

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-39795

RESERVOIR MEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

83-3584204

(I.R.S. Employer
Identification No.)

200 Varick Street

Suite 801A

New York, New York 10014

(Address of principal executive offices, including zip code)

(212) 675-0541

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.0001 par value per share (the " Common Stock ")	RSVR	The Nasdaq Stock Market LLC
Warrants to purchase one share of Common Stock, each at an exercise price of \$11.50 per share	RSVRW	The Nasdaq Stock Market LLC

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, as amended (the "**Exchange Act**"), during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 Exchange Act). Yes No

As of July 27, 2023, there were 64,705,443 shares of Common Stock of Reservoir Media, Inc. issued and outstanding.

RESERVOIR MEDIA, INC.
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2023

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PART I - FINANCIAL INFORMATION**Item 1. Interim Financial Statements.**

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In U.S. dollars, except share data)
(Unaudited)

	<u>Three Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenues	\$ 31,836,586	\$ 24,278,770
Costs and expenses:		
Cost of revenue	13,471,597	9,975,131
Amortization and depreciation	6,055,568	5,361,503
Administration expenses	9,164,500	7,621,610
Total costs and expenses	<u>28,691,665</u>	<u>22,958,244</u>
Operating income	3,144,921	1,320,526
Interest expense	(4,733,533)	(2,976,060)
(Loss) gain on foreign exchange	(29,936)	107,343
Gain on fair value of swaps	1,845,387	1,570,337
Other income (expense), net	62	13
Income before income taxes	226,901	22,159
Income tax expense	62,348	5,338
Net income	164,553	16,821
Net loss attributable to noncontrolling interests	112,780	59,218
Net income attributable to Reservoir Media, Inc.	<u>\$ 277,333</u>	<u>\$ 76,039</u>
Earnings per common share (Note 13):		
Basic	\$ —	\$ —
Diluted	\$ —	\$ —
Weighted average common shares outstanding (Note 13):		
Basic	64,572,432	64,223,531
Diluted	64,998,544	64,781,739

See accompanying notes to the condensed consolidated financial statements.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In U.S. dollars)
(Unaudited)

	<u>Three Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Net income	\$ 164,553	\$ 16,821
Other comprehensive income (loss):		
Translation adjustments	<u>1,139,476</u>	<u>(5,011,563)</u>
Total comprehensive income (loss)	<u>1,304,029</u>	<u>(4,994,742)</u>
Comprehensive loss attributable to noncontrolling interests	<u>112,780</u>	<u>59,218</u>
Total comprehensive income (loss) attributable to Reservoir Media, Inc.	<u>\$ 1,416,809</u>	<u>\$ (4,935,524)</u>

See accompanying notes to the condensed consolidated financial statements.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In U.S. dollars, except share data)
(Unaudited)

	June 30, 2023	March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 12,250,096	\$ 14,902,076
Accounts receivable	32,015,316	31,255,867
Current portion of royalty advances	11,898,176	15,188,656
Inventory and prepaid expenses	5,088,681	5,458,522
Total current assets	61,252,269	66,805,121
Intangible assets, net	628,198,922	617,404,741
Equity method and other investments	2,344,598	2,305,719
Royalty advances, net of current portion	57,988,584	51,737,844
Property, plant and equipment, net	601,943	568,339
Operating lease right of use assets, net	7,130,076	7,356,312
Fair value of swap assets	8,602,271	6,756,884
Other assets	1,139,842	1,147,969
Total assets	\$ 767,258,505	\$ 754,082,929
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,883,591	\$ 6,680,421
Royalties payable	33,225,715	33,235,235
Accrued payroll	389,159	1,689,310
Deferred revenue	1,455,929	2,151,889
Other current liabilities	11,371,295	10,583,794
Income taxes payable	214,741	204,987
Total current liabilities	51,540,430	54,545,636
Secured line of credit	325,808,798	311,491,581
Deferred income taxes	30,713,296	30,525,523
Operating lease liabilities, net of current portion	6,845,787	7,072,553
Other liabilities	694,828	785,113
Total liabilities	415,603,139	404,420,406
Contingencies and commitments (Note 15)		
Shareholders' Equity		
Preferred stock, \$0.0001 par value 75,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2023 and March 31, 2023	—	—
Common stock, \$0.0001 par value; 750,000,000 shares authorized, 64,648,977 shares issued and outstanding at June 30, 2023; 64,441,244 shares issued and outstanding at March 31, 2023	6,465	6,444
Additional paid-in capital	339,149,582	338,460,789
Retained earnings	15,030,053	14,752,720
Accumulated other comprehensive loss	(3,715,853)	(4,855,329)
Total Reservoir Media, Inc. shareholders' equity	350,470,247	348,364,624
Noncontrolling interest	1,185,119	1,297,899
Total shareholders' equity	351,655,366	349,662,523
Total liabilities and shareholders' equity	\$ 767,258,505	\$ 754,082,929

See accompanying notes to the condensed consolidated financial statements.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In U.S. dollars, except share data)
(Unaudited)

	For the Three Months Ended June 30, 2023						
	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests	Shareholders' equity
	Shares	Amount					
Balance, March 31, 2023	64,441,244	\$ 6,444	\$ 338,460,789	\$ 14,752,720	\$ (4,855,329)	\$ 1,297,899	\$ 349,662,523
Share-based compensation	—	—	713,802	—	—	—	713,802
Vesting of restricted stock units, net of shares withheld for employee taxes	207,733	21	(689,176)	—	—	—	(689,155)
Reclassification of liability-classified awards to equity-classified awards	—	—	664,167	—	—	—	664,167
Net income (loss)	—	—	—	277,333	—	(112,780)	164,553
Other comprehensive income	—	—	—	—	1,139,476	—	1,139,476
Balance, June 30, 2023	64,648,977	\$ 6,465	\$ 339,149,582	\$ 15,030,053	\$ (3,715,853)	\$ 1,185,119	\$ 351,655,366

	For the Three Months Ended June 30, 2022						
	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interests	Shareholders' equity
	Shares	Amount					
Balance, March 31, 2022	64,150,186	\$ 6,415	\$ 335,372,981	\$ 12,213,519	\$ (1,198,058)	\$ 1,057,467	\$ 347,452,324
Share-based compensation	—	—	359,461	—	—	—	359,461
Vesting of restricted stock units, net of shares withheld for employee taxes	140,138	14	(475,872)	—	—	—	(475,858)
Reclassification of liability-classified awards to equity-classified awards	—	—	961,429	—	—	—	961,429
Net income (loss)	—	—	—	76,039	—	(59,218)	16,821
Other comprehensive loss	—	—	—	—	(5,011,563)	—	(5,011,563)
Balance, June 30, 2022	64,290,324	\$ 6,429	\$ 336,217,999	\$ 12,289,558	\$ (6,209,621)	\$ 998,249	\$ 343,302,614

See accompanying notes to the condensed consolidated financial statements.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars)
(Unaudited)

	Three Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 164,553	\$ 16,821
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Amortization of intangible assets	5,997,512	5,315,265
Depreciation of property, plant and equipment	58,056	46,238
Share-based compensation	914,426	765,503
Non-cash interest charges	334,121	578,955
Gain on fair value of swaps	(1,845,387)	(1,570,337)
Share of earnings of equity affiliates, net of tax	—	(25,721)
Dividend from equity affiliates	—	6,168
Changes in operating assets and liabilities:		
Accounts receivable	(759,449)	(393,285)
Inventory and prepaid expenses	369,841	(491,640)
Royalty advances	(2,960,260)	(6,919,485)
Other assets and liabilities	188,150	96,506
Accounts payable and accrued expenses	(3,332,654)	4,339,141
Income taxes payable	9,754	38,828
Net cash (used in) provided by operating activities	<u>(861,337)</u>	<u>1,802,957</u>
Cash flows from investing activities:		
Purchases of music catalogs	(15,134,924)	(12,708,782)
Purchase of property, plant and equipment	(91,660)	(63,791)
Net cash used for investing activities	<u>(15,226,584)</u>	<u>(12,772,573)</u>
Cash flows from financing activities:		
Proceeds from secured line of credit	14,000,000	7,000,000
Taxes paid related to net share settlement of restricted stock units	(689,155)	(475,858)
Deferred financing costs paid	(16,904)	(6,975)
Net cash provided by financing activities	<u>13,293,941</u>	<u>6,517,167</u>
Foreign exchange impact on cash	<u>142,000</u>	<u>(791,696)</u>
Decrease in cash and cash equivalents	(2,651,980)	(5,244,145)
Cash and cash equivalents beginning of period	14,902,076	17,814,292
Cash and cash equivalents end of period	<u>\$ 12,250,096</u>	<u>\$ 12,570,147</u>

See accompanying notes to the condensed consolidated financial statements.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023
(Unaudited)

NOTE 1. DESCRIPTION OF BUSINESS

Reservoir Media, Inc. (formerly known as Roth CH Acquisition II Co. (“**ROCC**”)), a Delaware corporation (the “**Company**”), is an independent music company based in New York City, New York and with offices in Los Angeles, Nashville, Toronto, London and Abu Dhabi.

Following a business combination between ROCC and Reservoir Holdings, Inc., a Delaware corporation (“**RHI**”), on July 28, 2021 (the “**Business Combination**”), the Company’s legal name became “Reservoir Media, Inc.” The common stock, \$0.0001 par value per share, of the Company (the “**Common Stock**”) and warrants are traded on The Nasdaq Stock Market LLC (“**NASDAQ**”) under the ticker symbols “RSVR” and “RSVRW,” respectively.

The Company’s activities are organized into two operating segments: Music Publishing and Recorded Music. Operations of the Music Publishing segment involve the acquisition of interests in music catalogs from which royalties are earned as well as signing songwriters to exclusive agreements which give the Company an interest in the future delivery of songs. The publishing catalog includes ownership or control rights to more than 150,000 musical compositions that span across historic pieces, motion picture scores and current award-winning hits. Operations of the Recorded Music segment involve the acquisition of sound recording catalogs as well as the discovery and development of recording artists and the marketing, distribution, sale and licensing of the music catalog. The Recorded Music operations are primarily conducted through the Chrysalis Records platform and Tommy Boy Music and include the ownership of over 36,000 sound recordings.

NOTE 2. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and its majority-owned subsidiaries and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the “**SEC**”) for interim financial information. All intercompany transactions and balances have been eliminated in these condensed consolidated financial statements. Certain information and note disclosures typically included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“**US GAAP**”) have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s audited financial statements as of and for the fiscal years ended March 31, 2023 and 2022.

The condensed consolidated balance sheet of the Company as of March 31, 2023, included herein, was derived from the audited financial statements as of that date, but does not include all disclosures, including certain notes required by US GAAP on an annual reporting basis.

