation entertainment studio that combines premium content with proprietary technology and AI tools to achieve unparalleled results.

As we concluded our fiscal year in March, and in the months following, we have focused on our two core growth engines, content and technology, to expand our operations and strengthen our strategy across several notable departments and initiatives, to bring shareholder value. These include:

- **Cineverse Motion Pictures Group:** We launched this division in May, to capitalize on the momentum of our theatrical slate, led by the success of the *Terrifier* franchise, and the record-breaking run of *Terrifier 3* at the box office and in home entertainment. The group is now distributing high-potential titles designed to serve passionate fan communities, including *The Toxic Avenger* and our upcoming slate: *Silent Night, Deadly Night*, *Return to Silent Hill*, *Air Bud Returns* and *Wolf Creek: Legacy.*
- **Cineverse Technology Group:** We formed this division to accelerate the commercialization of our Matchpoint platform and AI-driven tools. Matchpoint is now a mature, scalable solution, powering one of the most advanced media supply chains in the industry. We are actively expanding licensing partnerships with major studios and media companies, helping them modernize their infrastructure and reduce operational costs.
- **AI initiatives:** Our proprietary technology powered by AI — such as cineSearch, automated marketing, content valuation, and ad optimization, are delivering measurable results. These tools were developed and enhanced by our engineering team in India, which continues to give us a key competitive advantage as an in-house, cost-saving and efficiency-improving vehicle that will serve as the backbone of our business priorities for the coming year.

Additionally, in August, we announced our expansion into the fast-growing microdrama segment with the planned launch of the first U.S.-based studio and AI native platform built specifically for serialized mobile-first storytelling. This joint venture with Banyan Ventures encapsulates Cineverse's position as an innovative industry-leading technology and AI-driven entertainment Company, leveraging our unique combination of assets to become a market leader in a fast growing microdrama market, projected to reach $10 billion in revenues by 2027.

On the organizational front, we have renewed and extended contracts with members of our executive leadership team, including myself; Erick Opeka, President & Chief Strategy Officer; Tony Huidor, President of Technology & Chief Product Officer; Yolanda Macias, Chief Motion Pictures Officer; Mark Torres, Chief People Officer; Gary Loffredo, Chief Legal Officer, Secretary & Senior Advisor; and Mark Lindsey, Chief Financial Officer. This continuity, combined with our financial discipline and focus, ensures we remain aligned and committed to executing our long-term strategy, which includes actively evaluating M&A and new business opportunities that align with our strategic roadmap and enhance shareholder value.

Thank you for your continued support.

Sincerely,
Chris McGurk
Chairman & CEO, Cineverse

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended: March 31, 2025

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

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**
(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**

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging growth company ☐

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer based on a price of $0.98 per share, the closing price of such common equity on The Nasdaq Stock Market, as of September 30, 2024, was $14,555,754 for purposes of the foregoing calculation, all directors, officers and shareholders who beneficially own 10% of the shares of such common equity have been deemed to be affiliates, but the Company disclaims that any of such persons are affiliates.

As of June 20, 2025, 17,108,062 shares of Class A Common Stock, $0.001 par value were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Cineverse Corp.
TABLE OF CONTENTS

		Page
FORWARD-LOOKING STATEMENTS		ii
PART I		1
ITEM 1.	Business	1
ITEM 1A.	Risk Factors	4
ITEM 1B.	Unresolved Staff Comments	16
ITEM 1C.	Cybersecurity	16
ITEM 2.	Properties	17
ITEM 3.	Legal Proceedings	17
ITEM 4.	Mine Safety Disclosures	17
PART II		18
ITEM 5.	Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	18
ITEM 6.	[Reserved]	18
ITEM 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	19
ITEM 8.	Financial Statements and Supplementary Data	29
ITEM 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	59
ITEM 9A.	Controls and Procedures	59
ITEM 9B.	Other Information	59
ITEM 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.	59
PART III		60
ITEM 10.	Directors, Executive Officers and Corporate Governance	60
ITEM 11.	Executive Compensation	67
ITEM 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	76
ITEM 13.	Certain Relationships and Related Transactions, and Director Independence	77
ITEM 14.	Principal Accountant Fees and Services	78
PART IV		80
ITEM 15.	Exhibits and Financial Statement Schedules	80
SIGNATURES		86

FORWARD-LOOKING STATEMENTS

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

- successful execution of our business strategy, particularly for new endeavors;
- the performance of our targeted markets;
- competitive product and pricing pressures;
- changes in business relationships with our major customers;
- successful integration of acquired businesses;
- the content we distribute through our in-theatre, on-line and mobile services may expose us to liability;
- general economic and market conditions;
- our financial condition and financial flexibility, including, but not limited to, our ability to obtain necessary financing for our business as and when needed;
- the other risks and uncertainties that are set forth in Item 1, "Business", Item 1A "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations".

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

PART I

ITEM 1. 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.

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

Cineverse is a premier streaming technology and entertainment company with its core business operating as (i) a portfolio of owned and operated 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 Matchpoint™, 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.

Cineverse’s broad portfolio enables the Company to achieve significant market share on key consumer streaming devices and platforms. As its channel portfolio has grown, the Company’s viewership and subscription metrics have grown significantly. The Company has rights to a library of over 71,000 film and TV assets, has reached over 82 million streaming viewers, has over 1.4 million SVOD subscribers, and 25 million followers on social media. The Company is well positioned in a changing media and entertainment landscape. As a leading independent distributor, the Company believes the enthusiast segment provides a significant and underserved market opportunity on a global basis. Today, the Company operates channels in numerous specialty sectors, including faith and family, anime, action, horror, sports, Westerns, Asian, standup comedy, and other major segments. From time to time, the Company will cease operating or distributing channels that do not find adequate audiences or meet the needs of platforms or audiences. We believe our scaled channel portfolio, our superior capabilities in launching and managing channels at scale, and our strategic partnerships with key content owners and platforms will provide us with a strategic advantage to gain considerable market share in the immediate future.

Given our extensive experience in operating and distributing enthusiast content, and the ability to centralize operations and reduce operating costs due to our proprietary technology, the Company also pursues accretive mergers and acquisitions ("M&A") opportunities in order to grow profitably and fortify its competitive advantage.

As part of its M&A strategy, the Company:

- focuses on acquiring premium content and streaming channels;
- explores opportunities for new technology and other revenue channels including e-commerce, podcasts and merchandise; and
- leverages its proprietary tech platform (Matchpoint™), which allows for on-boarding multiple acquisitions concurrently.

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

- Content: Acquiring and distributing high-quality, curated content through SVOD, AVOD and linear FAST channels
- Technology and Distribution:
  - Expanding streaming content business through its Matchpoint™ platform,
  - Launching and scaling our portfolio of enthusiast streaming channels.
  - Accelerating the Company's device and platform reach and further establishing key strategic advantages through expanded partnership deals with connected streaming TV companies including Amazon, Samsung, Roku, YouTube TV and Vizio, as well as large OEM's, cable companies and technology platforms including LG, Sling TV, and others.
  - Licensing film and TV content to leading players in OTT streaming ecosystem with Amazon, Apple, Netflix and Google.
- Audience: Growing viewership and subscription numbers significantly beyond our current base of more than 82 million monthly viewers to potentially hundreds of millions of global viewers across billions of connected devices.
- Financial Performance/Metrics:
  - Driving EBITDA through incremental revenue growth from technology product launches such as Matchpoint™, expansion of distribution, improved monetization and partnerships, and continuous efforts on cost mitigation.

Our common stock is listed on the Nasdaq Capital Market, or Nasdaq, under the symbol "CNVS."

Our Strategy

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

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

- More than 15 years of experience as a primary distributor of content to scale third-party OTT platforms such as Netflix, Hulu, Amazon Prime, Tubi, Apple iTunes and more, and nearly seven years of history operating OTT channels with millions of downloads, hundreds of thousands of registered users, and hundreds of millions of discrete data points on our customer's behavior and preferences;

- The depth and breadth of our over 71,000 title film and television episode library;

- Our digital assets and deep, long-standing relationships as launch partners that cover the major digital platforms and devices;

- Our marketing expertise;

- Our flexible releasing strategies, which differ from larger entertainment companies that need to protect their legacy businesses;

- Our proprietary streaming technology enables us to operate at scale and at lower operating costs than our competitors; and

- Our experienced management team.

Intellectual Property

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

ENVIRONMENTAL

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

EMPLOYEES

As of March 31, 2025, we had 218 employees, 213 full-time and 5 part time, on-leave, or temporary. Of these employees, 127 are in operations, 40 are in sales and marketing, and 51 are in executive, finance, technology and administrative functions. There are 101 employees based in the United States and 117 employees based in India.

AVAILABLE INFORMATION

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

In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC. This information is available at www.sec.gov.

ITEM 1A. RISK FACTORS

An investment in our securities involves a degree of risk. The risks described below are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also have a material adverse effect on us. If any of the following risks actually occur, our financial condition, results of operations, cash flows or business could be harmed. In that case, the market price of our stock could decline and you could lose part or all of your investment in our securities.

Risks Related to our Business

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

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

- limited operating experience;
- net losses;
- lack of sufficient customers or loss of significant customers;
- a changing business focus;
- increased competition;
- our ability to significantly increase our subscriber base and retain customers;
- our ability to enforce our contracts and collect receivables from third parties;
- fluctuations in the use of the internet for the purchase of consumer goods and services such as those we offer;
- the success of our content licensing to/from other media companies;
- technical difficulties, system downtime or internet disruptions;
- the downward trend in sales of physical DVD and Blu-ray discs;
- our ability to successfully manage the integration of operations and technology resulting from possible future acquisitions;
- rapidly changing technology for some of the products and services we offer;
- difficulties in managing potentially rapid growth; and
- general economic conditions and economic conditions specific to the internet, online commerce and the media industry.

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

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

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

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

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

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

We are required under generally accepted accounting principles to review our goodwill and definite-lived intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill must be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our reporting units and intangible assets may not be recoverable include, slower growth rates in our industry or our own operations, and/or other materially adverse events that have implications on the profitability of our business. In the prior fiscal year, we recognized $14 million of impairment. We may be required to record additional charges to earnings during any period in which further impairment of our goodwill or other intangible assets is determined that could adversely affect our results of operations.

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

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

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

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

- rights to certain domain names;
- registered service marks on certain names and phrases;
- various unregistered trademarks and service marks;
- film, television and other forms of viewing content;
- know-how; and

- rights to certain logos.

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

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

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

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

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

Cinedigm Digital Funding 2, LLC ("CDF2") and CDF2 Holdings, LLC ("CDF2 Holdings") are our indirect wholly-owned, non-consolidated variable interest entities ("VIEs") that are intended to be special purpose, bankruptcy remote entities. CDF2 Holdings has entered into a lease (the “CHG Lease”) pursuant to which CHG-Meridian U.S. Finance, Ltd. provided sale/leaseback financing for digital cinema projection systems that were partially financed as part of the Phase II deployment of our legacy digital equipment business. The CHG Lease is non-recourse to Cineverse and our subsidiaries, excluding our VIEs, CDF2 and CDF2 Holdings, as the case may be. Our financial exposure related to the debt of CDF2 and CDF2 Holdings is limited to the $2.0 million initial investment we made into CDF2 and CDF2 Holdings. CDF2 Holding’s total stockholder’s deficit as of March 31, 2025, was $59.2 million. We have no obligation to fund the operating loss or the deficit beyond our initial investment, and accordingly, we carried our investment in CDF2 Holdings at $0 as of March 31, 2025 and 2024.

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

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

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

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

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

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

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

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

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

We have incurred losses over the long-term.

We have incurred long-term losses and have financed our operations principally through equity investments and borrowings. As of March 31, 2025, we had a positive working capital, defined as current assets less current liabilities, of $3.6 million, and cash and cash equivalents of $13.9 million, and total equity of $37.8 million. The Company generated $17.4 million of net positive cash flows from operations for the year ended March 31, 2025.

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

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

Our success will depend in significant part upon the continued performance of our senior management personnel and other key technical, sales and creative personnel. We do not currently have significant “key person” life insurance policies for any of our employees. We currently have employment agreements with our Chief Executive Officer, our President and Chief Strategy Officer, our President of Technology and Chief Product Officer, our Chief Legal Officer, our Chief Financial Officer, our Chief Motion Pictures Officer, and our Chief People Officer. If we lose one or more of our key employees, we may not be able to find a suitable replacement(s) and our business and results of operations could be adversely affected. In addition, competition for key employees necessary to create and distribute our entertainment content and software products is intense and may grow in the future. Our future success will also depend upon our ability to hire, train, integrate and retain qualified new employees and our inability to do

so may have an adverse impact upon our business, financial condition, operating results, liquidity and prospects for growth.

Our success depends on external factors in the media industry.

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

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

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

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

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

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

Our revenues and earnings may fluctuate significantly in the future. General economic or other conditions could cause lower than expected revenues and earnings within our technology or content and entertainment businesses. A global economic turmoil can cause a general tightening in the credit markets, lower levels of liquidity, increases in the rates of default and bankruptcy, an unprecedented level of intervention from the U.S. federal government and other foreign governments, decreased consumer confidence, overall slower economic activity and extreme volatility in credit, equity and fixed income markets. A decrease in economic activity in the U.S. or in other regions of the world in which we do business could adversely affect demand for our content, thus reducing our revenue and earnings. Moreover, financial institution failures may cause us to incur increased expenses or make it more difficult either to finance future acquisitions, or finance operating activities. In addition, the recently announced tariffs by the U.S. government, particularly if imposed on foreign movies or otherwise targeting the film industry, could affect our expenses and pricing. Any of these factors could have a material adverse effect on our business, results of operations and could result in significant additional dilution to shareholders.

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

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

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

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

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

Under Section 382 of the Internal Revenue Code, if a corporation undergoes an ownership change (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period), the corporation's ability to use its pre-change net operating loss ("NOL") carryforwards to offset its post-change income may be limited. Similar rules may apply under state tax laws. On November 1, 2017, we experienced an ownership change with respect to the Bison acquisition. Accordingly, our ability to utilize our NOL carryforwards attributable to periods prior to November 1, 2017, is subject to substantial limitations. These limitations could result in increased future tax payments, which could be material. We experienced subsequent ownership changes under Section 382 on September 15, 2020 and November 1, 2022, which resulted in additional limitations in our ability to utilize our NOL carryforwards attributable to periods prior to September 15, 2020 and November 2022, respectively. The limitations triggered by the September 15, 2020 and November 1, 2022 ownership changes were significantly less substantial than the limitation triggered by the November 1, 2017 ownership change, however.

RISKS RELATED TO INFORMATION TECHNOLOGY

Any significant disruption in or unauthorized access to our computer systems or those of third-parties that we utilize in our operations, including relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, or theft of intellectual property, including digital content assets, which could adversely impact our business.

Our reputation and ability to attract, retain and serve our customers is dependent upon the reliable performance and security of our computer systems, mobile and other user applications, and those of third-parties that we utilize in our operations. These systems may be subject to cyber incident, adverse weather conditions, lack of maintenance due to human error or oversight, natural disasters, public health issues such as pandemics or endemics, terrorist attacks, power loss, telecommunications failures, cybersecurity risks and incidents, and other interruptions beyond our control. Interruptions in, or destruction or manipulation of, these systems, or with the internet in general, could make our service unavailable or degraded or otherwise hinder our ability to deliver streaming content. Service interruptions, errors in our software or the unavailability of computer systems or data used in our operations, delivery or user interface could diminish the overall attractiveness of our user service to existing and potential users.

Our computer systems, mobile and other applications and systems of third-parties we use in our operations are vulnerable to constantly evolving cybersecurity risks, including cyber-attacks and loss of integrity or availability, both from state-sponsored and individual activity, such as hacks, unauthorized access, computer viruses, denial of service attacks, electronic break-ins, malware, ransomware, insider threats, and misconfigurations in information systems, networks, software or hardware, errors and similar disruptions and destruction. Such systems have previously and may continue to periodically experience directed attacks intended to lead to interruptions, disruptions and delays in our service and operations as well as loss, misuse or theft of data or intellectual property. Any attempt by hackers to obtain our data or intellectual property (including digital content assets), disrupt our service, or otherwise access our systems, or those of third-parties we use, if successful, could harm our business, be expensive to remedy, expose us to potential liability and damage our reputation.

We have implemented certain systems and processes to thwart hackers and protect our data and systems. There is no assurance that cyber incidents may not have a material impact on our service or systems in the future. Our insurance may not cover expenses related to such disruptions, losses or unauthorized access. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to implement and may limit the functionality of or otherwise negatively impact our service offering and systems. Any significant disruption to our service or access to our systems could result in a loss of users, liability and adversely affect our business and results of operations.

We utilize our own communications and computer hardware systems located in those of a third-party web hosting provider. In addition, we utilize third-party "cloud" computing services in connection with our business operations. We also utilize third-party content delivery networks to help us stream content in high volume to Cineverse users over the internet. Problems faced by us or our third-party Web hosting, "cloud" computing, or other network providers, including technological or business-related disruptions, as well as cybersecurity threats, could adversely impact the experience of our users, resulting in a loss of users, which could adversely affect our business and results of operations.

If the technology we use in operating our business fails, is unavailable, or does not operate to expectations, our business and results of operations could be adversely impacted.

We utilize a combination of proprietary and third-party technology to operate our business. This includes the technology that we have developed to recommend and promote content to our consumers as well as enable fast and efficient delivery of content to our users and their various consumer electronic devices. We utilize third-party technology to help market our service, process payments and otherwise manage the daily operations of our business. If our technology or that of third-parties we utilize in our operations fails or otherwise operates improperly, including as a result of "bugs" in the development and deployment of software, our ability to operate our service, retain existing users and add new users may be impaired.

We rely upon Amazon Web Services ("AWS") and Google Cloud Platform ("GCP) to operate certain aspects of our service, and any disruption of or interference with our use of AWS or GCP would impact our operations and our business would be adversely affected.

AWS provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a "cloud" computing service. We have designed our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS. Currently, we run the vast majority of our computing on AWS. In addition, Amazon.com's retail division competes with us for users, and Amazon.com could use, or restrict our use of, AWS to gain a competitive advantage against us. Because we rely heavily on AWS for computing infrastructure and we cannot easily switch our AWS operations to another cloud provider, any disruption of or interference with our use of AWS would impact our operations and our business would be adversely affected.

Interruptions or delays in service arising from our own systems or from our third-party vendors could impair the delivery of our service and harm our business.

We rely on systems housed at those of third-party vendors, including network service providers and data center facilities, to enable viewers to stream our content in a dependable and efficient manner. We have experienced, and expect to continue to experience, periodic service interruptions and delays involving our own systems and those of our third-party vendors. We do not currently maintain live fail-over capability that would allow us to instantaneously switch our streaming operations from AWS to another cloud provider in the event of a service outage at AWS. We house the original or primary copy of our library database at off-site cloud locations. Our third-party vendors are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. They also are subject to break-ins, hacking, denial of service attacks, sabotage, intentional acts of vandalism, terrorist acts, natural disasters, human error, the financial insolvency of our third-party vendors and other unanticipated problems or events. The occurrence of any of these events could result in interruptions in our service and the unauthorized access to, or alteration of, the content and data contained on our systems and that these third-party vendors store and deliver on our behalf.

We do not exercise complete control over our third-party vendors, which makes us vulnerable to any errors, interruptions, or delays in their operations. Any disruption in the services provided by these vendors could have a significant adverse impact on our business reputation, customer relations and operating results. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Risks Related to Our Common Stock

The liquidity of our Common Stock is uncertain; the limited trading volume of our Common Stock may depress the price of such stock or cause it to fluctuate significantly.

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

Substantial resales or future issuances of our Common Stock could depress our stock price.

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

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

We have warrants currently outstanding which may be immediately exercised to purchase 2.7 million shares of Common Stock. To the extent that these warrants are exercised, or to the extent we issue additional shares of Common Stock in the future, as the case may be, there will be further dilution to holders of shares of the Common Stock.

