UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the fiscal period ended: June 30, 2026

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

Commission File Number: 001-31810

CINEVERSE

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**

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

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

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

Large accelerated 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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of August 7, 2026, 23,771,387 shares of Class A Common Stock, $0.001 par value, were outstanding.

Cineverse Corp.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

Cineverse Corp.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	As of	
	June 30, 2026	**March 31, 2026**
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,319	$ 3,387
Accounts receivable, net of allowance for credit losses of $657 and $622, respectively	43,057	38,604
Content advances, net allowance of $5,768 and $5,503, respectively	6,789	7,507
Other current assets	1,370	1,280
Total current assets	55,535	50,778
Property and equipment, net	4,160	3,906
Intangible assets, net	41,922	44,114
Goodwill	21,293	21,218
Content advances, net of current portion	8,542	8,215
Other long-term assets, net	3,712	2,050
Total Assets	$ 135,164	$ 130,281
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 42,948	$ 39,351
Line of credit, net	11,358	9,435
Deferred consideration	15,380	13,800
Current portion of earnout consideration	3,800	—
Current portion of operating lease liabilities	836	298
Deferred revenue	94	125
Total current liabilities	74,416	63,009
Operating lease liabilities, net of current portion	1,289	105
Convertible notes payable, net	12,583	12,545
Earnout consideration, net of current portion	6,800	11,250
Total Liabilities	$ 95,088	$ 86,909
Commitments and contingencies *(Note 8)*		
Stockholders' Equity		
Preferred stock, 15,000,000 shares authorized; Series A 10% - $0.001 par value per share; 20 shares authorized; 6 and 7 shares issued and outstanding as of June 30, 2026 and March 31, 2026, respectively	3,245	3,559
Common stock, $0.001 par value; Class A Stock: 275,000,000 shares authorized as of June 30, 2026 and March 31, 2026; 24,247,336 and 21,362,845 shares issued, with 23,417,021 and 20,532,531 shares outstanding as of June 30, 2026 and March 31, 2026, respectively	516	199
Additional paid-in capital	565,644	564,105
Treasury stock, at cost; with 830,315 shares as of June 30, 2026 and March 31, 2026, respectively	(13,158)	(13,158)
Accumulated deficit	(515,870)	(510,099)
Accumulated other comprehensive loss	(301)	(282)
Total stockholders' equity of Cineverse Corp.	40,076	44,324
Deficit attributable to noncontrolling interest	—	(952)
Total stockholders' equity	40,076	43,372
Total Liabilities and Stockholders' Equity	$ 135,164	$ 130,281

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
Revenues	$ 30,595	$ 11,119
Costs and expenses		
Direct operating	19,936	4,807
Selling, general and administrative	11,618	8,952
Depreciation and amortization	2,815	1,062
Change in fair value of acquisition-related deferred consideration	2,000	—
Change in fair value of acquisition-related earnout consideration	(650)	—
Total operating expenses	35,719	14,821
Operating loss	(5,124)	(3,702)
Interest (expense) income	(558)	278
Other income (expense), net	11	(78)
Net loss before income taxes	(5,671)	(3,502)
Income tax expense	(19)	(14)
Net loss	(5,690)	(3,516)
Net loss attributable to noncontrolling interest	—	(44)
Net loss attributable to controlling interests	(5,690)	(3,560)
Preferred stock dividends	(81)	(89)
Net loss attributable to common stockholders	$ (5,771)	$ (3,649)
Net loss per share attributable to common stockholders:		
Basic	$ (0.28)	$ (0.21)
Diluted	$ (0.28)	$ (0.21)
Weighted average shares of Common Stock outstanding:		
Basic	20,671	16,992
Diluted	20,671	16,992

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
Net loss	$ (5,690)	$ (3,516)
Other comprehensive (loss) income:		
Foreign exchange translation	(19)	16
Net loss attributable to noncontrolling interest	—	(44)
Comprehensive loss	$ (5,709)	$ (3,544)

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
Cash flows from operating activities:		
Net loss	$ (5,690)	$ (3,516)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,815	1,062
Fair value change in acquisition-related deferred consideration	2,000	—
Fair value change in earnout consideration	(650)	—
Stock-based compensation	948	418
Capitalized content	(495)	(985)
Amortization of debt issuance costs	353	75
Allowance for content advances	265	(128)
Barter transactions	44	(268)
Interest discount received from lender	—	(375)
Other	36	104
Changes in operating assets and liabilities:		
Accounts receivable	(4,563)	(412)
Other current and long-term assets	(1,752)	(123)
Accounts payable, accrued expenses, and other liabilities	5,600	(10,022)
Content advances	126	(89)
Deferred revenue	(31)	(84)
Net cash used in operating activities	$ (994)	$ (14,343)
Cash flows from investing activities:		
Expenditures for long-lived assets	(272)	(16)
Internally developed software capitalization	(154)	(181)
Purchase of business	(1,525)	—
Net cash used in investing activities	$ (1,951)	$ (197)
Cash flows from financing activities:		
Proceeds from line of credit	18,785	9,325
Payments on line of credit	(16,862)	(5,697)
Proceeds from issuance of common stock from ATM, net of fees	2,474	—
Payment of deferred consideration	(412)	(95)
Cash paid to acquire noncontrolling interest	(89)	—
Shares withheld for employee taxes	—	(965)
Net cash provided by financing activities	$ 3,896	$ 2,568
Net change in cash and cash equivalents	951	(11,972)
Effect of exchange rate changes on cash and cash equivalents	(19)	16
Cash and cash equivalents at beginning of period	3,387	13,941
Cash and cash equivalents at end of period	$ 4,319	$ 1,985

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended June 30,	
	2026	**2025**
Cash interest paid	$ 584	$ 35
Income taxes paid	$ 47	$ 26
Noncash investing and financing activities:		
Issuance of Common Stock for settlement of deferred consideration	$ —	$ 2,400
Shares issued to acquire noncontrolling interest	$ 863	$ —
Payroll tax withholding accrual on equity vesting	$ 929	$ —
Accrued dividends on preferred stock	$ 81	$ 89
Issuance of Common Stock for payment of accrued preferred stock dividends	$ 89	$ 89