In the opinion of management, the accompanying condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The results for the three months ended June 30, 2023 are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending March 31, 2024 or any other period.

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities. Significant estimates are used for, but not limited to, determining useful lives of intangible assets, intangible asset recoverability and impairment and accrued revenue. Actual results could differ from these estimates.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023
(Unaudited)

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Recently Adopted

In June 2016, the FASB issued ASU 2016-13, “*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*” (“**ASU 2016-13**”), which replaces the incurred loss impairment methodology in current US GAAP with a methodology that reflects expected credit losses. Subsequent to ASU 2016-13, the FASB has issued several related ASUs amending the original ASU 2016-13. The updates are intended to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. For the Company, ASU 2016-13 was effective beginning April 1, 2023. The adoption of ASU 2016-13 did not have a material impact on the Company’s condensed consolidated financial statements.

NOTE 4. REVENUE RECOGNITION

For the Company’s operating segments, Music Publishing and Recorded Music, the Company accounts for a contract when it has legally enforceable rights and obligations and collectability of consideration is probable. The Company identifies the performance obligations and determines the transaction price associated with the contract. Revenue is recognized when, or as, control of the promised services or goods is transferred to the Company’s customers, and in an amount that reflects the consideration the Company is contractually due in exchange for those services or goods. Certain of the Company’s arrangements include licenses of intellectual property with consideration in the form of sales- and usage-based royalties. Royalty revenue is recognized when the subsequent sale or usage occurs using the best estimates available of the amounts that will be received by the Company. The Company recognized revenue of \$1,295,141 and \$1,038,536 from performance obligations satisfied in previous periods for the three months ended June 30, 2023 and 2022, respectively.

Disaggregation of Revenue

The Company’s revenue consisted of the following categories during the three months ended June 30, 2023 and 2022:

Revenue by Type	Three Months Ended June 30,	
	2023	2022
Digital	\$ 11,900,517	\$ 8,463,870
Performance	4,514,904	3,536,424
Synchronization	3,032,699	3,299,346
Mechanical	559,647	514,468
Other	783,548	632,599
Total Music Publishing	20,791,315	16,446,707
Digital	5,622,649	4,563,542
Physical	3,574,551	1,297,178
Neighboring rights	859,147	685,349
Synchronization	328,290	1,024,642
Total Recorded Music	10,384,637	7,570,711
Other revenue	660,634	261,352
Total revenue	\$ 31,836,586	\$ 24,278,770

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023
(Unaudited)

	Three Months Ended June 30,	
	2023	2022
Revenue by Geographical Location		
United States Music Publishing	\$ 13,000,994	\$ 9,843,294
United States Recorded Music	5,524,763	3,802,836
United States other revenue	660,634	261,352
Total United States	19,186,391	13,907,482
International Music Publishing	7,790,321	6,603,413
International Recorded Music	4,859,874	3,767,875
Total International	12,650,195	10,371,288
Total revenue	\$ 31,836,586	\$ 24,278,770

Only the United States represented 10% or more of the Company's total revenues in the three months ended June 30, 2023 and 2022.

Deferred Revenue

The following table reflects the change in deferred revenue during the three months ended June 30, 2023 and 2022:

	June 30, 2023	June 30, 2022
Balance at beginning of period	\$ 2,151,889	\$ 1,103,664
Cash received during period	493,290	156,140
Revenue recognized during period	(1,189,250)	(534,366)
Balance at end of period	\$ 1,455,929	\$ 725,438

NOTE 5. ACQUISITIONS

In the ordinary course of business, the Company regularly acquires publishing and recorded music catalogs, which are typically accounted for as asset acquisitions. During the three months ended June 30, 2023 and 2022, the Company completed such acquisitions totaling \$15,623,951 and \$3,391,376, respectively, inclusive of deferred acquisition payments, none of which were individually significant.

NOTE 6. INTANGIBLE ASSETS

Intangible assets subject to amortization consist of the following as of June 30, 2023 and March 31, 2023:

	June 30, 2023	March 31, 2023
Intangible assets subject to amortization:		
Publishing and recorded music catalogs	\$ 738,885,127	\$ 721,904,892
Artist management contracts	912,517	893,283
Gross intangible assets	739,797,644	722,798,175
Accumulated amortization	(111,598,722)	(105,393,434)
Intangible assets, net	\$ 628,198,922	\$ 617,404,741

Straight-line amortization expense totaled \$5,997,512 and \$5,315,265 in the three months ended June 30, 2023 and 2022, respectively.

RESERVOIR MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023
(Unaudited)

NOTE 7. ROYALTY ADVANCES

The Company made royalty advances totaling \$6,199,316 and \$10,227,209 during the three months ended June 30, 2023 and 2022, respectively, recoupable from the writer's or artist's share of future royalties otherwise payable, in varying amounts. Advances expected to be recouped within the next twelve months are classified as current assets, with the remainder classified as noncurrent assets.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Balance at beginning of period	\$ 66,926,500	\$ 57,012,754
Additions	6,199,316	10,227,209
Recoupments	<u>(3,239,056)</u>	<u>(3,307,724)</u>
Balance at end of period	<u>\$ 69,886,760</u>	<u>\$ 63,932,239</u>

NOTE 8. SECURED LINE OF CREDIT

Long-term debt consists of the following:

	<u>June 30, 2023</u>	<u>March 31, 2023</u>
Secured line of credit	\$ 331,828,410	\$ 317,828,409
Debt issuance costs, net	<u>(6,019,612)</u>	<u>(6,336,828)</u>
	<u>\$ 325,808,798</u>	<u>\$ 311,491,581</u>

Credit Facilities

On December 16, 2022, Reservoir Media Management, Inc. ("**RMM**"), a subsidiary of RHI, entered into an amendment (the "**Second Amendment**") to the credit agreement (the "**RMM Credit Agreement**") governing RMM's secured revolving credit facility (the "**Senior Credit Facility**"). The Second Amendment amended the RMM Credit Agreement to (i) increase RMM's senior secured revolving credit facility from \$350,000,000 to \$450,000,000, (ii) increase the incremental borrowing available under the facility's accordion feature (discussed below) from \$50,000,000 to \$150,000,000, (iii) extend the maturity date of the loans advanced under the RMM Credit Agreement from October 16, 2024 to December 16, 2027, (iv) modify the interest rate to be equal to either the sum of a base rate plus a margin of 1.00% or the sum of a SOFR rate plus a margin of 2.00%, in each case subject to a 0.25% increase based on a consolidated net senior debt to library value ratio, (v) remove the existing total leverage ratio financial covenant of no greater than 7.50:1.00 (net of up to \$20,000,000 of certain cash balances) as of the end of each fiscal quarter, (vi) reduce the minimum required fixed charge coverage ratio financial covenant to 1.10:1.00 and (vii) modify the consolidated senior debt to library value ratio financial covenant to 0.450, subject to certain adjustments. In connection with the Second Amendment, RMM recorded a loss on early extinguishment of debt of approximately \$914,000 that reflects the write-off of a portion of unamortized previous debt issuance costs and capitalized approximately \$3,500,000 in new debt issuance costs.

RMM is required to pay an unused fee in respect of unused commitments under the Senior Credit Facility, if any, at a rate of 0.25% per annum. Substantially all tangible and intangible assets of the Company, RHI, RMM and the other subsidiary guarantors are pledged as collateral to secure the obligations of RMM under the RMM Credit Agreement.

The RMM Credit Agreement contains customary covenants limiting the ability of the Company, RHI, RMM and certain of its subsidiaries to, among other things, incur debt or liens, merge or consolidate with others, make investments, make cash dividends, redeem or repurchase capital stock, dispose of assets, enter into transactions with affiliates or enter into certain restrictive agreements. In addition, the Company, on a consolidated basis with its subsidiaries, must comply with financial covenants requiring the Company to maintain (i) a fixed charge coverage ratio of not less than 1.10:1.00 for each four fiscal quarter period, and (ii) a consolidated senior debt to library value ratio of 0.45:1.00, subject to certain adjustments. If RMM does not comply with the covenants in the RMM Credit Agreement, the lenders may, subject to customary cure rights, require the immediate payment of all amounts outstanding under the Senior Credit Facility.

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(Unaudited)

The Senior Credit Facility also includes an “accordion feature” that permits RMM to seek additional commitments in an amount not to exceed \$150,000,000. As of June 30, 2023, the Senior Credit Facility had a borrowing capacity of \$450,000,000, with remaining borrowing availability of \$118,171,590.

Interest Rate Swaps

At June 30, 2023, RMM had the following interest rate swaps outstanding, under which it pays a fixed rate and receives a floating interest payment from the counterparty based on SOFR with reference to notional amounts adjusted to match the original scheduled principal repayments pursuant to the indenture agreement:

<u>Effective Date</u>	<u>Notional Amount at June 30, 2023</u>	<u>Pay Fixed Rate</u>	<u>Maturity</u>
March 10, 2022	\$ 8,125,000	1.533 %	September 2024
March 10, 2022	\$ 87,740,512	1.422 %	September 2024
December 31, 2021	\$ 54,134,488	0.972 %	September 2024
September 30, 2024	\$ 100,000,000	2.946 %	December 2027

NOTE 9. INCOME TAXES

Income tax expense for the three months ended June 30, 2023 and 2022 was \$62,348 (27.5% effective tax rate) and \$5,338 (24.1% effective tax rate), respectively. The effective tax rates during these periods reflect the amount and mix of income from multiple tax jurisdictions.

NOTE 10. SUPPLEMENTARY CASH FLOW INFORMATION

Interest paid and income taxes paid for the three months ended June 30, 2023 and 2022 were comprised of the following:

	<u>2023</u>	<u>2022</u>
Interest paid	\$ 4,333,987	\$ 2,397,105
Income taxes paid	\$ 58,157	\$ 10,000

Non-cash investing and financing activities for the three months ended June 30, 2023 and 2022 were comprised of the following:

	<u>2023</u>	<u>2022</u>
Acquired intangible assets included in other liabilities	\$ 1,355,000	\$ 315,455
Reclassification of liability-classified awards to equity-classified awards	\$ 664,167	\$ 961,429

NOTE 11. WARRANTS

As of June 30, 2023, the Company’s outstanding warrants included 5,750,000 publicly-traded warrants (the “**Public Warrants**”), which were issued during ROCC’s initial public offering on December 15, 2020, and 137,500 warrants sold in a private placement to ROCC’s sponsor (the “**Private Warrants**” and together with the Public Warrants, the “**Warrants**”), which were assumed by the Company in connection with the Business Combination and exchanged into warrants for shares of Common Stock. Each whole Warrant entitles the registered holder to purchase one whole share of Common Stock at a price of \$11.50 per share, provided that the Company has an effective registration statement under the Securities Act covering the shares of Common Stock issuable upon exercise of the Warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder.