Our issuance of preferred stock could adversely affect holders of Common Stock.

Our Board of Directors (the "Board of Directors") is authorized to issue series of preferred stock without any action on the part of our holders of Common Stock. The Board of Directors also has the power, without stockholder

approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our Common Stock with respect to dividends or if we liquidate, dissolve or wind up our business and other terms. If we issue preferred stock in the future that has preference over our Common Stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our Common Stock, the rights of holders of our Common Stock or the price of our Common Stock could be adversely affected.

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

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

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- success of competitors;
- our operating results failing to meet the expectations of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us, the market for digital and physical content, content distribution and entertainment in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business or our industry;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of shares of the Common Stock available for public sale;
- any major change in our Board of Directors or management;
- sales of substantial amounts of Common Stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, international currency fluctuations and acts of war or terrorism.

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

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

The Company's Fifth Amended and Restated Certificate of Incorporation, as amended, and our Second Amended and Restated Bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of the Board of Directors.

These provisions include:

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

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

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

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

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

The Common Stock is presently listed on Nasdaq. If the Company is unable to meet the continued listing criteria of Nasdaq and the Common Stock became delisted, trading of the Common Stock could thereafter be conducted in the over-the-counter markets in the OTC Pink, also known as "pink sheets" or, if available, on another OTC trading platform. Any such delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in a loss of confidence in our financial stability by suppliers, customers and employees. Investors would likely find it more difficult to dispose of, or to obtain accurate market quotations for, the Common Stock, as the liquidity that Nasdaq provides would no longer be available to investors. In addition, the failure of our Common Stock to continue to be listed on the Nasdaq could adversely impact the market price for the Common Stock and our other securities, and we could face a lengthy process to re-list the Common Stock, if we are able to re-list the Common Stock.

A sustained decrease in share price may indicate a risk the Company's goodwill may become impaired.

On March 31, 2023, the Company's share price was $8.40. It had declined to a share price of $1.39 as of March 31, 2024, but partially recovered to a share price of $3.16 as of March 31, 2025. Under ASC 350, *Goodwill*, a sustained

decline in share price represents a triggering event which would require the Company to test for impairment and there may be a risk that the Company incurs expenses related to goodwill impairment. The Company incurred Goodwill impairment of $14.0 million during the year ended March 31, 2024. No impairment was recognized during the current year ended March 31, 2025, due to stock price recovery. However, additional impairment may be incurred if there are future declines in the Company's share price.

We have no present intention of paying dividends on our Common Stock.

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

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

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

The execution of our stock repurchase program may not provide the desired return on investment.

In March 2023, the Company approved a program to share repurchase program, which was renewed in February 2024 and subsequently, in February 2025. The Company will execute on this program if and when our Board of Directors and management perceives the share price of the Company's common stock to be attractive and after taking into consideration market and business conditions, available cash and capital requirements. Any share repurchase under this program will take the place of other use of Company funds and may not achieve the same level of return on investment.

General Risk Factors

We incur significant costs as a result of operating as a public company.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, Nasdaq’s listing requirements and other applicable securities laws and regulations, and, as a result, we incur significant legal, accounting and other expenses that we would not incur if we were not a public company. The expenses incurred by public companies for reporting and corporate governance purposes have generally been increasing. We expect these rules and regulations to continue to increase our legal and financial compliance costs and to make some activities more difficult, time-consuming and costly. The demands associated with being a public company may disrupt regular operations of our business by diverting the attention of some of our senior management team away from revenue producing activities to management and administrative oversight, adversely affecting our ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing our businesses. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to the delisting of our Common Stock, fines, sanctions and other regulatory action and potentially civil litigation. Any of these effects could harm our business, financial condition, and results of operations.

Compliance obligations under the Sarbanes-Oxley Act require substantial financial and management resources.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls. For as long as we remain a smaller reporting company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. However, in the event we are deemed to be an accelerated filer or a large accelerated filer or otherwise no longer qualify as a smaller reporting company, we will be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The maintenance of the internal control system to achieve compliance with the Sarbanes-Oxley Act may impose obligations on us and require substantial additional financial and management resources. Further, although we do not currently have any material weakness in our disclosure controls and internal control over financial reporting, such issues have been discovered in the past and may be discovered in the future.

We cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting now or in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also impair our future access to capital markets.

Global health threats may adversely affect our business.

Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the outbreak of COVID-19. A significant outbreak of contagious diseases in the human population and resulting in a widespread health crisis could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and reduced spending on media and technology. The reduction of economic activity and reduced spending related to such outbreaks and actions taken by governments to mitigate the spread of a virus or other infectious agent could have a material impact on our earnings, cash flow and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We have established a comprehensive, enterprise-wide information security program designed to identify, protect against, detect, respond to, and manage reasonably foreseeable cybersecurity risks and threats. This program is seamlessly integrated into our overall risk management and internal control systems, subject to regular reviews by senior management.

By conducting regular risk assessments, we believe we effectively manage both internal and external cybersecurity threats. Our cybersecurity strategy is specifically tailored to our organization's size, scope, and business needs, emphasizing the protection of data. Our security infrastructure includes advanced tools and protocols, such as firewall protections, secure user authentication, and up-to-date antivirus and internet security software, which we believe are fundamental components of our operational protocols designed to mitigate vulnerabilities and efficiently address security incidents. We also periodically assess and manage cybersecurity risks associated with our third-party service providers.

The ongoing improvement of our cybersecurity measures is overseen by our Senior Vice President of Corporate Systems. We do not employ or engage any third-parties for cybersecurity consulting or monitoring, aside from technical support teams from our application vendors.

In the normal course of business, we proactively manage and monitor cybersecurity activities. To date, these efforts have successfully prevented any incidents that could materially affect our business strategy, operational results, or financial condition. We remain vigilant and are not currently aware of any threats that pose a material risk.
We believe our detailed incident response procedures enable us to effectively manage and mitigate the impacts of security breaches. Continuous monitoring and post-incident analysis further refine our security strategies, enhancing our protective measures. Our Board and the Audit Committee provide oversight over our cybersecurity efforts and stay regularly informed on cybersecurity matters, including emerging risks and mitigation strategies, to ensure informed governance over our enterprise risk assessments and cybersecurity approach. Cybersecurity matters are discussed regularly with senior management, and any significant cybersecurity events are promptly reported to the Board.

For additional information about cybersecurity risks, see Risk Factors, *Any significant disruption in or unauthorized access to our computer systems or those of third-parties that we utilize in our operations, including relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service, unauthorized access, harm to our reputation, disclosure or destruction of data, or theft of intellectual property, including digital content assets, which could adversely impact our business.*

ITEM 2. PROPERTIES

As of March 31, 2025, we maintain an address at 224 W. 35th St., Suite 500 #947, New York, NY 10001. However, we primarily operate as a company with a virtual workforce in the United States.

Additionally, we entered into office lease arrangements, which expire in 2027, for our offices located in Kolkata, India.

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

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

COMMON STOCK

Our Common Stock trades publicly on Nasdaq, under the trading symbol "CNVS" following a rebranding announcement on May 22, 2023, when we changed our name from Cinedigm Corp. to Cineverse Corp. Previously, the Company traded under the trading symbol "CIDM". The following table shows the high and low sales prices per share of our Common Stock as reported by Nasdaq for the periods indicated, as adjusted for the June 2023 reverse stock split:

	For the Fiscal Year Ended March 31,			
	2025		2024	
	HIGH	LOW	HIGH	LOW
April 1 – June 30	$ 1.48	$ 0.79	$ 9.00	$ 1.91
July 1 – September 30	$ 1.10	$ 0.74	$ 1.86	$ 1.00
October 1 – December 31	$ 3.99	$ 0.97	$ 1.38	$ 1.01
January 1 – March 31	$ 4.74	$ 3.16	$ 2.35	$ 1.25

The reported closing price per share of our Common Stock as reported by Nasdaq on June 20, 2025 was $3.89 per share. As of June 20, 2025, there were 57 holders of record of our Common Stock, not including beneficial owners of our Common Stock whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

DIVIDEND POLICY

We have never paid any cash dividends on our Common Stock and do not anticipate paying any on our Common Stock in the foreseeable future. Any future payment of dividends on our Common Stock will be in the sole discretion of our Board of Directors.

The holders of our Series A 10% Non-Voting Cumulative Preferred Stock are entitled to receive dividends. There were $89 thousand of cumulative dividends in arrears on our Preferred Stock as of March 31, 2025.

PURCHASE OF EQUITY SECURITIES

In connection with the settlement in fiscal year 2024 of the Company's fiscal year 2023 employee bonuses, the Company paid cash for the bonus-related payroll taxes upon the surrender to the Company by the employees of 222,761 shares to the Company.

On February 29, 2024, the Board approved the renewal of the Company's 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 in compliance with Rule 10b-18 promulgated under the Securities Exchange Act of 1934, as amended, privately negotiated transactions, and/or other transactions at the Company's discretion. The stock repurchase program, which is subject to certain consents, will expire on March 1, 2025 unless otherwise modified by the Board at any time in its sole discretion. Subsequently, on February 28, 2025, the Board has approved the renewal for another year, expiring on March 31, 2026, unless otherwise modified by the Board at any time in its sole discretion.

In May 2024, the Company entered into 10b5-1 and 10b-18 trading plans with B. Riley Securities, Inc. and under these plans repurchased 215,265 shares for a total purchase price of $215 thousand, gross of fees, during the period from May through July 2024. The 10b-18 plan expired on May 8, 2025 and the 10b5-1 plan expired on May 31, 2024.

ITEM 6. [Reserved]

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

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

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

OVERVIEW

Cineverse is a premier streaming technology and entertainment company with its core business operating as (i) a portfolio of owned and operated 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 Matchpoint™, 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.

Risks and Uncertainties

Our business and prospects are exposed to numerous risks and uncertainties. For more information, see "Item 1A. Risk Factors" in this report.

Liquidity and Capital Resources

We have incurred net losses historically. For the year ended March 31, 2025, we have net income attributable to common stockholders of $3.2 million. As of March 31, 2025, we had an accumulated deficit of $500.9 million and net cash provided by operations for the fiscal year ended March 31, 2025 was $17.4 million. Although we have positive working capital of $3.6 million as of March 31, 2025, we may continue to generate net losses for the foreseeable future.

The Company is party to a Loan, Guaranty, and Security Agreement, as amended on April 8, 2025, with East West Bank ("EWB") providing for a $12.5 million Line of Credit Facility and expandable to $15.0 million, guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries' assets. The Line of Credit Facility bears interest at a rate equal to 1.25% above the prime rate, equal to 8.75% as of March 31, 2025. The Line of Credit Facility matures on April 8, 2028.

As of March 31, 2025, $0 was outstanding on the Line of Credit Facility. Under the Line of Credit Facility, the Company is subject to certain financial and non-financial covenants including terms which require the Company to maintain certain metrics and ratios, to maintain certain minimum cash on hand, and to report financial information to our lender on a periodic basis. Please see *Note 7 - Debt* for further information regarding the Company's Line of Credit Facility.

On April 5, 2024, Cineverse Terrifier LLC ("T3 Borrower"), a wholly-owned subsidiary of the Company entered into a Loan and Security Agreement with BondIt LLC ("T3 Lender") and the 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 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 $576,000 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 loan amount over its term. If the T3 Loan is extended as noted above, the T3 Loan will bear interest at a rate of 1.44% per month. The 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 were used for the funding under the Company's distribution arrangements for the film titled Terrifier 3 (the "Film"). The T3 Loan Agreement contains customary covenants, representation and warranties and events of default. The T3 Loan, including interest of $576 thousand, was repaid in advance during the quarter ended December 31, 2024.

After the principal of the T3 Loan is paid in full, the 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 the T3 Lender has received 1.75 times the full commitment amount of $3,666,000, consisting of the principal amount plus interest and fees advanced to T3 Borrower ("Participation Interest"), plus any extension interest, if applicable. 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 the T3 Borrower from the distribution of the Film. In April 2025, the Company paid the T3 Lender $700,000 in Participation Interest.

On May 3, 2024, the Company entered into a Sales Agreement (the "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 its Class A common stock, par value $0.001 per share (the "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 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 3.00% 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 Sales Agreement and has not sold any shares through the date of this report.

In June, 2023, the Company issued and sold 2,150,000 shares of Common Stock, 516,667 prefunded warrants, and warrants to purchase up to 2,666,667 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 have an exercise price of $3.00 per share, were exercisable immediately and will expire five years from 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 516,667 pre-funded warrants were subsequently exercised in July 2023 for total proceeds of $0.5 thousand. All common warrants were issued as immediately exercisable and 2,654 thousand common warrants remain outstanding as of March 31, 2025.

In July 2020, we entered into an At-the-Market sales agreement (the "ATM Sales Agreement") with A.G.P./Alliance Global Partners ("A.G.P.") and B. Riley FBR, Inc. ("B. Riley" and, together with A.G.P., the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock at the market prices prevailing on Nasdaq at the time of the sale of such shares. For the year ended March 31, 2024, the Company sold 176,751 shares for $1.1 million in net proceeds, after deduction of commissions and fees. The ATM Sales Agreement terminated on January 6, 2024.

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 March 31, 2025 and 2024, short term content advances were $6.7 million and $9.3 million, respectively, and content advances, net of current portion were, $4.1 million and $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 availability under our Line of Credit Facility as of March 31, 2025 will be sufficient to support our operations for at least twelve months from the filing of this report.

Critical Accounting Policies and Estimates

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

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

FAIR VALUE ESTIMATES

Goodwill

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

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

In certain reporting periods, the Company may have 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.

Intangible Assets, net

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

In the years ended March 31, 2025 and 2024, no impairment charges were recorded to intangible assets.

REVENUE RECOGNITION

We determine revenue recognition by:

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

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

Payment terms and conditions vary by customer and typically provide net 30-to-90 day terms. We do not adjust the promised amount of consideration for the effects of a significant financing component when we expect, at contract inception, that the period between our transfer of a promised product or service to our customer and payment for that product or service will be one year or less.

Depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. The Company's performance obligations include the delivery of content for transactional, subscription and ad supported/free ad-supported streaming TV ("FAST") on the digital platforms, and shipment of DVDs and Blu-ray Discs. Revenue is recognized at the point in time when the performance obligation is satisfied, which is when the content is available for subscription on the digital platform, at the time of shipment for physical goods, or point-of-sale for transactional and VOD services as the control over the content or the physical title is transferred to the customer. The Company considers the delivery of content through various distribution channels to be a single performance obligation.

Revenue from the sale of physical goods is recognized after deducting reserves for sales returns and other allowances. Reserves for potential sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

For the theatrical distribution of third-party feature movies and alternative content, distribution fee revenue and participation in box office receipts are recognized at the time a feature movie and alternative content are viewed. The Company may have the right to receive or bill a portion of the theatrical distribution fee in advance of the exhibition date, and therefore such amount is recorded as a receivable at the time of execution, and all related distribution revenue is deferred until the third-party feature movies' or alternative content's theatrical release date.

Principal Agent Considerations

We determine whether revenue should be reported on a gross or net basis 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. We review the composition of accounts receivable and analyze historical credit losses, customer concentrations, customer credit worthiness, current and forecasted economic trends and changes in customer payment patterns to evaluate the adequacy of this allowance.

Contract Assets and Liabilities

We generally record a receivable related to revenue or an unbilled revenue (contract asset) when we have an unconditional right to invoice and receive payment. Unbilled revenue includes an accrued revenue, the right to which has been earned at the period end based on completed performance. We record deferred revenue (contract liability) when cash payments are received or due in advance of our performance, even if the amounts are refundable. Deferred revenue includes payments related to the sale of DVDs with future release dates or subscription dues paid in advance.

Deferred revenue that is short term in nature, carried a balance as of March 31, 2025 and 2024 of $0.2 million and $0.4 million, respectively. For the years ended March 31, 2025 and 2024, the additions to our deferred revenue balance were primarily due to cash payments received or due in advance of satisfying performance obligations, while the reductions to our deferred revenue balance were primarily due to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

Participations and Royalties Payable

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

Results of Operations for the Fiscal Years Ended March 31, 2025 and 2024 *(in thousands, except where noted below)*

Revenues

	For the Fiscal Year Ended March 31,				As a % of Revenue	
	2025	2024	$ Change	% Change	2025	2024
Streaming and digital	$ 44,408	$ 37,312	$ 7,096	19%	57%	76%
Base distribution	28,614	5,259	23,355	444%	37%	11%
Podcast and other	4,893	2,718	2,175	80%	6%	6%
Other non-recurring	266	3,842	(3,576)	(93)%	—%	8%
Total Revenue	$ 78,181	$ 49,131	$ 29,050	59%	100%	100%

For the year ended March 31, 2025, the Company's revenue increased by $29.1 million. Streaming and digital revenue improved by $7.1 million, primarily due to: (i) $3.3 million license fee revenue recorded during the period related to the licensing of the Dog Whisperer and Terrifier 3 contents, and (ii) net favorable impact of other content releases' timing relative to the same period in the prior year. Further, the Company continued to see the benefits from recent years' acquisitions, such as DMR, Fandor and Bloody Disgusting, which have contributed value-accretive libraries, distribution platforms and technologies.

Base distribution revenue increased by $23.4 million mainly due to Terrifier 3 theatrical release in October 2024.

Podcast and other revenue grew by $2.2 million primarily due to revenue increases from direct advertising.

The decrease in other and non-recurring revenue related to the run-off of the Company's legacy digital cinema business. The Company does not anticipate material future revenue related to this business.

Direct Operating Expenses

	For the Fiscal Year Ended March 31,				As a % of Revenue	
	2025	2024	$ Change	% Change	2025	2024
Direct operating expenses	$ 38,776	$ 19,131	$ 19,645	103%	50%	39%

The increase of $19.6 million in Direct Operating Expenses for the year ended March 31, 2025, compared to the same period of 2024 primarily relates to the impact of Terrifier 3. Specifically, the increase is due to the net effect of the following changes: (i) $16.9 million higher royalty expense, (ii) $0.9 million increase in marketing costs, (iii) $1.0 million theatrical distribution fees to our service provider, (iv) $1.8 million higher license participations and advertising pool impression costs, offset by (v) $1.5 million lower SaaS subscription fees.

Direct operating margin % declined from 61% for the year ended March 31, 2024 to 50% for the year ended March 31, 2025 primarily due to $3.8 million of non-recurring revenue in the prior year related to run-off of the Company's legacy digital cinema business which had a 100% direct operating margin and theatrical revenues related to Terrifier 3 that had direct operating margins lower than 50%.

Selling, General and Administrative Expenses

	For the Fiscal Year Ended March 31,				As a % of Revenue	
	2025	2024	$ Change	% Change	2025	2024
Compensation expense	$ 17,176	$ 17,756	$ (580)	(3)%	22%	36%
Corporate expenses	3,354	3,762	(408)	(11)%	4%	8%
Share-based compensation	1,925	1,439	486	34%	2%	3%
Other operating expenses	5,229	4,947	282	6%	7%	10%
Selling, General and Administrative	$ 27,684	$ 27,904	$ (220)	(1)%	35%	57%

Selling, general and administrative expenses for the year ended March 31, 2025 decreased by $0.2 million relative to the year ended March 31, 2024, primarily due to: (i) lower compensation expense due to change in the Company's employment mix as a result of a greater investment in Cineverse Services India, and (ii) lower severance costs, offset by higher share-based compensation.

Corporate expenses declined by $0.4 million primarily decreased due to a corporate focus on reducing third-party costs due to the Company's cost-saving initiatives, including consulting and service providers and legal costs.

