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## **Cinedigm Updates Progress in Operations, Financings and Real Estate Expense Reductions**

### **Deployment Debt Reduced by \$53 Million in Last 12 Months**

LOS ANGELES--(BUSINESS WIRE)-- Cinedigm Corp. (NASDAQ: CIDM) today announced significant progress in operations, financing and real estate expense reductions.

"We are now a leader in the rapidly growing digital streaming channel business, where we already have three successful channels and a fourth on its way. Also, we continue to grow as an important provider of independent content and digital services to key players in the third party SVOD business, soon to be a \$20 billion market," said Chris McGurk, Cinedigm's Chairman and CEO. "Our recent operational results, combined with our progress on key financings, real estate transactions, reduction of debt and more than \$10 million in annual operating cost savings, position the Company for more success."

#### **OPERATIONS:**

Cinedigm's three digital streaming channels have increased gross subscriber additions more than 88% since October, 2016, with November being the best month ever for Cinedigm's OTT subscriber additions. Combined, the channels provide more than 5,500 hours of content to viewers across 3.2 million app downloads. In addition, following the successful launch in November, 2016 of Dove NOW, a 24/7 preprogrammed viewing option, Dove Channel launched on the Apple TV platform, making the service available to millions of additional users.

Cinedigm also continues to explore additional partnership opportunities for channels and content with leading global company LeEco, both domestically and overseas, after adding two more streaming channels to LeEco's North American product line launch. In addition to the two streaming channels currently available on LeEco's mobile phones and TV's -- Dove Channel and ConTV -- Docurama, Cinedigm's already successful documentary OTT channel, and a yet-to-be named channel currently in development, will launch on LeEco's platforms in early 2017.

Cinedigm's OTT channels are also available to Amazon Prime members as part of Amazon's Streaming Partners Program. Launched a year ago, this program has delivered significant additional channel subscribers to Cinedigm with no incremental costs. Cinedigm's channels are also available across a wide and growing variety of connected devices including most Android and iOS mobile phones and tablets, Roku streaming media players, Samsung Smart TVs, Apple TV and the Web.

"Given the progress of the existing OTT offerings across a wide variety of platforms, we expect meaningful financial impacts from these partnerships in the next 12 months," continued McGurk.

In the entertainment distribution business, Cinedigm also continues to see strong progress, where recent competitive developments have solidified the Company's position as the leading independent studio in North America. In digital distribution, Cinedigm continues to expand relationships with key accounts such as Hulu and Netflix, closing significant new licensing deals with both companies. In addition, our recent film releases, particularly in the Western/Action genre, have been performing strongly in television VOD and DVD sales.

#### **FINANCING:**

In a continuing initiative to strengthen and simplify its balance sheet, the Company recently consummated an accretive exchange agreement with an institutional holder of \$3,429,000 of the Company's Convertible Notes. This transaction exchanged the holder's debt into 450,000 shares of its Class A Common Stock and warrants to purchase 200,000 shares of stock exercisable six months after issuance, with a 5-year term, an exercise price of \$1.60 per share and customary anti-dilution provisions. This transaction saves the Company nearly \$190,000 per year in interest expense.

In December, 2016, the Company also completed an accretive exchange agreement with another institutional holder, where the holder agreed to terminate its outstanding warrants to purchase 1,773,412 shares of Common Stock at an exercise price of \$12.36 per share in exchange for minimal consideration.

In Digital Cinema, the outstanding balance of the Societe Generale Phase 1 term loan facility was fully prepaid in November, 2016. The total payoff amount was \$9,081,110. This loan related to the 3,724 Digital Cinema projection systems that were installed in theaters as part of the Phase 1 Deployment. This move continues the aggressive reduction of non-recourse debt related to the Digital Cinema business. In calendar year 2016, Cinedigm's Digital Cinema-related debt was reduced by over \$53,000,000.

The Company continues to make progress on the convertible and mezzanine debt exchange that began with the aforementioned retirement of \$3,429,000 in Convertible Notes. The Company believes this exchange will reduce interest costs, and, combined with our efforts to further enhance liquidity, such as our significant cost reduction initiative, provide more flexibility in ongoing negotiations for a new revolving asset based loan.

#### **REAL ESTATE:**

As part of the initiative to finalize more than \$10 million in annual operating cost savings, most of that already achieved last calendar year, Cinedigm entered into an agreement to terminate its lease for its corporate space in Century City California and entered into a lease for office space in Sherman Oaks, California. This change will provide Cinedigm with savings of over \$700,000 on an annualized basis. The new space is also better situated to support Cinedigm's expanding streaming digital channel and content services businesses.

#### **ABOUT CINEDIGM**

Cinedigm is a leading independent content distributor in the United States, with direct relationships with thousands of physical retail storefronts and digital platforms, including Wal-Mart, Target, iTunes, Netflix, and Amazon, as well as the national Video on Demand platform on cable television.

Additionally, given Cinedigm's infrastructure, technology, content and distribution expertise, the Company has rapidly become a leader in the quickly evolving over-the-top digital network business. Cinedigm's first channel, DOCURAMA, launched in May 2014, and is currently available on iOS, Roku, Xbox and Samsung, with additional platforms currently being rolled out. Cinedigm launched CONtv, a Comic Con branded channel, on March 3, 2015. The Company's third OTT channel, DOVE CHANNEL, launched on September 15, 2015 and is a digital streaming subscription service targeted to families and kids seeking high quality and family friendly content approved by Dove Foundation.

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