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The Warrants will expire on July 28, 2026, which is five years after the completion of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem the outstanding Public Warrants in whole, but not in part, at a price of \$0.01 per warrant upon a minimum of 30 days' prior written notice of redemption, if and only if the last sale price of Common Stock equals or exceeds \$18.00 per share for any 20-trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the registered holders.

NOTE 12. SHARE-BASED COMPENSATION

Share-based compensation expense totaled \$914,426 (\$704,234, net of taxes) and \$765,503 (\$590,032, net of taxes) during the three months ended June 30, 2023 and 2022, respectively. Share-based compensation expense is classified as "Administration expenses" in the accompanying condensed consolidated statements of income.

During the three months ended June 30, 2023 and 2022, the Company granted restricted stock units ("RSUs") to satisfy previous obligations to issue a variable number of equity awards based on a fixed monetary amount. Prior to the issuance of these RSUs, the Company classified these awards as liabilities. Upon issuance of the RSU's the awards became equity-classified as they no longer met the criteria to be liability-classified and as a result liabilities of \$664,167 and \$961,429 were reclassified from accounts payable and accrued liabilities to additional paid-in capital during the three months ended June 30, 2023 and 2022, respectively.

NOTE 13. EARNINGS PER SHARE

The following table summarizes the basic and diluted earnings per common share calculation for the three months ended June 30, 2023 and 2022:

	Three Months Ended	
	June 30,	
	2023	2022
Basic earnings per common share		
Net income attributable to Reservoir Media, Inc.	\$ 277,333	\$ 76,039
Weighted average common shares outstanding - basic	64,572,432	64,223,531
Earnings per common share - basic	<u>\$ —</u>	<u>\$ —</u>
Diluted earnings per common share		
Net income attributable to Reservoir Media, Inc.	\$ 277,333	\$ 76,039
Weighted average common shares outstanding - basic	64,572,432	64,223,531
Weighted average effect of potentially dilutive securities:		
Effect of dilutive stock options and RSUs	426,112	558,208
Weighted average common shares outstanding - diluted	<u>64,998,544</u>	<u>64,781,739</u>
Earnings per common share - diluted	<u>\$ —</u>	<u>\$ —</u>

Because of their anti-dilutive effect, 5,953,199 shares of Common Stock equivalents comprised of 65,699 RSUs and 5,887,500 warrants have been excluded from the diluted earnings per share calculation for the three months ended June 30, 2023. Because of their anti-dilutive effect, 5,887,500 shares of Common Stock equivalents comprised of warrants have been excluded from the diluted earnings per share calculation for the three months ended June 30, 2022.

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NOTE 14. FINANCIAL INSTRUMENTS

The Company is exposed to the following risks related to its financial instruments:

(a) Credit Risk

Credit risk arises from the possibility that the Company's debtors may be unable to fulfill their financial obligations. Revenues earned from publishing and distribution companies are concentrated in the music and entertainment industry. The Company monitors its exposure to credit risk on a regular basis.

(b) Interest Rate Risk

The Company is exposed to market risk from changes in interest rates on its Senior Credit Facility. As described in Note 8, "*Secured Line of Credit*," the Company entered into interest rate swap agreements to partially reduce its exposure to fluctuations in interest rates on its Credit Facilities.

The fair value of the outstanding interest rate swaps was a \$8,602,271 asset as of June 30, 2023 and a \$6,756,884 asset as of March 31, 2023. Fair value is determined using Level 2 inputs, which are based on quoted prices and market observable data of similar instruments. The change in the unrealized fair value of the swaps during the three months ended June 30, 2023 of \$1,845,387 was recorded as a Gain on fair value of swaps. The change in the unrealized fair value of the swaps during the three months ended June 30, 2022 of \$1,570,337 was recorded as a Gain on fair value of swaps.

(c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk in fluctuations of currency rates on its revenue from royalties, writers' fees and its subsidiaries' operations.

(d) Financial Instruments

Financial instruments not described elsewhere include cash, accounts receivable, accounts payable, accrued liabilities, secured loans payable and borrowing under its line of credit. The carrying values of these instruments as of June 30, 2022 do not differ materially from their respective fair values due to the immediate or short-term duration of these items or their bearing market-related rates of interest.

NOTE 15. CONTINGENCIES AND COMMITMENTS

(a) Litigation

The Company is subject to claims and contingencies in the normal course of business. To the extent the Company cannot predict the outcome of the claims and contingencies or estimate the amount of any loss that may result, no provision for any contingent liabilities has been made in the condensed consolidated financial statements. The Company believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position, results of operations or cash flows of the Company. All such matters which the Company concludes are probable to result in a loss and for which management can reasonably estimate the amount of such loss have been accrued for within these condensed consolidated financial statements.

NOTE 16. SEGMENT REPORTING

The Company's business is organized in two reportable segments: Music Publishing and Recorded Music. The Company identified its Chief Executive Officer as its Chief Operating Decision Maker ("*CODM*"). The Company's CODM evaluates financial performance of its segments based on several factors, of which the primary financial measure is operating income before depreciation and

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amortization (“**OIBDA**”). The accounting policies of the Company’s business segments are consistent with the Company’s policies for the condensed consolidated financial statements. The Company does not have sales between segments.

The following tables present total revenue and reconciliation of OIBDA to operating income by segment for the three months ended June 30, 2023 and 2022:

	Three Months Ended June 30, 2023			
	<u>Music Publishing</u>	<u>Recorded Music</u>	<u>Other</u>	<u>Consolidated</u>
Total revenue	<u>\$ 20,791,315</u>	<u>\$ 10,384,637</u>	<u>\$ 660,634</u>	<u>\$ 31,836,586</u>
Reconciliation of OIBDA to operating income (loss):				
Operating income (loss)	1,396,472	1,763,796	(15,347)	3,144,921
Amortization and depreciation	4,302,844	1,729,152	23,572	6,055,568
OIBDA	<u>\$ 5,699,316</u>	<u>\$ 3,492,948</u>	<u>\$ 8,225</u>	<u>\$ 9,200,489</u>
	Three Months Ended June 30, 2022			
	<u>Music Publishing</u>	<u>Recorded Music</u>	<u>Other</u>	<u>Consolidated</u>
Total revenue	<u>\$ 16,446,707</u>	<u>\$ 7,570,711</u>	<u>\$ 261,352</u>	<u>\$ 24,278,770</u>
Reconciliation of OIBDA to operating income (loss):				
Operating income (loss)	(261,308)	1,581,310	524	1,320,526
Amortization and depreciation	3,954,370	1,384,481	22,652	5,361,503
OIBDA	<u>\$ 3,693,062</u>	<u>\$ 2,965,791</u>	<u>\$ 23,176</u>	<u>\$ 6,682,029</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of Reservoir Media, Inc.'s financial condition and results of operations should be read in conjunction with Reservoir Media, Inc.'s condensed consolidated financial statements, including the accompanying notes thereto contained elsewhere in this Quarterly Report on Form 10-Q (this "**Quarterly Report**"). Certain statements contained in the discussion and analysis set forth below include forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. Unless the context otherwise requires, the terms "**we**," "**us**," "**our**," the "**Company**" and "**Reservoir**" refer collectively to Reservoir Media, Inc. and its consolidated subsidiaries.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "**Securities Act**"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), that are not historical facts, and are intended to be covered by the safe harbor created thereby. All statements, other than statements of historical fact included in this Quarterly Report including, without limitation, statements in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "predict," "project," "target," "goal," "intend," "continue," "could," "may," "might," "shall," "should," "will," "would," "plan," "possible," "potential," "estimate," "seek" and variations and similar words and expressions are intended to identify such forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. In addition, any statements that refer to expectations, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current expectations, projections and beliefs based on information currently available. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about the Company that may cause its actual business, financial condition, results of operations, performance and/or achievements to be materially different from any future business, financial condition, results of operations, performance and/or achievements expressed or implied by these forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described under "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Statements*" in the Company's Annual Report on Form 10-K (the "**Annual Report**") filed with the U.S. Securities and Exchange Commission (the "**SEC**") on May 31, 2023 and the Company's other filings with the SEC. The Company's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Introduction

We are a holding company that conducts substantially all of our business operations through Reservoir Media Management, Inc. ("**RMM**") and RMM's subsidiaries. Our activities are generally organized into two operating segments: Music Publishing and Recorded Music. Operations of the Music Publishing segment involve the acquisition of interests in music catalogs from which royalties are earned as well as signing songwriters to exclusive agreements, which gives us an interest in the future delivery of songs. Operations of the Recorded Music segment involve the acquisition of sound recording catalogs as well as the discovery and development of recording artists and the marketing, distribution, sale and licensing of the music catalogs.

Business Overview

We are an independent music company operating in music publishing and recorded music. We represent over 150,000 copyrights in our publishing business and over 36,000 master recordings in our recorded music business. Both of our business areas are populated with hit songs dating back to the early 1900s representing an array of artists across genre and geography. Consistent with how we classify and operate our business, our company is organized in two operating and reportable segments: Music Publishing and Recorded Music. A brief description of each segment's operations is presented below.

Music Publishing Segment

Music Publishing is an intellectual property business focused on generating revenue from uses of the musical composition itself. In return for promoting, placing, marketing and administering the creative output of a songwriter or engaging in those activities for other rightsholders, our Music Publishing business garners a share of the revenues generated from use of the musical compositions.

The operations of our Music Publishing business are conducted principally through RMM, our global music publishing company headquartered in New York City, with operations in multiple countries through various subsidiaries, affiliates and non-affiliated licensees and sub-publishers. We own or control rights to more than 150,000 musical compositions, including numerous pop hits, American standards, folk songs and motion picture and theatrical compositions. Assembled over many years, our current award-winning active songwriters exceed 100, while the catalog includes over 5,000 clients representing a diverse range of genres, including pop, rock, jazz, classical, country, R&B, hip-hop, rap, reggae, Latin, folk, blues, symphonic, soul, Broadway, techno, alternative and gospel.

Music Publishing revenues are derived from five main sources:

- **Digital**—the rightsholder receives revenues with respect to musical compositions embodied in recordings distributed in streaming services, download services and other digital music services;
- **Performance**—the rightsholder receives revenues if the musical composition is performed publicly through broadcast of music on television, radio and cable and in retail locations (*e.g.*, bars and restaurants), live performance at a concert or other venue (*e.g.*, arena concerts and nightclubs), and performance of music in staged theatrical productions;
- **Synchronization**—the rightsholder receives revenues for the right to use the musical composition in combination with visual images such as in films or television programs, television commercials and video games;
- **Mechanical**—the rightsholder receives revenues with respect to musical compositions embodied in recordings sold in any machine-readable format or configuration such as vinyl, CDs and DVDs; and
- **Other**—the rightsholder receives revenues for use in sheet music and other uses.