Depreciation and Amortization

	For the Fiscal Year Ended March 31,				As a % of Revenue	
	2025	2024	$ Change	% Change	2025	2024
Amortization of intangible assets	$ 3,226	$ 3,196	$ 30	1%	4%	7%
Depreciation of property and equipment	571	575	(4)	(1)%	1%	1%
Depreciation and Amortization	$ 3,797	$ 3,771	$ 26	1%	5%	8%

Amortization and depreciation expense have remained relatively consistent for the year ended March 31, 2025, compared to the year ended March 31, 2024, as the Company's intangible focused investment mix has remained consistent over the past year.

Goodwill impairment

No impairment was recognized for the year ended March 31, 2025.

For the year ended March 31, 2024, the Company recognized an impairment on its carrying value of goodwill in the amount of $14.0 million following a sustained depressed share price for the Company's fiscal year 2024, which was deemed a triggering event. In accordance with the process outlined in ASC 350, the Company first determined that its finite long-lived assets were recoverable. The impairment was quantified using a market multiple approach which utilized information from comparable businesses.

Interest expense

Interest expense increased by $3.3 million to $4.4 million for the year ended March 31, 2025 primarily due to: (i) $2.7 million interest participation relating to the T3 Loan (which was obtained and repaid during the fiscal year), (ii) higher drawings on our line of credit and (ii) increased interest rates in 2024.

Gain (loss) from equity investment in Metaverse

On November 6, 2023, Metaverse's stock resumed trading on The Stock Exchange of Hong Kong Limited. During the year ended March 31, 2024, the Company sold 220,550,005 of its original 362,307,397 million shares held as of March 31, 2023, which resulted in a realized loss of $0.3 thousand during the year ended March 31, 2024. The resumption of active trading status 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 March 31, 2024 within the Level 1 grouping. The fair value of the shares held as of March 31, 2024 was $0.4 million, with associated losses of $4.3 million recognized during the fiscal year ended March 31, 2024.

During the year ended March 31, 2025, we sold our remaining 141,757,392 Metaverse shares, resulting in a gain of $0.2 million.

Employee Retention Tax Credit

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention credit that 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.

As of March 31, 2025 and 2024, the tax credit receivable of $0.1 and $1.7 million, respectively, has been included in the Employee retention tax credit line on the Company's Consolidated Balance Sheet. The Company received notification during the second quarter of fiscal year 2024 that its ERTC claim was under examination with the Internal Revenue Service ("IRS"). In April 2024, the Company received a letter from the IRS indicating that its claim had been accepted and $1.7 million was received in June 2024.

Income Tax Expense

For the year ended March 31, 2025, the Company had income tax expense of $106 thousand consisting of $62 thousand of current U.S. state income taxes, $51 thousand of current foreign income taxes, offset by the recognition of a $7 thousand deferred foreign tax benefit

Adjusted EBITDA

We define Adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, other income, net, stock-based compensation and expenses, merger and acquisition costs, restructuring, transition and acquisitions expense, net, goodwill impairment and non-recurring items.

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

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

We believe that Adjusted EBITDA is a performance measure and not a liquidity measure, and therefore a reconciliation between net income from continuing operations and Adjusted EBITDA has been provided in the financial results. Adjusted EBITDA should not be considered as an alternative to income from operations or net income from continuing operations as an indicator of performance or as an alternative to cash flows from operating

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

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

	For the Fiscal Year Ended March 31,	
	2025	2024
Net income (loss)	$ 3,764	$ (21,265)
Add Back:		
Income tax expense	106	10
Depreciation and amortization (1)	4,138	3,771
Interest expense	4,365	1,066
(Gain) loss from equity investment in Metaverse	(176)	4,299
Stock-based compensation	1,925	1,439
Other expense (income), net	(135)	(140)
Net income attributable to noncontrolling interest	(162)	(142)
Goodwill impairment	—	14,025
Transition-related costs (2)	92	1,335
Adjusted EBITDA	$ 13,917	$ 4,398

(1) - Includes $341 of amortization included in direct operating expenses on our Consolidated Statements of Operations for the year ended March 31, 2025.

(2) - Primarily employee severance costs and expenses associated with the wind-down of our legacy Digital Cinema operations.

Recent Accounting Pronouncements

See Note 2 - *Basis of Presentation and Summary of Significant Accounting Policies* to our Consolidated Financial Statements included herein.

Cash Flow

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

	For the Fiscal Year Ended March 31,	
	2025	2024
Net cash provided by (used in) operating activities	$ 17,411	(10,592)
Net cash used in investing activities	(635)	(531)
Net cash (used in) provided by financing activities	(8,002)	9,138
Net Change in Cash and Cash Equivalents	$ 8,774	$ (1,985)

As of March 31, 2025 and 2024, we had cash and cash equivalents of $13.9 million and $5.2 million, respectively.

Cashflows for the current fiscal year

For the year ended March 31, 2025, the change in net cash provided by operating activities was primarily driven by a net income of $3.8 million, increases from the Company's operating assets and liabilities ($7.0 million), and add-backs relating to non-cash items, particularly: (i) depreciation and amortization of $3.8 million, and (ii) stock-based compensation of $1.9 million.

Cash used in investing activities of $0.6 million were driven by the acquisition of long-lived assets, partially offset by cash received from the sale of Company shares in Metaverse.

Cash used in financing activities of $8.0 million was primarily due to the net $6.4 million repayments of the Line of Credit Facility, repayment of our $3.1 million T3 Loan (which was obtained during the 2025 fiscal year), $0.4 million net payment of deferred acquisition consideration, $0.6 million final earnout payment and $0.2 million used to repurchase outstanding shares.

Cashflows for the previous fiscal year

For the year ended March 31, 2024, the change in net cash used in operating activities was primarily driven by a net loss of $21.3 million and decreases from the Company's operating assets and liabilities ($11.5 million), offset by the non-cash goodwill impairment charge of $14.0 million, depreciation and amortization of $3.8 million, and the non-cash change in the valuation of the Company's investment in Metaverse which is recognized in earnings ($4.3 million).

Cash flows used in investing activities of $0.5 million were driven by the acquisition of long-lived assets, partially offset by cash received from the sale of Company shares in Metaverse.

Cash flows provided by financing activities were driven by issuance of the Company's Class A common stock in the first quarter of fiscal year 2024 ($8.5 million) and a net increase of $1.4 million funds, following the Company's expansion of its revolving line of credit from $5.0 million to $7.5 million in February 2024.

Contractual Obligations

The following table summarizes our significant recognized contractual obligations as of March 31, 2025 (*in thousands*):

	Payments Due			
Contractual Obligations	**Total**	**2026**	**2027**	**2028**
Operating lease obligations	$ 482	$ 200	$ 210	$ 72

In addition, the Company presents its unrecognized commitments to content partners in the notes to the Financial Statements, *Note 8 - Commitments and Contingencies*.

Seasonality

The timing of movie and streaming content releases can have a significant effect on our results of operations, and the results of one quarter are not necessarily indicative of results for the next quarter or any other quarter. While our business benefits from the winter holiday season, we believe the seasonality of the movie and streaming landscape, is becoming less pronounced as the motion picture studios are releasing movies somewhat more evenly throughout the year.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements. In addition, as discussed further in Note 2 - *Basis of Presentation and Summary of Significant Accounting Policies* and Note 3 - *Other Interests* to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K, we hold a 100% equity interest in CDF2 Holdings, which is an unconsolidated variable interest entity (“VIE”), which wholly owns CDF2; however, we are not the primary beneficiary of the VIE.

Impact of Inflation

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Cineverse Corp.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (PCAOB ID# 274)	F-1
Consolidated Balance Sheets at March 31, 2025 and 2024	F-3
Consolidated Statements of Operations for the fiscal years ended March 31, 2025 and 2024	F-4
Consolidated Statements of Comprehensive Loss for the fiscal years ended March 31, 2025 and 2024	F-5
Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2025 and 2024	F-6
Consolidated Statements of Equity for the fiscal years ended March 31, 2025 and 2024	F-9
Notes to Consolidated Financial Statements	F-10

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Cineverse Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cineverse Corp. (the "Company") as of March 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

Critical Audit Matter

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

Revenue recognition – determination of principal versus agent

As described in Note 2 to the financial statements, revenue recognition for licensing content requires management to determine whether the Company acts as a principal or an agent in each transaction, which impacts upon the characterization of amounts recorded under these arrangements and the amount of revenue recognized on a gross versus net basis. This determination involves complex judgments, including assessing whether the Company is primarily responsible for determining how content is delivered to end consumers, and has discretion in setting the price for such content.

We identified the principal versus agent determination for licensing content as a critical audit matter due to the significant judgment involved in evaluating the terms of the arrangements with content providers. The complexity arises from the need to evaluate factors, such as the nature and extent of the Company's rights to use the intellectual property, its ability to set pricing, and the extent of its involvement in delivering the content. These judgments have a material impact on the amount of revenue recorded on a gross versus net basis. As such, there was a high degree of auditor judgement and subjectivity, and significant audit effort was required in performing procedures to evaluate management's conclusions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) obtaining an understanding of management's process and controls over revenue recognition specifically focusing on principal versus agent; (ii) evaluating the terms contained in a sample of arrangements and comparing our evaluation to the Company's principal versus agent conclusions; (iii) testing that the arrangements were entered completely and accurately within the Company's accounting system; and (iv) testing that the accounting system accurately calculated the amount of revenue to be recorded.

/s/ EisnerAmper LLP

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

EISNERAMPER LLP
Iselin, New Jersey
June 30, 2025

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

	As of March 31,	
	2025	**2024**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 13,941	$ 5,167
Accounts receivable, net of allowance for credit losses of $307 and $269, respectively	15,752	15,106
Employee retention tax credit	79	1,671
Content advances, net of allowance $4,818 and $6,260 respectively	6,736	9,345
Other current assets	1,573	1,432
Total current assets	38,081	32,721
Property and equipment, net	2,876	2,276
Intangible assets, net	18,168	18,328
Goodwill	6,799	6,799
Content advances, net of current portion	4,053	2,551
Other long-term assets, net	2,539	1,703
Total Assets	$ 72,516	$ 64,378
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 31,109	$ 20,817
Line of credit, net	—	6,301
Current portion of deferred consideration on purchase of business	2,956	3,114
Earnout consideration on purchase of business	—	180
Current portion of operating lease liabilities	187	401
Deferred revenue	183	436
Total current liabilities	34,435	31,249
Deferred consideration on purchase of business, net of current portion	—	457
Operating lease liabilities, net of current portion	275	462
Other long-term liabilities	14	59
Total Liabilities	$ 34,724	$ 32,227
Commitments and contingencies *(see Note 8)*		
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 March 31, 2025 and 2024	3,559	3,559
Common Stock, $0.001 par value; Class A Stock: 275,000,000 shares authorized as of March 31, 2025 and 2024; 16,487,947 and 15,985,620 shares issued, with 15,984,129 and 15,699,135 shares outstanding as of March 31, 2025 and 2024, respectively	194	194
Additional paid-in capital	548,405	545,996
Treasury stock, at cost; 503,819 and 288,554 shares as of March 31, 2025 and 2024, respectively	(12,193)	(11,978)
Accumulated deficit	(500,908)	(504,153)
Accumulated other comprehensive loss	(305)	(345)
Total stockholders' equity of Cineverse Corp.	38,752	33,273
Deficit attributable to noncontrolling interest	(960)	(1,122)
Total equity	37,792	32,151
Total Liabilities and Equity	$ 72,516	$ 64,378

See accompanying Notes to Consolidated Financial Statements

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

	For the Fiscal Year Ended March 31,	
	2025	**2024**
Revenues	$ 78,181	$ 49,131
Costs and expenses		
Direct operating	38,776	19,131
Selling, general and administrative	27,684	27,904
Depreciation and amortization	3,797	3,771
Goodwill impairment	—	14,025
Total operating expenses	70,257	64,831
Operating income (loss)	7,924	(15,700)
Interest expense	(4,365)	(1,066)
Gain (loss) from equity investment in Metaverse	176	(4,299)
Other expenses, net	135	(190)
Net income (loss) before income taxes	3,870	(21,255)
Income tax expense	(106)	(10)
Net income (loss)	3,764	(21,265)
Net income attributable to noncontrolling interest	(162)	(142)
Net income (loss) attributable to controlling interests	3,602	(21,407)
Preferred stock dividends	(356)	(350)
Net income (loss) attributable to common stockholders	$ 3,246	$ (21,757)
Net income (loss) per share attributable to common stockholders:		
Basic	$ 0.18	$ (1.78)
Diluted	$ 0.16	$ (1.78)
Weighted average shares of Common Stock outstanding:		
Basic	15,814	12,253
Diluted	17,818	12,253

See accompanying Notes to Consolidated Financial Statements

Cineverse Corp.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	For the Fiscal Year Ended March 31,	
	2025	**2024**
Net income (loss)	$ 3,764	$ (21,265)
Other comprehensive income (loss):		
Foreign exchange translation	40	57
Net income attributable to noncontrolling interest	(162)	(142)
Comprehensive income (loss)	$ 3,642	$ (21,350)

See accompanying Notes to Consolidated Financial Statements

Cineverse Corp.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Fiscal Year Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ 3,764	$ (21,265)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,797	3,771
Impairment of goodwill	—	14,025
Amortization of debt issuance costs	468	188
Stock-based compensation	1,925	1,439
Change in fair value of deferred consideration and earnouts	296	(109)
Changes in fair value of and realized (gains) losses from equity investment in Metaverse	(176)	4,299
Barter-related non-cash expenses	341	341
Other	10	84
Changes in operating assets and liabilities:		
Accounts receivable	(619)	7,565
Other current and long-term assets	(668)	(942)
Content advances	2,030	(5,621)
Accounts payable, accrued expenses and other liabilities	9,903	(12,756)
Capitalized content	(3,407)	(1,822)
Deferred revenue	(253)	210
Net cash provided by (used in) operating activities	$ 17,411	$ (10,592)
Cash flows from investing activities:		
Expenditures for long-lived assets	(1,171)	(1,069)
Sale of equity investment securities	536	538
Net cash used in investing activities	$ (635)	$ (531)
Cash flows from financing activities:		
Proceeds from line of credit	64,102	43,955
Payments on line of credit	(70,485)	(42,572)
Payment of deferred consideration	(428)	(285)
At-the-market issuance fees	(42)	—
Proceeds from the issuance of a term loan, net of debt issuance costs	2,917	—
Repayment of term loan	(3,090)	—
Payment of earnout consideration	(590)	(291)
Cost to acquire treasury shares	(215)	—
Financing fees for line of credit	(209)	(193)
Proceeds from common stock warrant exercise	38	—
Issuance of Class A common stock, net of issuance costs	—	8,524
Net cash (used in) provided by financing activities	$ (8,002)	$ 9,138
Net change in cash and cash equivalents	8,774	(1,985)
Cash and cash equivalents at beginning of period	5,167	7,152
Cash and cash equivalents at end of period	$ 13,941	$ 5,167

See accompanying Notes to Consolidated Financial Statements

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

	For the Fiscal Year Ended March 31,	
	2025	**2024**
Cash interest paid	$ 995	$ 376
Lease liability related payments	$ 423	$ 446
Income taxes paid	$ 34	$ 55
Noncash investing and financing activities:		
Issuance of Class A common stock for payment of employee bonuses	$ —	$ 1,203
Treasury shares acquired for withholding taxes	$ —	$ 370
Earnout liability settled in stock	$ 90	$ 392
Bonus liability settled in stock	$ 42	$ —
Deferred consideration settled in stock	$ —	$ 3,000
Accrued dividends on preferred stock	$ 89	$ 89
Issuance of Class A common stock for payment of accrued preferred stock dividends	$ 356	$ 350

See accompanying Notes to Consolidated Financial Statements

Cineverse Corp.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Preferred Stock		Common Stock		Treasury		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non Controlling Interest	Total
	Shares	Amount	Shares	Amount	Shares	Amount						
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	—	—	—	—	—	—	—	—	40	40	—	40
Stock-based compensation	—	—	—	—	—	—	1,595	—	—	1,595	—	1,595
Preferred stock dividends paid in stock	—	—	276	—	—	—	356	—	—	356	—	356
Preferred stock dividends accrued	—	—	—	—	—	—	—	(357)	—	(357)	—	(357)
Issuance of common stock for Board of Director compensation	—	—	74	—	—	—	330	—	—	330	—	330
Issuance of common stock for acquiree consideration	—	—	29	—	—	—	42	—	—	42	—	42
Common Stock Warrant Exercise	—	—	13	—	—	—	38	—	—	38	—	38
Fees incurred in connection with ATM offering	—	—	—	—	—	—	(42)	—	—	(42)	—	(42)
Issuance of Class A common stock for earnout commitment	—	—	108	—	—	—	90	—	—	90	—	90
Treasury stock acquired	—	—	(215)	—	215	(215)	—	—	—	(215)	—	(215)
Net income	—	—	—	—	—	—	—	3,602	—	3,602	162	3,764
Balances as of March 31, 2025	1	$3,559	15,984	$194	504	$(12,193)	$548,405	$(500,908)	$(305)	$38,752	$(960)	$37,792

See accompanying Notes to Consolidated Financial Statements

Cineverse Corp.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Preferred Stock		Common Stock		Treasury		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non Controlling Interest	Total
	Shares	Amount	Shares	Amount	Shares	Amount						
Balances as of March 31, 2023	1	$ 3,559	9,348	$ 185	66	$ (11,608)	$ 530,998	$ (482,395)	$ (402)	$ 40,337	$ (1,264)	$ 39,073
Foreign exchange translation	—	—	—	—	—	—	—	—	57	57	—	57
Stock-based compensation	—	—	—	—	—	—	1,271	—	—	1,271	—	1,271
Preferred stock dividends paid with common stock	—	—	196	—	—	—	350	—	—	350	—	350
Preferred stock dividends accrued	—	—	—	—	—	—	—	(350)	—	(350)	—	(350)
Issuance of common stock for Board of Director compensation	—	—	400	—	—	—	168	—	—	168	—	168
Issuance of Class A common stock in connection with ATM raises, net	—	—	177	3	—	—	1,080	—	—	1,084	—	1,084
Issuance of Class A common stock in connection with direct equity offering	—	—	2,150	2	—	—	7,437	—	—	7,439	—	7,439
Issuance of Class A common stock in connection employee bonuses	—	—	725	1	—	—	1,203	—	—	1,203	—	1,203
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)
Issuance of common stock for deferred and earnout consideration	—	—	2,369	3	—	—	3,097	—	—	3,100	—	3,100
Net (loss) income	—	—	—	—	—	—	—	(21,407)	—	(21,407)	142	(21,265)
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

See accompanying Notes to Consolidated Financial Statements

Cineverse Corp.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

The Company has a long legacy in using technology to transform the entertainment industry and played a pioneering role in transitioning movie screens from traditional analog film prints to digital distribution. Over the past several years, Cineverse has transformed itself from being a digital cinema equipment and physical content distributor to a leading independent streaming company.

Financial Condition and Liquidity

As of March 31, 2025, the Company has an accumulated deficit of $500.9 million. For the year ended March 31, 2025, the Company had a net income attributable to common shareholders of $3.2 million. The Company had positive working capital of $3.6 million, net cash generated from operations for the year ended March 31, 2025 was $17.4 million. The Company has had a history of generating net losses and may continue to generate net losses for the foreseeable future.

The Company is party to a Loan, Guaranty, and Security Agreement, as amended on April 8, 2025, with East West Bank ("EWB") providing for a $12.5 million Line of Credit Facility and expandable to $15.0 million, guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries’ assets. The Line of Credit Facility bears interest at a rate equal to 1.25% above the prime rate, equal to 8.75% as of March 31, 2025. The Line of Credit Facility matures on April 8, 2028.

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 availability under our Line of Credit Facility as of March 31, 2025 will be sufficient to support our operations for at least twelve months from the filing of this report.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The accompanying consolidated financial statements of Cineverse have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). These consolidated financial Statements have been prepared by the Company following the rules and regulations of the SEC. All intercompany transactions and balances have been eliminated in consolidation. Certain columns and rows may not add due to rounded numbers.