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Preferred Stock		Common Stock		Treasury		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total Stockholders'	Non Controlling	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity	Interest	Total
Balances as of March 31, 2026	1	$ 3,559	21,363	$ 199	830	$ (13,158)	$ 564,105	$ (510,099)	$ (282)	$ 44,324	$ (952)	$ 43,372
Foreign exchange translation	—	—	—	—	—	—	—	—	(19)	(19)	—	(19)
Stock-based compensation	—	—	—	—	—	—	948	—	—	948	—	948
Preferred stock dividends paid in Common Stock	—	—	37	—	—	—	89	—	—	89	—	89
Preferred stock dividends accrued	—	—	—	—	—	—	—	(81)	—	(81)	—	(81)
Issuance of Common Stock for ATM	—	—	1,017	1	—	—	2,474	—	—	2,475	—	2,475
Non-controlling interest buyout	—	—	380	1	—	—	(1,042)	—	—	(1,041)	952	(89)
Preferred stock conversion to Common Stock	—	(314)	126	314	—	—	—	—	—	—	—	—
Employee vesting shares	—	—	494	1	—	—	(930)	—	—	(929)	—	(929)
Net loss	—	—	—	—	—	—	—	(5,690)	—	(5,690)	—	(5,690)
Balances as of June 30, 2026	1	$ 3,245	23,417	$ 516	830	$ (13,158)	$ 565,644	$ (515,870)	$ (301)	$ 40,076	$ -	$ 40,076

See accompanying Notes to Condensed Consolidated Financial Statements

Cineverse Corp.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(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, 2025	1	$ 3,559	15,984	$ 194	504	$ (12,193)	$ 548,405	$ (500,908)	$ (305)	$ 38,752	$ (960)	$ 37,792
Foreign exchange translation	—	—	—	—	—	—	—	—	16	16	—	16
Stock-based compensation	—	—	—	—	—	—	418	—	—	418	—	418
Issuance of Common Stock for deferred consideration	—	—	677	1	—	—	2,399	—	—	2,400	—	2,400
Issuance of Common Stock in connection with employee equity awards	—	—	748	—	—	—	9	—	—	9	—	9
Treasury shares withheld for employee taxes	—	—	(326)	—	326	(965)	—	—	—	(965)	—	(965)
Preferred stock dividends paid in Common Stock	—	—	27	—	—	—	89	—	—	89	—	89
Preferred stock dividends accrued	—	—	—	—	—	—	—	(89)	—	(89)	—	(89)
Net loss	—	—	—	—	—	—	—	(3,560)	—	(3,560)	44	(3,516)
Balances as of June 30, 2025	1	$ 3,559	17,110	$ 195	830	$ (13,158)	$ 551,320	$ (504,557)	$ (289)	$ 37,070	$ (916)	$ 36,154

See accompanying Notes to Condensed 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.

Cineverse is a premier technology and entertainment company with its core streaming business operating (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. Through the integration of Giant Worldwide, Matchpoint™ has expanded its automated media services ecosystem by adding audience development, customer acquisition, and direct-to-consumer marketing capabilities supported by longstanding studio relationships and performance marketing expertise.

The Company’s Connected TV (“CTV”) monetization platform provides proprietary location-based digital advertising technology solutions that offer advertisers a targetable, measurable, and accountable way to utilize CTV media and data solutions at scale. The Company also provides solutions for media owners, including an advertising platform for Digital Out-of-Home ("DOOH") networks that enables users to manage advertising inventory, optimize sales, and monetize unsold inventory.

We distribute products for major brands such as Hallmark, ITV, Nelvana, ZDF, Konami, NFL and Highlander, as well as 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.

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

Financial Condition and Liquidity

We have incurred net losses historically. For the three months ended June 30, 2026, the Company had a net loss attributable to Common Stockholders of $5.8 million. We may continue to generate net losses for the foreseeable future. As of June 30, 2026, the Company has an accumulated deficit of $515.9 million and negative working capital of $(18.9) million. Net cash used in operating activities for the three months ended June 30, 2026 was $1.0 million.

The Company is party to a Loan, Guaranty, and Security Agreement, as amended on April 8, 2025, with East West Bank (the "Line of Credit Facility") that currently provides for borrowings of up to $12.5 million guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries’ assets. The facility includes provisions that allow for an increase in total borrowing capacity up to $15.0 million, subject to lender approval.

As of June 30, 2026, $11.4 million 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 February 17, 2026, the Company sold in a public offering an aggregate of 1,725,000 shares of Common Stock (the “Offered Shares”) at a price of $2.00 per share, for aggregate gross proceeds of approximately $3.5 million, before deducting underwriting commissions and expenses payable by the Company. The Offered Shares were sold pursuant to an Underwriting Agreement with The Benchmark Company, LLC and pursuant to a prospectus and prospectus supplement which are part of the Company’s shelf registration statement on Form S-3 (File No. 333-273098) filed with the SEC.

On February 12, 2026, the Company issued and sold convertible notes in the aggregate principal amount of $13,000,000 (each, a “Note”) to certain lenders (individually, an “Investor” and collectively, the “Investors”) pursuant to those certain note purchase agreements (each, a “Purchase Agreement”), dated February 12, 2026, between the Company and each Investor. The Notes mature on the earlier to occur of (i) the four-year anniversary of issuance and (ii) an event of default (such date, the “Maturity Date”). The Notes bear interest at a rate of 9% per annum payable in cash or, as to a portion, in shares of Common Stock in the holder’s discretion. At any time after issuance of the Notes, the Investors may convert their Notes, in whole or in part, into shares of Common Stock, in accordance with the terms of the Notes at a conversion price per share of $2.00 (the “Conversion Price”), subject to customary adjustments upon any stock split, stock dividend, stock combination, recapitalization or similar events.

The Company can require conversion in tranches of up to approximately 15% of the original principal amount of the Notes during each of the six-month periods beginning July 1, 2026 and ending December 31, 2028, with any unconverted tranches available on a cumulative basis in future tranches. The Notes may be prepaid by paying 100% of the outstanding principal amount, interest on the outstanding principal amount through the earlier of the Maturity Date or the date that is 24 months from the date of prepayment, and warrants (the “Warrants”) to purchase the number of shares of Common Stock into which the principal amount then outstanding would be convertible at the Conversion Price, with such warrants having an exercise price equal to such Conversion Price and a term that ends on the Maturity Date. The Notes rank junior to secured debt of the Company, including the Line of Credit Facility. In July 2026, an Investor informed the Company of the intent to convert $1,300,000 of principal and unpaid interest of approximately $20 thousand into approximately 660 thousand shares, effective September 2026.