The principal costs associated with our Music Publishing business are as follows:

- **Writer Royalties and Other Publishing Costs**—the artist and repertoire (“**A&R**”) costs associated with (i) paying royalties to songwriters, co-publishers and other copyright holders in connection with income generated from the uses of their works and (ii) signing and developing songwriters; and
- **Administration Expenses**—the costs associated with general overhead, and other administrative expenses, as well as selling and marketing.

Recorded Music Segment

Our Recorded Music business consists of three primary areas of sound recording ownership. First is the active marketing, promotion, distribution, sale and licensing of newly created frontline sound recordings from Current Artists that we own and control. This is a new area of focus for us and does not yet produce significant revenue. The second is the active marketing, promotion, distribution, sale and license of previously recorded and subsequently acquired Catalog recordings. The third is acquisition of full or partial interests in existing record labels, sound recording catalogs or income rights to a royalty stream associated with an established recording artist or producer contract in connection with existing sound recordings. Acquisition of these income participation interests are typically in connection with recordings that are owned, controlled, and marketed by other record labels.

Our Current Artist and Catalog recorded music businesses are both primarily handled by our Chrysalis Records label based in London and our Tommy Boy record label based in New York City. In the United States, we also manage some select Catalog recorded music under our Philly Groove Records and Reservoir Records labels. We also own income participation interests in recordings by The Isley Brothers, The Commodores, Wisin and Yandel, Alabama and Travis Tritt, and an interest in the Loud Records catalog containing recordings by the Wu-Tang Clan. Our core Catalog includes recordings under the Chrysalis Records label by artists such as Sinéad O’Connor, The Specials, Generation X, The Waterboys and De La Soul, as well as recordings under the Tommy Boy record label by artists such as House of Pain, Naughty By Nature, and Queen Latifah.

Our Current Artist and Catalog recorded music distribution is handled by a network of distribution partners. Chrysalis Records current frontline releases are distributed through Secretly Distribution, with prior frontline releases distributed through PIAS. Chrysalis Records and Tommy Boy catalogs are distributed via our agreements with MERLIN, AMPED, Proper and other partners.

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Through our distribution network, our music is being sold in physical retail outlets as well as in physical form to online physical retailers, such as amazon.com, and distributed in digital form to an expanding universe of digital partners, including streaming services such as Amazon, Apple, Deezer, SoundCloud, Spotify, Tencent Music Entertainment Group, Tidal and YouTube, radio services such as iHeart Radio and SiriusXM, and download services. We also license music digitally to fitness platforms such as Apple Fitness+, Equinox, Hydrow and Peloton and social media outlets, such as Facebook, Instagram, TikTok and Snap.

Recorded Music revenues are derived from four main sources:

- **Digital**—the rightsholder receives revenues with respect to streaming and download services;
- **Physical**—the rightsholder receives revenues with respect to sales of physical products such as vinyl, CDs and DVDs;
- **Neighboring Rights**—the rightsholder receives royalties if sound recordings are performed publicly through broadcast of music on television, radio, and cable, and in public spaces such as shops, workplaces, restaurants, bars and clubs; and
- **Synchronization**—the rightsholder receives royalties or fees for the right to use sound recordings in combination with visual images such as in films or television programs, television commercials and video games.

The principal costs associated with our Recorded Music business are as follows:

- **Artist Royalties and Other Recorded Costs**—the A&R costs associated with (i) paying royalties to recording artists, producers, songwriters, other copyright holders and trade unions, (ii) signing and developing recording artists and (iii) creating master recordings in the studio; and product costs to manufacture, package and distribute products to wholesale and retail distribution outlets; and
- **Administration Expenses**—the costs associated with general overhead and other administrative expenses as well as costs associated of selling and marketing.

Use of Non-GAAP Financial Measures

We prepare our financial statements in accordance with accounting principles generally accepted in the United States (“**U.S. GAAP**” or “**GAAP**”). However, this Management’s Discussion and Analysis of Financial Condition and Results of Operations also contains certain non-GAAP financial measures to assist readers in understanding our performance. Non-GAAP financial measures either exclude or include amounts that are not reflected in the most directly comparable measure calculated and presented in accordance with GAAP. Where non-GAAP financial measures are used, we have provided the most directly comparable measures calculated and presented in accordance with U.S. GAAP, a reconciliation to GAAP measures and a discussion of the reasons why management believes this information is useful to it and may be useful to investors.

Results of Operations

Income Statement

Our income statement was composed of the following amounts (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Revenues	\$ 31,837	\$ 24,279	\$ 7,558	31 %
Costs and expenses:				
Cost of revenue	13,472	9,975	3,496	35 %
Amortization and depreciation	6,056	5,362	694	13 %
Administration expenses	9,165	7,622	1,543	20 %
Total costs and expenses	28,692	22,958	5,733	25 %
Operating income	3,145	1,321	1,824	138 %
Interest expense	(4,734)	(2,976)	(1,757)	59 %
(Loss) gain on foreign exchange	(30)	107	(137)	NM
Gain on fair value of swaps	1,845	1,570	275	18 %
Income before income taxes	227	22	205	NM
Income tax expense	62	5	57	NM
Net income	164	17	148	NM
Net loss attributable to noncontrolling interests	113	59	54	90 %
Net income attributable to Reservoir Media, Inc.	\$ 277	\$ 76	\$ 201	265 %

NM – Not meaningful

Revenues

Our revenues were composed of the following amounts (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Revenue by Type				
Digital	\$ 11,901	\$ 8,464	\$ 3,437	41 %
Performance	4,515	3,536	978	28 %
Synchronization	3,033	3,299	(267)	(8) %
Mechanical	560	514	45	9 %
Other	784	633	151	24 %
Total Music Publishing	20,791	16,447	4,345	26 %
Digital	5,623	4,564	1,059	23 %
Physical	3,575	1,297	2,277	176 %
Neighboring rights	859	685	174	25 %
Synchronization	328	1,025	(696)	(68) %
Total Recorded Music	10,385	7,571	2,814	37 %
Other revenue	661	261	399	153 %
Total Revenue	\$ 31,837	\$ 24,279	\$ 7,558	31 %

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Revenue by Geographical Location				
U.S. Music Publishing	\$ 13,001	\$ 9,843	\$ 3,158	32 %
U.S. Recorded Music	5,525	3,803	1,722	45 %
U.S. Other Revenue	661	261	399	153 %
Total U.S.	19,186	13,907	5,279	38 %
International Music Publishing	7,790	6,603	1,187	18 %
International Recorded Music	4,860	3,768	1,092	29 %
Total International	12,650	10,371	2,279	22 %
Total Revenue	\$ 31,837	\$ 24,279	\$ 7,558	31 %

Revenues

Total revenues increased by \$7,558 thousand, or 31%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, driven by a 26% increase in Music Publishing revenue and a 37% increase in Recorded Music revenue. Music Publishing revenues represented 65% and 68% of total revenues for the three months ended June 30, 2023 and the three months ended June 30, 2022, respectively. Recorded Music revenues represented 33% and 31% of total revenues for the three months ended June 30, 2023 and the three months ended June 30, 2022, respectively. U.S. and international revenues represented 60% and 40%, respectively of total revenues for the three months ended June 30, 2023. U.S. and international revenues represented 57% and 43%, respectively of total revenues for the three months ended June 30, 2022. The shift in mix between Music Publishing and Recorded Music was driven by the significant physical sales in the Recorded Music segment for the quarter, and the shift in geographic mix is primarily attributable to the higher U.S. publishing rates on streaming in the current quarter and the higher U.S. physical sales.

Total digital revenues increased by \$4,496 thousand, or 35%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Total digital revenues represented 55% and 54% of consolidated revenues for the three months ended June 30, 2023 and the three months ended June 30, 2022, respectively.

Music Publishing revenues increased by \$4,345 thousand, or 26%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This increase in Music Publishing revenue was mainly driven by acquisitions of catalogs and revenue from the existing catalog, which led to increases in digital revenue and performance revenue. Additionally, other publishing revenues increased, driven primarily by increased revenue associated with the use of lyrics and sheet music. These increases were partially offset by a decrease in synchronization revenue due to timing of synchronization licenses, as well as the writers' strike in Hollywood.

On a geographic basis, U.S. Music Publishing revenues represented 63% of total Music Publishing revenues for the three months ended June 30, 2023 compared to 60% for the three months ended June 30, 2022. International Music Publishing revenues represented 37% of total Music Publishing revenues for the three months ended June 30, 2023 compared to 40% for the three months ended June 30, 2022. The increase in the U.S. percentage was driven by the higher royalty rate for streaming services in the U.S.

Recorded Music revenues increased by \$2,814 thousand, or 37%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The increase in Recorded Music revenue was driven by an increase in physical revenue and the continued growth at music streaming services. The \$2,277 increase in physical revenue was primarily due to De La Soul releases for Tommy Boy and the timing of the Chrysalis' release schedule. The \$696 thousand decrease in synchronization revenue was primarily due to timing of synchronization licenses, as well as the writers' strike in Hollywood.

On a geographic basis, U.S. Recorded Music revenues represented 53% of total Recorded Music revenues for the three months ended June 30, 2023 compared to 50% for the three months ended June 30, 2022. International Recorded Music revenues represented 47% of total Recorded Music revenues for the three months ended June 30, 2023 compared to 50% for the three months ended June 30, 2022, primarily as a result of De La Soul releases that performed particularly well in the U.S.

Cost of Revenues

Our cost of revenues was composed of the following amounts (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Writer royalties and other publishing costs	\$ 9,505	\$ 7,752	\$ 1,753	23 %
Artist royalties and other recorded music costs	3,967	2,223	1,744	78 %
Total cost of revenue	\$ 13,472	\$ 9,975	\$ 3,497	35 %

Cost of revenues increased by \$3,497 thousand, or 35%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Cost of revenues as a percentage of revenues increased to 42% for the three months ended June 30, 2023 from 41% for the three months ended June 30, 2022.

Writer royalties and other publishing costs for the Music Publishing segment increased by \$1,753 thousand, or 23%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Writer royalties and other publishing costs as a percentage of Music Publishing revenues decreased to 46% for the three months ended June 30, 2023 from 47% for the three months ended June 30, 2022. The increase in margins was due to the change in the mix of revenue by type and songwriting clients with their specific contractual royalty rates being applied to the revenues.