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. We record net income or loss attributable to noncontrolling interest in our Consolidated Statements of Operations equal to the proportionate share of outstanding profit interest units retained by the noncontrolling interests.

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

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

Use of Estimates

The preparation of these 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, share-based compensation expense, valuation allowance for deferred income taxes, recovery of content advances, goodwill and intangible asset impairments, estimated royalties payable to content partners, and the assessment of amortization lives to 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.

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.

Non-monetary Transactions

During the year ended March 31, 2023, the Company entered into a non-monetary transaction for the purchase and sale of content licenses with an unrelated third-party. No gain or loss was recognized, as the fair value of the content licenses purchased was determined to be $1.0 million and recognized within Intangible Assets, Net on our Consolidated Balance Sheets, and will be amortized over its three-year estimated life. For the years ended March 31, 2025 and 2024, $341 thousand of related amortization expense had been recognized in Direct Operating expenses within the Consolidated Statements of Operations.

Accounts Receivable, Net

We maintain reserves for expected credit losses on accounts receivable. We review the composition of accounts receivable and analyze historical credit losses, customer concentrations, customer credit worthiness, current and forecasted economic trends and changes in customer payment patterns to evaluate the adequacy of this allowance.

During the year ended March 31, 2025, the Company had no write-offs of previously reserved accounts receivable and as of March 31, 2025, accrued an allowance for expected credit losses of $0.3 million. During the year ended March 31, 2024, the Company had no write-offs of previously reserved accounts receivable balances and as of March 31, 2024, carried an allowance for credit losses of $0.3 million.

Employee Retention Tax Credit

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided an employee retention credit 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.

As of March 31, 2025 and 2024, the tax credit receivable of $79 thousand and $1.7 million, respectively, has been included in the Employee retention tax credit line ("ERTC") on the Company's Consolidated Balance Sheet. The Company received notification during the second quarter of fiscal year 2024 that its ERTC claim was under examination with the Internal Revenue Service ("IRS"). In April 2024, the Company received a letter from the IRS indicating that its claim had been accepted and $1.7 million was received in June 2024.

Content Advances

Content advances 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 within 12 months are classified as current, which were $6.7 million and $9.3 million as of March 31, 2025 and 2024, respectively. Amounts estimated to be recoverable in more than 12 months are classified as long-term and presented within content advances, net of current portion, which were $4.1 million and $2.6 million as of March 31, 2025 and 2024, respectively. For the year

ended March 31, 2025 and 2024, the Company recorded recoveries in the provision for content advances of $0.9 million and $0.5 million, respectively.

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the respective assets, with useful life ranges by major asset class 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 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 on a straight-line basis. Post-configuration training and maintenance costs are expensed as incurred.

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.

During both of the years ended March 31, 2025 and 2024, we did not record any impairment.

Amortization expense is recorded using the straight-line method over the estimated useful lives of the respective assets 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 include the following (in thousands):

	As of March 31, 2025		
	Cost Basis	Accumulated Amortization	Net
Content Library	$ 24,251	$ (21,724)	$ 2,527
Advertiser Relationships and Channel	12,832	(4,211)	8,621
Customer Relationships	8,690	(8,145)	545
Software	3,200	(1,200)	2,000
Tradenames, Trademarks and Patents	3,961	(3,203)	758
Capitalized Content	4,816	(1,099)	3,717
Total Intangible Assets	$ 57,750	$ (39,582)	$ 18,168

	As of March 31, 2024		
	Cost Basis	Accumulated Amortization	Net
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
Tradenames, Trademarks and Patents	3,914	(3,059)	855
Capitalized Content	1,822	(190)	1,632
Total Intangible Assets	$ 54,362	$ (36,034)	$ 18,328

As of March 31, 2025, amortization expense for each of the successive five years is expected to be (in thousands):

	Total
In-process intangible assets	543
2026	3,637
2027	2,827
2028	1,783
2029	1,670
2030	1,670
Thereafter	6,038
Total	$ 18,168

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 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 twelve months ended March 31, 2025 and 2024.

Goodwill

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

Inherent in the fair value determination for each reporting unit are certain judgments and estimates relating to future cash flows, including management's interpretation of current economic indicators and market conditions, and assumptions about our strategic plans with regard to its operations. To the extent additional information arises,

market conditions change, or our strategies change, it is possible that the conclusion regarding whether our remaining goodwill is impaired could change and result in future goodwill impairment charges that will have a material effect on our consolidated financial position or results of operations.

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

For the year ended March 31, 2025, the Company did not recognize any goodwill impairment losses.

For the twelve months ended March 31, 2024, the Company recognized a goodwill impairment loss of $14.0 million. The Company considered the sustained decrease in its share price to be a goodwill impairment indicator and determined that it would be appropriate to proceed with a quantitative test. Primarily utilizing a market-multiple approach, which took into account the sustained decrease in share price, the Company determined that goodwill impairment of $14.0 million would be recognized.

Fair Value Measurements

The authoritative guidance on fair value measurements establishes a framework with respect to measuring assets and liabilities at fair value on a recurring basis and non-recurring basis, within *ASC 820, Fair Value Measurement*. Under the framework, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. The framework also establishes a three-tier hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability and are developed based on the best information available in the circumstances. The hierarchy consists of the following three levels:

- 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 table below summarizes the levels of fair value measurements of the Company's financial assets and liabilities as of March 31, 2025 and 2024:

	As of March 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Equity investment in Metaverse, at fair value	$ —	$ —	$ —	$ —
	$ —	$ —	$ —	$ —
Liabilities:				
Current portion of earnout consideration on purchase of a business	$ —	$ —	$ —	$ —
	$ —	$ —	$ —	$ —

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

Equity Investment in Metaverse

On February 14, 2020, the Company acquired an approximate 11.5% interest in A Metaverse Company ("Metaverse"), a publicly traded Chinese entertainment company, formerly Starrise Media Holdings Limited, whose ordinary shares are listed on the Stock Exchange of Hong Kong. The Company acquired such interest as a strategic investment and in a private transaction from a shareholder of Metaverse that is related to certain of our shareholders. On April 10, 2020, the Company purchased an additional 15% interest in Metaverse in a private transaction from shareholders of Metaverse that are affiliated with the then-major shareholder of the Company.

During the year ended March 31, 2024, the Company sold 221 million of its original 362 million shares held as of March 31, 2023, which resulted in a realized loss of $0.3 thousand during the year ended March 31, 2024. The resumption of active trading status 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 March 31, 2024 within the Level 1 grouping. The fair value of the shares held as of March 31, 2024 was $0.4 million, with associated losses of $4.3 million recognized during the fiscal year ended March 31, 2024.

As a result of the decrease in ownership of its investment in Metaverse from its sale of shares, along with a corresponding decrease in influence, the Company no longer accounts for its investment in Metaverse under the equity method and instead follows the guidance for equity securities for which the equity method is no longer appropriate under ASC 321, Investments - Equity Securities, and accordingly, the Company measures its investment at fair value, with changes in the value of securities held recognized in earnings.

We have fully divested our remaining 142 million shares in Metaverse as of March 31, 2025, resulting in a gain of $0.2 million in fiscal year 2025.

Earnout consideration on purchase of business

The Company estimated the fair value of its earnout liability using contractual inputs from the related business combination, which established specific fiscal year revenue growth, profitability and EBITDA targets. Prior to the completion of the earnout period at the end of fiscal year 2024, the Company utilized the most up to date forecast to estimate the outcome against these targets to determine the ultimate estimated payout. The amounts recognized are not discounted.

During the year ended March 31, 2024, the final year of the earnout measurement period, the Company estimated a $612 thousand decrease in its earnout liability, issued $392 thousand worth of equity to settle its liability, made cash payments of $291 thousand, and incurred interest of $29 thousand.

During the year ended March 31, 2025, the Company made its final earnout payments of $680 thousand, reducing the earnout liability to $0. The earnout payment was comprised of $590 in cash and $90 in equity (108 thousand shares of the Company's Common Stock).

Asset Acquisitions

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

Accounts Payable and Accrued Expenses

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

	As of March 31, 2024	
	2025	2024
Accounts payable	$ 7,298	$ 5,804
Amounts due to producers	16,488	9,889
Accrued compensation and benefits	1,398	1,119
Accrued other expenses	5,925	4,005
Total Accounts Payable and Accrued Expenses	$ 31,109	$ 20,817

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 businesses. The Company initially recognized the liability at fair value at the time of acquisition and has since 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 Consolidated Balance Sheets.

The deferred consideration related to the acquisition of DMR was payable in either shares of Common Stock or cash, at the Company's discretion and subject to certain conditions. During the year ended March 31, 2024, 2,284 thousand shares of Common Stock were issued to settle the second deferred consideration payment in the amount of $3.0 million. The final payment of $2.4 million was made on April 1, 2025 through the issuance of 677 thousand shares of Common Stock.

The deferred consideration related to the acquisition of FTV is payable in cash and up to 25% in shares of Common Stock, at the Company's discretion, and subject to certain conditions. The final payment of $0.5 million is due in June 2025.

Disaggregation of Revenue

The following table presents the Company’s revenue by source (in thousands):

	Year Ended March 31,	
	2025	2024
Streaming and digital	$ 44,408	$ 37,312
Base distribution	28,614	5,259
Podcast and other	4,893	2,718
Other non-recurring	266	3,842
Total Revenue	$ 78,181	$ 49,131

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. Certain revenue recognition estimates may be required for this source at the end of a reporting period when we are not contractually entitled to receive final performance reporting from our partners for an extended period of time.

Base distribution revenue is generated by the Company's physical revenue streams such as DVD's and related supply chain revenue, as well as theatrical revenue. The Company also has contracts for the theatrical distribution of third-party feature movies and alternative content. Distribution fee revenue and participation in box office receipts are recognized at the time a feature movie and alternative content are viewed.

Podcast and other revenue represents advertising fees earned in support of the Company's podcast programming.

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.

Revenue Recognition

Fees for the distribution of content in the home entertainment markets via several distribution channels, including digital, video on demand ("VOD" or "Streaming and Digital"), and physical goods (e.g., DVDs and Blu-ray Discs) ("Base Distribution"). Fees earned are typically a percentage of the net amounts received from our customers. Depending upon the nature of the agreements with the platform and content providers, the fee rate that we earn varies. The Company's performance obligations include the delivery of content for transactional, subscription and ad supported/free ad-supported streaming TV ("FAST") on the digital platforms, and shipment of DVDs and Blu-ray Discs. Revenue is recognized at the point in time when the content is available for subscription on the digital platform (the Company's digital content is considered functional IP), at the time of shipment for physical goods, or point-of-sale for transactional and VOD services as the control over the content or the physical title is transferred to the customer. The Company considers the delivery of content through various distribution channels to be a single performance obligation. Base Distribution Revenue from the sale of physical goods is recognized after deducting the reserves for sales returns and other allowances, which are accounted for as variable consideration. Reserves for potential sales returns and other allowances are recorded based upon historical experience. If actual future returns and allowances differ from past experience, adjustments to our allowances may be required.

We have the right to receive or bill a portion of the theatrical distribution fee in advance of the exhibition date, and therefore such amount is recorded as a receivable at the time of execution, and all related distribution revenue is deferred until the third-party feature movies' or alternative content's theatrical release date.

Payment terms and conditions vary by customer and typically provide net 30-to-90 day terms. We do not adjust the promised amount of consideration for the effects of a significant financing component when we expect, at contract inception, that the period between our transfer of a promised product or service to our customer and payment for that product or service will be one year or less. As the Company satisfies its performance obligations, whether relating to the delivery of digital content, physical goods, or licensing, revenue is generally measured at a point in time.

The Company follows the five-step model established by ASC 606, *Revenue from Contracts with Customers* 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 the terms of each agreement. 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. 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.

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 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.

A summary of the movements of our allowances for credit losses as of March 31, 2025 and March 31, 2024 *(in thousands)*:

Allowance for credit losses at the beginning of the year	$	269
Increase in estimated provision		38
Allowance for credit losses as at March 31, 2025	$	307

Allowance for credit losses at the beginning of the year	$	54
Increase in estimated provision		215
Allowance for credit losses as at March 31, 2024	$	269

Contract Liabilities

We generally record a receivable related to revenue when we have an unconditional right to invoice and receive payment, and we record deferred revenue (contract liability) when cash payments are received or due in advance of our performance, even if amounts are refundable. Deferred revenue includes amounts related to advances, the sale of DVDs or theatrical releases with future release dates.

The ending deferred revenue balance, all current as of March 31, 2025 and 2024 was $0.2 million and $0.4 million, respectively. There were no long-term amounts as of March 31, 2025 and 2024.

Participations and Royalties Payable

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

Concentrations

For the fiscal year ended March 31, 2025, two customers represented 30.2% and 22.9% of consolidated revenue, respectively. For the fiscal year ended March 31, 2024, one customer represented 26% of consolidated revenue.

Direct Operating Costs

Direct operating costs consist of operating costs such as cost of revenue, fulfillment expenses, shipping costs, property taxes and insurance on systems, royalty and participation expenses, allowance 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 and performance stock units. The Company accounts for its stock-based compensation awards in accordance with FASB ASC Topic 718, Compensation—Stock Compensation ("ASC 718"). ASC 718 requires all stock-based payments, including grants of stock options and restricted stock units and modifications to existing stock options, to be recognized in the Consolidated Statements of Operations based on their fair values. The Company measures the compensation expense of employee and non-employee services received in exchange for an award of equity instruments based on the fair value of the award on the grant date. That cost is recognized on a straight-line basis over the period during which the employee and non-employee is required to provide service in exchange for the award. The fair values of options and stock appreciation rights 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.

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 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*, which provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained were it to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the "more-likely-than-not" threshold, the largest amount of tax benefit that is more than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Company has no uncertain tax positions.

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.

The Company adopted ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, as amended, on April 1, 2024, using the modified retrospective approach. This amendment includes disclosure of significant segment expenses which are regularly provided to the Company's Chief Operating Decision Maker ("CODM") and included within each reported measure of segment profit or loss; other segment items by reportable segment and a description of its composition; reportable segment's profit or loss and assets; additional measures of segment profit or loss if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance, and the title and position of the entity's CODM and how the CODM uses the reported measures of segment profit or loss in assessing segment performance and determining resource allocation. Such disclosures apply to entities with a single reportable segment. These amendments were effective for the Company in its consolidated financial statements for the year ended March 31, 2025 and apply retrospectively to all prior periods using the significant segment expense categories identified. The impact of the amendments in this update was not material to the Company's consolidated financial position and results of operations, as the requirements impact only segment reporting disclosures in the footnotes to the Company's consolidated financial statements.

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. SEGMENT INFORMATION

The Company operates as a single reportable segment. The Company's CODM, its Chief Executive Officer ("CEO"), reviews financial information on a consolidated basis to make operating decisions, assess financial performance, and allocate resources.

In evaluating performance, the CODM primarily assesses operating income (loss) and net income (loss), as reported on the consolidated statement of operations and regularly reviews certain significant expense categories, including royalty expense; license, participation and technology costs; other direct operation costs; payroll and related expenses; professional services; advertising and marketing; amortization; and other general and administrative. These expense categories are considered key factors in managing the business and guiding resource allocation decisions.

This approach ensures that the Company's financial reporting reflects the way management monitors expenses and overall financial performance.

The following table presents financial information with respect to the Company's single operating segment for the years ended March 31, 2025, and 2024:

	For the Fiscal Year Ended March 31	
	2025	**2024**
Revenues	$ 78,181	$ 49,131
Less:		
Royalty expense	24,243	7,693
License, participation and technology costs	7,118	4,582
Other direct operating costs	6,182	6,837
Payroll and related	16,900	17,471
Professional services	3,112	3,460
Advertising and marketing	1,385	582
Amortization and depreciation	3,797	3,771
Other general and administrative	7,520	6,410
Impairment of goodwill	—	14,025
Total operating expenses	70,257	64,831
Operating income (loss)	7,924	(15,700)
Interest expense	(4,365)	(1,066)
Other income (expense)	311	(4,489)
Income (loss) before income taxes	3,870	(21,255)
Provision for income taxes	(106)	(10)
Net income (loss)	$ 3,764	$ (21,265)

4. OTHER INTERESTS

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

As of March 31, 2025 and 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 $0.0 million and $0.5 million as of March 31, 2025 and 2024, respectively, which are included in accounts receivable, net on the accompanying Consolidated Balance Sheets.

The accompanying Consolidated Statements of Operations include $0.0 million and $0.2 million of digital cinema servicing revenue from CDF2 Holdings for the year ended March 31, 2025 and 2024, respectively.

Total stockholders’ deficit of CDF2 Holdings as of March 31, 2025 and 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 March 31, 2025 and 2024 is carried at $0.

CONtv

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. CONtv is consolidated in our consolidated financial statements with the 15% minority interest presented as a non-controlling interest.

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 (together, the “Roundtable Securities”). The Company paid the purchase price for the Roundtable Securities by issuing 16 thousand shares of Common Stock to Roundtable, after taking into account the June 2023 reverse stock split (further described in the Stockholders' Equity footnote). 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.

5. STOCKHOLDERS' EQUITY

COMMON STOCK

Common Stock

During the fiscal year ended March 31, 2025, the Company issued 500 thousand shares of Common Stock, relating to preferred stock dividends, Board fees, deferred consideration and earnout commitments, and common stock warrant exercise.

During the fiscal year ended March 31, 2024, the Company issued 6.4 million shares of Common Stock, through a registered direct offering, ATM sales, preferred stock dividends, issuance for shares for employee bonuses net of shares withheld for taxes, exercise of pre-funded warrants, Board fees, deferred consideration and earnout commitments.

Direct Offering

In June 2023, the Company sold in a public offering an aggregate of 2,150,000 shares of the Company's Class A common stock, pre-funded warrants to purchase up to 516,667 shares of Common Stock, and common warrants to purchase up to 2,666,667 shares of Common Stock at an effective combined purchase price of $3.00 per share and related Common Warrant, for aggregate gross proceeds of approximately $8.0 million, before deducting placement agents fees and offering expenses payable by the Company. The purchase price of each Pre-Funded Warrant and related Common Warrant was equal to the Purchase Price less the $0.001 per share exercise price of each Pre-Funded Warrant. All pre-funded and common warrants were issued as immediately exercisable.

All pre-funded warrants were subsequently exercised in July 2023 for total proceeds of $0.5 thousand. All common warrants were issued as immediately exercisable and 2,654 thousand common warrants remain outstanding as of March 31, 2025.

ATM Sales Agreement

In July 2020, we entered into an At-the-Market sales agreement (the "ATM Sales Agreement") with A.G.P./Alliance Global Partners ("A.G.P.") and B. Riley FBR, Inc. ("B. Riley" and, together with A.G.P., the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock at the market prices prevailing on Nasdaq at the time of the sale of such shares. The Company is not obligated to sell any shares under the ATM Sales Agreement. Any sales of shares made under the ATM Sales Agreement will be made pursuant to the Company's Registration Statement on Form S-3 (Registration No. 333-239710), for an aggregate offering price of up to $30 million. The ATM Sales Agreement terminated on January 6, 2024.

For the year ended March 31, 2024, the Company sold 177 thousand shares for $1.1 million in net proceeds, respectively, after deduction of commissions and fees.

On May 3, 2024, Company entered into a Sales Agreement (the "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 its Class A common stock, par value $0.001 per share (the "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 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 3.00% 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 Sales Agreement and has not sold any shares through the date of this report.

PREFERRED STOCK

Cumulative dividends in arrears on our outstanding Series A preferred stock were $0.1 million as of March 31, 2025 and 2024. For the years ended March 31, 2025 and 2024, we paid preferred stock dividends in the form of 276 thousand and 196 thousand shares of Common Stock, respectively.

