

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): **February 7, 2024**

RESERVOIR MEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-39795 (Commission File Number)	83-3584204 (I.R.S. Employer Identification No.)
200 Varick Street Suite 801A New York, New York (Address of principal executive offices)		10014 (Zip Code)
	(212) 675-0541 (Registrant's telephone number, including area code)	
	N/A (Former name or former address, if changed since last report)	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	RSVR	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of common stock at an exercise price of \$11.50 per share	RSVRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On February 7, 2024, Reservoir Media, Inc., a Delaware corporation (the “*Company*”), issued a press release announcing the condensed consolidated financial results of the Company for the quarter ended December 31, 2023. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or otherwise subject to the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing by the Company with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, or the Exchange Act, unless the Company expressly sets forth by specific reference in such filing that such information is to be considered “filed” or incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release, dated February 7, 2024.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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 hereunto duly authorized.

RESERVOIR MEDIA, INC.

Date: February 7, 2024

By: /s/ Golnar Khosrowshahi

Name: Golnar Khosrowshahi

Title: Chief Executive Officer



RESERVOIR MEDIA ANNOUNCES THIRD QUARTER FISCAL 2024 RESULTS

Robust Demand Across Both Segments Drove 14% Top-Line Organic Revenue Growth

Raises Fiscal 2024 Full-Year Top-Line and Profitability Outlook

February 7, 2024, New York — Reservoir Media, Inc. (NASDAQ: RSVR) (“Reservoir” or the “Company”), an award-winning independent music company, today announced financial results for the third fiscal quarter of 2024 ended December 31, 2023.

Recent Highlights:

- Revenue of \$35.5 million, increased 14% organically, or 19% including acquisitions year-over-year
 - o Music Publishing revenue rose 15% year-over-year
 - o Recorded Music revenue increased by 32% year-over-year
- Operating Income of \$6.5 million, increased by \$1.9 million year-over-year
- OIBDA (“Operating Income Before Depreciation & Amortization”) of \$12.9 million, an increase of 27% year-over-year
- Net Loss of (\$2.9) million, or (\$0.05) per share, versus (\$4.1) million, or (\$0.07) per share in the prior year period
- Adjusted EBITDA of \$13.7 million, up 25% year-over-year
- Announced publishing deals including a deal with songwriter, producer, singer, and multi-instrumentalist Theo Katzman and the co-signing of Australian singer-songwriter grentperez with Mushroom Music
- Expanded Middle East presence through a joint publishing deal with PopArabia for the catalog and future works of Lebanese star and “Queen of Arab Pop” Nancy Ajram

Management Commentary:

“Our third quarter results highlight the strength of our business model and our ability to deploy capital to further grow our portfolio. We posted double digit revenue growth across both our Recorded and Publishing segments, notably driven by record-setting Digital consumption across genres,” said Golnar Khosrowshahi, Founder and Chief Executive Officer of Reservoir. “Through the end of the third quarter of this fiscal year, we continued with consistent delivery in line with our long-term growth strategy. Quarter after quarter, we execute on targeted investments that diversify the roster and catalog, we maintain a focus on emerging markets, and we bring value to our stable of creators and their copyrights.”



Third Quarter Fiscal 2024 Financial Results

Summary Financials	Q3 FY24	Q3 FY23	Change
Total Revenue	\$ 35.5	\$ 29.9	19%
Music Publishing Revenue	\$ 23.1	\$ 20.2	15%
Recorded Music Revenue	\$ 10.0	\$ 7.6	32%
Operating Income	\$ 6.5	\$ 4.6	42%
OIBDA	\$ 12.9	\$ 10.1	27%
Net Loss	\$ (2.9)	\$ (4.1)	(30)%
Adjusted EBITDA	\$ 13.7	\$ 10.9	25%

(Table Notes: \$ in millions; Quarters ended December 31st; Unaudited)

Total revenue in the third quarter of fiscal 2024 increased 19% to \$35.5 million, compared to \$29.9 million in the third quarter of fiscal 2023. The increase was primarily driven by strong growth in both segments, highlighted by 32% growth in the Recorded Music segment, inclusive of the acquisitions of various catalogs.