Artist royalties and other recorded music costs for the Recorded Music segment increased by \$1,744 thousand, or 78%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This increase was due primarily to an increase in revenue as well as a shift to a much larger portion of revenue coming from physical product which carries a much higher cost. Artist royalties and other recorded music costs as a percentage of recorded music revenues increased to 38% for the three months ended June 30, 2023 from 29% for the three months ended June 30, 2022. The increase in artist royalties and other recorded music costs and decrease in margins were due primarily to the change in the mix of sales by type to a higher percentage of physical sales, which carry higher costs than other types of revenue.

Amortization and Depreciation

Our amortization and depreciation expenses are composed of the following amounts (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Music Publishing amortization and depreciation	\$ 4,303	\$ 3,954	\$ 349	9 %
Recorded Music amortization and depreciation	1,729	1,385	344	25 %
Other amortization and depreciation	24	23	1	4 %
Total amortization and depreciation	\$ 6,056	\$ 5,362	\$ 694	13 %

Amortization and depreciation expense increased by \$694 thousand, or 13%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, driven by increases in both the Music Publishing and Recorded Music segments. Music Publishing amortization and depreciation expense increased by \$349 thousand, or 9%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, primarily due to the acquisition of additional music catalogs. Recorded Music amortization and depreciation increased by \$344 thousand, or 25%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, primarily due to the acquisition of additional music catalogs.

Administration Expenses

Our administration expenses are composed of the following amounts (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Music Publishing administration expenses	\$ 5,587	\$ 5,002	\$ 585	12 %
Recorded Music administration expenses	2,925	2,382	543	23 %
Other administration expenses	653	238	415	174 %
Total administration expenses	\$ 9,165	\$ 7,622	\$ 1,543	20 %

Total administration expenses increased by \$1,543 thousand, or 20%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, reflecting increases in both the Music Publishing and Recorded Music segments, as well as an increase in Other administration expenses. Expressed as a percentage of revenues, administration expenses decreased to 29% for the three months ended June 30, 2023 from 31% for the three months ended June 30, 2022, primarily due to improved operating leverage of the Music Publishing and Recorded Music segments.

Music Publishing administration expenses increased by \$585 thousand, or 12%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Expressed as a percentage of revenues, Music Publishing administration expenses decreased to 27% for the three months ended June 30, 2023 from 30% for the three months ended June 30, 2022, primarily due to taking advantage of operating leverage on the Music Publishing infrastructure.

Recorded Music administration expenses increased by \$543 thousand, or 23%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Expressed as a percentage of revenue, Recorded Music administration expenses decreased to 28% for the three months ended June 30, 2023 from 31% for the three months ended June 30, 2022, primarily due to taking advantage of operating leverage on the Recorded Music platform.

Other administration expenses increased by \$415 thousand, or 174%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, primarily due to selling expenses associated with our artist management business.

Interest Expense

Interest expense increased by \$1,757 thousand, or 59%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This increase was primarily driven by increased debt balances due to use of funds in acquisitions of music catalogs and writer signings, as well as increases in SOFR.

(Loss) Gain on Foreign Exchange

Loss on foreign exchange was \$30 thousand for the three months ended June 30, 2023 compared to a gain on foreign exchange of \$107 thousand for the three months ended June 30, 2022. This change was due to fluctuations in the two foreign currencies we are directly exposed to, namely British pound sterling and euro.

Gain on Fair Value of Swaps

Gain on fair value of swaps increased by \$275 thousand during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. This change was due to marking to market our interest rate swap hedges.

Income Tax Expense

Income tax expense was \$62 thousand during the three months ended June 30, 2023 compared to \$5 thousand during the three months ended June 30, 2022. The effective income tax rate during the three months ended June 30, 2023 was 27.5% compared to 24.1% during the three months ended June 30, 2022. The increase in the effective income tax rate was driven primarily by changes in the mix of income from multiple tax jurisdictions.

Net Income

Net income was \$164 thousand during the three months ended June 30, 2023 compared to \$17 thousand during the three months ended June 30, 2022. The change in net income was driven primarily by an \$1,824 thousand increase in operating income, which reflects revenue growth and improved operating leverage, partially offset by a \$1,757 increase in interest expense.

Non-GAAP Reconciliations

We use certain financial information, such as OIBDA, OIBDA Margin, EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin, which are non-GAAP financial measures, which means they have not been prepared in accordance with U.S. GAAP. Reservoir's management uses these non-GAAP financial measures to evaluate our operations, measure its performance and make strategic decisions. We believe that the use of these non-GAAP financial measures provides useful information to investors and others in understanding our results of operations and trends in the same manner as our management and in evaluating our financial measures as compared to the financial measures of other similar companies, many of which present similar non-GAAP financial measures. However, these non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by our management about which items are excluded or included in determining these non-GAAP financial measures and, therefore, should not be considered as a substitute for net income, operating income or any other operating performance measures calculated in accordance with GAAP. Using such non-GAAP financial measures in isolation to analyze our business would have material limitations because the calculations are based on the subjective determination of our management regarding the nature and classification of events and circumstances. In addition, although other companies in our industry may report measures titled OIBDA, OIBDA margin, Adjusted EBITDA, and Adjusted EBITDA Margin, or similar measures, such non-GAAP financial measures may be calculated differently from how we calculate such non-GAAP financial measures, which reduces their overall usefulness as comparative measures. Because of these limitations, such non-GAAP financial measures should be considered alongside other financial performance measures and other financial results presented in accordance with GAAP. Reconciliations of OIBDA to operating income and EBITDA and Adjusted EBITDA to net income are provided below.

We consider operating income before non-cash depreciation of tangible assets and non-cash amortization of intangible assets ("**OIBDA**") to be an important indicator of the operational strengths and performance of our businesses and believe this non-GAAP financial measure provides useful information to investors because it removes the significant impact of amortization from our results of operations and represents our measure of segment income. However, a limitation of the use of OIBDA as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our businesses and other non-operating income (loss). Accordingly, OIBDA should be considered in addition to, not as a substitute for, operating income, net income attributable to us and other measures of financial performance reported in accordance with GAAP. In addition, our definition of OIBDA may differ from similarly titled measures used by other companies. OIBDA Margin is defined as OIBDA as a percentage of revenue.

EBITDA is defined as earnings (net income or loss) before net interest expense, income tax expense, non-cash depreciation of tangible assets and non-cash amortization of intangible assets and is used by management to measure operating performance of the business. Adjusted EBITDA is defined as EBITDA further adjusted to exclude items or expenses such as, among others, (1) any non-cash charges (including any impairment charges), (2) any net gain or loss on foreign exchange, (3) any net gain or loss resulting from interest rate swaps, (4) equity-based compensation expense and (5) certain unusual or non-recurring items. Adjusted EBITDA is a key measure used by our management to understand and evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. However, certain limitations on the use of Adjusted EBITDA include, among others, (1) it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue for our business, (2) it does not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on our indebtedness and (3) it does not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments. In particular, Adjusted EBITDA measure adds back certain non-cash, unusual or non-recurring charges that are deducted in calculating net income; however, these are expenses that may recur, vary greatly and are difficult to predict. In addition, Adjusted EBITDA is not the same as net income or cash flow provided by operating activities as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue.

Reconciliation of Operating Income to OIBDA

We use OIBDA as our primary measure of financial performance. The following tables reconcile operating income to OIBDA (in thousands):

	Consolidated			
	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Operating income	\$ 3,145	\$ 1,321	\$ 1,824	138 %
Amortization and depreciation expenses	6,056	5,362	694	13 %
OIBDA	<u>\$ 9,201</u>	<u>\$ 6,683</u>	<u>\$ 2,518</u>	<u>38 %</u>
OIBDA Margin	29 %	28 %		

	Music Publishing			
	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Operating income (loss)	\$ 1,396	\$ (261)	\$ 1,657	NM
Amortization and depreciation expenses	4,303	3,954	349	9 %
OIBDA	<u>\$ 5,699</u>	<u>\$ 3,693</u>	<u>\$ 2,006</u>	<u>54 %</u>
OIBDA Margin	27 %	22 %		

	Recorded Music			
	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Operating income	\$ 1,764	\$ 1,581	\$ 183	12 %
Amortization and depreciation expenses	1,729	1,385	344	25 %
OIBDA	<u>\$ 3,493</u>	<u>\$ 2,966</u>	<u>\$ 527</u>	<u>18 %</u>
OIBDA Margin	34 %	39 %		

NM – Not meaningful

OIBDA

Consolidated OIBDA increased by \$2,518 thousand, or 38%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, driven by a 54% increase in Music Publishing OIBDA and an 18% increase in Recorded Music OIBDA. Expressed as a percentage of revenue, OIBDA Margin increased to 29% for the three months ended June 30, 2023 from 28% for the three months ended June 30, 2022.

Music Publishing OIBDA increased by \$2,006 thousand, or 54%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Expressed as a percentage of revenue, Music Publishing OIBDA Margin increased to 27% in the three months ended June 30, 2023 from 22% in the three months ended June 30, 2022. The increases in Music Publishing OIBDA and OIBDA Margin reflect revenue growth and improved operating leverage on the Music Publishing infrastructure.

Recorded Music OIBDA increased by \$527 thousand, or 18% during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Expressed as a percentage of revenue, Recorded Music OIBDA Margin decreased to 34% during the three months ended June 30, 2023 from 39% in the three months ended June 30, 2022. This decrease is primarily driven by a decrease in margins due to the change in the mix of sales by type to a higher percentage of physical sales, partially offset by improved operating leverage on the Recorded Music platform.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

The following table reconciles net income to Adjusted EBITDA (in thousands):

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Net income	\$ 164	\$ 17	\$ 147	NM
Income tax expense	62	5	57	NM
Interest expense	4,734	2,976	1,758	59 %
Amortization and depreciation	6,056	5,362	694	13 %
EBITDA	11,016	8,360	2,656	32 %
Loss (gain) on foreign exchange ^(a)	30	(107)	137	NM
Gain on fair value of swaps ^(b)	(1,845)	(1,570)	(275)	18 %
Non-cash share-based compensation ^(c)	914	766	148	19 %
Adjusted EBITDA	\$ 10,115	\$ 7,449	\$ 2,666	36 %

NM - Not meaningful

- (a) Reflects the loss or (gain) on foreign exchange fluctuations.
- (b) Reflects the non-cash gain on the mark-to-market of interest rate swaps.
- (c) Reflects non-cash share-based compensation expense related to the Reservoir Media, Inc. 2021 Omnibus Incentive Plan.

Consolidated Adjusted EBITDA increased by \$2,666 thousand, or 36%, during the three months ended June 30, 2023 compared to the three months ended June 30, 2022, primarily as a result of revenue growth and improved operating leverage. Adjusted EBITDA Margin increased to 32% during the three months ended June 30, 2023 compared to 31% during the three months ended June 30, 2022, primarily due to improved operating leverage.