TREASURY STOCK

We have treasury stock, at cost, consisting of 504 thousand shares and 289 thousand shares of Common Stock as of March 31, 2025 and 2024, respectively. During the year ended March 31, 2025, the Company acquired 215 thousand shares of treasury stock, repurchased through Rule 10b5-1 and 10b-18 trading plans with B. Riley Securities, Inc.

EQUITY INCENTIVE PLANS

Awards issued under our 2000 Equity Incentive Plan (the "2000 Plan") were in any of the following forms (or a combination thereof) (i) stock option awards; (ii) stock appreciation rights; (iii) stock or restricted stock or restricted stock units; or (iv) performance awards. The 2000 Plan 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 are subject to vesting provisions, and exercise is subject to the continuous service of the participant. The exercise prices and vesting periods (if any) for non-statutory options were set at the discretion of our Compensation Committee. The Company does not estimate forfeitures but recognizes forfeitures in the period in which they occur.

In August 2017, the Company adopted the 2017 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 provided for the issuance of shares of Common Stock through various awards, including stock options, stock appreciation rights, stock, restricted stock, restricted stock units, performance awards and cash awards.

Stock Options

Options outstanding and exercisable under the 2000 Plan are as follows:

As of March 31, 2025					
Min	Max	Options Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value
$ 148.0	$ 148.0	250	0.25	$ 148	$ —
		250	0.25	$ 148	$ —

As of March 31, 2024					
Min	Max	Options Outstanding	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value
$ 148.0	$ 148.0	250	1.25	$ 148	$ —
$ 280.0	$ 488.0	642	0.52	345	—
		892	0.72	$ 290	$ —

During the year ended March 31, 2025 and 2024, 642 options and 9 thousand options expired, respectively. The remaining outstanding options expire in July 2025.

Stock Appreciation Rights ("SAR")

During the year ended March 31, 2024, the Company granted 207 thousand SARs, which were granted under the 2017 Plan. No SARs were granted during the year ended March 31, 2025.

All SARs issued have an exercise price equal to the market price of the Company's Common Stock on the date of grant with a maturity date of 10 years after grant date. The Company has the option to settle the SARs through a cash payment, issuance of shares, or some combination of cash payment and shares. Based on past practice and intent to settle these awards with shares of Class A common stock, the Company has determined that these awards should be classified in equity.

The following weighted average assumptions were used to estimate the fair value of SARs granted, as follows:

	For the Year Ended March 31, 2024
Expected dividend yield	$ —
Expected equity volatility	107%
Expected term (years)	6.50
Risk-free interest rate	4.51% - 3.82%
Exercise price	$5.80-$10.43
Market price per share	$5.80-$10.43

The weighted average fair value of outstanding grants made during the year ended March 31, 2024, was $4.99 per award.

SARs outstanding under the 2017 Plan, along with the minimum and maximum strike price of each group, are as follows:

As of March 31, 2025					
Min	Max	SARs Outstanding (In thousands)	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
$ 5.80	$ 12.80	628	6.92	$ 9.44	$ —
$ 23.20	$ 29.40	98	4.12	27.77	—
$ 39.40	$ 46.40	41	5.85	39.18	—
		766	6.51	$ 13.36	$ —

As of March 31, 2024					
Min	Max	SARs Outstanding (In thousands)	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
$ 5.80	$ 12.80	632	7.92	$ 9.45	$ —
$ 23.20	$ 29.40	98	5.12	27.77	—
$ 39.40	$ 46.40	46	6.96	40.15	—
		776	7.51	$ 13.58	$ —

Exercisable SARs under the 2017 Plan as of March 31, 2025 are as follows:

SARs Exercisable (In thousands)	Weighted Average Remaining Life in Years	Weighted Average Exercise Price	Aggregate Intrinsic Value (In thousands)
623	8.0	$ 15.04	$ —

As of March 31, 2025, the compensation cost not yet recognized related to nonvested SARS awards totaled $162 thousand, to be recognized over the weighted average remaining vesting period of 1.1 years.

SARs activity for the year ended March 31, 2025 is as follows (in thousands):

	Year Ended March 31, 2025
SARs Outstanding March 31, 2024	776
Issued	—
Forfeited	10
Total SARs Outstanding March 31, 2025	766

Performance Stock Units ("PSU")

The Company grants performance stock unit ("PSU") awards under the 2017 Plan to employees of the Company that vest upon certain performance goals being achieved. Upon vesting, the award may be settled in shares or cash at the Company's discretion.

There were no PSUs granted, or shares issued upon the settlement of PSUs for the years ended March 31, 2025 and 2024. PSUs totalling 20,250 were forfeited during the year ended March 31, 2025. As of March 31, 2025, there are 25,000 unvested PSUs which will vest upon meeting certain performance goals for the year ended March 31, 2026.

Restricted Stock Awards ("RSA")and Restricted Stock Units ("RSU")

During the year ended March 31, 2025, the Company granted RSAs and RSUs to employees under the 2017 Plan. These RSAs and RSUs have 3-year vesting periods and are valued at the closing stock price on the date of grant. Upon vesting, RSUs may be settled in shares or cash at the Company's discretion while RSAs are in shares awards. As of March 31, 2025, there was $804 thousand of unrecognized stock-based compensation expense related to these awards that will be recognized over the remaining vesting period of 25 months. As of March 31, 2025, there were 1,127,500 unvested RSUs and RSAs outstanding.

RSU and RSA activity for the year ended March 31, 2025 is as follows (in thousands):

	Year Ended March 31, 2025	Weighted Average Grant Date Fair Value	Aggregate Fair Value
Outstanding March 31, 2024	—	$ —	$ —
Issued	2,425	0.83	2,013
Forfeited	(170)	0.83	(141)
Outstanding March 31, 2025	2,255	$ 0.83	$ 1,872

Stock-based Compensation Expense

A total of $1.9 million and $1.4 million of stock based compensation was included within Selling, General and Administrative expenses for the years ended March 31, 2025 and 2024, respectively.

Of this stock based compensation expense, there was $0.3 million and $0.3 million of stock-based compensation expense for the year ended March 31, 2025 and 2024, respectively, related to Board of Director fees. During the years ended March 31, 2025 and 2024, the Company issued 74 thousand and 400 thousand restricted shares to non-employee directors, respectively.

6. EARNINGS (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to Common Stockholders, adjusted for by the deemed earnings attributable to participating common warrant holders, by 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 by the weighted-average number of common shares outstanding and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares include restricted stock units, stock options and warrants outstanding during the period and are calculated 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 causes all potentially dilutive securities to be anti-dilutive and are not included.

The following table sets forth the computation of basic and diluted earnings per share and a reconciliation of the weighted average number of common and common equivalent shares outstanding for the fiscal year ended March 31, 2025 and 2024

	Twelve Months ended March 31,	
	2025	**2024**
	(in thousands, except shares and per share data)	
Numerator:		
Net income (loss) attributable to common stockholders and participating common warrant holders	$ 3,246	$ (21,757)
Less: earnings attributable to participating common warrant holders	468	—
Net income (loss) attributable to common stockholders - basic and diluted	$ 2,778	$ (21,757)
Denominator:		
Weighted average shares of common stock - basic	15,813,590	12,253,293
Effect of dilutive common stock equivalents	2,004,838	—
Weighted average shares of common stock - diluted	17,818,428	12,253,293
Earnings per share:		
Basic earnings (loss) per share	**$ 0.18**	**$ (1.78)**
Effect of dilutive common stock equivalents	(0.02)	—
Diluted earnings (loss) per share	**$ 0.16**	**$ (1.78)**

The following common equivalent shares outstanding at period-end have been excluded from the computation of earnings per share, as their inclusion would have been anti-dilutive:

	Twelve Months ended March 31,	
	2025	**2024**
Options to purchase common stock	250	892
Stock appreciation rights	766,244	775,701
Warrants to purchase common stock	2,654,167	2,666,667

7. DEBT

Line of Credit Facility

The Company is party to a Loan, Guaranty, and Security Agreement, as amended on April 8, 2025, with East West Bank ("EWB") providing for a $12.5 million Line of Credit Facility and expandable to $15.0 million, guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries' assets. The Line of Credit Facility bears interest at a rate equal to 1.25% above the prime rate, equal to 8.75% as of March 31, 2025. The Line of Credit Facility matures on April 8, 2028.

As of March 31, 2025 and 2024, $0.0 million and $6.4 million was outstanding on the Line of Credit Facility, respectively. Under the Line of Credit Facility, the Company is subject to certain financial and non-financial covenants including terms 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. As of March 31, 2024, the Company was out of compliance with one of its covenants and received a waiver from EWB in June 2024. The Company was in compliance with all covenants as of March 31, 2025.

For the year ended March 31, 2025 and 2024, the Company incurred interest expense of $0.6 million and $0.4 million to EWB related to the Line of Credit Facility, respectively.

Term Loan

On April 5, 2024, T3 Borrower, a wholly-owned subsidiary of the Company, entered into the T3 Loan Agreement with the T3 Lender.

The T3 Loan Agreement provides for the T3 Loan with a principal amount not to exceed $3.7 million, 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 equal to $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 loan amount over its term. If the T3 Loan is extended as noted above, the T3 Loan will bear interest at a rate of 1.44% per month. The 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 were used for the funding under the Company's distribution arrangements for the film titled Terrifier 3 (the "Film"). The T3 Loan Agreement contains customary covenants, representation and warranties and events of default.

After the principal of the T3 Loan is paid in full, the 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 the T3 Lender has received in total 1.75 times the full commitment amount of $3.7 million ("Participation Interest"). The T3 Loan is secured by a first priority interest in all of T3 Borrower's assets in connection with the Film, including T3 Borrower's rights, title and interest in the distribution agreements, including the proceeds to the T3 Borrower from the distribution of the Film. In April 2025, the Company paid the T3 Lender $700 thousand in Participation Interest which has been recorded as Interest Expense within the Consolidated Statement of Operations.

The Company entered into a Guaranty Agreement (the "T3 Guaranty Agreement") on April 25, 2024, pursuant to which it guarantees T3 Borrower's obligations under the T3 Loan Agreement (the "Guarantee"). The Guarantee is capped at $1.5 million.

Under an Intercreditor Agreement, dated April 5, 2024, by and among EWB, T3 Lender, T3 Borrower and the Company, the Guarantee is subordinated in payment and performance to the Line of Credit Facility.

The T3 Loan was repaid during the fiscal year ended March 31, 2025.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

Cineverse is a virtual company that operates without domestic operating leases. The Company previously maintained one domestic operating lease acquired through the acquisition of Digital Media Rights ("DMR"), which was subleased to a third-party. The Company was not relieved of its original lease obligation and therefore recognized both a lease liability and right-of-use asset as part of the arrangement through the end of the lease term in January 2025. The Company recognized $0.2 million of sublease income related to this subleasing arrangement for the twelve months ended March 31, 2025.

The Company's two operating leases for its India operations expire in July 2027.

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

	Classification on the Balance Sheet	2025	2024
Assets			
Noncurrent	Other long-term assets	$ 435	$ 834
Liabilities			
Current	Operating leases liabilities	187	401
Noncurrent	Operating leases liabilities, net of current	275	462
		$ 462	$ 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
2026	200
2027	210
2028	72
Total lease payments	$ 482
Less imputed interest	(20)
Total	$ 462

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 recognition provisions of ASC 842 and recognizes these expenses on a straight-line basis over the term of the agreement.

Since our operating leases do not provide a readily determinable implicit rate, the Company estimated its incremental borrowing rate to discount the lease payments based on information available at Cineverse's lease commencement date. The weighted average discount rate utilized was 3.34%.

The Company incurred $423 thousand and $441 thousand in rental expense associated with its operating leases during the years ended March 31, 2025 and 2024, respectively.

Commitments

In the ordinary course of business, the Company enters into contractual arrangements, from time to time, under which it agrees to commitments with content providers for certain rights which are in production or have not yet been completed, delivered to, and accepted by the Company. Based on the nature of these agreements, which may be subject to delay or project abandonment, there is uncertainty with the amounts and timing of its commitments. Certain of these advances are eligible to be recouped through future revenue sharing arrangements. Based on the

stage of the Company's projects, the table presented below represents an estimate of the Company's gross project commitments over the next five fiscal years (in thousands):

	Fiscal Year Ended March 31,				
	2026	2027	2028	2029	2030
Total Project Commitments	$ 9,047	$2,341	$ 974	$ 288	$ —

9. INCOME TAXES

We recorded income tax expense of $0.1 million and $0.0 million from operations for the years ended March 31, 2025 and 2024, respectively. For the year ended March 31, 2025, the income tax expense of $0.1 million was related to U.S. state and foreign income taxes.

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

	For the Fiscal Year Ended March 31,	
	2025	2024
Federal:		
Current	$ —	$ —
Deferred	—	—
Total federal	$ —	$ —
State:		
Current	$ 62	$ (11)
Deferred	—	—
Total state	$ 62	$ (11)
Foreign:		
Current	$ 51	$ 35
Deferred	(7)	(14)
Total foreign	$ 44	$ 21
Income tax expense	$ 106	$ 10

Net deferred taxes consisted of the following *(in thousands)*:

	As of March 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 16,216	$ 20,945
Stock-based compensation	2,198	3,724
Intangibles	3,857	6,423
Accrued liabilities	441	535
Capital loss carryforward	4,637	3,924
Investments	—	1,977
Non-deductible interest expense	3,741	4,213
Other	204	240
Total deferred tax assets before valuation allowance	31,294	41,981
Less: Valuation allowance	(31,141)	(41,668)
Total deferred tax assets after valuation allowance	$ 153	$ 312
Deferred tax liabilities:		
Right of use asset	$ (102)	$ (248)
Depreciation and amortization	(30)	(50)
Total deferred tax liabilities	(132)	(298)
Net deferred tax	$ 21	$ 14

We have provided a valuation allowance to our net deferred tax assets as of March 31, 2025 and 2024. We are required to recognize all or a portion of our deferred tax assets if we believe that it is more likely than not that such assets will be realized, given the weight of all available evidence. We assess the realizability of the deferred tax assets at each interim and annual balance sheet date. In assessing the need for a valuation allowance, we considered both positive and negative evidence, including recent financial performance, projections of future taxable income and scheduled reversals of deferred tax liabilities. The decrease in the valuation allowance of $10.5 million during the fiscal year ended March 31, 2025 was mainly due to a change in the blended state statutory tax rate. The state statutory tax rate decreased due to the utilization of the census-method for purposes of apportioning revenue. This

change caused the gross state deferred tax asset to decrease along with the corresponding valuation allowance. The increase in the valuation allowance of $5.9 million during the fiscal year ended March 31, 2024, was mainly due to increases in the deferred tax asset related to the net operating loss carryforward and other temporary differences. We will continue to assess the realizability of the deferred tax assets at each interim and annual balance sheet date based upon actual and forecasted operating results.

As of March 31, 2025, we had federal and state net operating loss carryforwards of approximately $68.6 million available in the United States of America ("U.S.") to reduce future taxable income. U.S. federal and state net operating loss carryforwards of approximately $20.0 and $68.6 million, respectively, generally begin to expire in 2027. U.S. federal net operating loss carryforwards that were generated during the years ended March 31, 2020, 2021, 2022, 2023, and 2024 of approximately $48.6 million, do not expire.

Under Section 382 of the Internal Revenue Code, if a corporation undergoes an ownership change (generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period), the corporation's ability to use its pre-change net operating loss ("NOL") carryforwards to offset its post-change income may be limited. Similar rules may apply under state tax laws. On November 1, 2017, we experienced an ownership change with respect to the Bison acquisition. Accordingly, our ability to utilize our NOL carryforwards attributable to periods prior to November 1, 2017, is subject to substantial limitations. These limitations could result in increased future tax payments, which could be material. We experienced subsequent ownership changes under Section 382 on September 15, 2020 and November 1, 2022, which resulted in additional limitations in our ability to utilize our NOL carryforwards attributable to periods prior to September 15, 2020 and November 2022, respectively. The limitations triggered by the September 15, 2020 and November 1, 2022 ownership changes were significantly less substantial than the limitation triggered by the November 1, 2017 ownership change, however.

The differences between the U.S. statutory federal tax rate and our effective tax rate are as follows:

	For the Year Ended March 31,	
	2025	**2024**
Provision at the U.S. statutory federal tax rate	21.0%	21.0%
State income taxes, net of federal benefit	2.6%	8.7%
Change in valuation allowance	(44.3)%	(22.5)%
Non-deductible expenses	5.9%	(1.0)%
Deferred tax adjustments	17.3%	—%
Goodwill impairment	—%	(6.3)%
Other	0.2%	—%
Income tax expense (benefit)	2.7%	(0.1)%

We file income tax returns in the U.S. federal jurisdiction, various U.S. states, and India. For federal income tax purposes, our fiscal 2022 through 2025 tax years remain open for examination by the tax authorities under the normal three-year statute of limitations. Fiscal 2007 will also remain open for examination as the Company used the fiscal 2007 NOL carryforward this year. For U.S. state tax purposes, our fiscal 2021 through 2025 tax years generally remain open for examination by most of the tax authorities under a four-year statute of limitations. For Indian income tax purposes, our fiscal 2022 through 2025 tax years remain open for examination by the tax authorities.

10. SUBSEQUENT EVENTS

EWB Line of Credit Expansion

On April 8, 2025, the Company entered into a Second Amended and Restated Loan, Guaranty and Security Agreement, by and between the Company, EWB and the Guarantors named therein, which are certain subsidiaries of the Company (the "Loan Agreement"). The Loan Agreement amended and restated the prior amended and restated loan, guaranty and security agreement, which was entered into on September 15, 2022 (and amended from time to time, the "Prior Loan Agreement"). The Loan Agreement provides for a credit facility (the "Credit Facility")

consisting of a maximum of $12,500,000 in revolving loans at any one time outstanding, which principal amount may be increased to $15,000,000 at the Company's request and at EWB's discretion, and having a maturity date of April 8, 2028.

Advances under the Credit Facility will bear interest on the outstanding daily balance at 125 basis points (1.25%) above the Prime Rate (as defined in the Loan Agreement). The proceeds from the Credit Facility will be used for the repayment at closing of expenses incurred in connection with the Prior Loan Agreement; payment of interest, legal fees and bank fees; investment, participation, acquisition and /or production of upcoming film/TV projects; and working capital needs and general corporate purposes. The Loan Agreement contains customary covenants, representation and warranties and events of default.

DMR Deferred Consideration Stock Settlement

On April 1, 2025, the $2.4 million deferred consideration payable to DMR was settled through stock issuance. As a result, the Company issued 677 thousand shares.

RSA and RSU Vesting

On April 25, 2025, one-third of the RSAs and RSUs granted to certain employees in April 2024 have vested. As a result, the Company issued 422 thousand shares, net of shares withheld for taxes due.

PART II. OTHER INFORMATION

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Definition and Limitations of Disclosure Controls and Procedures

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

Evaluation of Disclosure Controls and Procedures

The management of the Company, under the supervision and with the participation of our Chief Executive Officer and Chief 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 March 31, 2025. Based on such evaluation, our principal executive officer and principal financial and accounting officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, on a timely basis, and (ii) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures in our internal control over financial reporting as of March 31, 2025.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of March 31, 2025.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except that we implemented changes in our royalty accrual estimation process, following the upgrade of certain accounting systems and the integration of acquired businesses into our accounting and financial reporting process.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

Christopher J. McGurk, 68, has been the Company's Chief Executive Officer and Chairman of the Board since January 2011. Mr. McGurk was the founder and Chief Executive Officer of Overture Films from 2006 until 2010, and also the Chief Executive Officer of Anchor Bay Entertainment, which distributed Overture Films' products to the home entertainment industry. From 1999 to 2005, Mr. McGurk was Vice Chairman of the Board and Chief Operating Officer of Metro-Goldwyn-Mayer Inc. ("MGM"), acting as the company's lead operating executive until MGM was sold for approximately $5 billion to a consortium of investors. Mr. McGurk joined MGM from Universal Pictures, where he served in various executive capacities, including President and Chief Operating Officer, from 1996 to 1999. From 1988 to 1996, Mr. McGurk served in several senior executive roles at The Walt Disney Studios, including Studios Chief Financial Officer and President of The Walt Disney Motion Picture Group. Mr. McGurk has previously served on the boards of IDW Media Holdings, Inc., BRE Properties, Inc., DivX Inc., DIC Entertainment, Pricegrabber.com, LLC and MGM Studios, Inc. Mr. McGurk has had a long and transformative executive career in film, TV and streaming content industries.