Operating income in the third quarter of fiscal 2024 was \$6.5 million compared to operating income of \$4.6 million in the third quarter of fiscal 2023. OIBDA in the third quarter of fiscal 2024 increased 27% to \$12.9 million, compared to \$10.1 million in the prior year quarter. The increase in operating income was primarily driven by strong revenue and gross margin results in both segments, partially offset by higher administration expenses as well as increased amortization expense compared to the year ago period. The increase in OIBDA was largely due to strong revenue growth, but was partially offset by higher administrative expenses compared to the year ago period. Adjusted EBITDA in the third quarter of fiscal 2024 was up 25% to \$13.7 million, as strong revenue growth from both segments was partially offset by higher administrative expenses, excluding non-cash expenses like stock-based compensation.

Net loss attributable to common stockholders in the third quarter of fiscal 2024 was (\$2.9) million, or (\$0.05) per share, compared to a net loss attributable to common stockholders of (\$4.1) million, or (\$0.07) per share, in the year-ago quarter. The decrease in net loss was driven by higher revenue and improved gross margins partially offset by higher loss on fair value of interest rate swaps, as well as higher administration expenses, amortization expense and interest expense.



Third Quarter Fiscal 2024 Segment Review

Music Publishing	Q3 FY24	Q3 FY23	Change
Revenue by Type			
Digital	\$ 13.9	\$ 10.7	30%
Performance	\$ 4.3	\$ 4.4	(3)%
Synchronization	\$ 4.0	\$ 3.7	9%
Mechanical	\$ 0.4	\$ 0.6	(34)%
Other	\$ 0.5	\$ 0.8	(31)%
Total Revenue	\$ 23.1	\$ 20.2	15%
Operating Income	\$ 2.8	\$ 1.7	71%
OIBDA	\$ 7.8	\$ 5.8	33%

(Table Notes: \$ in millions; Quarters ended December 31st; Unaudited)

Music Publishing revenue in the third quarter of fiscal 2024 was \$23.1 million, an increase of 15% compared to \$20.2 million in last fiscal year's third quarter. Growth was driven by strong results in Digital and Synchronization revenue, partially offset by lower Mechanical and Other revenue.

In the third quarter of fiscal 2024, Music Publishing OIBDA increased 33% to \$7.8 million, compared to \$5.8 million in the year ago period as operating leverage in the segment resulted in strong growth. Music Publishing OIBDA margin in the third quarter increased from 29% to 34%. The increase in Music Publishing OIBDA margin was primarily driven by revenue growth and improved gross margins, partially offset by higher administrative expenses.

Recorded Music	Q3 FY24	Q3 FY23	Change
Revenue by Type			
Digital	\$ 6.6	\$ 5.3	26%
Physical	\$ 1.7	\$ 1.1	51%
Neighboring Rights	\$ 1.0	\$ 0.8	16%
Synchronization	\$ 0.8	\$ 0.4	101%
Total Revenue	\$ 10.0	\$ 7.6	32%
Operating Income	\$ 3.3	\$ 2.3	43%
OIBDA	\$ 4.7	\$ 3.6	28%

(Table Notes: \$ in millions; Quarters ended December 31st; Unaudited)



Recorded Music revenue in the third quarter of fiscal 2024 was \$10.0 million, an increase of 32% compared to \$7.6 million in last year’s fiscal third quarter. Growth in the Recorded Music segment was driven by strong revenue in all Recorded Music revenue types, particularly with strong Digital revenue growth.

In the third quarter of fiscal 2024, Recorded Music OIBDA increased 28% to \$4.7 million, compared to \$3.6 million in the third quarter of fiscal 2023. Recorded Music OIBDA margin in the third quarter decreased from 48% to 47%. The slight decrease in Recorded Music OIBDA margin was driven by a shift toward Physical revenues, which carry higher costs.