Liquidity and Capital Resources

Capital Resources

As of June 30, 2023, we had \$325,809 thousand of debt (net of \$6,020 thousand of deferred financing costs) and \$12,250 thousand of cash and cash equivalents.

Cash Flows

The following table summarizes our historical cash flows (in thousands).

	For the Three Months Ended June 30,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
Cash provided by (used in):				
Operating activities	\$ (861)	\$ 1,803	\$ (2,664)	(148)%
Investing activities	\$ (15,227)	\$ (12,773)	\$ (2,454)	19 %
Financing activities	\$ 13,294	\$ 6,517	\$ 6,777	104 %

Operating Activities

Cash used in operating activities was \$861 thousand for the three months ended June 30, 2023 compared to cash provided by operating activities of \$1,803 thousand for the three months ended June 30, 2022. The primary driver of the \$2,664 thousand decrease in cash provided by operating activities during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 was an increase in net cash used for working capital, primarily related to royalty advances (net of recoupments), accounts receivable and the timing of payments of accounts payable and accrued liabilities.

Investing Activities

Cash used in investing activities was \$15,227 thousand for the three months ended June 30, 2023 compared to \$12,773 thousand for the three months ended June 30, 2022. The increase in cash used in investing activities was primarily due to increased acquisitions of music catalogs.

Financing Activities

Cash provided by financing activities was \$13,294 thousand for the three months ended June 30, 2023 compared to \$6,517 thousand for the three months ended June 30, 2022. The increase in cash provided by financing activities in the three months ended June 30, 2023 reflects an increase in net borrowings used for investing activities.

Liquidity

Our primary sources of liquidity are the cash flows generated from our subsidiaries' operations, available cash and cash equivalents and funds available for drawing under our Senior Credit Facility (as described below). These sources of liquidity are needed to fund our debt service requirements, working capital requirements, strategic acquisitions and investments, capital expenditures and other investing and financing activities we may elect to make in the future.

We believe that our primary sources of liquidity will be sufficient to support our existing operations over the next twelve months.

Existing Debt as of June 30, 2023

As of June 30, 2023, our outstanding debt consisted of \$331,828 thousand borrowed under the Senior Credit Facility. As of June 30, 2023, remaining borrowing availability under the Senior Credit Facility was \$118,172 thousand.

We use cash generated from operations to service outstanding debt, consisting primarily of interest payments through maturity, and we expect to continue to refinance and extend maturity on the Senior Credit Facility for the foreseeable future.

Debt Capital Structure

On December 16, 2022, RMM entered into an amendment (the "**Second Amendment**") to the RMM Credit Agreement. The Second Amendment amended the RMM Credit Agreement governing RMM's secured revolving credit facility (the "**Senior Credit Facility**"). The Second Amendment amended the RMM Credit Agreement to (i) increase RMM's senior secured revolving credit facility from \$350,000 thousand to \$450,000 thousand, (ii) increase the incremental borrowing available under the facility's accordion feature from \$50,000 thousand to \$150,000 thousand, (iii) extend the maturity date of the loans advanced under the RMM Credit Agreement from October 16, 2024 to December 16, 2027, (iv) modify the interest rate to be equal to either the sum of a base rate plus a margin of 1.00% or the sum of a SOFR rate plus a margin of 2.00%, in each case subject to a 0.25% increase based on a consolidated net senior debt to library value ratio, (v) remove the existing total leverage ratio financial covenant of no greater than 7.50:1.00 (net of up to \$20,000 thousand of certain cash balances) as of the end of each fiscal quarter, (vi) reduce the minimum required fixed charge coverage ratio financial covenant to 1.10:1.00 and (vii) modify the consolidated senior debt to library value ratio financial covenant to 0.450, subject to certain adjustments. RMM is also required to pay an unused fee in respect of unused commitments under the Senior Credit Facility, if any, at a rate of 0.25% per annum.

Subject to market conditions, we expect to continue to take opportunistic steps to extend our maturity dates and reduce related interest expense. From time to time, we may incur additional indebtedness for, among other things, working capital, repurchasing, redeeming or tendering for existing indebtedness and acquisitions or other strategic transactions.

Certain terms of the Senior Credit Facility are described below.

Guarantees and Security

The obligations under the Senior Credit Facility are guaranteed by us, RHI and subsidiaries of RMM. Substantially all of our, RHI's, RMM's and other subsidiary guarantors' tangible and intangible assets are pledged as collateral to secure the obligations of RMM under the Senior Credit Facility, including accounts receivable, cash and cash equivalents, deposit accounts, securities accounts, commodities accounts, inventory and certain intercompany debt owing to us or our subsidiaries.

Covenants, Representations and Warranties

The Senior Credit Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants contained in the Senior Credit Facility limit the ability our, RHI's, RMM's and certain of its subsidiaries ability to, among other things, incur debt or liens, merge or consolidate with others, make investments, make cash dividends, redeem or repurchase capital stock, dispose of assets, enter into transactions with affiliates or enter into certain restrictive agreements.

Events of Default

The Senior Credit Facility includes customary events of default, including nonpayment of principal when due, nonpayment of interest or other amounts, inaccuracy of representations or warranties in any material respect, violation of covenants, certain bankruptcy or insolvency events, certain ERISA events and certain material judgments, in each case, subject to customary thresholds, notice and grace period provisions.

Covenant Compliance

The Senior Credit Facility contains financial covenants that requires us, on a consolidated basis with our subsidiaries, to maintain, (i) a fixed charge coverage ratio of not less than 1.10:1.00 for each four fiscal quarter period, and (ii) a consolidated senior debt to library value ratio of no greater than 0.45:1.00, subject to certain adjustments.

Non-compliance with the fixed charge coverage ratio and consolidated senior debt to library value ratio could result in the lenders, subject to customary cure rights, requiring the immediate payment of all amounts outstanding under the Senior Credit Facility, which could have a material adverse effect on our business, cash flows, financial condition and results of operations. As of June 30, 2023, we were in compliance with both of the financial covenants under the Senior Credit Facility.

Interest Rate Swaps

At June 30, 2023, RMM had the following interest rate swaps outstanding, under which it pays a fixed rate and receives a floating interest payment from the counterparty based on SOFR with reference to notional amounts adjusted to match the original scheduled principal repayments pursuant to the indenture agreement (in thousands):

Effective Date	Notional Amount at June 30, 2023	Pay Fixed Rate	Maturity
March 10, 2022	\$ 8,125	1.533 %	September 2024
March 10, 2022	\$ 87,741	1.422 %	September 2024
December 31, 2021	\$ 54,134	0.972 %	September 2024
September 30, 2024	\$ 100,000	2.946 %	December 2027

Dividends

Our ability to pay dividends is restricted by covenants in the Senior Credit Facility. We did not pay any dividends to stockholders during the three months ended June 30, 2023.

Summary

Management believes that funds generated from our operations, borrowings under the Senior Credit Facility and available cash and equivalents will be sufficient to fund our debt service requirements, working capital requirements and capital expenditure requirements for the foreseeable future. However, our ability to continue to fund these items and to reduce debt may be affected by general economic, financial, competitive, legislative and regulatory factors, as well as other industry-specific factors such as the ability to control music piracy and the continued transition from physical to digital formats in the recorded music and music publishing industries. It could also be affected by the severity and duration of natural or human-made disasters, including pandemics such as the COVID-19 pandemic. We and our affiliates continue to evaluate opportunities to, from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity and other factors, seek to pay dividends or prepay outstanding debt or repurchase or retire our outstanding debt. The amounts involved in any such transactions, individually or in the aggregate, may be material and may be funded from available cash or from additional borrowings or equity raises. In addition, from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity, and other factors, we may seek to refinance the Senior Credit Facility with existing cash and/or with funds provided from additional borrowings.

Contractual and Other Obligations

As of June 30, 2023, there have been no material changes, outside the ordinary course of business, in our contractual obligations since March 31, 2023. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual and Other Obligations*” in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on May 31, 2023 for information regarding our contractual obligations.

Critical Accounting Policies

As of June 30, 2023, there have been no material changes to our critical accounting policies since March 31, 2023. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies*” in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on May 31, 2023 for information regarding our critical accounting policies. We believe that our accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. The preparation of our condensed consolidated financial statements in conformity with US GAAP requires us to make estimates and judgments that affect the amounts reported in those condensed consolidated financial statements and the accompanying notes thereto. We believe we have used reasonable estimates and assumptions in preparing the condensed consolidated financial statements. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Off-Balance Sheet Arrangements

As of June 30, 2023, we had no off-balance sheet arrangements.

New Accounting Pronouncements

See Note 3, “*Recent Accounting Pronouncements*” to the accompanying unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 3, “*Quantitative and Qualitative Disclosures About Market Risk*.”

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2023, as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Exchange Act.

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As a result of the material weaknesses in our internal controls over financial reporting, as previously disclosed under Part II “Item 9A, Controls and Procedures” in our Annual Report on Form 10-K for the year ended March 31, 2023 (the “Annual Report”), our principal executive officer and principal financial and accounting officer concluded that during the period covered by this Quarterly Report our disclosure controls and procedures were not effective as of June 30, 2023. Notwithstanding these material weaknesses, management has concluded that the condensed consolidated financial statements included in this Quarterly Report are fairly stated in all material respects in accordance with U.S. GAAP.

Remediation Plan and Status of Material Weaknesses

We continue to take steps to remediate the material weaknesses described in our Annual Report by hiring additional qualified accounting personnel and further evolving our accounting processes. Specifically, since the material weakness related to the lack of qualified personnel was identified, we retained third party experts on complex technical accounting issues and taxes, as well as hiring additional accounting personnel with the requisite experience to improve the process around financial reporting. We have also improved certain accounting processes and re-designed risk assessment and control activities to support our remediation of the other material weaknesses noted above. We also continue to assess whether these improved control activities have been designed effectively, but that evaluation is ongoing.

We plan on continuing to improve our processes and control activities in support of our remediation activities. In future periods, we will ensure that the improved processes & controls have been designed & implemented effectively, and we will also evaluate the operational effectiveness of the new and redesigned controls.

We will not be able to fully remediate these material weaknesses until the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively. Our management will continue to monitor the effectiveness of our remediation plans in future periods and will make changes we determine to be appropriate.

Changes in Internal Control over Financial Reporting

Except as disclosed above, there have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls and Procedures

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all cases of error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We may, from time to time, become involved in various legal and administrative proceedings, claims, lawsuits and/or other actions incidental to the conduct of our business. Some of these legal and administrative proceedings, claims, lawsuits and/or other actions may be material and involve highly complex issues that are subject to substantial uncertainties and could result in damages, fines, penalties, non-monetary sanctions or relief. We recognize provisions for claims or pending litigation when we determine that an unfavorable outcome is probable and the amount of loss can be reasonably estimated. Due to the inherently uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates. As of the date of this Quarterly Report, we are not involved in any legal proceedings that we believe could have a material adverse effect on our business, financial condition and/or results of operations.