On May 3, 2024, the Company entered into an at-the-market, or ATM, 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. On June 8, 2026, the aggregate authorized offering price under the ATM Sales Agreement was increased to $30 million. During the three months ended June 30, 2026, the Company sold 1.0 million shares for net proceeds of $2.5 million, after deduction of commissions and fees.

The Company will continue to invest in content development and acquisitions from which it believes it will obtain an appropriate return on its investment. As of June 30, 2026 and March 31, 2026, short-term content advances were $6.8 million and $7.5 million, respectively, and content advances, net of current portion, were $8.5 million and $8.2 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. Management's plans with respect to the Company's recurring net losses and net operating cash outflows also include but are not limited to our effort in increasing revenue from existing services as well as offering new services, which may result in additional income from operations. Should management be unsuccessful in executing these plans, additional capital resources will be necessary. There can be no assurance that resources under our Line of Credit Facility or from additional debt or equity resources will be available on acceptable terms, if at all.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying interim Condensed Consolidated Financial Statements of Cineverse Corp. have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) and are consistent in all material respects with those applied in the Company’s Annual Report on Form 10-K for the year ended March 31, 2026, filed with the Securities and Exchange Commission (the “SEC”) on June 26, 2026. These Condensed Consolidated Financial Statements are unaudited and have been prepared by the Company following the rules and regulations of the SEC.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted as permitted by such rules and regulations; however, the Company believes the disclosures are adequate to make the information presented not misleading. Certain columns and rows may not foot due to the use of rounded numbers.

The interim financial information is unaudited, but reflects all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. The interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended March 31, 2026. Interim results are not necessarily indicative of the results for a full year.

As of March 31, 2026, we owned 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. During three months ended June 30, 2026, the Company entered into Stock Exchange Agreements with minority holders of CONtv pursuant to which the Company acquired the remaining outstanding ownership interests in CONtv in exchange for shares of the Company's Class A common stock and cash payments. As a result of these transactions, CONtv became a wholly-owned subsidiary of the Company.

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, contingent considerations related to business combinations, 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.

Reclassifications

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

Accounting Policies

There have been no material changes in the Company's significant accounting policies as compared to the significant accounting policies described in the Company's Annual Report on Form 10-K for the year ended March 31, 2026.

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

From time to time, the Company entered into non-monetary transactions for the purchase and sale of content licenses with unrelated third-parties. The fair value of the content licenses purchased are recognized within Intangible Assets, Net on our Condensed Consolidated Balance Sheets and amortized over the estimated useful lives of the respective assets. As functional intellectual property, the Company recognizes the corresponding revenue at the time of delivery to the recipient.

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.

Credit Losses

We maintain reserves for expected credit losses on accounts receivable primarily on a specific identification basis. We review the composition of accounts receivable and analyze historical bad debts, customer concentrations, customer credit worthiness, current economic trends and changes in customer payment patterns to evaluate the adequacy of these reserves.

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 June 30, 2026 *(in thousands):*

Allowance for credit losses at the beginning of the year	$	622
Increase in estimated provision		35
Allowance for credit losses as of June 30, 2026	$	657

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.

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
Preferred Partner Medallions		10 – 12 years
Software		3 - 10 years
Capitalized Content		3 years

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

	As of June 30, 2026		
	Cost Basis	**Accumulated Amortization**	**Net**
Content Library	$ 27,595	$ (22,809)	$ 4,786
Advertiser Relationships and Channel	12,844	(6,183)	6,661
Customer Relationships	17,990	(9,285)	8,705
Software	12,700	(2,392)	10,308
Capitalized Content	7,899	(3,759)	4,140
Preferred Partner Medallions	4,100	(205)	3,895
Tradenames, Trademarks and Patents	7,089	(3,662)	3,427
Total Intangible Assets	$ 90,217	$ (48,295)	$ 41,922

	As of March 31, 2026		
	Cost Basis	**Accumulated Amortization**	**Net**
Content Library	$ 27,592	$ (22,512)	$ 5,080
Advertiser Relationships and Channel	12,844	(5,839)	7,005
Customer Relationships	17,990	(8,677)	9,313
Software	12,700	(1,837)	10,863
Capitalized Content	7,405	(3,101)	4,304
Preferred Partner Medallions	4,100	(103)	3,997
Tradenames, Trademarks and Patents	7,086	(3,534)	3,552
Total Intangible Assets	$ 89,717	$ (45,603)	$ 44,114

The Company had amortization expense of $2.6 million and $1.0 million for the three months ended June 30, 2026 and 2025, respectively.

As of June 30, 2026, amortization expense is expected to be *(in thousands):*

	Total
In-process intangible assets	$ 895
Remainder of fiscal year 2027	3,976
2028	4,188
2029	2,450
2030	1,419
2031	1,354
Thereafter	27,640
Total	$ 41,922

Impairment of Long-lived and Finite-lived Intangible Assets

We review the recoverability of our long-lived assets and finite-lived intangible assets, when events or conditions occur that indicate a possible impairment exists. The assessment for recoverability is based primarily on our ability to recover the carrying value of our long-lived and finite-lived assets from expected future undiscounted net cash flows. If the total of expected future undiscounted net cash flows is less than the total carrying value of the asset, the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value.

Fair value is determined by computing the expected future discounted cash flows. There were no impairment charges recorded for long-lived and finite-lived intangible assets during the three months ended June 30, 2026 and 2025.

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.

Business Combinations

The Company accounts for business combinations in accordance with ASC 805, Business Combinations, using the acquisition method of accounting. Under this method, the Company recognizes and measures the identifiable assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree at their estimated fair values as of the acquisition date.

The total consideration transferred is allocated to the identifiable assets acquired and liabilities assumed based on their respective fair values. The excess of the purchase price over the fair value of net identifiable assets acquired is recorded as goodwill. Please see the Goodwill policy separately outlined below within this footnote.

In certain circumstances, such as a forced sale or bankruptcy of the acquiree, the fair value of the identifiable net assets acquired exceeds the total consideration transferred in a business combination, resulting in a bargain purchase gain. The Company recognizes bargain purchase gains in earnings as of the acquisition date.

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. No goodwill impairment charge was recorded during the three months ended June 30, 2026 and 2025.

For the period ended and three months ended June 30, 2026, the Company's adjustments to goodwill related to the finalization of post-closing working capital estimates.