Balance Sheet and Liquidity

For the nine months ended December 31, 2023, cash provided by operating activities was \$22.4 million, a decrease of \$3.8 million compared to the same period last fiscal year.

The decrease was primarily related to the timing of payments of accounts payable and accrued liabilities, partially offset by the timing of collections from accounts receivable.

As of December 31, 2023, Reservoir had cash and cash equivalents of \$19.5 million and \$102.2 million available for borrowing under its revolving credit facility, for total available liquidity of \$121.7 million. Total debt was \$342.5 million (net of \$5.4 million of deferred financing costs) and Net Debt was \$322.9 million (defined as total debt, less cash and equivalents and deferred financing costs). This compares to cash and cash equivalents of \$14.9 million and \$132.2 million available for borrowing under its revolving credit facility, for total available liquidity of \$147.1 million as of March 31, 2023. Total debt was \$311.5 million (net of \$6.3 million of deferred financing costs) and Net Debt was \$296.6 million as of March 31, 2023.

Fiscal 2024 Outlook

Reservoir raised its financial outlook range for fiscal year 2024, and expects the financial results for the year ending March 31, 2024, to be as follows:

Outlook	Guidance	Growth (at mid-point)
Revenue	\$140M - \$142M	15%
Adjusted EBITDA	\$53M - \$55M	17%



Jim Heindlmeyer, Chief Financial Officer of Reservoir, commented, “Our third quarter was hallmarked by strong top-line growth and adjusted EBITDA margin expansion as we capitalized on the secular tailwinds in the music industry and our efficient operating model. We are raising our guidance ranges for both revenue and adjusted EBITDA for the 2024 fiscal year to incorporate our strong third quarter performance.”

Conference Call Information

Reservoir is hosting a conference call for analysts and investors to discuss its financial results for the third quarter for fiscal year ended March 31, 2024, and its business outlook at 10:00 a.m. ET today, February 7, 2024. The conference call can be accessed via webcast in the investor relations section of the Company’s website at <https://investors.reservoir-media.com/news-and-events/events-and-presentations>.

Interested parties may also participate in the call using the following registration [Link](#). Once registered, participants will receive a dial-in number as well as a PIN to enter the event. Participants may re-register for the conference call in the event of a lost dial-in number or PIN. Shortly after the conclusion of the conference call, a replay of the audio webcast will be available in the investor relations section of Reservoir’s website for 30 days after the event.

Reservoir is an independent music company based in New York City and with offices in Los Angeles, Nashville, Toronto, London, and Abu Dhabi. Reservoir is the first female-founded and led publicly traded independent music company in the U.S. Founded as a family-owned music publisher in 2007, Reservoir has grown to represent over 150,000 copyrights and 36,000 master recordings with titles dating as far back as 1900 and hundreds of #1 releases worldwide. Reservoir frequently holds a Top 10 U.S. Market Share according to Billboard’s Publishers Quarterly, was twice named Publisher of the Year by Music Business Worldwide’s The A&R Awards, and won Independent Publisher of the Year at the 2020 and 2022 Music Week Awards.

Reservoir also represents a multitude of recorded music through Chrysalis Records, Tommy Boy Music, and Philly Groove Records and manages artists through its ventures with Blue Raincoat Music and Big Life Management.



Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, as amended, including statements with respect to the financial condition, results of operations, earnings outlook and prospects of Reservoir. Forward-looking statements are based on the current expectations and beliefs of the management of Reservoir and are inherently subject to a number of risks, uncertainties and assumptions and their potential effects. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual financial condition, results of operations, earnings and/or prospects to be materially different from those expressed or implied by these forward-looking statements. Any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. In addition, forward-looking statements are typically identified by words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “would” and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements in this press release may include, among others:

- expectations regarding Reservoir’s strategies and future financial performance, including its future business plans or objectives, prospective performance and opportunities and competitors, revenues, products, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures;
- Reservoir’s ability to invest in growth initiatives and pursue acquisition opportunities;
- the ability to achieve the anticipated benefits of the business combination, which may be affected by, among other things, competition and the ability of Reservoir to grow and manage growth profitably and retain its key employees;
- the inability to maintain the listing of Reservoir’s common stock on the Nasdaq Stock Market LLC and limited liquidity and trading of Reservoir’s securities;
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that Reservoir may be adversely affected by other economic, business and/or competitive factors;
- risks related to the organic and inorganic growth of Reservoir’s business and the timing of expected business milestones;



- risk that the COVID-19 pandemic or other natural or human-made disasters, and local, state and federal responses to addressing the COVID-19 pandemic or other natural or human-made disasters, may have an adverse effect on Reservoir's business operations, as well as its financial condition and results of operations; and
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on Reservoir's resources.

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by the management of Reservoir prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

Except to the extent required by applicable law or regulation, Reservoir undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events. For a more detailed discussion of risks and other factors that might impact forward-looking statements, see Reservoir's filings with the SEC available on the SEC's website at www.sec.gov or Reservoir's website at www.reservoir-media.com.



Reservoir Media, Inc. and Subsidiaries
Condensed Consolidated Statements of Income

Three and Nine Months Ended December 31, 2023 versus December 31, 2022
(Unaudited)
(Expressed in U.S. dollars)

	Three Months Ended December 31,		% Change	Nine Months Ended December 31,		% Change
	2023	2022		2023	2022	
Revenues	\$ 35,476,172	\$ 29,931,413	19%	\$ 105,710,058	\$ 87,475,894	21%
Costs and expenses:						
Cost of revenue	13,221,974	11,750,296	13%	41,136,237	35,665,462	15%
Amortization and depreciation	6,342,918	5,546,301	14%	18,613,026	16,292,145	14%
Administration expenses	9,389,344	8,035,758	17%	30,148,848	23,031,248	31%
Total costs and expenses	<u>28,954,236</u>	<u>25,332,355</u>	14%	<u>89,898,111</u>	<u>74,988,855</u>	20%
Operating income	6,521,936	4,599,058	42%	15,811,947	12,487,039	27%
Interest expense	(5,372,285)	(4,098,910)		(15,865,324)	(10,579,788)	
Loss on early extinguishment of debt	-	(914,040)		-	(914,040)	
Gain (loss) on foreign exchange	264	56,973		(69,828)	337,659	
(Loss) gain on fair value of swaps	(4,247,523)	(179,573)		(1,774,045)	4,323,207	
Other income (expense), net	(990,488)	43		(989,952)	90	
(Loss) income before income taxes	<u>(4,088,096)</u>	<u>(536,449)</u>		<u>(2,887,202)</u>	<u>5,654,167</u>	
Income tax (benefit) expense	(1,226,649)	3,529,984		(872,663)	5,217,691	
Net (loss) income	<u>(2,861,447)</u>	<u>(4,066,433)</u>		<u>(2,014,539)</u>	<u>436,476</u>	
Net income attributable to noncontrolling interests	(101,612)	(340,190)		(135,797)	(230,127)	
Net (loss) income attributable to Reservoir Media, Inc.	<u>\$ (2,963,059)</u>	<u>\$ (4,406,623)</u>		<u>\$ (2,150,336)</u>	<u>\$ 206,349</u>	
(Loss) earnings per common share:						
Basic	\$ (0.05)	\$ (0.07)		\$ (0.03)	\$ -	
Diluted	\$ (0.05)	\$ (0.07)		\$ (0.03)	\$ -	
Weighted average common shares outstanding:						
Basic	64,826,026	64,379,536		64,731,569	64,316,532	
Diluted	64,826,026	64,379,536		64,731,569	64,765,381	



Reservoir Media, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
December 31, 2023 versus March 31, 2023
(Unaudited)
(Expressed in U.S. dollars)