Peter C. Brown, 66, has been a member of the Board since September 2010. He is Chairman of Grassmere Partners, LLC, a private investment firm he founded in 2009. He served as Chairman of the Board, Chief Executive Officer, and President of AMC Entertainment Inc. ("AMC"), one of the world's leading theatrical exhibition companies, from 1999 to 2009, and Chief Financial Officer from 1991 to 1999. In 1997, he founded EPR Properties, (NYSE: EPR) a real estate investment trust and served as Chairman of the Board until 2003. He currently serves on the board of EPR Properties. Past additional public company boards include Lumen Technologies, Inc., National CineMedia, Inc., Midway Games, Inc., LabOne, Inc., and Protection One, Inc.

Mary Ann Halford, 66, has been a member of the Board since December 2023. Ms. Halford is an internationally recognized media and entertainment operator, advisor, and entrepreneur. She is the Founder and Managing Principal of Halford Media Advisory, working with clients in the US and internationally on transformation strategies. Prior to setting up her own firm, she was a Partner at Altman Solon, a Telecommunications, Media, and Technology ("TMT") strategy consultancy focusing on the media industry. Ms. Halford has previously served as a Senior Managing Director at FTI Consulting and EVP of Fox International Entertainment Channels, a division of Fox Entertainment Group. In 2002, she co-founded El Camino Entertainment Group which consolidated operating businesses in the live family entertainment industry, which currently operates as North American Midway Entertainment. Past board positions include director of EightCo Holdings (NASDAQ: OCTO),Verge SE (f/k/a Media and Games Invest) (OMX: M8G), Vinco Ventures (NASDAQ: BBIG) and Triton Digital (private).

Patrick W. O'Brien, 78, has been a member of the Board since July 2015. He currently serves as the Managing Director and Principal of Granville Wolcott Advisors, a company he formed in 2009, which provides business consulting, due diligence and asset management services for public and private clients. Mr. O'Brien has previously served as Chairman of the Board and CEO of Livevol, Inc., a private company that was a leader in equity and index options technology, which was successfully sold to CBOE Holdings. During the past five years, Mr. O'Brien has also served on the boards of Creative Realities, Inc., ICPW Liquidation Trust, and Merriman Holdings, Inc.

Executive Officers

The Company's executive officers are Christopher J. McGurk, Chief Executive Officer and Chairman of the Board, Erick Opeka, President and Chief Strategy Officer, Gary S. Loffredo, Chief Legal Officer, Secretary and Senior Advisor, Tony Huidor, President of Technology and Chief Product Officer, Mark Lindsey, Chief Financial Officer, Yolanda Macias, Chief Motion Pictures Officer, and Mark Torres, Chief People Officer. Biographical information for Mr. McGurk is included above.

Erick Opeka, 51, has served as the Company's Chief Strategy Officer and President since December 2020, overseeing the day-to-day operations of the Company's streaming and distribution operations, and driving Cineverse's corporate strategy and M&A initiatives. Prior to his current role, Mr. Opeka served as EVP of the Company's Global Digital Distribution business. Before joining Cineverse, he co-founded and led the independent distributor New Video's streaming business. Mr. Opeka began his entertainment career at Madstone Entertainment, and prior to that, he served in the US Army infantry. He currently serves as the Vice Chairman of streaming trade organization OTT.X and on the Board of Directors of film and television production company Roundtable Entertainment. Mr. Opeka holds a BA degree from The University of Texas at Austin and an MBA from Florida State University.

Gary S. Loffredo, 60, is the Company's Chief Legal Officer, Secretary and Senior Advisor. Mr. Loffredo has served in numerous executive leadership roles with the Company since joining in 2000 including President, Chief Operating Officer, Senior Vice President of Business Affairs, and General Counsel. He also served as President of Digital Cinema from 2011 to 2023, as Interim Co-Chief Executive Officer from June 2010 through December 2010 and was a member of the Company's Board of Directors from September 2000 - October 2015. Prior to joining Cineverse, from March 1999 to August 2000, Mr. Loffredo was Vice President, General Counsel and Secretary of Cablevision Cinemas d/b/a Clearview Cinemas, a film exhibitor. From September 1992 to February 1999, he was an attorney at the law firm of Kelley Drye & Warren LLP.

Tony Huidor, 57, is the Company's President of Technology and Chief Product Officer. Since joining Cineverse in 2015, Huidor has managed the launch and daily operations of the Company's portfolio of all subscription and ad-supported digital-first channels. He conceived and designed Cineverse's proprietary Matchpoint Dispatch™ distribution platform and oversees overall product development of Matchpoint Blueprint™ which powers all streaming apps for Cineverse's portfolio of streaming services. In addition, Mr. Huidor recently developed cineSearch which is the Company's AI-based conversational chatbot for advanced content recommendations. Prior to joining the Company, Mr. Huidor served as Vice President of Operations for Universal Music Group (UMG) and then VP of Technical Product Development for Universal Music Group Distribution (UMGD). Prior to his tenure at Universal Music Group, Mr. Huidor worked as Director of Product Development for the Walt Disney Internet Group, where he was responsible for the creation and development of subscription-based entertainment services worldwide.

Mark Lindsey, 58, is the Company's Chief Financial Officer. Mr. Lindsey oversees all facets of accounting, including financial reporting, financing, working capital management, treasury, tax compliance and planning, internal controls and policy development. Prior to joining Cineverse, he most recently served as Chief Accounting Officer and acting Chief Financial Officer for Firefly Systems, Inc., a digital out-of-home (DOOH) and mobility advertising company. Mr. Lindsey was also CFO and CCO for Canapi Ventures, a financial technology-focused venture capital firm. Earlier in his career, Mr. Lindsey served in related executive capacities with American Capital, LTD., XM Satellite Radio, the Public Company Accounting Oversight Board and PricewaterhouseCoopers.

Yolanda Macias, 60, is the Company's Chief Motion Pictures Officer. She joined Cineverse in 2013 and was the Chief Content Officer of Cineverse Entertainment Group from December 2020 to May 2025. She is responsible for acquiring global content rights for all distribution and streaming platforms and oversees marketing. Ms. Macias has over 25 years of entertainment distribution experience, including executive positions at Vivendi/Universal from 2004 to 2012, DIRECTV from 1996 to 2003, and The Walt Disney Company from 1992 to 1995. Ms. Macias serves on the board of Skechers USA, Inc. (NYSE: SKX) and as vice chair for C5LA a non-profit organization supporting under resourced and high potential teen. Macías received her MBA from the J.L. Kellogg Graduate School of Management at Northwestern University and her B.S. degree in Finance from California State University, Northridge.

Mark Torres, 65, is the Company's Chief People Officer. He joined Cineverse in 2018 as Senior Vice President of Human Resources. Mr. Torres has served as a senior human resources executive for over 20 years, including prior to the Company, at Sony Pictures Entertainment, Ticketmaster and Reed Elsevier/Variety, as well as several technology and media start-up companies. Mr. Torres served as SVP of People & Culture at AdTec Rubicon Project (now Magnite). Mr. Torres is a graduate of California State University, Long Beach with a bachelor's degree in Telecommunications.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own more than 10% of its Common Stock to file reports of ownership and changes in ownership with the SEC and to furnish the Company with copies of all such reports they file.

Based on the Company's review of the copies of such forms received by it, or written representations from certain reporting persons, the Company believes that none of its directors, executive officers or persons who beneficially own more than 10% of the Common Stock failed to comply with Section 16(a) reporting requirements during the fiscal year ended March 31, 2025 (the "Last Fiscal Year").

Code of Business Conduct and Ethics

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

Stockholder Communications

The Board currently does not provide a formal process for stockholders to send communications to the Board. In the opinion of the Board, it is appropriate for the Company not to have such a process in place because the Board believes there is currently not a need for a formal policy due to, among other things, the limited number of stockholders of the Company. While the Board will, from time to time, review the need for a formal policy, at the present time, stockholders who wish to contact the Board may do so by submitting any communications to the Company's Secretary, Mr. Loffredo, 224 W. 35th St., Suite 500, #947 New York, New York 10001, with an instruction to forward the communication to a particular director or the Board as a whole. Mr. Loffredo will receive the correspondence and forward it to any individual director or directors to whom the communication is directed.

MATTERS RELATING TO OUR GOVERNANCE

Board of Directors

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

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

The Board intends to meet at least quarterly and the independent directors serving on the Board intend to meet in executive session (i.e., without the presence of any non-independent directors and management) immediately following regularly scheduled Board meetings. During the Last Fiscal Year, the Board held seven (7) meetings. Each current member of the Board, who was then serving, attended at least 75 percent of the total number of meetings of the Board, and of the committees of the Board on which they served in the Last Fiscal Year. Messrs. Brown and O'Brien and Ms. Halford are considered "independent" under the rules of the SEC and Nasdaq.Directors are elected for one-year terms.

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

The Board has three standing committees, consisting of an Audit Committee, a Compensation Committee and a Nominating Committee. Membership in each committee is shown in the following table.

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Christopher J. McGurk*			
Mary Ann Halford	●	▲	●
Peter C. Brown	▲	●	●
Patrick W. O'Brien**	●	●	▲

▲ Committee Chair ● Committee Member * Chairperson of the Board ** Lead Independent Director

Audit Committee

The Audit Committee consists of Messrs. Brown and O'Brien and Ms. Halford. Mr. Brown is the Chair of the Audit Committee. The Audit Committee held five (5) meetings in the Last Fiscal Year. The Audit Committee has met with the Company's management and the Company's independent registered public accounting firm to review and help ensure the adequacy of its internal controls and to review the results and scope of the auditors' engagement and other financial reporting and control matters. Mr. Brown is financially literate, and Mr. Brown is financially sophisticated, as those terms are defined under the rules of Nasdaq. Mr. Brown is also a financial expert, as such term is defined under the Sarbanes-Oxley Act of 2002. Messrs. Brown and O'Brien and Ms. Halford are considered "independent" under the rules of the SEC and Nasdaq.

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

Compensation Committee

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

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

The Compensation Committee, when determining executive compensation (including under the executive compensation program, as discussed below under the heading Compensation Discussion and Analysis), evaluates

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

The Compensation Committee has engaged Aon, a compensation consulting firm to provide guidance for cash and equity compensation to executive officers and directors, as requested, which the Compensation Committee considered in reaching its determinations of such compensation. In addition, Aon was available to respond to specific inquiries throughout the year.

SEC rules adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010 (the "Dodd-Frank Act"), enable our stockholders to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in the Company's proxy statements. The Company annually holds an advisory vote on executive compensation at its annual meetings.

Compensation Committee Interlocks and Insider Participation

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

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

Nominating Committee

The Nominating Committee consists of Messrs. Brown and O'Brien and Ms. Halford. Mr. O'Brien is the Chair of the Nominating Committee. The Nominating Committee held two (2) meetings during the Last Fiscal Year. The Nominating Committee evaluates and approves nominations for annual election to, and to fill any vacancies in, the Board and recommends to the Board the directors to serve on committees of the Board. The Nominating Committee also approves the compensation package of the Company's directors. Messrs. Brown and O'Brien and Ms. Halford are considered "independent" under the rules of the SEC and the Nasdaq.

The Nominating Committee has adopted a formal written charter (the "Nominating Charter"). The Nominating Charter sets forth the duties and responsibilities of the Nominating Committee and the general skills and characteristics that the Nominating Committee employs to determine the individuals to nominate for election to the Board. The Nominating Charter is available on the Company's Internet website at www.investor.cineverse.com.

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

There are no specific minimum qualifications that the Nominating Committee believes must be met by a Nominating Committee-recommended director nominee. However, the Nominating Committee believes that director candidates should, among other things, possess high degrees of integrity and honesty; have literacy in financial and

business matters; have no material affiliations with direct competitors, suppliers or vendors of the Company; and preferably have experience in the Company's business and other relevant business fields (for example, finance, accounting, law and banking). The Nominating Committee considers diversity together with the other factors considered when evaluating candidates but does not have a specific policy in place with respect to diversity.

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

Recoupment ("Clawback") Policy

The Company has a policy to recapture compensation as currently required under the Sarbanes-Oxley Act and the rules of The Nasdaq Stock Market. However, there have been no instances to date where it needed to recapture any compensation.

Additionally, we recognize that our compensation program is subject to the stock exchange listing standards required by Section 954 of the Dodd-Frank Act effective in October 2023, which required that stock exchange listing standards be amended to require issuers to adopt a policy providing for the recovery from any current or former executive officer of any incentive-based compensation (including stock options) awarded during the three-year period prior to an accounting restatement resulting from material noncompliance of the issuer with financial reporting requirements.

Insider Trading Policy; Restrictions on Speculative Transactions

The Company has an Insider Trading and Disclosure Policy that sets forth terms, conditions, timing, limitations, and prohibitions with respect to trading in the Company's securities by directors, officers, employees and consultants. The Insider Trading Policy restricts such persons from trading in the Company's securities while in possession of material nonpublic information. In addition, the Insider Trading Policy restricts such persons from engaging in speculative transactions in Company securities, including short sales, and discourages employees and directors of the Company from engaging in hedging transactions, including "cashless" collars, forward sales, and equity swaps, that may indirectly involve short sales. Pre-clearance by the Company is required for all equity transactions.

Stock Ownership Guidelines

The Board has adopted stock ownership guidelines for its non-employee directors, pursuant to which the non-employee directors are required to acquire, within three (3) years, and maintain until separation from the Board, shares equal in value to a minimum of three (3) times the value of the annual cash retainer (not including committee or per-meeting fees) payable to such director. Shares acquired as Board retainer fees and shares owned by an investment entity with which a non-employee director is affiliated may be counted toward the stock ownership requirement. As of March 31, 2025, each of Messrs. Brown and O'Brien and Ms. Halford currently meet the stock ownership guidelines.

Environmental, Social and Governance (ESG)

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

Sustainability

The Company is committed to working in a responsible and sustainable way to produce as few negative environmental effects as possible from our operations. Our core business does not result in any significant negative environmental effects. We note our leading role in the conversion, starting in 2005, from using analog films, which

had to be shipped to theatre destinations, causing greenhouse gas emissions and ultimately waste of the film after use, to digital projection of virtually all major and independent studio films, which are now electronically delivered to theatre destinations. In addition, our current business concentrates on digital and streaming distribution of content, which again is environmentally-friendly. This conversion and streaming approach significantly reduces the carbon footprint associated with the film exhibition industry.

Talent

We are evolving our culture and our human capital strategies to best serve all of our employees and align with our growth strategies and the changing social environments. We believe that fostering a culture that is values-based, responsible, ethical and inclusive motivates and empowers our employees, which enables us to attract and retain talented people, engage them in meaningful and inspiring work and, as a result, fulfill our business goals and objectives. We regularly engage with our employees to monitor their needs and expectations and respond to meet these evolving employee needs.

We provide market-competitive compensation and benefits to our employees. Our benefits programs are reviewed each year to ensure that we are meeting current practices in providing benefits that meet the health and safety needs of our employees. When special circumstances occur, such as the recent pandemic, we adjust our benefits to meet our employees' needs.

Health and Safety

We are focused on the health, safety and well-being of our employees. We provide mental and physical well-being programs to all employees.

Diversity, Equity and Inclusion

We are committed to diverse representation across all levels of our workforce to reflect the vibrant and thriving diversity of the communities which make up our customers, stockholders and home communities. Fostering a work environment that is culturally diverse, inclusive and equitable is important to us. We believe that our business accomplishments are a result of the efforts of our employees and that a diverse employee population will result in a better understanding of our customers' needs. We respect the unique attributes of each individual. Our DE&I purpose is to evolve the organization and our culture to reflect the customers and communities we serve, where differences in background, thought and experience are welcomed, valued and celebrated. We demonstrate purposeful actions and incorporate intentional practices to drive these inclusive behaviors in our daily work. We are committed to continually reviewing our operational practices and aligning DE&I initiatives with business objectives.

Social

We encourage our employees to give back to the community. In 2021, we initiated a Community Service Policy that provides paid time off to employees volunteering with qualified charitable organizations or causes (which organizations or causes may not discriminate based on creed, race, color, national origin, religion, age, disability, sex, gender, identity, sexual orientation, pregnancy or any other legally protected classification).

In addition, we have implemented a summer internship program in conjunction with C5 Youth Foundation of Southern California, a non-profit inner-city youth program. This 8-week program will provide for four college students to rotate through four departments at Cineverse.

ITEM 11. EXECUTIVE COMPENSATION

Named Executive Officers

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

SUMMARY COMPENSATION TABLE

Name and Principal Position(s)	Year	Salary ($)	Bonus ($) [1]	Stock Awards ($) [2]	Option Awards ($) [3]	All Other Compensation ($) [4]	Total ($)
Christopher J. McGurk	2025	650,000	—	249,270	—	39,912	939,182
Chief Executive Officer	2024	650,000	325,000	—	—	39,286	1,014,286
and Chairman	2023	650,000	707,969	26,250	1,200,000	39,431	2,623,650
Gary S. Loffredo	2025	460,000	—	166,180	—	56,797	682,977
Chief Legal Officer,	2024	460,000	161,000	—	196,323	55,521	872,844
Secretary and Senior Adviser	2023	460,000	350,717	15,750	—	58,785	885,252
Erick Opeka	2025	475,000	—	228,497	—	56,852	760,349
Chief Strategy Officer	2024	475,000	120,000	—	368,106	55,536	1,018,642
and President	2023	400,000	261,404	15,750	—	49,571	726,725

(1) The Company's bonus program, the MAIP incentive program, is described below. For fiscal year 2024 and 2023, the MAIP bonuses were settled in the Company's Common Stock.

(2) Includes performance share units ("PSUs") earned during the respective fiscal year.

(3) The amounts in this column reflect the grant date fair value for all fiscal years presented in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in footnote 2 to the Company's audited financial statements for the fiscal years ended March 31, 2025 and 2024, included in the Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (the "Form 10-K").

(4) Includes life insurance premiums, disability insurance premiums and certain medical expenses paid by the Company for each NEO.

Employment agreements between the Company and Named Executive Officers

Christopher J. McGurk. On October 17, 2022, the Company entered into an employment agreement with Christopher J. McGurk (the "2022 McGurk Employment Agreement"). The 2022 McGurk Employment Agreement took effect on April 1, 2023, with a term ending on March 31, 2026 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term. Pursuant to the 2022 McGurk Employment Agreement, Mr. McGurk continued to serve as the Chief Executive Officer and Chairman of the Board of the Company.

The 2022 McGurk Employment Agreement also provides that Mr. McGurk will receive an annual base salary of $650,000 and will be eligible for (i) under the Company's Management Annual Incentive Plan, a Target Bonus opportunity of $650,000 consistent with goals established from time to time by the Compensation Committee, (ii) under the 2017 Plan, performance share units for up to 25,000 shares of Common Stock, subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and financial performance targets, and such other terms as the Compensation Committee shall determine, and (iii) under the 2017 Plan, 125,000 SARs having an exercise price of $9.60 and a term of ten (10) years, one-third (1/3) of which will vest on April 1 of each of 2023, 2024 and 2025, provided that any unvested SARs shall immediately vest upon termination following a Change in Control (as defined in the 2017 Plan) or a termination other than for Cause (as defined in the 2022 McGurk Employment Agreement). Mr. McGurk will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2022 McGurk Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2022 McGurk Employment Agreement) or a resignation for Good Reason (as defined in the 2022 McGurk Employment Agreement), Mr. McGurk shall be entitled to payment of (i) the greater of any Base Salary for the remainder of the Term or eighteen (18) months' Base Salary at the time of termination and (ii) an amount equivalent to one and one-half (1.5) times the average of the last two (2) bonus payments under the MAIP, if any, under the 2022 McGurk Employment Agreement. In the event of, on or after April 1, 2023 and within two (2) years after a Change in Control (as defined in the Plan), a termination without Cause (other than due to Mr. McGurk's death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the McGurk Employment Agreement), then in lieu of receiving the amounts described above, Mr. McGurk would be entitled to receive a lump sum payment equal to three (3) times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus for the year of termination.