Fair Value Measurements

The fair value measurement disclosures are grouped into three levels based on valuation factors:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments and market corroborated inputs)
- Level 3 – significant unobservable inputs (including our own assumptions in determining the fair value of investments)

The table below summarizes the levels of fair value measurements of the Company's financial assets and liabilities as of June 30, 2026 *(in thousands):*

	As of June 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities:				
Deferred consideration, current portion	—	—	14,200	14,200
Earnout consideration, both current and non-current portion	—	—	10,600	10,600
	$ —	$ —	$ 24,800	$ 24,800

As of March 31, 2026 *(in thousands):*

	As of March 31, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities:				
Deferred consideration	—	—	12,200	12,200
Earnout consideration	—	—	11,250	11,250
	$ —	$ —	$ 23,450	$ 23,450

Total Level 3 liabilities increased by $1.4 million from $23.5 million to $24.8 million due to a change in fair value estimate. The fair value change is presented on our Condensed Consolidated Income Statement for the three months ended June 30, 2026.

Deferred Consideration

The Company initially recognizes liabilities related to Deferred Consideration from business combinations at fair value at the time of acquisition 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 associated with the IndiCue Inc ("IndiCue") acquisition, included in the fair value measurement table above, was determined based on a value of approximately $11.3 million at the time of closing and is due within one year of the acquisition date. In addition to contractual inputs, the Company estimated the fair value of this deferred consideration using Level 3 inputs, including the expected forward stock price at settlement and an embedded downside protection mechanism. As of June 30, 2026 and March 31, 2026, the fair value of this liability was $14.2 million and $12.2 million, respectively, on our Condensed Consolidated Balance Sheet.

The deferred consideration related to the Giant Worldwide acquisition is payable in quarterly cash installments of $0.4 million which commenced on the 3-month anniversary of the Closing Date in April 2026. As of June 30, 2026 and March 31, 2026, the carrying value of this liability is $1.2 million and $1.6 million, respectively, is presented on our Condensed Consolidated Balance Sheet.

Earnout Consideration

The Company estimated the fair value of its earnout liabilities using both contractual and Level 3 inputs from the related business combination. The specific financial targets required for payment are defined in the IndiCue purchase agreement. The Company also utilizes Level 3 inputs, including the most up to date forecast at each reporting date to estimate the outcome against these targets to determine the ultimate estimated payout, discounted by a rate reflecting the Company's estimate of a market borrowing rate and incremental spread for similar subordinated obligations.

During the fiscal year ended March 31, 2026, the Company acquired IndiCue and as a part of the purchase consideration, may be required to pay up to $18.0 million in earnout payments over the first three fiscal years following the acquisition, contingent upon the achievement of specified revenue and gross margin targets. The earnout payments will be payable in cash or shares of Common Stock under certain conditions. As of June 30, 2026 and March 31, 2026, the fair value of this liability was $10.6 million and $11.3 million, respectively, as presented on our Condensed Consolidated Balance Sheet.

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 $6.8 million and $7.5 million as of June 30, 2026 and March 31, 2026, 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 $8.5 million and $8.2 million as of June 30, 2026 and March 31, 2026, respectively. For the three months ended June 30, 2026 and 2025, the Company recorded an increase of $265 thousand and a reduction of $128 thousand to the provision for content advances, respectively.

Accounts Payable and Accrued Expenses

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

	As of	
	June 30, 2026	**March 31, 2026**
Accrued acquisition related liabilities	$ 9,203	$ 14,912
Accounts payable	15,961	7,324
Amounts due to producers	9,913	9,328
Accrued compensation and benefits	3,709	1,781
Accrued other expenses	4,162	6,006
Total Accounts Payable and Accrued Expenses	$ 42,948	$ 39,351

Revenue Recognition

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

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

	Three Months Ended June 30,	
	2026	**2025**
Advertising technology and services	$ 15,949	$ —
Streaming and digital	9,748	9,104
Media services	3,481	—
Podcast and other	1,097	989
Base distribution	320	1,024
Other non-recurring	—	2
Total Revenue	$ 30,595	$ 11,119

- Advertising technology revenue is derived from two principal revenue streams: Ad Network revenue and Ad Serving revenue. Ad Network revenue is earned through advertising campaigns. Ad serving software represents instances where clients use the Company’s system as a technology platform for managing and delivering their advertising content across designated media channels.
- Streaming and digital revenue pertains to the Company's 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.

- Media services revenue is derived from quality control, packaging, and localization work performed on behalf of studios for platform distribution.
- Podcast and other revenue represents advertising fees earned in support of the Company's podcast programming.
- Base distribution revenue is generated by the Company's physical revenue streams 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.

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. Fees from Ad-Network revenue are based on an agreed-to cost per mille (“CPM”) rate, and fees for Media Services are typically specified in purchase orders based on the services requested to be rendered.

The Company’s performance obligations include the shipment of physical goods and delivery of content for transactional, subscription and ad supported/free ad-supported streaming TV (“FAST”) on the digital platforms, delivery of advertising related impressions, and at the time of completion of media services.

Revenue is recognized at the point in time across the Company’s revenue streams. Specifically, revenue is recognized 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. Ad Network transactions are recognized at the point in time when the billable impression is delivered. Media services are recognized at the point of delivery.

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.

Principal Agent Considerations

- 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 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.

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. 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 June 30, 2026 and March 31, 2026 totaled to approximately $0.1 million.

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 three months ended June 30, 2026 and 2025, a single customer represented 43% and 27% of revenues, respectively.

Direct Operating Expenses

Direct operating costs consist of operating costs such as cost of revenue, including fulfillment expenses, shipping costs, property taxes and insurance on systems, royalty and participation expenses, allowance against advances, ad-network revenue share, 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 FASB ASC Topic 740-10, Income Taxes (Accounting for Uncertainty in Income Taxes), which clarified the accounting for uncertainty in tax positions. This amendment provides that the tax effects from an uncertain tax position can be recognized in the financial 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 recorded unrecognized tax benefits of approximately $54,000 as of June 30, 2026, related to potential state income tax liabilities arising from non-filing positions. The Company recognizes interest and penalties on uncertain tax positions as a component of income tax expense.

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.