	December 31, 2023	March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 19,514,381	\$ 14,902,076
Accounts receivable	30,583,910	31,255,867
Current portion of royalty advances	13,726,825	15,188,656
Inventory and prepaid expenses	6,796,410	5,458,522
Total current assets	<u>70,621,526</u>	<u>66,805,121</u>
Intangible assets, net	644,525,473	617,404,741
Equity method and other investments	1,567,663	2,305,719
Royalty advances, net of current portion	56,462,194	51,737,844
Property, plant and equipment, net	604,449	568,339
Operating lease right of use assets, net	7,239,846	7,356,312
Fair value of swap assets	4,982,839	6,756,884
Other assets	1,339,652	1,147,969
Total assets	<u>\$ 787,343,642</u>	<u>\$ 754,082,929</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,376,882	\$ 6,680,421
Royalties payable	37,403,181	33,235,235
Accrued payroll	1,386,230	1,689,310
Deferred revenue	1,937,650	2,151,889
Other current liabilities	8,077,446	10,583,794
Income taxes payable	-	204,987
Total current liabilities	<u>56,181,389</u>	<u>54,545,636</u>
Secured line of credit	342,455,820	311,491,581
Deferred income taxes	29,878,778	30,525,523
Operating lease liabilities, net of current portion	6,983,373	7,072,553
Other liabilities	588,745	785,113
Total liabilities	<u>436,088,105</u>	<u>404,420,406</u>
Contingencies and commitments		
Shareholders' Equity		
Preferred stock	-	-
Common stock	6,481	6,444
Additional paid-in capital	340,742,579	338,460,789
Retained earnings	12,602,384	14,752,720
Accumulated other comprehensive loss	(3,529,603)	(4,855,329)
Total Reservoir Media, Inc. shareholders' equity	<u>349,821,841</u>	<u>348,364,624</u>
Noncontrolling interest	1,433,696	1,297,899
Total shareholders' equity	<u>351,255,537</u>	<u>349,662,523</u>
Total liabilities and shareholders' equity	<u>\$ 787,343,642</u>	<u>\$ 754,082,929</u>



Supplemental Disclosures Regarding Non-GAAP Financial Measures

This press release includes certain financial information, such as OIBDA, OIBDA margin, EBITDA, Adjusted EBITDA, and Net Debt, which has not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Reservoir's management uses these non-GAAP financial measures to evaluate Reservoir's operations, measure its performance and make strategic decisions. Reservoir believes that the use of these non-GAAP financial measures provides useful information to investors and others in understanding Reservoir's results of operations and trends in the same manner as Reservoir's management and in evaluating Reservoir's 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 Reservoir's 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 Reservoir's business would have material limitations because the calculations are based on the subjective determination of Reservoir's management regarding the nature and classification of events and circumstances. In addition, although other companies in Reservoir's industry may report measures titled OIBDA, OIBDA margin, Adjusted EBITDA, and Net Debt, or similar measures, such non-GAAP financial measures may be calculated differently from how Reservoir calculates 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. You can find the reconciliation of these non-GAAP financial measures to the nearest comparable GAAP measures in the tables below.

OIBDA

Reservoir evaluates operating performance based on several factors, including its primary financial measure of operating income before non-cash depreciation of tangible assets and non-cash amortization of intangible assets ("OIBDA"). Reservoir considers OIBDA to be an important indicator of the operational strengths and performance of its businesses and believes this non-GAAP financial measure provides useful information to investors because it removes the significant impact of amortization from Reservoir's results of operations. 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 Reservoir's 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 and Adjusted EBITDA

EBITDA is defined as earnings (net income or loss) before net interest expense, income tax (benefit) 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, in addition to adjusting net income to exclude income tax expense, interest expense and depreciation and amortization, further adjusts net income by excluding items or expenses such as, among others, (1) any non-cash charges (including any impairment charges and loss on early extinguishment of debt and to write-down an equity investment to its estimated fair value), (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 Reservoir's 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 Reservoir's business, (2) it does not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on Reservoir's 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.