On May 1, 2025, the Company entered into an employment agreement with Christopher J. McGurk (the "2025 McGurk Employment Agreement"). The 2025 McGurk Employment Agreement took effect on May 1, 2025, has a term ending on April 30, 2027 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term, and supersedes the 2022 McGurk Employment Agreement. Pursuant to the 2025 McGurk Employment Agreement, Mr. McGurk will continue to serve as the Chief Executive Officer and Chairman of the Board of the Company.

The 2025 McGurk Employment Agreement also provides that will receive an annual base salary of $650,000 and will be eligible for (i) under the Company's Management Annual Incentive Plan ("MAIP"), a target bonus opportunity of $650,000 (the "Target Bonus") consistent with goals established from time to time by the Compensation Committee (the "Compensation Committee") of Board, (ii) under the Company's 2017 Equity Incentive Plan (the "Plan"), restricted stock units ("RSUs") for 120,000 shares of the Company's Class A common stock, par value $0.001 per share (the "Common Stock"), which (a) will vest in three equal annual installments following the grant date, (b) may be paid out in cash, Common Stock, or a combination thereof, as the Company may determine, and (c) shall immediately vest upon Mr. McGurk's termination within two (2) years following a Change in Control (as defined in the Plan) other than termination for Cause (as defined in the 2025 McGurk Employment Agreement) or resignation for Good Reason (as defined in the 2025 McGurk Employment Agreement). Mr. McGurk will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2025 McGurk Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2025 McGurk Employment Agreement) or a resignation for Good Reason (as defined in the 2025 McGurk Employment Agreement), Mr. McGurk shall be entitled to payment of (i) the greater of any Base Salary for the remainder of the Term or eighteen (18) months' Base Salary at the time of termination and (ii) an amount equivalent to one and one-half (1.5) times the average of the last two (2) bonus payments under the MAIP, if any, under the 2025 McGurk Employment Agreement. In the event of, on or after May 1, 2025 and during the Term, and within two (2) years after a Change in Control (as defined in the Plan), a termination without Cause (other than due to Mr. McGurk's death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the 2025 McGurk Employment Agreement), then in lieu of receiving the amounts described above, Mr. McGurk would be entitled to receive a lump sum payment equal to three (3) times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus for the year of termination.

Erick Opeka. On May 16, 2023, the Company entered into an employment agreement with Erick Opeka (the "2023 Opeka Employment Agreement,"). The 2023 Opeka Employment Agreement was effective as of May 1, 2023 and had a term ending on April 30, 2025 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term.

Pursuant to the Opeka Employment Agreement, Mr. Opeka served as the Chief Strategy Officer and President of the Company. The Opeka Employment Agreement also provides that Mr. Opeka will receive an annual base salary of $475,000 and will be eligible for (i) under the MAIP, a target bonus opportunity (the "Target Bonus") of $356,250 consistent with goals established from time to time by the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors, (ii) under the 2017 Plan, PSUs for up to 15,000 shares of the Company's Class A common stock (the "Common Stock"), subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and financial performance targets, and such other terms as the Compensation Committee shall determine, and (iii) under the Plan, 75,000 SARs having an exercise price of $5.80 and a term of ten (10) years, one-third (1/3) of which will vest on May 16, 2024, one-third (1/3) on May 1, 2025 and the final one-third (1/3) on May 1, 2026 (the "SAR Vesting Schedule"), provided that any unvested SARs shall immediately vest upon termination following a Change in Control (as defined in the Plan) or a termination other than for Cause (as defined in the Opeka Employment Agreement). Mr. Opeka will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The Opeka Employment Agreement provides that, in the event of a termination without Cause (as defined in the Opeka Employment Agreement) or a resignation for Good Reason (as defined in the Opeka Employment Agreement), Mr. Opeka shall be entitled to payment of 12 months' Base Salary at the time of termination. In the event of, on or after May 1, 2023 and during the Term, and within two (2) years after a Change in Control (as defined in the Plan), a termination without Cause (other than due to Mr. Opeka's death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the Opeka Employment Agreement) ("CIC Termination"), then in lieu of receiving the amounts described above, Mr. Opeka would be entitled to receive a lump sum payment equal to two times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus under the MAIP for the year of termination.

On May 1, 2025, the Company entered into an employment agreement with Erick Opeka (the "2025 Opeka Employment Agreement,"). The 2025 Opeka Employment Agreement was effective as of May 1, 2025 and supersedes the 2023 Opeka Employment Agreement. The 2025 Opeka Employment Agreement has a term ending on April 30, 2027 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term.

Pursuant to the 2025 Opeka Employment Agreement, Mr. Opeka will continue to serve as the President and Chief Strategy Officer of the Company. The 2025 Opeka Employment Agreement also provides that Mr. Opeka will receive an annual base salary of $475,000 and will be eligible for (i) a target bonus opportunity under the MAIP (the "Target Bonus") of $356,250 consistent with goals established from time to time by the Compensation Committee, and (ii) under the Plan, RSUs for 94,550 shares of Common Stock. Mr. Opeka will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2025 Opeka Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2025 Opeka Employment Agreement) or a resignation for Good Reason (as defined in the 2025 Opeka Employment Agreement), Mr. Opeka shall be entitled to payment of 12 months' Base Salary at the time of termination. In the event of, on or after May 1, 2025 and during the Term, and within two (2) years after a Change in Control (as defined in the Plan), a termination without Cause (other than due to death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the 2025 Opeka Employment Agreement) ("CIC Termination"), then in lieu of receiving the amounts described above, Mr. Opeka would be entitled to receive a lump sum payment equal to two times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus under the MAIP for the year of termination.

Gary S. Loffredo. On May 16, 2023, the Company entered into an employment agreement with Gary S. Loffredo (the "2023 Loffredo Employment Agreement"). The 2023 Loffredo Employment Agreement was effective as of May 1, 2023 and had a term ending on April 30, 2025 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term.

Pursuant to the 2023 Loffredo Employment Agreement, Mr. Loffredo served as the Chief Legal Officer, Secretary and Senior Advisor of the Company. The 2023 Loffredo Employment Agreement also provides that Mr. Loffredo will receive an annual base salary of $460,000 and will be eligible for (i) a target bonus opportunity under the MAIP of $322,000 (the "Target Bonus") consistent with goals established from time to time by the Compensation Committee, (ii) under the Plan, PSUs for up to 8,000 shares of Common Stock, subject to EBITDA targets to be determined in the sole and absolute discretion of the Compensation Committee and financial performance targets, and such other terms as the Compensation Committee shall determine, and (iii) under the Plan, 40,000 SARs having an exercise price of $5.80 and a term of ten (10) years which shall vest on the SAR Vesting Schedule, provided that any unvested SARs shall immediately vest upon termination following a Change in Control (as defined in the Plan) or a termination other than for Cause (as defined in the Loffredo Employment Agreement). Mr. Loffredo will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2023 Loffredo Employment Agreement provides that, in the event of a termination without Cause (as defined in the Loffredo Employment Agreement) or a resignation for Good Reason (as defined in the Loffredo Employment Agreement), Mr. Loffredo shall be entitled to payment of 12 months' Base Salary at the time of termination under the Loffredo Employment Agreement. In the event of a CIC Termination, on or after May 1, 2023 and during the Term, then in lieu of receiving the amounts described above, Mr. Loffredo would be entitled to receive a lump sum payment equal to two (2) times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus under the MAIP for the year of termination

On May 1, 2025, the Company entered into an employment agreement with Gary S. Loffredo (the "2025 Loffredo Employment Agreement"). The 2025 Loffredo Employment Agreement was effective as of May 1, 2025 and supersedes the 2023 Loffredo Employment Agreement. The 2025 Loffredo Employment Agreement has a term ending on April 30, 2027 with an automatic one-year renewal unless either party provides written notice to the other no later than ninety days prior to the expiration of the initial term.

Pursuant to the 2025 Loffredo Employment Agreement, Mr. Loffredo will continue to serve as the Chief Legal Officer, Secretary and Senior Advisor of the Company. The 2025 Loffredo Employment Agreement also provides that Mr. Loffredo will receive an annual base salary of $460,000 and will be eligible for (i) a target bonus opportunity under the MAIP (the "Target Bonus") of $322,000 consistent with goals established from time to time by the Compensation Committee, and (ii) under the Plan, RSUs for 76,820 shares of Common Stock. Mr. Loffredo will also be entitled to participate in all benefit plans and programs that the Company provides to its senior executives.

The 2025 Loffredo Employment Agreement provides that, in the event of a termination without Cause (as defined in the 2025 Loffredo Employment Agreement) or a resignation for Good Reason (as defined in the 2025 Loffredo Employment Agreement), Mr. Loffredo shall be entitled to payment of 12 months' Base Salary at the time of termination. In the event of, on or after May 1, 2025 and during the Term, and within two (2) years after a Change in Control (as defined in the Plan), a termination without Cause (other than due to death or disability), a resignation for Good Reason, or upon notice by the Company that it does not wish to renew the Term (as defined in the 2025 Loffredo Employment Agreement) ("CIC Termination"), then in lieu of receiving the amounts described above, Mr.

Loffredo would be entitled to receive a lump sum payment equal to two times the sum of (a) his then-current annual Base Salary and (b) his Target Bonus under the MAIP for the year of termination.

Equity Compensation Plans

The following table sets forth certain information, as of March 31, 2025, regarding the shares of Cineverse's Class A common stock under Cineverse's equity compensation plan.

Plan	Number of shares of Class A common stock issuable upon exercise of outstanding options, warrants or rights [1]	Weighted average of exercise price of outstanding options, warrants and rights	Number of shares of Class A common stock remaining available for future issuance
Cineverse Second Amended and Restated 2000 Equity	—	$ —	—
Incentive Plan ("the 2000 Plan")	250	$ 148.00	—
Cineverse 2017 Equity Incentive Plan (the "2017 Plan")	766,244	$ 13.36	1,738,669

(1) Shares of Common Stock.

The 2000 Plan

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

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

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

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

Performance awards consist of awards of stock and other equity-based awards that are valued in whole or in part by reference to, or are otherwise based on, the market value of the Common Stock, or other securities of the Company, and may be paid in shares of Common Stock, cash or another form of property as the Compensation Committee may determine. Grants of performance awards shall entitle participants to receive an award if the measures of performance established by the Committee are met. Such measures shall be established by the Compensation Committee but the relevant measurement period for any performance award must be at least 12 months. Grants of performance awards shall not cover the issuance of shares that would exceed 20% of the total number of shares available to be issued under the 2000 Plan, and no more than 2,500 shares pursuant to any performance awards shall be granted to one participant in a calendar year unless pursuant to a multi-year award. The terms of grants of performance awards would be set forth in agreements between the Company and the participants.

The 2017 Plan

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

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

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

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

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

With respect to limits on Award grants under the 2017 Plan, aggregate shares granted to non-employee directors in any year may not exceed $1,000,000 in value.

Our Common Stock is listed for trading on Nasdaq under the symbol “CNVS.”

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

OUTSTANDING EQUITY AWARDS AT MARCH 31, 2025

	EQUITY AWARDS [1]				STOCK AWARDS	
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Christopher J. McGurk	35,000 [2]	—	29.40	6/7/2028	—	—
	125,000 [3]	—	10.80	11/19/2030	—	—
	83,333 [4]	41,667 [4]	9.60	10/17/2032	—	—
					300,000 [11]	948,000
Gary S. Loffredo	20,380 [5]	—	29.40	12/10/2028	—	—
	60,000 [6]	—	12.80	12/23/2030	—	—
	13,334 [7]	26,666 [7]	5.80	5/16/2033	—	—
					200,000 [11]	632,000
Erick Opeka	17,750 [8]	—	23.20	9/28/2028	—	—
	60,000 [9]	—	12.80	12/23/2030	—	—
	25,000 [10]	50,000 [10]	5.80	5/16/2033	—	—
					275,000 [11]	869,000

(1) Reflects stock appreciation rights granted under the 2000 Plan and SARs granted under the 2017 Plan.
(2) Consists of stock appreciation rights, of which 1/3 vested on March 31st of each 2019, 2020 and 2021.
(3) Consists of stock appreciation rights, of which 62,500 vested on each of November 19, 2020 and March 31, 2023.
(4) Consists of stock appreciation rights, of which 41,666 vested on April 1, 2023, and 41,667 subsequently vested on April 1, 2024, and 41,667 will vest on April 1, 2025.
(5) Consists of stock appreciation rights, of which 1/3 of which vested on December 10 of each 2019, 2020 and 2021.
(6) Consists of stock appreciation rights, of which 25,000 vested on March 31 of each 2022 and 2023, and 10,000 vested on June 30, 2023.
(7) Of such stock appreciation rights, 13,334 vested on May 16, 2024, 13,333 will vest on May 1, 2025 and 13,333 will vest on May 1, 2026.
(8) Consists of stock appreciation rights, of which 1/3 vested on March 31 of each 2019, 2020, and 2021.
(9) Of such stock appreciation rights, 25,000 vested on March 31, 2022, 25,000 vested on March 31, 2023 and 10,000 vested on December 31, 2023.
(10) Of such stock appreciation rights, 25,000 vested on May 16, 2024, 25,000 will vest on May 1, 2025 and 25,000 will vest on May 1, 2026.
(11) Consist of restricted stock awards and restricted stock units, of which 1/3 will vest on April 25th of each 2025, 2026 and 2027. Market value of stock awards is determined using the closing price of the Company's stock as of March 31, 2025.

Non-employee Directors

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

Name	Cash Fees Earned ($)	Stock Awards ($) [1]	Total ($)
Peter C. Brown	$ 85,000	$ 90,000	$ 175,000
Patrick W. O'Brien	$ 105,000	$ 90,000	$ 195,000
Mary Ann Halford [2]	$ 85,000	$ 90,000	$ 175,000

[1] All non-employee directors each received 24,433 shares of restricted stock during the Last Fiscal Year, of which 1/2 remain unvested as of March 31, 2025.
[2] Mary Ann Halford joined the board on December 8, 2023. Of the initial shares of restricted stock received upon joining the Board, 107,162 shares remain unvested as of March 31, 2025.

Non-employee directors receive the following compensation for board service:

- Annual cash retainer amount is $60,000.
- Annual stock grant of restricted shares of Common Stock amount is valued at $90,000 based on the trailing 20-day volume weighted average price ("VWAP") of the Common Stock as of the date of the most recent prior annual shareholder's meeting.
- In addition, non-employee directors receive annual committee fees of $15,000 for service as a committee chair and of $5,000 for service on a committee (other than as chair). In addition to the cash and stock retainers paid to all non-employee directors for Board service, the Lead Independent Director receives an annual cash fee of $20,000.
- Finally, new non-employee directors will receive a grant of restricted stock valued at $180,000 based on the trailing 20-day VWAP of the Common Stock as of the grant date (the date the director joins the Board), and such shares will vest in three equal installments on the first three anniversaries of the date of grant.

The Company has adopted Stock Ownership Guidelines for its non-employee directors as discussed under MATTERS RELATING TO OUR GOVERNANCE, above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of June 20, 2025, the Company's directors, executive officers, and principal stockholders beneficially own, directly or indirectly, in the aggregate, approximately 25.5% of its outstanding Common Stock. These stockholders have significant influence over the Company's business affairs, with the ability to control matters requiring approval by the Company's stockholders.

The following table sets forth as of June 20, 2025, certain information with respect to the beneficial ownership of the Common Stock as to (i) each person known by the Company to beneficially own more than 5% of the outstanding shares of the Class A common stock, (ii) each of the Company's directors, (iii) each of the NEOs and (iv) all of the Company's directors and executive officers as a group.

CLASS A COMMON STOCK

	Shares Beneficially Owned (b)		
Name (a)	**Number**		**Percent**
Christopher J. McGurk	881,045	(c)	5.1%
Erick Opeka	321,896	(d)	1.9%
Gary S. Loffredo	277,383	(e)	1.6%
Mary Ann Halford	245,548		1.4%
Peter C. Brown	132,551	(f)	*
Patrick W. O'Brien	128,493		*
Peixin Xu	958,782	(g)	5.6%
Corsair Capital Management, L.P.	941,744	(h)	5.5%
All directors and executive officers as a group (10 persons)	2,621,514	(i)	14.8%

(a) Unless otherwise indicated, the business address of each person named in the table is c/o Cineverse Corp., 224 W. 35th St. Suite 500, #947 New York, New York 10001.

(b) Applicable percentage of ownership is based on 17,108,062 shares of Common Stock outstanding as of June 20, 2025 together with all applicable options, warrants and other securities convertible into shares of our Common Stock for such stockholder. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares. Shares of Common Stock subject to options, warrants or other convertible securities exercisable within 60 days after June 20, 2025 are deemed outstanding for computing the percentage ownership of the person holding such options, warrants or other convertible securities, but are not deemed outstanding for computing the percentage of any other person. Except as otherwise noted, the named beneficial owner has the sole voting and investment power with respect to the shares of Common Stock shown. Certain information is based on the numbers of shares reported in the most recent Schedule 13D or Schedule 13G, as amended, as applicable, filed by stockholders with the SEC through June 20, 2025 and information provided by holders or otherwise known to the Company

(c) Includes (i) 285,000 shares of Common Stock underlying currently exercisable stock appreciation rights and (ii) 103,526 shares owned by the Christopher and Jamie McGurk Living Trust, of which Mr. McGurk is a trustee.

(d) Includes 127,750 shares of Common Stock underlying currently exercisable stock appreciation rights.

(e) Includes 107,046 shares of Common Stock underlying currently exercisable stock appreciation rights.

(f) Includes 4,603 shares owned by Grassmere Partners LLC, of which Mr. Brown is Chairman. Mr. Brown disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(g) Includes (i) 21,585 shares of Common Stock owned directly, (ii) 410,884 shares of Common Stock held by Mingtai Investment LP ("Mingtai"), (iii) 194,931 shares of Common Stock held by Antai Investment LP ("Antai"), and (v) 331,382 shares of Common Stock held by Shangtai Asset Management LP ("Shangtai"). BEMG is wholly-owned by Bison Capital Holding Company Limited. Mr. Xu's spouse, Fengyun Jiang, is the sole owner of Bison Capital Holding Company Limited. Mingtai is indirectly managed by a subsidiary of Bison Finance Group Limited ("BFGL"), which is controlled by Mr. Xu. Shangtai is indirectly managed by a subsidiary of BFGL. Mr. Xu controls the manager of the general partner of Antai. The business address of Mr. Xu is 609-610 21st Century Tower, No. 40 Liangmaqiao Road, Chaoyang District, Beijing, China, 100016. Information presented is based on Amendment No. 4 to Schedule 13D filed by Mr. Xu on May 31, 2023.

(h) Includes (i) 790,602 shares of Common Stock, including 69,193 shares underlying currently exercisable warrants, held by Corsair Capital Partners LP, (ii) 116,660 shares of Common Stock, including 10,045 shares underlying currently exercisable warrants, held by Corsair Capital Partners 100 LP, and (iii) 34,482 shares of Common Stock, including 4,095 shares underlying currently exercisable warrants, held by Corsair Capital Investors Ltd. Corsair Capital Management, L.P serves as the investment adviser to each of these entities and are deemed to have shared voting and dispositive power over the shares held by them. Mr. Jay R. Petschek and Mr. Steven Major are (My controlling persons of Corsair Capital Management, L.P, and are deemed to have shared voting and dispositive power over these shares. The principal business address for each of Corsair Capital, Corsair 100, Corsair Management, Mr. Petschek and Mr. Major is 18 East 48th Street, 20th Floor, New York, NY 10017. The principal business address for Corsair Investors is M&C Corporate Services Ltd, Box 309, George Town, Cayman Islands KY1-1104. Information presented is based on Amendment No. 1 to Schedule 13G filed on May 15, 2025.