Effective April 1, 2025, the Company adopted ASU 2023-09, *"Improvements to Income Tax Disclosures"*, which expanded income tax disclosure requirements, including disaggregation of pretax income (loss) and income tax expense (benefit) by jurisdiction and disclosure of income taxes paid (net of refunds received). The Company adopted the standard on April 1, 2025. The adoption affected disclosures only and did not impact the Company’s financial position, results of operations, or cash flows.

In November 2024, the FASB issued ASU 2024-03, *"Income Statement-Reporting Comprehensive Income - Expense Disaggregation Disclosures (Topic 220)*", requiring all public business entities to provide additional disclosure of the nature of expenses included in the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim reporting periods beginning after December 15, 2027, on a prospective basis, with early adoption permitted. The Company is currently evaluating the impact on our financial statement disclosures.

In July 2025, the FASB issued ASU 2025-05, “*Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326)*" aiming to simplify the estimation of credit losses on accounts receivable and contract assets arising from transactions accounted for under ASC 606, “Revenue from Contracts with Customers,” by providing companies an option to assume that the conditions as of the balance sheet date will remain unchanged for the remaining life of these assets while estimating expected credit losses. The standard is effective for all entities for annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this pronouncement on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06 "*Intangibles: Goodwill and Other Internal-Use Software - Targeted Improvements to the Accounting for Internal-Use Software (Subtopic 350-40)*" to modernize the accounting for software costs under, Intangible: Goodwill and Other Internal-Use Software (referred to as “internal-use software”). Upon adoption, we will be required to account for internal-use software under the updated capitalization criteria. The standard is effective for annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently assessing adoption timing and the method of adoption.

3. OTHER INTERESTS

CONtv

CON TV, LLC ("CONtv") is a worldwide digital network that creates original content and sells and distributes on-demand digital content through the Internet and other consumer digital distribution platforms, including gaming consoles, set-top boxes, handsets, and tablets.

During the three months ended June 30, 2026, the Company acquired the remaining 15% ownership interest in CONtv from the minority interest holders (increasing its ownership from 85% prior to the transaction to 100%), in exchange for shares of the Company's Class A common stock and cash payments. As a result of the transaction, CONtv became a wholly-owned subsidiary of the Company, and accordingly, as of June 30, 2026, no non-controlling interest remained.

4. SEGMENT INFORMATION

The Company operates as a single reportable segment. The Company’s Chief Operating Decision Maker ("CODM"), its Chief Executive Officer, 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 within the Condensed Consolidated Statements of Operations and regularly reviews certain significant expense categories, including royalty expense; license, participation and technology costs; other direct operation costs; compensation 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 Three Months Ended, June 30	
	2026	**2025**
Revenues	$ 30,595	$ 11,119
Less:		
License, participation and technology costs	13,589	1,806
Compensation and related	6,186	5,060
Other direct operating costs	3,417	814
Royalty expense	2,930	2,187
Professional services	1,383	964
Advertising and marketing	1,000	463
Other general and administrative	3,049	2,465
Change in fair value of acquisition-related deferred consideration	2,000	—
Change in fair value of acquisition-related earnout consideration	(650)	—
Depreciation and amortization	2,815	1,062
Total operating expenses	35,719	14,821
Operating loss	(5,124)	(3,702)
Interest (expense) income	(558)	278
Other income (expense)	11	(78)
Net loss before income taxes	(5,671)	(3,502)
Provision for income taxes	(19)	(14)
Net loss	$ (5,690)	$ (3,516)

5. STOCKHOLDERS' EQUITY

Common Stock

As of June 30, 2026 and March 31, 2026, the number of shares of Common Stock authorized for issuance was 275 million shares.

ATM Sales Agreement

On May 3, 2024, the Company entered into a sales agreement (the "ATM Sales Agreement") with A.G.P./Alliance Global Partners and The Benchmark Company, LLC (collectively, the "Sales Agents"), pursuant to which the Company may offer and sell, from time to time, through the Sales Agents, shares of Common Stock. Shares of Common Stock may be offered and sold for an aggregate offering price of up to $15 million. The Sales Agents' obligations to sell shares under the ATM 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. Under the terms of the ATM Sales Agreement, the Sales Agents earn a commission of 3.0% of the aggregate gross proceeds from each sale of shares and has agreed to provide the Sales Agents with customary indemnification and contribution rights, and the Company also reimburses the Sales Agents for certain specified expenses. 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 effective shelf registration statement. On June 8, 2026, the aggregate authorized offering price under the ATM Sales Agreement was increased to $30 million.

During the three months ended June 30, 2026 the Company sold 1.0 million for net proceeds of approximately $2.5 million, after deduction of commissions and fees, under the ATM Sales Agreement. The Company did not sell any shares during the three months ended June 30, 2025.

Non-Controlling Interest Buyout

During the three months ended June 30, 2026, the Company entered into a Stock Exchange Agreement with holders of CONtv pursuant to which the Company acquired the remaining outstanding 15% ownership interests in CONtv in exchange for 380 thousand shares of the Company's Class A common stock and cash payments. As a result of these transactions, CONtv became a wholly-owned subsidiary of the Company.

Preferred Stock

Cumulative dividends in arrears on Series A Preferred Stock were $81 thousand and $89 thousand as of June 30, 2026 and 2025, respectively. During the three months ended June 30, 2026 and 2025, the Company paid preferred stock dividends in arrears of $81 thousand and $89 thousand in the form of shares of Common Stock, respectively. The Company has the right to pay preferred stock dividends in cash or stock, at the Company's discretion.

During the three months ended June 30, 2026, the Company agreed to issue shares of Common Stock in exchange for an aggregate of one holder's 3.118 shares of Series A Preferred Stock. The exchange is being made in five equal tranches, and commenced on May 1, 2026. The number of shares of Common Stock issuable in each tranche is to be calculated by dividing the value of the shares of Series A Preferred Stock being exchanged by the 5-day volume weighted average price ending on the trading day preceding the exchange. Upon the exchange of each tranche, the shares of Series A Preferred Stock so exchanged will be immediately retired and restored to the status of authorized but unissued preferred stock.

Through June 30, 2026, the first tranche included the conversion of 0.6236 shares of Series A Preferred Stock plus accrued but unpaid interest thereon into 125,766 shares of Common Stock.

Treasury Stock

We have treasury stock of 830 thousand shares of Common Stock as of June 30, 2026 and March 31, 2026, respectively.

Stock Based Compensation Awards

The Company has issued awards under the 2017 Equity Incentive Plan (the "2017 Plan").