Net Debt

Reservoir defines Net Debt as total debt, less cash and equivalents and deferred financing costs.



Reservoir Media, Inc. and Subsidiaries
Reconciliation of Operating Income to OIBDA

Three and Nine Months Ended December 31, 2023 versus December 31, 2022
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2023	2022	2023	2022
Operating Income	\$ 6,522	\$ 4,599	\$ 15,812	\$ 12,487
Amortization and Depreciation Expense	6,343	5,546	18,613	16,292
OIBDA	<u>\$ 12,865</u>	<u>\$ 10,145</u>	<u>\$ 34,425</u>	<u>\$ 28,779</u>

Reservoir Media, Inc. and Subsidiaries
Reconciliation of Music Publishing Segment Reporting Operating Income to OIBDA

Three and Nine Months Ended December 31, 2023 versus December 31, 2022
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2023	2022	2023	2022
Operating Income	\$ 2,834	\$ 1,659	\$ 5,641	\$ 4,473
Amortization and Depreciation Expense	4,926	4,165	14,020	12,130
OIBDA	<u>\$ 7,760</u>	<u>\$ 5,824</u>	<u>\$ 19,661</u>	<u>\$ 16,603</u>

Reservoir Media, Inc. and Subsidiaries
Reconciliation of Recorded Music Segment Reporting Operating Income to OIBDA

Three and Nine Months Ended December 31, 2023 versus December 31, 2022
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2023	2022	2023	2022
Operating Income	\$ 3,259	\$ 2,278	\$ 9,153	\$ 7,336
Amortization and Depreciation Expense	1,394	1,359	4,522	4,096
OIBDA	<u>\$ 4,653</u>	<u>\$ 3,637</u>	<u>\$ 13,675</u>	<u>\$ 11,432</u>



Reservoir Media, Inc. and Subsidiaries
Reconciliation of Net Income to Adjusted EBITDA

Three and Nine Months Ended December 31, 2023 versus December 31, 2022
(Unaudited)
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2023	2022	2023	2022
Net (Loss) Income	\$ (2,861)	\$ (4,066)	\$ (2,015)	\$ 436
Income Tax (Benefit) Expense	(1,227)	3,530	(873)	5,218
Interest Expense	5,372	4,099	15,865	10,580
Amortization and Depreciation	6,343	5,546	18,613	16,292
EBITDA	<u>7,627</u>	<u>9,109</u>	<u>31,591</u>	<u>32,526</u>
Loss on Early Extinguishment of Debt ^(a)	-	914	-	914
(Gain) Loss on Foreign Exchange ^(b)	-	(57)	70	(338)
Loss (Gain) on Fair Value of Swaps ^(c)	4,248	180	1,774	(4,323)
Non-cash Share-based Compensation ^(d)	813	792	2,540	2,409
Recoupable Legal Fee Write-off ^(e)	-	-	2,695	-
Other (Income) Expense, Net ^(f)	990	-	990	-
Adjusted EBITDA	<u>\$ 13,678</u>	<u>\$ 10,938</u>	<u>\$ 39,660</u>	<u>\$ 31,188</u>

- (a) Reflects the loss on a portion of unamortized debt issuance costs in connection with the Second Amendment to the RMM Credit Agreement.
- (b) Reflects the (gain) or loss on foreign exchange fluctuations.
- (c) Reflects the non-cash loss or (gain) on the mark-to-market of interest rate swaps.
- (d) Reflects non-cash share-based compensation expense related to the Reservoir Media, Inc. 2021 Omnibus Incentive Plan.
- (e) Reflects the write-off of recoupable legal expenses and attorneys' fees. This non-recurring item relates to the resolution of a matter, which began in 2017, that was settled through mediation requiring Reservoir to expense legal fees from prior years that the Company had previously expected to recoup, resulting in a one-time write-off of \$2,695 thousand.
- (f) Reflects non-cash impairment expense to write-down an equity investment to its estimated fair value.



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