Item 1A. Risk Factors.

There have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A to the Company's Annual Report for the year ended March 31, 2023. The risk factors disclosed in the Annual Report, in addition to the other information set forth in this report, could materially affect our business, financial condition or results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There have been no other unregistered sales of equity securities during the three months ended June 30, 2023, which have not been previously disclosed on a Current Report on Form 8-K.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

No.	Description of Exhibit
10.1*	Amended and Restated Letter of Employment, dated June 29, 2023, by and between Reservoir Media Management, Inc. and Golnar Khosrowshahi
31.1*	Certification of Chief Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a), 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 Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

† Certain of the schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules or exhibits upon request by the SEC.

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RESERVOIR MEDIA, INC.

Date: August 2, 2023

By: /s/ Golnar Khosrowshahi

Name: Golnar Khosrowshahi

Title: Chief Executive Officer (Principal Executive Officer)

Date: August 2, 2023

By: /s/ Jim Heindlmeyer

Name: Jim Heindlmeyer

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)



PRIVATE AND CONFIDENTIAL

April 1, 2021
Amended as of June 29, 2023

Golnar Khosrowshahi
200 Varick Street
Suite 801
New York, NY 10014

Re: Amended and Restated Letter of Employment

Dear Golnar,

On behalf of Reservoir Media Management, Inc., a Delaware corporation, and its affiliated companies including Reservoir Media, Inc. (“Reservoir”), I am pleased to confirm the terms of our agreement (“Agreement”) concerning your continued employment with Reservoir as Chief Executive Officer (“CEO”) during the Term, with duties, responsibilities and authority customary for such position. You shall report to the Board of Directors of Reservoir Media, Inc. (the “Board”). You shall be permitted to serve on the board of directors of any affiliated companies of Reservoir and to receive compensation with respect to such service. During the Term, you shall be entitled to (A) serve on civic, charitable, educational, social welfare and religious boards and, with advance written notice to the Board, three (3) for-profit board of directors and (B) manage the your personal and family investments, in each case, to the extent that such activities do not materially interfere with the performance of the your duties and responsibilities hereunder. For the avoidance of doubt, during the Term, the Executive shall be permitted to become engaged in or render services to the persons or entities as set forth on Exhibit A.

Reservoir shall cause you to be appointed as a member of the Board. During the Term, Reservoir shall nominate you for re-election as a member of the Board upon the expiration of your initial term as a director and upon the expiration of each subsequent term thereafter.

The initial term of this Agreement shall be the three-year period commencing on April 1, 2021 (the “Effective Date”) (and such term, the “Initial Term”); this agreement shall be null and void ab initio if the Merger Agreement is terminated prior to the Closing Date. The Initial Term shall automatically be extended for successive two year (2) year periods (together with the Initial Term, the “Term”), unless either party hereto gives notice of the non-extension of the Term to the other party no later than one hundred and eighty (180) days prior to the expiration of the then-applicable Term.

Other terms of this Agreement are outlined below.

Compensation Package

Base Salary

US\$ 400,000 per annum provided that the then current base salary shall increase by 2.5% on each anniversary of the Effective Date.

Performance Bonuses

With respect to each fiscal year that ends during the Term, you are eligible to receive an annual cash bonus, with a target amount equal to 50% of your then current base salary (“Performance Bonus”), subject to your continued employment with Reservoir through the last day of the fiscal year to which the Performance Bonus relates. In the event Reservoir terminates your employment without Cause (as defined below), you will be eligible for a pro rata portion of such Performance Bonus based on the number of days you





were employed with Reservoir during such fiscal year up to the date of such termination. Performance Bonuses will be determined by the Board in consultation with the CEO based on a combination of criteria including, without limitation, achievement of company revenue targets and qualitative measures. If successfully earned, such Performance Bonuses are typically paid in the month of May following the end of the respective fiscal year.

You will also be entitled to receive annual long-term equity grants for four years, with the grant date fair value of each grant to be equal to \$920,000, on the terms and conditions as further set forth on Exhibit B.

Benefits

Health Plan

You shall be entitled to participate in all employee health benefit plans and programs offered by Reservoir on a company-wide basis to its employees from time to time, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and programs.

401(k) Plan

You shall be entitled to participate in Reservoir's 401(k) plan on a level commensurate with other employees of Reservoir of similar level of seniority, subject to and on a basis consistent with the terms, conditions and overall administration of such 401(k) plan.

Commuter Benefits

You shall be entitled to participate in the commuter benefits program. This program offers commuters the ability to use pre-tax deductions to pay for their commute thus reducing their taxable income.

Reservoir shall retain the unilateral right to implement, amend, modify, or terminate any of the employee benefit plans or programs described above at any time without your consent (subject to applicable law).

Vacation/Time off

You shall be entitled to thirty (30) days of paid vacation per calendar year. Vacation will be taken at a time or times reasonable for each of you and Reservoir in the circumstances. In addition to vacation days, all employees at Reservoir have six (6) sick-days per calendar year and two (2) volunteer days. Vacation time and sick days do not roll over from year to year, except with written authorization from Reservoir. Should you decide to terminate your employment with Reservoir, or should Reservoir terminate your employment without cause, vacation time accrued during the year of termination and remaining unused at the date of termination shall be paid to you with your final paycheck. No accrued and unused vacation time will be paid to you in the event of your termination for cause.

Business Expenses

You shall be reimbursed monthly for any reasonable out-of-pocket business expenses subject to presentation of proper documentation.

Termination of Employment

Your employment hereunder may be terminated prior to the expiration of the Term by you or Reservoir, as applicable, without any breach of this Agreement only under the following circumstances: (i) death, (ii) by Reservoir due to Disability, (iii) by Reservoir for Cause, (iv) by Reservoir without Cause, (v) by you for Good Reason, and (vi) by you without Good





Reason. Any termination of your employment by Reservoir or you shall be communicated by a written notice to the other party hereto at least thirty (30) days prior to the effective date of termination.

For purposes hereof, "Cause" shall mean: (i) your willful fraud, misappropriation, embezzlement or any other act of misconduct which is demonstrably and materially injurious to Reservoir taken as a whole, or your material failure to comply with a material provision of this Agreement which results in material harm to the Company taken as a whole. No act, or failure to act, on your part shall be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of Reservoir. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose of making a determination of whether Cause for termination exists (after reasonable notice to you and an opportunity for cure (to the extent curable) and an opportunity for you (and your counsel) to be heard before the Board), finding that in the good faith opinion of the Board, you were guilty of misconduct as set forth above and specifying the particulars thereof in detail.

"Good Reason" shall mean, without your consent. (i) a reduction in your base salary, (ii) a reduction in your bonus opportunity, (iii) any failure by Reservoir to pay or provide any material compensation due and payable to you in connection with your employment; (iv) any material diminution of the duties, responsibilities, authority, positions or your titles; (v) Reservoir's requiring you to be based at any location more than a thirty (30) mile[s] radius from your current work location that increases your commute (it being understood that temporary relocations on account of disaster or other disruption shall not constitute Good Reason as long as you are permitted to work remotely or (vi) any material breach by Reservoir of any material term or provision of the Agreement; provided, however, that none of the events described in the foregoing clauses shall constitute Good Reason unless you have notified Reservoir in writing describing the events that constitute Good Reason within ninety (90) calendar days following the first occurrence of such events and then only if Reservoir fails to cure such events within thirty (30) calendar days after Reservoir's receipt of such written notice, and you shall have terminated your employment with Reservoir within sixty (60) calendar days following the expiration of such cure period.

"Disability" shall mean any condition that prevented you from performing the essential functions of your position (even with reasonable accommodations if and as required by law) for a continuous period of more than 180 days within a 365-day period (as determined by a physician





selected by you and reasonably acceptable to Reservoir) .If you have incurred a Disability, Reservoir may give you written notice of its intention to terminate your employment, and in such event, your employment with Reservoir shall terminate effective on the later of the thirtieth (30th) calendar day after receipt of such notice by you and the date specified in such notice; provided that within the thirty (30) calendar day period following receipt of such notice, you shall not have returned to full-time performance of your duties hereunder.

For the avoidance of doubt, the expiration of the Term of this Agreement or Reservoir's election not to renew such Term shall constitute a termination by Reservoir without Cause.

Accrued Obligations

Upon your termination of employment for any reason (other than a termination of your employment by Reservoir for Cause), you shall be entitled to receive (i) any amount of your base salary earned through the date of termination not theretofore paid, (ii) any amount arising from your participation in, or benefits under, any employee benefit plans, programs or arrangements (other than severance plans, programs or arrangements), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements, including where applicable, any death and disability benefits, (iii) any accrued vacation or sick day pay owed to you and (iv) any accrued, but unpaid, business expenses eligible for reimbursement.

Severance

If, during the Term, Reservoir terminates your employment without Cause, or if you resign for Good Reason, in addition to the accrued obligations set forth above, you shall be eligible to receive a lump sum payment equal to (i) the sum of your base salary at the rate in effect at the time of your termination and target bonus as if you continued to remain employed for the balance of the Term or if greater (2) two times the sum of your base salary and target bonus. You shall also remain eligible for the Performance Bonus set forth above for the fiscal year of your termination, which shall be payable as provided above. The foregoing Performance Bonus payment and base salary continuation shall constitute your severance benefit ("Severance"), and shall be subject to all applicable taxes and withholdings.

Payment of Severance is subject to and conditioned upon your execution and non-revocation of a mutual general release of claims in a customary form provided to you by Reservoir (and the expiration of any applicable revocation period) on or prior to the sixtieth (60th) calendar day following the date of your termination of employment. If Reservoir does not provide you with the mutual form of release within seven days after date of termination, then you shall not be required to sign a release in order to receive the Severance. Payment of the Severance shall commence on the first payroll period following the effective date of such release of claims.