In August 2017, the Company adopted the 2017 Equity Incentive Plan (the "2017 Plan). The 2017 Plan applies to employees and directors of, and consultants to, the Company. The 2017 Plan provides for the issuance of up to 3,505 thousand shares of Common Stock as of November 20, 2025, in the form of various awards, including stock options, SARs, RSAs, RSUs, performance awards, stock and cash awards.

No SARs were issued or forfeited during the three months ended June 30, 2026 and accordingly, no stock-based compensation expense related to SAR awards was recognized during the period. During the three months ended June 30, 2025, 5,000 SARs were forfeited.

During the three months ended June 30, 2026, the Company issued 50 thousand RSUs to certain employees. The issued RSUs vest over a 3-year period and had a fair value of $120 thousand, or $2.4 per RSU. During the three months ended June 30, 2025, the Company issued 522 thousand RSUs to certain employees. The issued RSUs vest over a 3-year period and had a fair value of $1.5 million, or $2.87 per RSU.

For the three months ended June 30, 2026 and 2025, the Company incurred stock-based compensation expense of $0.9 million and $0.4 million, respectively, of which $0.1 million were related to Board of Directors compensation. Share-based compensation expense is reported within Selling, General and Administrative expenses in our Condensed Consolidated Statements of Operations.

6. LOSS PER SHARE

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to Common Stock holders, 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 Stock holders 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 Stock holders 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:

	Three Months Ended June 30,	
	2026	2025
	(in thousands, except shares and per share data)	
Numerator *(in thousands)***:**		
Net loss attributable to common stockholders - basic and diluted	$ (5,771)	$ (3,649)
Denominator *(in thousands)***:**		
Weighted average shares of common stock - basic	20,671	16,992
Effect of dilutive common stock equivalents	—	—
Weighted average shares of common stock - diluted	20,671	16,992
Earnings per share:		
Basic loss per share	$ (0.28)	$ (0.21)
Effect of dilutive common stock equivalents	—	—
Diluted loss per share	$ (0.28)	$ (0.21)

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:

	Three Months Ended June 30,	
	2026	2025
Options to purchase common stock	—	250
Stock appreciation rights	846,151	761,244
Restricted stock units and awards	2,290,543	1,945,200
Warrants to purchase common stock	706,667	2,654,167
Convertible notes	6,500,000	—

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 (the "Line of Credit Facility") that currently provides for borrowings of up to $12.5 million guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries' assets. The facility includes provisions that allow for an increase in total borrowing capacity up to $15.0 million, subject to lender approval. Under the Line of Credit Facility, the Company is subject to certain financial and non-financial covenants which require the Company to maintain certain metrics and ratios, maintain certain minimum cash on hand and to report financial information to our lender on a periodic basis.

As of June 30, 2026 and March 31, 2026, $11.4 million and $9.4 million, respectively, was outstanding on the Line of Credit Facility and there were unamortized issuance costs of $92 thousand and $124 thousand, respectively, included in other long-term assets on our Condensed Consolidated Balance Sheets.

During the three months ended June 30, 2026 and 2025, the Company had interest expense, including cash interest and amortization, of $0.3 million and $0.1 million related to its Line of Credit Facility, respectively.

Convertible Notes

On February 12, 2026, the Company issued and sold convertible notes in the aggregate principal amount of $13,000,000 (each, a "Note") to certain lenders (individually, an "Investor" and collectively, the "Investors") pursuant to those certain note purchase agreements (each, a "Purchase Agreement"), dated February 12, 2026, between the Company and each Investor. The Notes mature on the earlier to occur of (i) the four-year anniversary of issuance and (ii) an event of default (such date, the "Maturity Date"). The proceeds from the convertible notes were primarily used to pay the cash purchase consideration for the IndiCue acquisition. The Notes bear interest at a rate of 9% per annum payable in cash or, as to a portion, in shares of Common Stock in the holder's discretion. At any time after issuance of the Notes, the Investors may convert their Notes, in whole or in part, into shares of Common Stock, in accordance with the terms of the Notes at a conversion price per share of $2.00 (the "Conversion Price"), subject to customary adjustments upon any stock split, stock dividend, stock combination, recapitalization or similar events.

The Company can require conversion in tranches of up to approximately 15% of the original principal amount of the Notes during each of the six-month periods beginning July 1, 2026 and ending December 31, 2028, with any unconverted tranches available on a cumulative basis in future tranches. The Notes may be prepaid by paying 100% of the outstanding principal amount, interest on the outstanding principal amount through the earlier of the Maturity Date or the date that is 24 months from the date of prepayment, and warrants (the "Warrants") to purchase the number of shares of Common Stock into which the principal amount then outstanding would be convertible at the Conversion Price, with such warrants having an exercise price equal to such Conversion Price and a term that ends on the Maturity Date. The Notes rank junior to secured debt of the Company, including the Line of Credit Facility. In July 2026, an Investor informed the Company of the intent to convert $1,300,000 of principal and unpaid interest of $20 thousand into 660 thousand shares, effective September 2026.

As of June 30, 2026 and March 31, 2026, the Convertible notes are presented net of unamortized debt issuance costs of $417 thousand and $455 thousand, respectively, on our Condensed Consolidated Balance Sheets.

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company has three operating leases related to its Cineverse India operations with expiration dates in July 2027. In addition, the company maintains office locations in New York, NY and Burbank, CA with lease terms ending in May, 2029 and June, 2029, respectively.

During the three months ended June 30, 2026 and 2025, expenses related to these leases were $208 thousand and $49 thousand, respectively.

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

	Classification on the Balance Sheet	June 30, 2026	March 31, 2026
Assets			
Noncurrent	Other long-term assets	$ 2,069	$ 378
Liabilities			
Current	Operating leases liabilities	836	298
Noncurrent	Operating leases liabilities, net of current	1,289	105
		$ 2,125	$ 403

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
2027 (remainder of the fiscal year)	$	682
2028		767
2029		681
2030		153
Total lease payments	$	2,283
Less imputed interest		(158)
Total	$	2,125

For leases that have a term of twelve months or less and do not contain an option to extend that the Company is reasonably certain to exercise, the Company has elected to not apply the recognition provisions of FASB ASC Topic 842, *Leases* ("ASC 842") and recognizes these expenses on a straight-line basis over the term of the agreement.