(i) Includes a total of 630,296 shares that are not currently outstanding, consisting of (i) 250 shares of Common Stock underlying currently exercisable options and (ii) 630,046 shares of Common Stock underlying currently exercisable stock appreciation rights.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

The Audit Committee, pursuant to its charter, is responsible for the review and oversight of all related party transactions and other potential conflict of interest situations, by review in advance or ratification afterward. The Audit Committee charter does not set forth specific standards to be applied; rather, the Audit Committee reviews each transaction individually on a case by case, facts and circumstances basis.

There have been no significant reportable transactions or currently proposed transactions between the Company and any director or executive officer of the Company or any 5% security holder of the Company or any member of the immediate family of any of the foregoing persons, since the beginning of the Last Fiscal Year.

Director Independence

Please see the discussion of director independence under “MATTERS RELATING TO OUR GOVERNANCE, Board of Directors” above.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Form 10-K, including a discussion of the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee reviewed and discussed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited financial statements with the standards of the Public Company Accounting Oversight Board, the matters required to be discussed by Statements on Auditing Standards (SAS 61), as may be modified or supplemented, and their judgments as to the acceptability of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under the standards of the Public Company Accounting Oversight Board.

In addition, the Audit Committee has discussed with the independent registered public accounting firm their independence from management and the Company, including receiving the written disclosures and letter from the independent registered public accounting firm as required by the Independence Standards Board Standard No. 1, as may be modified or supplemented, and has considered the compatibility of any non-audit services with the auditors' independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their audit. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved that the audited financial statements be included in the Form 10-K for the year ended March 31, 2025 for filing with the SEC.

Respectfully submitted,

The Audit Committee of the Board of Directors

Peter C. Brown, Chairman
Mary Ann Halford
Patrick W. O'Brien

THE FOREGOING AUDIT COMMITTEE REPORT SHALL NOT BE "SOLICITING MATERIAL" OR BE DEEMED "FILED" WITH THE SEC, NOR SHALL SUCH INFORMATION BE INCORPORATED BY REFERENCE INTO ANY FILING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE EXCHANGE ACT, EXCEPT TO THE EXTENT THE COMPANY SPECIFICALLY INCORPORATES IT BY REFERENCE INTO SUCH FILING.

EisnerAmper LLP served as the independent registered public accounting firm to audit the Company's consolidated financial statements since the fiscal year ended March 31, 2005.

The Company's Audit Committee has adopted policies and procedures for pre-approving all services, including non-audit work, performed by EisnerAmper LLP for the fiscal years ended March 31, 2025 and 2024. In determining whether to approve a particular audit or permitted non-audit service, the Audit Committee will consider, among other things, whether the service is consistent with maintaining the independence of the independent registered public accounting firm. The Audit Committee will also consider whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service to our Company and whether the service might be expected to enhance our ability to manage or control risk or improve audit quality. Specifically, the Audit Committee has pre-approved the use of EisnerAmper LLP for detailed, specific types of services within the following categories of non-audit services: acquisition due diligence and audit services; tax services; and reviews

and procedures that the Company requests EisnerAmper LLP to undertake on matters not required by laws or regulations. In each case, the Audit Committee has required management to obtain specific pre-approval from the Audit Committee for any engagements.

The aggregate fees billed for professional services by EisnerAmper LLP for these various services were:

Type of Fees	For the fiscal year ended March 31,	
	2025	2024
(1) Audit Fees	$ 576,000	$ 558,075
(2) Audit-Related Fees	—	—
(3) Tax Fees	—	—
(4) All Other Fees	—	—
	$ 576,000	$ — $ 558,075

In the above table, in accordance with the SEC's definitions and rules, "audit fees" are fees the Company paid EisnerAmper LLP for professional services for the audit of the Company's consolidated financial statements for the fiscal years ended March 31, 2025 and 2024 included in Form 10-K and review of consolidated financial statements incorporated by reference into Form S-1 and Form S-3 and included in Form 10-Qs and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements; "audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements; "tax fees" are fees for tax compliance, tax advice and tax planning; and "all other fees" are fees for any services not included in the first three categories. All of the services set forth in sections (1) through (4) above were approved by the Audit Committee in accordance with the Audit Committee Charter.

For the fiscal years ended March 31, 2025 and 2024, the Company retained a firm other than EisnerAmper LLP for tax compliance, tax advice and tax planning.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

See Index to Financial Statements in Item 8 herein.

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

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

EXHIBIT INDEX

Exhibit		Description of Document
3.1	-	Fifth Amended and Restated Certificate of Incorporation of the Company, as amended. (37)
3.2	-	Second Amended and Restated Bylaws of the Company. (16)
4.1	-	Specimen certificate representing Class A common stock. (1)
4.2	-	Specimen certificate representing Series A Preferred Stock. (7)
4.3	-	Security Agreement, dated as of October 18, 2011, among CDF2 Holdings, LLC and each Grantor from time to time party thereto and Société Générale, New York Branch, as Collateral Agent for CHG-Meridian U.S. Finance, Ltd. And any other CHG Lease Participants. (13)
4.4	-	Trademark Security Agreement dated as of September 15, 2022 by and between East West Bank and each of Cinedigm Corp. and the Guarantors thereto. (32)
4.4.1	-	Trademark Security Agreement dated as of April 8, 2025 by and among East West Bank, Cineverse Corp. and the Guarantors party thereto. (43)
4.5	-	Copyright Security Agreement dated as of September 15, 2022 by and between East West Bank and each of Cinedigm Corp. and the Guarantors thereto. (32)
4.5.1	-	Amendment No. 1 to Copyright Security Agreement, dated as of August 8, 2023, by and among East West Bank and each of Cineverse Corp. and the Guarantors party thereto. (41)
4.5.2	-	Copyright Security Agreement dated as of April 8, 2025 by and among East West Bank, Cineverse Corp. and the Guarantors party thereto. (43)
4.6	-	Guaranty Agreement dated as of April 5, 2024 by Cineverse Corp. to BondIt, LLC. (46)
4.7	-	Form of Common Warrant (36)
4.8*	-	Description of Securities
10.1†	-	Second Amended and Restated 2000 Equity Incentive Plan of the Company. (3)
10.1.1†	-	Amendment dated May 9, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (5)
10.1.2†	-	Form of Notice of Restricted Stock Award. (3)
10.1.3†	-	Form of Non-Statutory Stock Option Agreement. (4)
10.1.4†	-	Form of Restricted Stock Unit Agreement (employees). (5)
10.1.5†	-	Form of Stock Option Agreement. (2)
10.1.6†	-	Form of Restricted Stock Unit Agreement (directors). (5)
10.1.7†	-	Amendment No. 2 dated September 4, 2008 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (6)
10.1.8†	-	Amendment No. 3 dated September 30, 2009 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (8)
10.1.9†	-	Amendment No. 4 dated September 14, 2010 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (11)
10.1.10†	-	Amendment No. 5 dated April 20, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (12)
10.1.11†	-	Amendment No. 6 dated September 12, 2012 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (14)
10.1.12†	-	Amendment No. 7 dated September 16, 2014 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (15)
10.1.13†	-	Amendment No. 8 dated September 8, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (17)
10.1.14†	-	Amendment No. 9 dated September 27, 2016 to the Second Amended and Restated 2000 Equity Incentive Plan of the Company. (18)
10.2†	-	Cinedigm Corp. Management Incentive Award Plan. (9)
10.3†	-	Form of Indemnification Agreement for non-employee directors. (10)
10.4†	-	2017 Equity Incentive Plan of the Company. (19)
10.4.1†	-	Form of Notice of Incentive Stock Option Grant. (20)
10.4.2†	-	Form of Notice of Option Grant. (20)
10.4.3†	-	Form of Notice of Restricted Stock Award. (20)
10.4.4†	-	Form of Notice of Restricted Stock Unit Award. (20)
10.4.5†	-	Form of Notice of Performance-Based Restricted Stock Award. (22)

10.4.6†	-	Form of Notice of Stock Appreciation Right Grant (revised). (23)
10.4.7†	-	Amendment No. 1 to the 2017 Equity Incentive Plan. (24)
10.4.8†	-	Amendment No. 2 to the 2017 Equity Incentive Plan. (25)
10.4.9†	-	Amendment No. 3 to the 2017 Equity Incentive Plan. (26)
10.4.10†	-	Amendment No. 4 to the 2017 Equity Incentive Plan. (27)
10.4.11†	-	Amendment No. 5 to the 2017 Equity Incentive Plan. (28)
10.4.12†	-	Form of Notice of Restricted Stock Award (Directors). (29)
10.4.13†	-	Form of Notice of Performance-Based Restricted Stock Unit Award. (33)
10.4.14†	-	Amendment No. 6 to the 2017 Equity Incentive Plan. (34)
10.4.15†	-	Amendment No. 7 to the 2017 Equity Incentive Plan. (42)
10.5	-	Equipment Purchase Agreement effective as of March 17, 2021 between Cinedigm Digital Funding I, LLC and American Multi-Cinema, Inc. (30)
10.6	-	Equipment Purchase Agreement effective as of March 17, 2021 between Access Digital Cinema Phase 2, Corp., Access Digital Cinema Phase 2 B/AIX Corp. and American Multi-Cinema, Inc. (30)
10.7†	-	Employment Agreement between Cinedigm Corp. and Christopher J. McGurk dated as of October 17, 2022.** (33)
10.7.1†	-	Employment Agreement between Cineverse Corp. and Christopher J. McGurk dated as of May 1, 2025. (44)
10.8	-	Multiparty Agreement, dated as of October 18, 2011, among Cinedigm Digital Funding 2, LLC, as Borrower, Access Digital Cinema Phase 2, Corp., CDF2 Holdings, LLC, Cinedigm Digital Cinema Corp., CHG-MERIDIAN U.S. Finance, Ltd., Société Générale, New York Branch, as Senior Administrative Agent and Ballantyne Strong, Inc., as Approved Vendor. (13)
10.9	-	Master Equipment Lease No. 8463, effective as of October 18, 2011, by and between CHG-MERIDIAN U.S. Finance, Ltd. And CDF2 Holdings, LLC. (13)
10.10	-	Master Equipment Lease No. 8465, effective as of October 18, 2011, by and between CHG-MERIDIAN U.S. Finance, Ltd. And CDF2 Holdings, LLC. (13)
10.11	-	Sale and Leaseback Agreement, dated as of October 18, 2011, by and between CDF2 Holdings, LLC and CHG-MERIDIAN U.S. Finance, Ltd. (13)
10.12	-	Registration Rights Agreement, dated as of November 1, 2017, between the Company and the purchasers listed on Schedule I therein. (21)
10.13	-	Amended and Restated Loan, Guaranty and Security Agreement dated as of September 15, 2022 by and among Cinedigm Corp., East West Bank and the Guarantors named therein. (32)
10.13.1	-	Amendment No. 1 to Amended and Restated Loan, Guaranty and Security Agreement, dated as of August 8, 2023, by and between Cineverse Corp., East West Bank and the Guarantors named therein.** (41)
10.13.2	-	Amendment No. 2 to Amended and Restated Loan, Guaranty and Security Agreement dated as of February 9, 2024 by and among Cineverse Corp., East West Bank and the Guarantors named therein. ** (38)
10.13.3	-	Amendment No. 3 to Amended and Restated Loan, Guaranty and Security Agreement dated as of September 15, 2022 with East West Bank and the Guarantors named therein. (46)
10.13.4	-	Amendment No. 4 to Amended and Restated Loan, Guaranty and Security Agreement, dated as of August 9, 2024 with East West Bank and the Guarantors named therein.** (47)
10.13.5	-	Second Amended and Restated Loan, Guaranty and Security Agreement dated as of April 8, 2025 by and among East West Bank, Cineverse Corp. and the Guarantors party thereto. (43)
10.14†		Employment Agreement between Cinedigm Corp. and Gary S. Loffredo dated as of May 16, 2023. (35)
10.14.1	-	Employment Agreement between Cineverse Corp. and Gary Loffredo dated as of May 1, 2025. (44)
10.15†	-	Employment Agreement between Cinedigm Corp. and Erick Opeka dated as of May 16, 2023.**(35)
10.15.1†	-	Employment Agreement between Cineverse Corp. and Erick Opeka dated as of May 1, 2025. (44)
10.16	-	Amended and Restated Equity Purchase Agreement dated March 25, 2022 among the Company, and David Chu, Augustine Hong, Helen Hong, Michael Hong, Justin Lee, Steven Park, and Kingsoon Ong (collectively, the "Sellers") and David Chu as representative of the Sellers. (31)

10.17†	-	Employment Agreement between Cinedigm Corp. and Antonio Huidor dated as of May 16, 2023. (35)
10.17.1†	-	Employment Agreement between Cineverse Corp. and Antonio Huidor dated as of May 1, 2025. (45)
10.18	-	Securities Purchase Agreement dated June 14, 2023. (36)
10.19†	-	Employment Agreement dated September 14, 2023 between Cineverse Corp. and Mark Lindsey (Certain Portions Omitted). (40)
10.20	-	Sales Agreement, dated May 3, 2024 between Cineverse Corp., A.G.P./Alliance Global Partners and The Benchmark Company, LLC. (39)
10.21	-	Loan and Security Agreement dated as of April 5, 2024 by and among Cineverse Terrifier LLC, BondIt LLC, and the Guarantors named therein.** (46)
19.1*	-	Insider Trading Policy.
21.1*	-	List of Subsidiaries.
23.1*	-	Consent of EisnerAmper LLP.
24.1*	-	Powers of Attorney. (Contained on signature page)
31.1*	-	Officer's Certificate Pursuant to 15 U.S.C. Section 7241, as Adopted Pursuant to Section 302 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 302 of the Sarbanes-Oxley Act of 2002.
32.1*	-	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	-	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	-	Clawback Policy dated November 25, 2023. (48)
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).

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

Documents Incorporated Herein by Reference:

(1) Previously filed with the Securities and Exchange Commission on November 4, 2003 as an exhibit to the Company's Amendment No. 3 to Registration Statement on Form SB-2 (File No. 333-107711).
(2) Previously filed with the Securities and Exchange Commission on April 25, 2005 as an exhibit to the Company's Registration Statement on Form S-8 (File No. 333-124290).
(3) Previously filed with the Securities and Exchange Commission on September 24, 2007 as an exhibit to the Company's Form 8-K (File No. 000-51910).
(4) Previously filed with the Securities and Exchange Commission on April 3, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
(5) Previously filed with the Securities and Exchange Commission on May 14, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
(6) Previously filed with the Securities and Exchange Commission on September 10, 2008 as an exhibit to the Company's Form 8-K (File No. 000-51910).
(7) Previously filed with the Securities and Exchange Commission on February 9, 2009 as an exhibit to the Company's Form 8-K (File No. 000-51910).
(8) Previously filed with the Securities and Exchange Commission on October 6, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(9) Previously filed with the Securities and Exchange Commission on October 27, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(10) Previously filed with the Securities and Exchange Commission on September 21, 2009 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(11) Previously filed with the Securities and Exchange Commission on September 16, 2010 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(12) Previously filed with the Securities and Exchange Commission on April 24, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(13) Previously filed with the Securities and Exchange Commission on October 24, 2011 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(14) Previously filed with the Securities and Exchange Commission on September 14, 2012 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(15) Previously filed with the Securities and Exchange Commission on September 17, 2014 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(16) Previously filed with the Securities and Exchange Commission on March 3, 2023 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(17) Previously filed with the Securities and Exchange Commission on September 8, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(18) Previously filed with the Securities and Exchange Commission on September 28, 2016 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(19) Previously filed with the Securities and Exchange Commission on September 1, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(20) Previously filed with the Securities and Exchange Commission on October 2, 2017 as an exhibit to the Company's Registration Statement on Form S-8 (File No. 333-220773).
(21) Previously filed with the Securities and Exchange Commission on November 6, 2017 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(22) Previously filed with the Securities and Exchange Commission on November 16, 2017 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(23) Previously filed with the Securities and Exchange Commission on December 7, 2018 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(24) Previously filed with the Securities and Exchange Commission on December 5, 2019 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(25) Previously filed with the Securities and Exchange Commission on September 4, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(26) Previously filed with the Securities and Exchange Commission on October 26, 2020 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(27) Previously filed with the Securities and Exchange Commission on August 10, 2021 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(28) Previously filed with the Securities and Exchange Commission on October 12, 2021 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(29) Previously filed with the Securities and Exchange Commission on August 13, 2021 as an exhibit to the Company's Form 8-K/A (File No. 001-31810).
(30) Previously filed with the Securities and Exchange Commission on July 30, 2021 as an exhibit to the Company's Form 10-K (File No. 001-31810).
(31) Previously filed with the Securities and Exchange Commission on September 9, 2021 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(32) Previously filed with the Securities and Exchange Commission on February 14, 2023 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(33) Previously filed with the Securities and Exchange Commission on October 19, 2022 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(34) Previously filed with the Securities and Exchange Commission on December 14, 2023 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(35) Previously filed with the Securities and Exchange Commission on May 22, 2023 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(36) Previously filed with the Securities and Exchange Commission on June 15, 2023 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(37) Previously filed with the Securities and Exchange Commission on June 29, 2023 as an exhibit to the Company's Form 10-K (File No. 001-31810).
(38) Previously filed with the Securities and Exchange Commission on February 14, 2024 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(39) Previously filed with the Securities and Exchange Commission on May 3, 2024 as an exhibit to the Company's Form 8-K (File No. 001-31810).

(40) Previously filed with the Securities and Exchange Commission on September 18, 2024 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(41) Previously filed with the Securities and Exchange Commission on August 14, 2023 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(42) Previously filed with the Securities and Exchange Commission on January 6, 2025 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(43) Previously filed with the Securities and Exchange Commission on April 14, 2025 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(44) Previously filed with the Securities and Exchange Commission on May 7, 2025 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(45) Previously filed with the Securities and Exchange Commission on May 20, 2025 as an exhibit to the Company's Form 8-K (File No. 001-31810).
(46) Previously filed with the Securities and Exchange Commission on August 14, 2024 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(47) Previously filed with the Securities and Exchange Commission on November 14, 2024 as an exhibit to the Company's Form 10-Q (File No. 001-31810).
(48) Previously filed with the Securities and Exchange Commission on July 1, 2024 as an exhibit to the Company's Form 10-K (File No. 001-31810).

SIGNATURES

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

Cineverse Corp.

Date: June 30, 2025

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

Date: June 30, 2025

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

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Christopher J. McGurk and Gary S. Loffredo, and each of them individually, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments to this Report together with all schedules and exhibits thereto, (ii) act on, sign and file with the Securities and Exchange Commission any and all exhibits to this Report and any and all exhibits and schedules thereto, (iii) act on, sign and file any and all such certificates, notices, communications, reports, instruments, agreements and other documents as may be necessary or appropriate in connection therewith and (iv) take any and all such actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, and hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact, any of them or any of his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

SIGNATURE(S)	TITLE(S)	DATE
/s/ Christopher J. McGurk Christopher J. McGurk	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	June 30, 2025
/s/ Mark Lindsey Mark Lindsey	Chief Financial Officer (Principal Financial and Accounting Officer)	June 30, 2025
/s/ Mary Ann Halford Mary Ann Halford	Director	June 30, 2025
/s/ Peter C. Brown Peter C. Brown	Director	June 30, 2025
/s/ Patrick O´Brien Patrick O´Brien	Director	June 30, 2025