Withholding

Reservoir shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local and foreign withholding and other taxes and charges that Reservoir is required to withhold. Reservoir shall be





entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

Non-Competition and Non-Interference

You shall not, at any time while employed by Reservoir and during the twelve (12) month period (the “Restricted Period”) following your termination of employment (in each case other than in the performance of your duties or in the furtherance of Reservoir’s business:

(i) directly or indirectly engage in, provide services to, have any equity interest in, or manage or operate any person, firm, corporation, partnership, business or entity (a “Business”) (whether as director, officer, employee, agent, partner, consultant, or otherwise) that engages in any business or activity in any geographic location in which Reservoir engage in, whether through selling, distributing, manufacturing, marketing, purchasing, or otherwise, that competes with any of the material businesses of Reservoir (a “Competing Business”) if performing the duties and responsibilities of such engagement or association could result in you (1) intentionally or unintentionally using, disclosing or relying on Confidential Information (as defined below) to which you had access by virtue of your job duties or other responsibilities with Reservoir or (2) exploiting customer goodwill cultivated in the course of your employment with Reservoir. Notwithstanding the foregoing, (A) you shall be permitted to acquire a passive stock or equity interest in such a Competing Business ; provided that the stock or other equity interest acquired is not more than five percent (5%) of the outstanding interest in such Business and you does not actively participate in the business of such Business and (B) you may provide services to Business that is engaged in a Competing Business and in one or more businesses other than a Competing Business, but only to the extent that (1) you do not provide services, directly or indirectly, to the segment of such Business that is engaged in the Competing Business and (2) such segment represents less than ten percent (10%) of the annual revenues of such Business;

(ii) directly solicit, on her own behalf or on behalf of any other person, the services of, or hire or engage, any individual who is an employee, independent contractor or director of Reservoir, or solicit any of Reservoir’s then-current employees, independent contractors or directors to terminate services with Reservoir; provided that (A) the placement of general advertisements in newspapers, magazines or electronic media shall not, constitute a breach of this Agreement) following the six (6) month anniversary of your termination, the foregoing shall not apply to any employee, independent contractor or director who has been terminated by Reservoir at least six (6) months prior to such solicitation;

Non-Disparagement

You and Reservoir both agree that neither party disparage or make any statement which might adversely affect the reputation of Reservoir, and/or its officers, employees, agents, and directors. For the purpose of this paragraph, disparagement shall include, without limitation, any statement accusing the aforesaid individuals or entities of acting in violation of any law or governmental regulation or of condoning any such action, or otherwise acting in an unprofessional, dishonest, disreputable, improper, incompetent or negligent manner.

Confidentiality

During the course of your employment, you will acquire “confidential information” relating to the business and affairs of Reservoir and its affiliates. It is a condition of your employment that you maintain all confidential information in the strictest confidence and agree not to disclose it to any third party, other than to your legal and financial advisors on a need-to-know basis, both during your employment and after the termination of your employment. You understand that “confidential information” means any of Reservoir’s proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers, markets, software, developments, inventions, processes, formulas, technology,





engineering, marketing, finances, business plans, or other business information. In the event that you are required by law to disclose any confidential information, you will give Reservoir prompt advance written notice thereof and will provide Reservoir with reasonable assistance in obtaining an order to protect the confidential information from public disclosure.

Disclaimer

Notwithstanding anything to the contrary in this Agreement, nothing herein shall prevent you from disclosing Confidential Information or other information relating to Reservoir in confidence to a federal, state or local government official, directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law. Further, you are permitted to disclose Confidential Information in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. Nothing in this Agreement is intended to limit your right to communicate with government agencies, or participate in investigations conducted by them, including by providing documents or other information in connection with such investigations or other proceedings without notice to Reservoir. If you are served with a subpoena, summons or other legal process which may require you to divulge Confidential Information, unless contrary to law, you must notify Reservoir so that it may timely object if it deems appropriate. Nothing herein is intended or shall be construed to preclude you or Reservoir from providing truthful information about your employment to any government agency or in any sworn testimony.

Section 409A

The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date ("Section 409A"). All amounts payable hereunder are intended to comply with or be exempt from the application of Section 409A and all provisions of this Agreement shall be interpreted accordingly. Neither party individually or in combination shall accelerate, offset or assign any amount subject to Section 409A, except in compliance therewith, and no amount shall be paid prior to the earliest date on which it is permitted to be paid under Section 409A.

Notwithstanding any provision of this Agreement to the contrary, in the event that Reservoir determines that any amounts payable hereunder will be taxable currently to you under Section 409A(a)(1)(A) of the Code and related Department of Treasury guidance, you and Reservoir shall cooperate in good faith to (i) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that shall mutually determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement, and to avoid less-favorable accounting or tax consequences for Reservoir, and/or (ii) take such other actions as mutually determined to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder; provided, however, that this Section 11(a) does not create an obligation on the part of Reservoir to modify this Agreement and does not guarantee that the amounts payable hereunder will not be subject to interest or penalties under Section 409A, and in no event whatsoever shall Reservoir or any of its Affiliates be liable for any additional tax, interest or penalties that may be imposed on you as a result of Section 409A or any damages for failing to comply with Section 409A.

Notwithstanding any provision to the contrary in this Agreement: (i) no Severance shall be payable pursuant to this Agreement unless the termination of your employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations; (ii) if you are deemed at the time of your separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent that delayed commencement of any portion of the termination benefits to which you are entitled under this Agreement (after taking into account all exclusions applicable to such termination benefits under Section 409A), including, without limitation, any portion of the additional compensation awarded this Agreement, is required in





order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of your Severance shall not be provided to you prior to the earlier of (A) the expiration of the six-month period measured from the date of your “separation from service” with Reservoir (as such term is defined in the Department of Treasury Regulations issued under Section 409A) and (B) the date of your death; provided that upon the earlier of such dates, all payments deferred pursuant to this paragraph shall be paid to you in a lump sum, and any remaining payments due under this Agreement shall be paid as otherwise provided herein; (iii) the determination of whether you are a “specified employee” for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of your separation from service shall be made by Reservoir in accordance with the terms of Section 409A and applicable guidance thereunder (including, without limitation, Section 1.409A-1(i) of the Department of Treasury Regulations and any successor provision thereto); (iv) for purposes of Section 409A, your right to receive installment payments pursuant to the Severance provisions above shall be treated as a right to receive a series of separate and distinct payments; and (v) to the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A, (A) such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred, (B) the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, (C) the amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year and (D) the right to any benefits or reimbursements or in-kind benefits may not be liquidated or exchanged for any other benefit.

Assignments

Reservoir may assign its rights and obligations under this Agreement to any successor to all or substantially all the assets of Reservoir (including, but not limited to, Roth CH Acquisition II Co. and Roth CH II Merger Sub Corp.), by merger or otherwise. You and Reservoir both acknowledge and agree that the parties will execute any documents reasonably required to effectuate the foregoing with the intent that you shall be the senior most executive and Chief Executive Officer of Reservoir or any successor entity. This Agreement shall be binding upon and inure to the benefit of Reservoir and you and their and your respective successors, assigns, personnel, legal representatives, executors, administrators, heirs, distributees, devisees and legatees, as applicable. In the event of your death following a termination of your employment, all unpaid amounts otherwise due to you (including Severance) shall be paid to your estate.

Entire Agreement

This Agreement forms the complete and exclusive statement of your agreement with Reservoir concerning the subject matter hereof. This Agreement supersedes any other representations or agreements, whether oral or written, and cannot be modified except in a writing signed by you and Reservoir. By signing this Agreement, you represent and warrant that you have not relied on any warranty, representation, assurance or promise of any kind whatsoever other than as are expressly set forth in this letter. This Agreement and the terms of your employment are to be governed by the laws of the State of New York. If any provision contained in this Agreement shall, for any reason, be held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the other provisions of this Agreement.

This Agreement will become effective upon the Effective Time as set forth in the Merger Agreement. If the Merger Agreement is terminated in accordance with its terms before the Effective Time, then this Agreement shall be of no further force and effect. Merger Agreement shall mean that certain Merger Agreement dated as of the date hereof, by and between Roth CH Acquisition II Co. and Roth CH II Merger Sub Corp. and Reservoir Holdings, Inc., as amended, modified or supplemented from time to time.





Yours truly,

RESERVOIR MEDIA MANAGEMENT, INC.

By: /s/ Golnar Khosrowshahi

Name: Golnar Khosrowshahi

Title: Chief Executive Officer

Accepted and Agreed To:

By: /s/ Golnar Khosrowshahi

Name: Golnar Khosrowshahi

DATED: June 29, 2023

200 VARICK STREET STE 801 NEW YORK, NY 10014 (P) 212.675.0541 (F) 212.675.0514 WWW.RESERVOIR-MEDIA.COM





Exhibit A

1. Persis Holdings, Ltd, and any of its subsidiaries and affiliates
2. Wesbild Inc. and any of its subsidiaries and affiliates
3. DRI Capital and any of its subsidiaries and affiliates
4. Silkroad (currently a director)
5. NMPA (National Music Publishers Association) (currently a director)
6. The Philharmonic-Symphony Society of New York, Inc. (currently a director)





Exhibit B

You shall be entitled to receive an annual equity grant, consisting of restricted stock units (“Annual RSUs”) with a grant date fair value of \$920,000, which shall be granted to you each fiscal year for four years (commencing with the fiscal year beginning on April 1, 2021). Each grant of Annual RSUs will fully vest on or about the last day of Reservoir’s fiscal year in respect of which the grant relates, subject to your continued employment through such date (except as noted below). The customary terms and conditions of the equity grant and treatment upon termination will be further set forth on in the award agreement (which for the avoidance of doubt will include full vesting upon a termination without cause or a resignation with Good Reason).

200 VARICK STREET STE 801 NEW YORK, NY 10014 (P) 212.675.0541 (F) 212.675.0514 WWW.RESERVOIR-MEDIA.COM



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Golnar Khosrowshahi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reservoir Media, Inc. (the “*registrant*”);
2. Based on my knowledge, this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q;
3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report on Form 10-Q, 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 Quarterly Report on Form 10-Q;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this Quarterly Report on Form 10-Q our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q based on such evaluation; and
 - d) Disclosed in this Quarterly Report on Form 10-Q 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 officer(s) 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 2, 2023

By: /s/ Golnar Khosrowshahi
Name: Golnar Khosrowshahi
Title: Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jim Heindlmeyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reservoir Media, Inc. (the “*registrant*”);
2. Based on my knowledge, this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q;
3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report on Form 10-Q, 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 Quarterly Report on Form 10-Q;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this Quarterly Report on Form 10-Q our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q based on such evaluation; and
 - d) Disclosed in this Quarterly Report on Form 10-Q 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 officer(s) 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 2, 2023

By: /s/ Jim Heindlmeyer

Name: Jim Heindlmeyer

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

**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 the Quarterly Report on Form 10-Q of Reservoir Media, Inc. (the “**Company**”) for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “**Report**”), I, Golnar Khosrowshahi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, that:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2023

By: /s/ Golnar Khosrowshahi

Name: Golnar Khosrowshahi

Title: Chief Executive Officer (Principal Executive Officer)

**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 the Quarterly Report on Form 10-Q of Reservoir Media, Inc. (the “**Company**”) for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “**Report**”), I, Jim Heindlmeyer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, that:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2023

By: /s/ Jim Heindlmeyer

Name: Jim Heindlmeyer

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)