9. INCOME TAXES

We calculate income tax expense based upon an annual effective tax rate forecast, which includes estimates and assumptions. We recognized income tax expense of $19 thousand and $14 thousand for the three months ended June 30, 2026 and 2025, respectively. Our income tax expense is attributable to taxable income earned in India relating to transfer pricing as well as state income taxes in the U.S.

We have recorded income tax expense of $19 thousand for the three months ended June 30, 2026 related to U.S. state and foreign income taxes. We have not recorded tax benefits on our U.S. deferred tax assets because we continue to provide a valuation allowance for all our U.S. net deferred tax assets as of June 30, 2026 as it is more likely than not that the assets will not be recovered based on an insufficient history of earnings.

Our effective tax rate for the three months ended June 30, 2026 and 2025 was December 31, 2025 was (0.3)% and (0.4)%, respectively.

On July 4, 2025, the President signed the One Big Beautiful Bill Act (“OBBBA”; Pub. L. 119-21) into law. The Act introduced significant changes to the Internal Revenue Code. The Company evaluated the Act and concluded it will not have a material impact on its condensed consolidated financial statements.

OBBBA retains the 21% federal corporate income tax rate, restores and makes permanent the 100% bonus depreciation for “qualified property” acquired on or after January 20, 2025, and permits immediate expensing of domestic research and experimental costs.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our historical Condensed Consolidated Financial Statements and the related notes included elsewhere in this report.

This report contains forward-looking statements within the meaning of the federal securities laws. These 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.

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.

Cineverse is a premier technology and entertainment company with its core streaming business operating (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. Through the integration of Giant Worldwide, Matchpoint™ has expanded its automated media services ecosystem by adding audience development, customer acquisition, and direct-to-consumer marketing capabilities supported by longstanding studio relationships and performance marketing expertise.

The Company's Connected TV ("CTV") monetization platform provides proprietary location-based digital advertising technology solutions that offer advertisers a targetable, measurable, and accountable way to utilize CTV media and data solutions at scale. The Company also provides solutions for media owners, including an advertising platform for Digital Out-of-Home ("DOOH") networks that enables users to manage advertising inventory, optimize sales, and monetize unsold inventory.

We distribute products for major brands such as Hallmark, ITV, Nelvana, ZDF, Konami, NFL and Highlander, as well as 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.

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

Financial Condition and Liquidity

As of June 30, 2026, the Company has an accumulated deficit of $515.9 million and negative working capital of $(18.9) million. For the three months ended June 30, 2026, the Company had a net loss attributable to the Company's common stock holders of $(5.8) million. Net cash used in operating activities for the three months ended June 30, 2026 was $1.0 million, which included $0.2 million of incremental investment in our content portfolio via advances or minimum guarantee payouts. 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 (the "Line of Credit Facility") that currently provides for borrowings of up to $12.5 million guaranteed by substantially all of our material subsidiaries and secured by substantially all of our and our subsidiaries' assets. The facility includes provisions that allow for an increase in total borrowing capacity up to $15.0 million, subject to lender approval. As of June 30, 2026, $11.4 million was outstanding on the Line of Credit Facility.

The Company will continue to invest in content development and acquisitions from which it believes it will obtain an appropriate return on its investment. As of June 30, 2026 and March 31, 2026, short-term content advances were $6.8 million and $7.5 million, respectively, and long-term content advances, net of current portion, were $8.5 million and $8.2 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, availability under our Line of Credit Facility and ability to use our ATM as of June 30, 2026 will be sufficient to support our operations for at least twelve months from the filing of this report.

Critical Accounting Estimates

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In connection with the preparation of our financial statements, we are required to make 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 Condensed Consolidated Financial Statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our 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 the Condensed Consolidated Financial Statements, included in Item 1, *Condensed Consolidated Financial Statements (Unaudited)*, of this Quarterly Report on Form 10-Q. Management believes that these 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.

Results of Operations for the three months ended June 30, 2026 and 2025 *(unaudited) (in thousands)***:**

Revenue

	For the Three Months Ended June 30,				As a % of Revenue	
	2026	**2025**	**$ Change**	**% Change**	**2026**	**2025**
Advertising technology and services	$ 15,949	$ —	$ 15,949	—%	52%	—%
Streaming and digital	9,748	9,104	644	7%	32%	82%
Media services	3,481	—	3,481	—%	11%	—%
Podcast and other	1,097	989	108	11%	4%	9%
Base distribution	320	1,024	(704)	(69)%	1%	9%
Other non-recurring	—	2	(2)	(100)%	—%	0%
Total Revenue	$ 30,595	$ 11,119	$ 19,476	175%	100%	100%

For the three months ended June 30, 2026, the Company's revenue increased by $19.5 million.

Advertising technology and services and Media services revenue increased by a combined $19.4 million due to the fiscal year 2026 fourth quarter acquisitions of IndiCue Inc. and Giant Worldwide.

Streaming and digital revenue increased by $0.6 million, primarily due to the strong advertising performance ($0.3 million) and Electronic Sell-Through ("EST") ($0.2 million) from titles such as Return to Silent Hill.

Base distribution revenue decreased by $0.7 million, primarily driven by a decline in physical sales of $0.4 million following the success of Terrifier 3 in fiscal year 2026.

Direct Operating Expenses

	For the Three Months Ended June 30,				As a % of Revenue	
	2026	2025	$ Change	% Change	2026	2025
Direct operating expenses	$ 19,936	$ 4,807	$ 15,129	315%	65%	43%

The $15.1 million increase in Direct operating expenses for the three months ended June 30, 2026 was primarily attributable to the addition of Advertising Technology revenue share and Media Services revenue in the fiscal fourth quarter.

Selling, General and Administrative Expenses

	For the Three Months Ended June 30,				As a % of Revenue	
	2026	2025	$ Change	% Change	2026	2025
Compensation expense	$ 6,267	$ 5,129	$ 1,138	22%	20%	46%
Corporate expenses	1,463	1,196	267	22%	5%	11%
Share-based compensation	948	418	530	127%	3%	4%
Marketing expenses	1,000	463	537	116%	3%	4%
Other operating expenses	1,940	1,746	194	11%	6%	16%
Selling, General and Administrative	$ 11,618	$ 8,952	$ 2,666	30%	38%	81%

For the three months ended June 30, 2026 compared to three months ended June 30, 2025, compensation expense increased by $1.1 million primarily due to an increased non-cash bonus accruals ($0.6 million) and severance ($0.3 million). The increase in share-based compensation was attributable to incremental share-based compensation granted from fiscal fourth quarter acquisitions. The increase in marketing expense related to the increase in spend from upcoming theatrical releases such as Air Bud Returns and Pan's Labyrinth 20th Anniversary.

Depreciation and Amortization Expense

	For the Three Months Ended June 30,				As a % of Revenue	
	2026	2025	$ Change	% Change	2026	2025
Amortization of intangible assets	$ 2,649	$ 957	$ 1,692	177%	9%	9%
Depreciation of property and equipment	166	105	61	58%	1%	1%
Total Depreciation and Amortization	$ 2,815	$ 1,062	$ 1,753	165%	10%	10%

Amortization expense increased by $1.7 million during the three months ended June 30, 2026 compared to the prior year quarter primarily due to the purchase price accounting-related intangible asset additions from our IndiCue and Giant acquisitions in the fourth quarter of fiscal 2026.

Interest Expense, Net

For the three months ended June 30, 2026, compared with the same period in 2025, interest expense increased by $0.8 million to $0.6 million, primarily due to a $(0.4) million reduction in interest expense recognized in the prior-year period resulting from a discount on accrued interest provided by a financing arrangement for the film Terrifier 3 in exchange for an expedited final payment, as well as higher average outstanding borrowings under the Line of Credit Facility during the current quarter.

Adjusted EBITDA

We define Adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, stock-based compensation expense, merger and acquisition costs, restructuring, transition and acquisitions expense, net, goodwill impairment and certain other 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 our stockholders, as a valuable financial metric.

We present Adjusted EBITDA because we believe that Adjusted EBITDA is a useful supplement to net income (loss) from continuing operations as an indicator of operating performance. We also believe that Adjusted EBITDA is a financial measure that is useful both to management and investors when evaluating our performance 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 (loss) from continuing operations and Adjusted EBITDA has been provided in the financial results. Adjusted EBITDA should not be considered as an alternative to net income (loss) from 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 Condensed Consolidated Financial Statements prepared in accordance with GAAP.

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

	Three Months Ended June 30,	
	2026	**2025**
Net loss	$ (5,690)	$ (3,516)
Add Back:		
Income tax (expense) benefit	(19)	14
Depreciation and amortization (1)	2,859	1,147
Interest expense	558	(278)
Change in fair value of acquisition-related deferred consideration	2,000	—
Change in fair value of acquisition-related earnout consideration	(650)	—
Stock-based compensation	948	418
Other (income) expense, net	(11)	78
Net loss attributable to noncontrolling interest	—	(44)
Acquisition-related costs	78	—
Employee severance costs	385	47
Adjusted EBITDA	$ 458	$ (2,134)

(1) - Includes $44 thousand and $85 thousand of amortization included in direct operating expenses on our Condensed Consolidated Statements of Operations for the three months ended June 30, 2026 and 2025, respectively.

Cash Flow

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

	For the Three Months Ended June 30,	
	2026	**2025**
Net cash used in operating activities	$ (994)	(14,343)
Net cash used in investing activities	(1,951)	(197)
Net cash provided by financing activities	3,896	2,568
Net Change in Cash and Cash Equivalents	$ 951	$ (11,972)

For the three months ended June 30, 2026, net cash used in operating activities was primarily attributable to the Company's loss from operations, excluding non-cash expenses such as depreciation and amortization, stock-based compensation, fair value adjustments related to acquisition-related deferred and earnout consideration, as well as changes in working capital. Working capital changes were primarily driven by an increase in accounts receivable resulting from the timing of customer collections, partially offset by an increase in accounts payable, accrued expenses, and other liabilities. Operating cash flows are typically seasonally lower during the first two fiscal quarters and higher during the third and fourth fiscal quarters, primarily due to revenues generated during the holiday season.

Cash used in investing activities primarily reflected expenditures for long-lived assets and internally developed software.

Cash provided by financing activities was primarily attributable to net borrowings under the Line of Credit Facility and proceeds from the issuance of common stock under the Company's ATM program, partially offset by shares withheld to satisfy employee tax withholding obligations, cash paid to acquire a noncontrolling interest, and payments of deferred consideration.

For the three months ended June 30, 2025, net cash used in operating activities was primarily attributable to the Company's loss from operations, excluding non-cash expenses such as depreciation, amortization, and stock-based compensation, as well as changes in working capital. Working capital changes were primarily driven by cash outflows related to content advances made to partners, for which initial expenditures are generally recovered within six to twelve months, operating prepayments, and decreases in accounts payable and accrued expenses. Operating cash flows are typically seasonally lower during the first two fiscal quarters and higher during the third and fourth fiscal quarters, primarily due to revenues generated during the holiday season. Cash used in investing activities primarily reflected expenditures for long-lived intangible assets and property and equipment. Cash provided by financing activities was primarily attributable to net borrowings under the Line of Credit Facility.

Off-balance sheet arrangements

We are not a party to any off-balance sheet arrangements other than as discussed in Note 2 – *Basis of Presentation and Summary of Significant Accounting Policies, Basis of Presentation and Consolidation* and Note 3 - *Other Interests* on the Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Definition and Limitations of Disclosure Controls and Procedures

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

Evaluation of Disclosure Controls and Procedures

The management of the Company, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in the Exchange Act), as of June 30, 2026. 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 as of June 30, 2026.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting during the three months ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

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

EXHIBIT INDEX

Exhibit Number	Description of Document
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.
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).

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: August 13, 2026	By: /s/ Christopher J. McGurk Christopher J. McGurk Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
Date: August 13, 2026	By: /s/ Sean McCabe Sean McCabe Chief Financial Officer (Principal Financial Officer)

EXHIBIT 31.1

CINEVERSE CORP.
CERTIFICATION

I, Christopher J. McGurk, certify that:

1. I have reviewed this Form 10-Q of Cineverse Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

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

EXHIBIT 31.2

CINEVERSE CORP.
CERTIFICATION

I, Sean McCabe, certify that:

1. I have reviewed this Form 10-Q of Cineverse Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

By: /s/ Sean McCabe
Sean McCabe
Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Form 10-Q of Cineverse Corp. (the "Company") for the period ended June 30, 2026 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 13, 2026

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

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Form 10-Q of Cineverse Corp. (the "Company") for the period ended June 30, 2026 as filed with the SEC (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 13, 2026

By: /s/ Sean McCabe
Sean McCabe
Chief Financial Officer
(Principal Financial Officer)